

CHAPTER 3

THE STRUCTURE OF THE TWO-CIRCUIT SYSTEM OF MIGRATION: MIGRATION STREAMS, 1965-70

3.1 INTRODUCTION

Following the theoretical discussion in Chapter 1 and the historical analysis in Chapter 2, this chapter will now focus on a statistical analysis of the structure of the two-circuit system of migration. The analysis will be based on census data regarding place of previous residence over the years 1965 to 1970. It will be done in two parts. The first part will focus on the nature of the four migration streams defined by strata (namely, the urban-urban, rural-rural, rural-urban, and urban-rural) and will examine the spatial, socio-demographic and economic characteristics of migrants in these streams. The second part will analyze the formal-informal sector characteristics of the migration streams using employment status data.

The major thesis of this analysis is that these characteristics, whether in terms of the four major streams of migration or in terms of the formal-informal sector classification, reflect the structured nature of internal migration in Peninsular Malaysia. This migration structure had been defined in terms of the two-circuits, by integrating sectoral classifications, with urban-rural strata and employment status. From this integration the upper-circuit is defined as comprising the urban formal and the rural plantation sectors, while the lower-circuit consists of the urban informal and rural peasant sector. The schema of migration flows is shown in Figure 2.1. Not all these flows will be significant. The task is to determine the characteristics of these flows and to consider them as part of the processes of conservation and dissolution as discussed in Chapter 2.

The first section discusses the methodology and data used for this analysis. This relates to the definition and derivation of migration streams based on residential strata and the classification of upper-circuit and lower-circuit dominated states according to a number of economic and social indicators. The migration streams within these two groups of states are briefly discussed as a spatial backdrop to the main section of this chapter, that is the economic features of the migration streams and their relationships with ethnicity. This is further refined in the next section which examines the economic characteristics of the four migration streams within the formal and informal sector framework. Section 4 discusses the socio-demographic characteristics of the migration streams. The chapter

concludes with a discussion of the implications of these characteristics on the two-circuit system.

3.2 METHODOLOGY AND DATA

This analysis was derived from a two per cent systematic sample tape of the 1970 Population and Housing Census (Census Sample Tape, 1970) created by the Malaysian Statistics Department (see Appendix A for a discussion of the data source and problems encountered). The main reason for selecting only migrants who moved between 1965-70 (called variable period migrants – see Appendix A for a discussion of the definition) for analysis was to minimize the basic inadequacies of census data for migration study. Owing to the cross-sectional nature of the census data, the characteristics of the migrants do not relate to their time of move. For example, it is impossible to know if an occupation enumerated at census time is the same as at the time of move. This problem applies to the cross-tabulations of migrants with any of their attributes. The magnitude of this problem is intensified with increasing time lapse between the time of migration and the time of census enumeration. Another reason for selecting people who moved between 1965-70 was that the migration streams have not been affected by the period of Insurgency between 1948-60 when thousands were involuntarily relocated.

One problem encountered in this analysis relates to the definition of residential strata. In order to derive the migration streams, the strata of the preceding residence is cross-tabulated with the strata of the present residence. While the strata of the present residence can be based on the *objective* size of the settlement, the strata of the preceding residence is *subjective*.¹ This may inflate the urban-rural flow and deflate the rural-urban flow because migrants may have named the town closest to their *kampung*, rather than their actual *kampung*.

Also, an element of subjectivity was introduced when migrants were asked to nominate the strata of their preceding residence. However, the experience gained by the writer from fieldwork suggests that rural people generally classify urban areas into *pekan* (small towns) or *bandar* (large towns). Although the major settlement in the field study was defined as rural by the census classification in 1970 (population of 1,300 and

¹ Although Question 24 on Form Five of the 1970 Population and Housing Census requested the name of the settlement, neither the name nor the strata were coded. Instead, respondents were asked in Question 23 whether their last residence was *kampung* or town and this information was coded.

therefore less than 10,000, the statistical cut-off point for urban), most of the respondents perceived it as urban. Based on this perception a more realistic threshold of urban for the purpose of this analysis is to use 1,000 and above as the urban limit for the strata of the present residence.

Using this definition, the four migration streams of 1965-70 are : urban-rural (U-R) 34.6 per cent, rural-rural (R-R) 32.3 per cent, urban-urban (U-U) 26.8 per cent, and rural-urban (R-U) 6.3 per cent.² While it could be argued that the subjectivity of the strata for preceding residence has influenced these patterns, a number of equally fair arguments may be put forward which suggest that these patterns do reflect the national migration and urbanization trends. As shown in Chapter 2, this high U-R flow may be the result of successful rural development, especially land development and resettlement schemes during the mid-1960s. It is certainly a result of increasing suburbanization as evidenced in growing conurbations around the main cities.

The small R-U proportion is explained by the low urban growth rates. To a great extent, rural development programmes have succeeded in retaining rural people except the more educated. The research of Pryor (1972) and Suresh (1975) in Selangor point to the low rural-urban migration while findings from a recent study of squatters in major towns in Peninsular Malaysia show that the majority of urban squatters were in fact from other urban areas (Johnstone, 1980). Similar indirect evidence of low rural-urban migration may be gleaned from Hawley's (1971) and Pryor's (1973) analysis of urbanization in Malaysia up to 1970, that medium-sized towns have grown from immigration from smaller settlements rather than from rural areas.

It may be suggested that the 1965-70 period was abnormal. However, an identical migration stream analysis by the writer of all migrants (irrespective of the time of move) show a similar pattern : U-U 34.3 per cent, U-R 32.2 per cent, R-R 27.2 per cent and R-U 6.3 per cent. In addition, examination of the characteristics of all the migrants suggests that they are fairly representative of all migrants.

² If the urban threshold is 10,000 and above, the migrant streams for 1965-70 are as follows : U-R 44.0 per cent, U-U 29.0 per cent, R-R 23.3 per cent and R-U 3.7 per cent.

3.3 SPATIAL CHARACTERISTICS OF MIGRATION STREAMS IN THE TWO-CIRCUIT SYSTEM

Of critical importance in the concept of the two-circuit system, and reflective of the uneven development in the country is the ethnic composition of the migration streams. Generally, the upper-circuit is mainly U-U migration with some leakage overseas in the form of the brain drain. Together with the U-U stream, the lower-circuit which consists of the R-R migration stream constitute the process of conservation of the two-circuit system of migration. The dissolution of the two-circuits is mainly the R-U and the U-R migration streams.

Reflecting the ethnic distribution of the country's population, 57.1 per cent of all migrants between 1965-70 were Malays, 29.3 per cent were Chinese and 13 per cent were Indians (Table 3.1). Following from the discussion in Chapter 2, it should be no surprise that most of the Malay migrants were in the R-R stream (75.1 per cent) compared to the Chinese in the U-U stream (41.4 per cent) and Indians in the U-R stream (15.1 per cent). However, aspects of dissolution in the two-circuits are showing in the higher proportions of Malays in the R-U stream (56.0 per cent) and U-R stream (54.9 per cent).

Table 3.1
Migrants 1965-70: Ethnic Composition of Migration Streams, 1970
(in percentage)

Migration Stream	Ethnicity				Total	
	Malay	Chinese	Indian	Other	No.	%
Urban-rural	54.9	29.4	15.1	0.5	9,173	100.0
Urban-urban	44.7	41.4	13.2	0.8	8,580	100.0
Rural-rural	75.1	13.7	10.6	0.6	7,094	100.0
Rural-urban	56.0	32.9	10.8	0.4	1,664	100.0
Total no.	15,132	7,769	3,453	157		26,511
%	57.1	29.3	13.0	0.6		100.0

Source: Census Sample Tape, 1970.

Because Malays are mainly rural and Chinese urban, the migration streams mirror this ethnic pattern. Over one-third of the Malays were in the R-R stream and nearly half of the Chinese in the U-U stream (Table 3.2). Indians, Chinese and Malays recorded

high proportions of over one-third in the U-R stream.

Table 3.2
Migrants 1965-70: Proportions of Each Ethnicity Within the Migration Streams, 1970

Migration Stream	Ethnicity				Total	
	Malay	Chinese	Indian	Other	No.	%
Urban-rural	33.3	34.8	40.2	28.7	9,173	34.6
Urban-urban	25.3	45.7	32.8	42.0	8,580	32.4
Rural-rural	35.2	12.5	21.8	25.5	7,094	26.7
Rural-urban	6.2	7.0	5.2	3.8	1,664	6.3
Total No.	15,132	7,769	3,453	157	26,511	
%	100.0	100.0	100.0	100.0		100.0

Source: Census Sample Tape, 1970.

3.3.1 Regional Disparities and the Two-Circuit System

Having set the background of the ethnic composition of the migration streams we now turn to the spatial patterns of the streams. To examine further the characteristics of the two-circuit system and the relationship between urbanization, ethnicity and state, the 11 states of Peninsular Malaysia were divided into upper-circuit-dominated and lower-circuit-dominated states, based on a number of economic and social indicators (Table 3.3). What emerges clearly is that the lower-circuit states of Kelantan, Terengganu, Kedah and Perlis are the lowest in terms of per capita GDP; have the largest proportion of poverty households in GDP sectoral terms; dominate in agriculture, forestry and fishing, with low amounts in manufacturing, utilities and wholesale and retail; and have large proportions of its population in *padi*-farming and low proportions in manufacturing, commerce and services. As expected, these states show up poorly in health indicators, having a larger number of persons per doctor, and acute hospital bed. Similarly, ownership of motor cars and motor cycles is low. By contrast, the upper-circuit states ranked high for all the indicators of economic development and health facilities.

Table 3.3
Peninsular Malaysia: Selected Indicators of the Upper- and Lower-Circuit-Dominated States, 1970

1970 per capita	Usual Industry 1970 ^a					GDP by Sector, 1970 (\$ million)					Health		Motor Vehicles		Poverty
	Padi	Mining	Commerce	Services	Agric., Forest & Fishing	Manuf.	Utilities	Wholesale & Retail	Persons Per Doctor	Persons Per Hospital Bed	Private Cars Per 100 Persons	Motor- Cycles Per 100 Persons	Percent- age House- Holds		
Upper-Circuit															
Selangor	5.5	10.4	16.1	26.8	399.4	586.0	78.7	443.1	2,327	542	7.4	8.7	29.2		
Penang	10.1	10.1	20.2	25.4	155.0	101.2	24.8	212.5	3,986	638	5.1	10.0	43.7		
Perak	12.9	5.4	10.9	15.4	486.2	142.4	59.0	187.7	5,944	648	3.1	6.8	48.6		
Lower-Circuit															
Negeri- Sembilan	8.3	3.0	7.1	16.5	181.9	75.9	11.1	45.4	4,717	398	4.2	7.5	44.8		
Malacca	5.0	3.8	13.9	18.1	105.4	19.8	8.3	77.5	5,021	587	3.9	6.3	44.9		
Johor	0.8	5.7	8.5	14.1	489.6	166.7	23.9	130.1	6,716	608	3.2	6.9	45.7		
Pahang	15.5	2.4	6.0	12.9	224.0	38.5	5.6	36.9	6,573	572	2.5	6.4	43.2		
Peninsular Malaysia	993.6^b	100.0	100.0	100.0	3,432	1,307	245	1,423	4,344	627	3.8	6.9	49.3		

Source: Third Malaysia Plan 1976-1980, 1976: 201-2; Census Sample Tape, 1970.

Note: ^a Usual Industry is defined as the major industry of the individual for the past 12 months.

^b Malaysia.

The major poverty states in the peninsula display serious structural problems of regional disparities in development. These problems are closely related to the level of urbanization and ethnic distribution of the population. Thus, the poor states of Kelantan, Terengganu, Kedah and Perlis have the lowest proportion of urban population and are overwhelmingly Malay. The three main types of variables, of state, economic activities, and ethnicity examined in the two-circuit system in GDP sectoral terms; dominate in agriculture, forestry and fishing, with low amounts in Table 3.3 are inextricably linked together. Table 3.4 further demonstrates the effect of the two-circuit system within the Malaysian states in terms of urbanization, percentage of Malays and Chinese, and different types of migrants. The more developed states of Penang, Selangor, Perak, Negeri Sembilan, Malacca, Johor and marginally, Pahang, represent the upper-circuit. The “lagging” states of Terengganu, Kelantan, Perlis and Kedah have a majority of Malays ranging from 93.3 per cent to 71.0 per cent and represent the lower-circuit. This difference in pattern of Chinese- and Malay-dominated states further reinforced by the more Chinese populated states in the west coast having the most migrants living in urban areas compared to the Malay states.

A simple index was constructed to illustrate the upper- and lower-circuits. The U-U stream, being the upper-circuit, was given a value of 1 while the R-R stream, the lower-circuit was given a value of 0. U-R and R-U streams, representing the breaking of the two-circuits were each given a value of 0.5. The proportion of each migrant feature, such as state of origin, state of destination, etc. for the four streams within each state was multiplied by their respective value (depending on the type of stream) and divided by 100. The index was derived by adding up these values for the four streams in each state. The index ranged from 0 to 1 with 1 indicating high on the circuit and 0 low on the circuit. This index is a means of simplifying complex tables. While the use of the index means losing some details, it is a useful way of collapsing the four migration streams within each state into a summary measure. Migrants based on state of origin and state of destination and interstate and intrastate migration patterns were summarized by this index (Table 3.4).

Table 3.4
Migrants 1965-70: Upper- and Lower-Circuit-Dominated States by Index of Circuits of Migration Patterns

	% of Urban to Total Population ^a	Per Cent Chinese	Per Cent Malay	% Migrants Living in Urban Area	Index by State of Origin ^b	Index by State of Destination ^c	Index by Interstate Migrants ^d	Interstate Migrants			Interstate Migrants						
								Index by Ethnicity Chinese	Index by Ethnicity Malay	Index by Intra-State Migrants	Index by Ethnicity Chinese	Index by Ethnicity Malay	Index by Ethnicity Chinese	Index by Ethnicity Malay			
Upper-Circuit																	
Penang	52.3	55.9	31.7	78.1	.66	.67	.68	.75	.62	.65	.68	.62	.65	.68	.62	.62	.62
Selangor	45.0	46.5	34.4	81.1	.62	.66	.79	.82	.77	.63	.69	.77	.63	.69	.56	.56	.56
Perak	27.5	42.4	43.3	73.0	.57	.57	.67	.84	.57	.55	.67	.57	.55	.67	.46	.46	.46
Negeri-Sembilan	21.5	39.6	44.1	72.8	.59	.55	.60	.57	.62	.50	.57	.62	.50	.57	.56	.56	.56
Malacca	25.1	39.4	53.1	55.4	.50	.41	.51	.57	.49	.29	.38	.49	.29	.38	.06	.06	.06
Johor	26.3	39.0	53.1	63.1	.48	.49	.73	.81	.65	.44	.52	.65	.44	.52	.41	.41	.41
Pahang	20.0	31.0	61.4	70.0	.58	.51	.50	.67	.42	.51	.55	.42	.51	.55	.50	.50	.50
Lower-Circuit																	
Kedah	11.2	20.0	71.0	51.7	.51	.39	.54	.59	.46	.34	.56	.46	.34	.56	.15	.15	.15
Perlis	11.2	17.8	78.3	39.2	.35	.29	.43	.61	.35	.18	.45	.35	.18	.45	.12	.12	.12
Kelantan	15.1	5.9	92.3	37.9	.33	.33	.57	.60	.52	.28	.59	.52	.28	.59	.19	.19	.19
Terengganu	27.0	5.7	93.3	44.3	.41	.38	.47	.53	.46	.31	.70	.46	.31	.70	.30	.30	.30

Source: Census Sample Tape, 1970.

Notes: ^a Derived from Chander (1977).

^b Proportion of migrants in each stream originating from a particular state.

^c Proportion of migrants in each stream arriving in a particular state.

^d Interstate and intrastate migrants are derived from the variable preceding state residence cross-tabulated by the present state residence.

The two outstanding features from the table which lend support to the two-circuit system are the differences between the upper- and lower-circuit states and between Chinese and Malays. For example, the indices derived from migrants' state of origin or destination show that the more Chinese states ranked high on the circuit while the more Malay states ranked low on the circuit. The index by interstate migrants illustrates a similar pattern. When the interstate pattern is divided into Chinese and Malay communities, the Chinese consistently ranked higher on the circuit than the Malays, both in Chinese- and Malay-majority states.

Similarly, an index indicating the level on the upper- and lower-circuit was applied to interstate and intrastate migration in the Chinese- and Malay-dominated states. The pattern which emerged was consistent: the Chinese states scored lower. When these migration patterns were analyzed by ethnicity, the Chinese persistently ranked higher on the index than the Malays, the difference between Chinese and Malays widening in the Malay states. Indians, owing to their small numbers have been excluded from the analysis but they are found in the Chinese-majority states of Selangor, Negeri Sembilan, Perak and Penang, all in the developed west coast.

Using the classification of migration streams according to the index alone, it is now possible to consider, in greater detail the spatial characteristics of the migration streams in the two-circuits. A closer examination of the migrants defined by state of origin shows that the underdeveloped Malay-dominant states of Kelantan, Perlis, Terengganu and Kedah have the highest proportion of R-R migrants while Penang and Selangor have the highest proportions of U-U migrants (Table 3.5). While R-U migration is most pronounced in Terengganu and Kelantan, U-R migrants noted highest proportions in the upper-circuit states. An assessment of the destination state of these migration streams indicates patterns similar to those of the state of origin. The U-U and U-R streams are most prominent in the developed states while R-R and R-U streams are mostly found in the "lagging" states.

3.3.2 Interstate Migration in the Two-Circuit System

An analysis of only interstate migrants by migration streams for each state shows that the U-U and R-U patterns are similar to those discussed above. The relatively higher proportions of R-R interstate migrants in Pahang is due to interstate FELDA settlers while the higher proportion of U-R interstate migrants is caused by retirement migration

Table 3.5
Migrants 1965-70: Migration Stream by State of Origin and by State of Destination, 1970

	Migration Stream by State of Origin					Migration Stream by State of Destination					Total	
	U-U	R-R	R-U	U-R	No.	%	U-U	R-R	R-U	U-R	No.	%
	Total											
Upper-Circuit												
Penang	46.9	14.1	8.5	30.5	1,756	100.0	48.0	13.8	8.1	30.1	1,820	100.0
Selangor	41.0	16.3	4.1	38.6	5,121	100.0	45.6	14.3	4.6	35.5	6,234	100.0
Perak	34.8	20.2	6.1	38.9	5,266	100.0	33.5	20.3	6.7	39.5	4,421	100.0
Negeri Sembilan	37.2	19.2	5.9	37.7	1,786	100.0	30.0	20.9	6.3	42.8	1,592	100.0
Malacca	31.5	32.1	5.9	30.5	1,037	100.0	21.9	39.6	5.0	33.5	826	100.0
Johor	26.6	30.3	5.9	37.2	3,632	100.0	29.0	30.7	6.1	34.2	3,393	100.0
Pahang	37.2	22.0	3.8	37.0	1,460	100.0	28.3	27.0	3.0	41.7	2,160	100.0
Lower-Circuit												
Kedah	20.9	39.3	6.7	33.1	3,000	100.0	19.2	41.5	6.8	32.5	2,874	100.0
Perlis	19.0	49.3	7.4	24.3	363	100.0	13.3	55.3	5.5	25.9	383	100.0
Kelantan	18.9	52.1	10.2	18.8	2,024	100.0	17.6	51.4	10.7	20.3	1,645	100.0
Terengganu	22.8	41.0	11.0	25.2	1,066	100.0	20.4	44.7	11.0	23.9	1,163	100.0

Source: Census Sample Tape, 1970.

as well as land development schemes.

The ethnic composition of these interstate migration streams within each state highlights an important feature. Although the Chinese make up the majority, compared to Malays among U-U migrants, the Chinese-Malay disparity tends to increase in the Malay-dominated states. For example, in Kelantan, the Malay proportion in the U-U stream is 23.7 per cent while the Chinese proportion is 82.8 per cent. While the Malays outnumber the Chinese in the U-R streams in Malay-dominated states, the Chinese are the majority in this stream in the Chinese-dominated states. Although Malays tend to be the majority in the R-U flows for developed states, the Chinese are the larger proportion in the rapidly urbanizing states of Kelantan, Terengganu, Johor and Pahang which suggests that the Chinese are fast responding to new urban opportunities in the “lagging” states.

When migration streams as a proportion of all interstate immigrants are considered in the upper- and lower-circuit states, some interesting patterns emerge. First, it is evident the upper-circuit U-U migrants contribute substantially to non-adjacent states (for example, Penang to Selangor) while the lower-circuit R-R migrants tend to move between contiguous states (for example, Selangor to Pahang). This suggests that upper-circuit migrants of an urban nature move greater distances and may be less bound by occupational immobility when compared to their R-R counterparts. Second, U-U migrants in the Malay states are drawn from more states (for example, Kedah and Johor migrants into Terengganu) than their counterparts in the developed states. Except for two R-R flows from Pahang to Negeri Sembilan and that from Kedah to Penang and Perak, the states of Perlis, Kelantan and Terengganu have not contributed immigrants to the developed states.

The R-U and U-R interstate streams reflect the uneven development within the country. Thus, R-U streams are an important feature of the developed states; Selangor, in particular, is a major destination of rural-urban migrants from both developed and underdeveloped states. Conversely, the R-U flows are small in the less developed states.

The ethnic composition of these streams are similar to the earlier patterns of Chinese dominating the U-U flows and Malays dominating the R-R flows. While there are Malay U-U immigrants in all states, including the poor states of Kelantan, Terengganu, Kedah and Perlis, Chinese U-U immigrants are found mainly in the developed states. Perak is a major outmigration state for Malay U-U migrants and Selangor for the

Chinese U-U migrants.

The main Malay R-R interstate streams are found in the Malay states of Kelantan, Terengganu and Pahang, explained by agricultural migration as well as movement into FELDA schemes. Most of the Chinese R-R migration flows are within the developed states of the west coast.

Within the U-R stream which represents a break of the lower-circuit among Malay migrants, Selangor is an important outmigration state for both developed and less developed states. This is probably due to government transfers and decentralization policies. For the Chinese, movement is primarily in the west coast, with Perak as an important source state. In sharp contrast to the Malay U-R pattern, Selangor is a minor source state for the Chinese. An analysis of the R-U stream shows that the Malays move mainly within the Malay states although Selangor is an important destination state. The relatively fewer Chinese R-U migration flows are found almost exclusively within the developed states.

3.3.3 Intrastate Migration in the Two-Circuit System

An analysis of intrastate migration pattern using the upper-circuit and lower-circuit index again points to higher indices recorded in Chinese-dominated states compared to Malay-dominated states (Table 3.4). The comparatively low indices registered by Malacca and Perlis are due to the smallness of these states which has resulted in low intrastate migration. A comparison between Chinese and Malay intrastate migrants shows that the Chinese are on the upper-circuit compared to the Malays, the contrasts being accentuated in the Malay-dominated states.

A more detailed examination of intrastate migration by migration streams within the developed and underdeveloped states shows similar patterns to those discussed earlier. High U-U and U-R migrant proportions are recorded mainly in the developed states of Selangor, Penang, Perak and Johor. R-R migration is most pronounced in the states belonging to the lower-circuit. Malacca, in the upper-circuit is exceptional for its high proportion of intrastate R-R migration which may be explained by its agricultural economy comprising mainly *padi*. The low proportion registered by Terengganu is due to both its high U-R (suburbanizing) and R-U migration streams (rapid urbanization). Fairly high R-R migration is noted by the developed but primarily agricultural states of

Johor, Pahang, and Negeri Sembilan.

The community composition of these intrastate migrants shows that, again, the Chinese dominate the U-U streams and the Malay dominate in the R-R streams. Among R-U migrants, the Chinese have a relatively higher proportion, the difference being most pronounced in the lower-circuit.

This section dealt with the spatial aspects of the two-circuit system of migration. It has shown that the upper-circuit is mainly Chinese and the lower-circuit is mainly Malays. Both Malays and Chinese are equally represented in the dissolution of the two-circuit system as manifested in the R-U and U-R migration streams. When the states of Peninsular Malaysia were classified according to their level of development as representing the upper- and lower-circuit, Malays were found to be circulating within the R-R streams in the less developed states of Kelantan, Terengganu and Kedah for both interstate and intrastate migrants. By contrast, the Chinese in the upper-circuit of the U-U migration stream operate within the developed west coast states. The break of the two-circuit system in the form of the R-U migration flows has a larger proportion of Malays than Chinese and have their source in both the underdeveloped states of the east coast and the west coast states, mostly tending to gravitate towards Selangor. Likewise, the U-R flows, while of same importance in the underdeveloped states, are most pronounced in the west coast, especially among Malays, an indication of suburbanization in Selangor and Perak as well as the transfers of government servants. The apparent anomaly of the two-circuit system is the fairly large proportion of Malays in the U-U stream which also flows into the east coast states. However, it must be emphasized that these migrants (mainly government servants) make up only a small proportion of all Malay migrants and certainly ignore the masses of immobile Malays who do not migrate. There is also a small movement of Chinese U-U migrants to the east coast states, a stepwise migration from other urban centres in response to government decentralization policies which have recently concentrated in the urban areas of Kelantan, Terengganu and Pahang.

3.4 ECONOMIC CHARACTERISTICS OF MIGRATION STREAMS IN THE TWO-CIRCUIT SYSTEM

The clustering of certain ethnic groups within certain industries and occupations, called niches, in a country is a classic product of a society which had its early beginnings as an

immigrant society. In countries where colonialism has had an impact, this may be reinforced by colonial labour and development policies. The Malaysian economy, of Malays, Chinese and Indians which tend to dominate in different specific industries and occupations is one such example (Rias, 1973; Tham, 1977; Hirschman, 1979). Often this clustering of occupations is closely associated with residential location under the broad structure of ethnicity.

The main argument in this section is that, based on one of the most important manifestations of the two-circuit system, occupation and industry, the economic characteristics of migration are highly structured up to 1970. This conforms to the earlier discussions on the uneven development of the Malaysian economy with its spatial characteristics.

3.4.1 Employment Status of Migrants in the Two-Circuit System

Table 3.6 contains a summary of some of the important economic features of the four migration streams. The upper-circuit tends to have the largest proportion of employees, wage earners, and as indicators of modernity of work characteristics, people who do not work in the family business, and do not work at home. By contrast, the lower-circuit, represented by the R-R stream, has the lowest proportion of all these features. The R-U and U-R patterns reflect the U-U stream, although the R-U migrants possess greater similarities to the U-U migrants. The largest proportion of migrants in the labour force is in the R-R stream which also has the highest employment rate of 96.1 per cent. This may be explained by the nature of rural occupation where workers can be more easily absorbed into family labour, with varying extent of under-employment, unlike most urban-type jobs. For the same reason, U-U migrants have the highest proportion of those who do not work in the family business, at home and largest percentage unemployed.

A perusal of the activity one week prior to the census by ethnicity (Table 3.7) shows that the Chinese consistently had a relatively larger proportion employed in all streams compared to the Malays. They also had a smaller proportion of unemployed, the greatest difference in unemployed between Malays and Chinese being among U-U migrants. This is a similar pattern to the national one (Chander, 1977:420). Malays have a higher proportion of students and those who “look after the house” than Chinese in all streams. Because this data is influenced by age, it is important to

examine the activities by age-groups by ethnicity within the migration streams. For all age-groups, in all the migration streams except R-U, the Chinese have higher proportions employed than Malays. Conversely, the Malays have proportionally more unemployed than the Chinese except R-U migrants aged 20-29. This may be due to difficulties faced by the Chinese in an unstable employment market compared to Malays who are absorbed mainly into the government services. Malays have higher proportions than the Chinese in both “looking after the house” category and students (where the greatest difference is 15.7 per cent among U-U migrants). To illustrate these patterns more clearly, Figure 3.1 shows the activities of the two most migrant-prone age groups (10-19, 20-29) by ethnicity by migration stream.

Table 3.6
Migrants 1965-70: Summary of Economic Characteristics of Migration Streams

Economic Characteristics	Migration Stream			
	U-U	R-R	R-U	U-R
Labour Force				
Employment rate	52.6 (93.6)	57.5 (96.1)	48.1 (94.4)	53.7 (94.4)
Unemployment rate	(6.4)	(3.9)	(5.6)	(5.6)
Employment Status				
Employee	78.2	52.1	70.4	65.8
Usual Activity				
Wage earner	73.1	45.1	65.3	59.9
Do Not Work in Family Business	98.1	88.4	96.9	94.1
Do Not Work at Home	81.8	43.7	75.0	63.8

Source: Census Sample Tape, 1970.

Note: In brackets are the employment and unemployment rates which together add up to a 100 per cent.

Table 3.8 shows the employment status of the ethnic groups by migration stream. In all but the U-R stream, the Chinese have a higher proportion than Malays as employers. The large Malay-Chinese difference in the R-R stream is probably due to the overwhelming numbers of Malays in that stream who are self-employed farmers (29.9 per cent compared to 12.0 per cent among Chinese). More Malays are self-employed than the Chinese, except in the U-U stream where the latter also have more employees, reflecting the importance of Chinese petty commercial businesses relying on family labour. The higher proportion of Malays “looking for the first job” compared to the

Table 3.7
Migrants 1965-70: Activity by Ethnicity by Migration Stream, 1970

Activity	Migration Stream											
	U-U			R-R			R-U			U-R		
	Malay	Chinese	(%)	Malay	Chinese	(%)	Malay	Chinese	(%)	Malay	Chinese	(%)
Employment Rate	(92.2)	(95.4)	(96.3)	(97.3)	(94.7)	(95.4)	(94.1)	(96.8)				
Unemployment Rate	(7.8)	(4.6)	(3.7)	(2.7)	(5.3)	(4.6)	(5.9)	(3.2)				
Look After House	23.7	23.3	24.7	21.2	27.1	25.8	27.6	21.1				
Student	22.8	14.9	12.0	10.0	19.4	15.4	16.6	14.6				
Other	3.8	4.7	6.7	4.8	5.4	7.6	5.3	4.4				
Total No.	2,229	2,879	3,862	752	705	422	3,679	2,104				
%	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0				

Source: Census Sample Tape, 1970.

Note: In brackets are the employment and unemployment rates which add up to 100 per cent.

Figure 3.1
 Migrants 1965-70: Activity One Week Prior to the Census of Selected Age Group
 by Ethnicity in Migration Stream, 1970

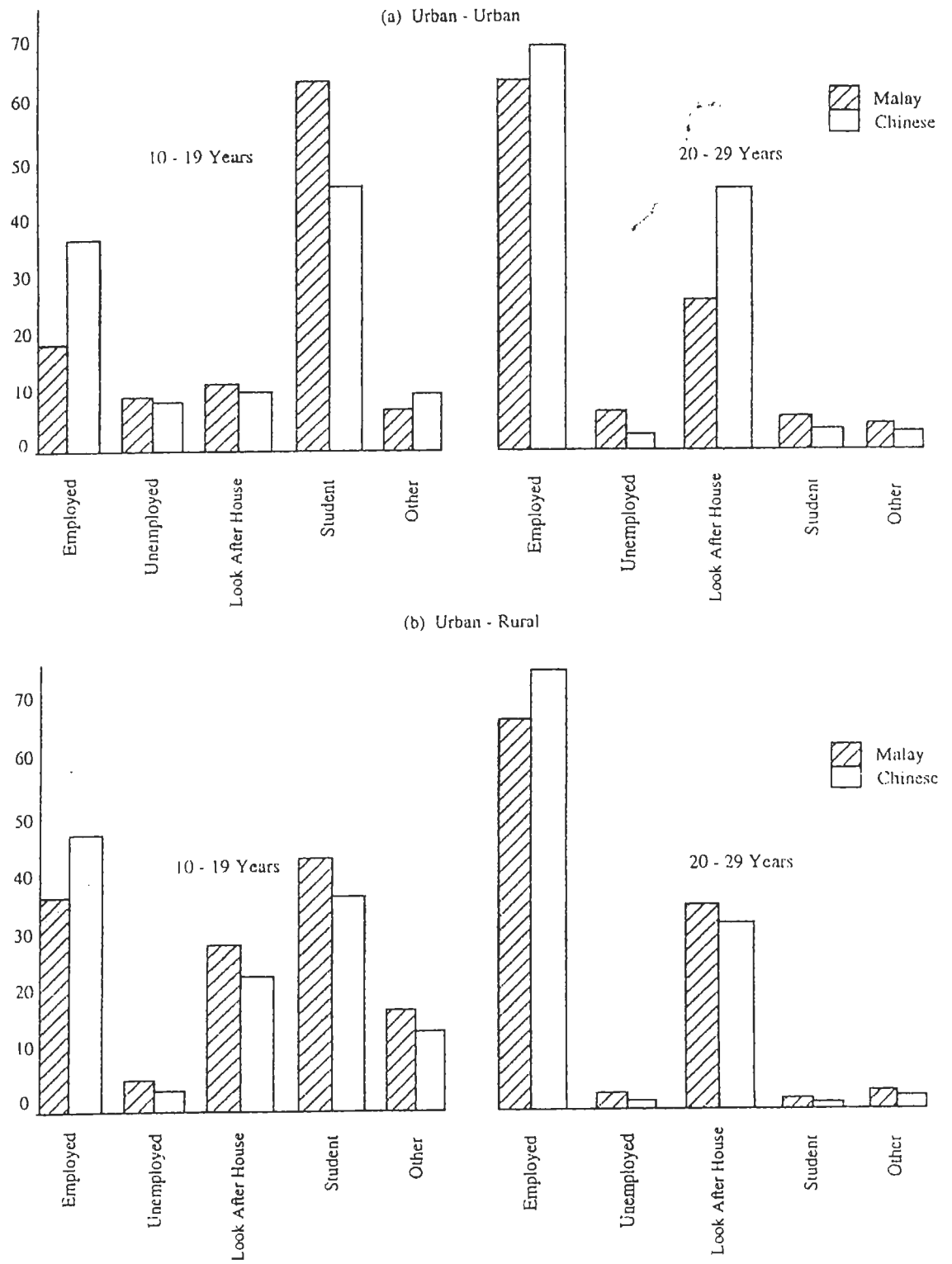
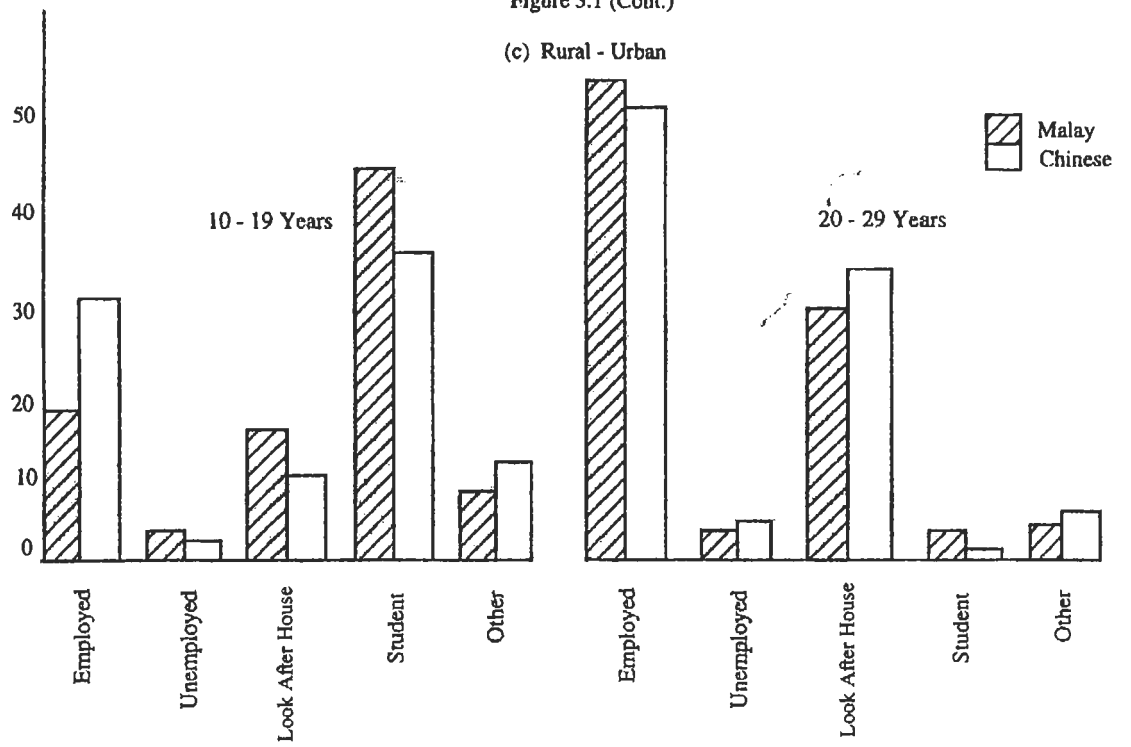
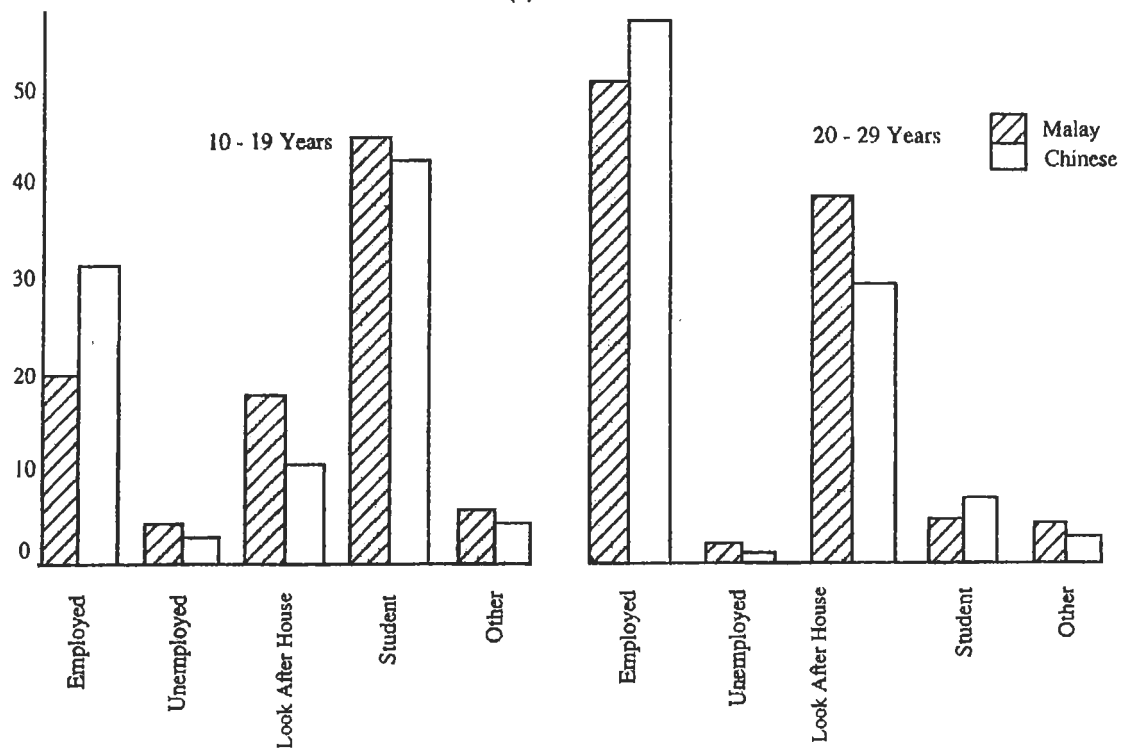


Figure 3.1 (Cont.)

(c) Rural - Urban



(d) Rural - Rural



Source: Census Sample Tape, 1970.

Table 3.8
Migrants 1965-70: Employment Status of Ethnic Groups by Migration Stream, 1970

Activity	Migration Stream											
	U-U			R-R			R-U			U-R		
	Malay	Chinese		Malay	Chinese		Malay	Chinese		Malay	Chinese	
Employer	2.8	3.5		2.2	5.6		3.8	5.1		6.0	4.6	
Self-Employed	5.8	10.0		29.9	12.0		13.9	10.6		18.4	15.0	
Employee	81.9	76.7		44.8	68.7		69.6	70.4		59.7	71.6	
Family Worker	2.3	6.2		19.8	12.4		8.0	10.6		11.7	7.4	
Looking for First Job	7.1	3.6		3.2	1.2		4.7	3.2		4.2	1.4	
Total No.	1,457	1,644		2,187	482		339	216		1,856	1,260	
%	100.0	100.0		100.0	100.0		100.0	100.0		100.0	100.0	

Source: Census Sample Tape, 1970.

Chinese is consistent with the other observations on Malay unemployment, particularly in the U-U stream.

As age affects employment status, age-group by employment status by ethnicity in the four streams is explored further. Some interesting observations emerge which reinforce the earlier findings. There are proportionally more Chinese employers than Malays in most age-groups, in all streams. Owing to the prevalence of small Chinese businesses in urban areas there are far more self-employed Chinese than Malays in the U-U stream in all age-groups. The reverse occurs among R-R migrants where the Malay farmers constitute the majority. In all streams there are far more Malays “looking for the first job” than Chinese. This is most conspicuous in the 10-19 age-group where the Malay-Chinese difference reaches a peak of 13.5 percentage points in the U-U stream. This is not only a result of the larger number of young Malays entering the labour market, but indicates the real difficulties faced by Malays in penetrating the urban employment structure.

So far, the discussion has been on the more general aspects of the two-circuit system. The next part examines the two most important manifestations of the two-circuit system, that of industry in the week prior to the census and occupation of migrants in the four streams.

3.4.2 Usual Industry of Migrants in the Two-Circuit System

Table 3.9 shows the industrial groups and selected sub-categories of industries of the different migrants during the past year. This detailed breakdown provides some insights into the industries of the migrants. U-U migrants have the largest proportions of all streams in services, manufacturing, commerce, transport and utilities – all belonging to the secondary and tertiary sectors. Services in the U-U stream is mainly government, community (teachers) and personal (servants). The manufacturing industrial group in the U-U stream is the most diversified. Commerce is dominated by the retail trade.

In sharp contrast, the R-R migrants are basically in the primary sector where agricultural production, and agriculture, forestry and fishing comprise 77.1 per cent. Consistent with the other economic patterns, R-U migrants reflect U-U migrants’ characteristics. The largest categories here are services, manufacturing and commerce. While the main groups in services are the same as U-U migrants, the R-U migrants tend to be in light

Table 3.9
Migrants 1965-70: Selected Industries^a by Migration Stream, 1970

Usual Industry	Migration Stream			
	U-U	R-R	R-U	U-R
Agriculture, Forestry, Fishing	3.7	27.1	7.7	13.8
Agricultural livestock	2.5	24.6	5.0	10.6
Forestry, logging	0.8	1.5	0.9	2.0
Fishing	0.5	1.0	1.8	1.2
Agricultural Production	4.9	50.0	12.3	33.2
Rubber	4.7	41.2	11.4	28.7
Oil palm	0.1	6.6	0.7	3.4
Coconut	0.1	1.2	0.2	0.4
Mining and Quarrying	1.1	2.1	0.9	9.7
Metal	1.0	2.0	0.9	9.5
Manufacturing	16.8	4.6	15.7	10.5
Food and beverage	1.5	0.5	3.8	1.8
Textile	0.8	0.2	0.7	0.2
Footwear	2.8	0.4	2.5	0.8
Wood and furniture	1.2	1.8	2.6	2.2
Printing and paper	1.3	0.1	0.8	0.5
Rubber	1.1	0.2	0.5	0.4
Chemical, non-metallic and petrol	1.4	0.5	1.1	1.2
Metal and basic metal	1.5	0.2	1.3	1.0
Machine, electrical, transport	2.5	0.4	1.8	1.3
Construction	2.9	1.3	4.8	1.8
General contractors	2.1	1.2	4.3	1.5
Utilities	1.6	0.4	1.3	1.0
Electricity, gas	1.2	0.2	0.4	0.6
Water, sanitary	0.3	0.1	0.9	0.4
Commerce	13.1	3.9	12.7	4.3
Wholesale	1.2	0.4	1.1	1.1
Retail	10.3	3.0	10.6	4.7
Banking and insurance	1.1	0.6	1.1	1.4
Transport	6.6	1.2	3.8	2.4
Transport	5.1	1.1	2.7	2.0
Communication	1.2	0.1	1.1	0.5
Services	49.6	9.4	40.8	20.3
Government	18.8	3.1	12.3	9.2
Community	13.6	3.7	13.6	6.3
Personal	12.9	2.1	12.2	3.1
Miscellaneous	1.3	0.4	1.3	0.7
Total no.	3,571	2,777	559	3,335
%	100.0 ^b	100.0	100.0	100.0 ^b

Source: Census Sample Tape, 1970.

Note: ^a These are the main industry categories. Not all the sub-categories will add up to the main categories owing to their being selected ones and rounding errors.

^b Rounding error.

manufacturing (for example, food and beverages, wood and furniture and footwear) rather than the heavier manufacturing (machine, metal and chemical) characteristic of U-U migrants. Retail comprises 85 per cent of the commercial industries. One industry in which R-U migrants are outstanding is construction. R-U migrants have the largest relative proportion in construction compared to all other streams. This suggests the importance of the rural labour supply in urban construction.³

U-R migrants are engaged chiefly in agricultural production, services, and agriculture, forestry and fishing. Rubber and agricultural livestock are the major categories which suggest the importance of return migration to rural areas and migration into FELDA schemes. U-R migrants in services may be due both to suburbanization and transfer of government servants to rural areas. Migrants in this stream have the largest proportion of all streams in mining and quarrying, tin being the most important. It will be shown later that like construction, this is a predominantly Chinese industry.

Table 3.10 on the ethnic composition of the industrial structure shows that Malays and Chinese dominate different industries. Thus, in the U-U stream, the Malays are mostly in services where the Malay-Chinese percentage point difference is 27.5 per cent. Even within services, while half the Malays are in government and another 20 per cent in community, the Chinese are mainly in personal (servants) and community (teachers). It is in commerce and manufacturing that the Chinese have larger proportions than the Malays, with 13.5 and 13.4 percentage points difference respectively. The retail trade is Chinese-controlled. Looking at the manufacturing industries, the Chinese tend to concentrate in the higher technologically-skilled types, such as machinery, electrical and transport manufacturing while the Malays have a slight edge over the Chinese in textiles. This is explained by *batik* manufacturing and the recency of modern textile industries with government-set preferential Malay employment quotas. Malays in the U-U circuit move almost exclusively within and between services, utilities and transport.

An analysis of the R-R stream shows that the Malays are conspicuous in agricultural production, and agriculture, forestry and fishing, both comprising 80.0 per cent of all R-R Malay migrants' industries. Even within the lower-circuit, the Chinese display greater diversification than the Malays, with substantial proportions in

³ This is a typical pattern, especially for the circular migrants (see Young, 1982) who are unskilled and have to be labourers in construction.

Table 3.10
Migrants 1965-70: Selected Industries by Ethnicity by Migration Stream, 1970

Usual Industry	Migration Stream											
	U-U		R-R		R-U		U-R		Malay		Chinese	
	Malay	Chinese	Malay	Chinese	Malay	Chinese	Malay	Chinese	Malay	Chinese	Malay	Chinese
Agriculture, Forestry, Fishing												
Agricultural livestock	4.7	3.2	31.3	20.4	11.7	3.0	18.2	11.6				
Forestry, logging	3.3	2.0	29.4	12.6	7.8	2.0	14.8	7.7				
Fishing	1.2	0.6	0.9	5.4	1.0	0.5	1.8	2.9				
	1.8	0.5	0.8	2.4	2.9	0.5	1.5	1.1				
Agricultural Production												
Rubber	1.8	6.6	48.9	43.8	8.4	15.4	33.1	24.1				
Oil palm	2.9	7.7	39.1	39.1	7.8	15.4	27.8	21.9				
Coconut	0.1	-	7.6	3.0	0.3	-	4.2	1.6				
	0.2	-	1.4	-	0.3	-	0.7	0.1				
Mining and Quarrying												
Metal	0.6	1.4	1.0	5.4	0.6	1.5	3.2	20.3				
	0.7	1.2	1.0	5.2	0.6	1.5	3.0	20.1				
Manufacturing												
Food and beverage	10.7	24.1	4.0	8.5	11.7	23.4	7.5	16.9				
Textile	0.6	2.2	0.5	0.7	1.3	8.0	0.9	2.8				
Footwear	1.5	0.3	0.2	0.2	1.0	0.5	0.3	-				
Wood and furniture	0.9	5.1	0.3	0.9	1.6	4.0	0.4	1.7				
Printing and paper	1.8	3.0	1.5	3.2	2.6	3.5	1.6	4.0				
Rubber	1.1	1.1	0.1	0.4	0.6	-	0.4	0.6				
Chemical and non-metallic and petrol	0.5	2.0	0.2	-	-	1.5	0.4	0.3				
Metal and basic metal	1.9	1.1	0.4	0.2	1.2	3.0	1.1	2.3				
Machine, electrical, transport	0.5	2.8	0.1	1.1	1.2	1.0	0.5	2.1				
	1.0	3.7	-	0.6	1.3	3.0	1.1	2.3				

Table 3.10 (contd.)

Usual Industry	Migration Stream												
	U-U		R-R		R-U		U-R		R-U		U-R		
	Malay	Chinese	Malay	Chinese	Malay	Chinese	Malay	Chinese	Malay	Chinese	Malay	Chinese	
Construction													
General contractors	1.3	4.7	0.9	3.0	2.3	8.5	1.2	2.9	1.4	3.1	1.9	7.5	
Utilities													
Electricity, gas	2.0	1.1	0.4	-	1.6	-	1.1	0.5	1.5	0.8	0.3	0.4	
Water, sanitary	0.5	0.2	0.2	-	1.3	-	0.5	0.1	Commerce				
	6.0	19.5	2.8	9.1	12.0	13.9	4.5	11.0	Wholesale	0.9	1.6	0.2	2.6
Retail	5.0	15.5	2.1	7.6	9.1	13.4	2.2	7.5	Banking and insurance	0.9	1.6	0.5	0.8
Transport	9.4	3.3	1.3	0.2	4.2	3.0	2.9	2.0	Communication	1.9	0.5	1.3	0.7
Services	63.5	36.0	9.5	9.5	47.4	31.3	28.4	10.6	Government	34.7	4.1	3.3	1.9
Community	14.3	13.0	4.1	2.4	15.6	10.4	9.2	2.9	Personal	9.9	15.0	1.6	4.2
Miscellaneous	0.7	1.8	0.3	0.4	0.6	2.0	0.6	0.8	Total No.	1,515	1,629	2,042	1,186
									%	100.0	100.0	100.0	100.0

Source: Census Sample Tape, 1970.

commerce, manufacturing, services, and mining and quarrying.

However, the R-U Malay migrants exhibit greater industrial diversification than their U-U counterparts. There are more R-U Malays in commerce (12.0 per cent against 6.0 per cent) and manufacturing (11.7 per cent against 10.7 per cent). Nearly half of the Malays in the R-U stream are in services, almost exclusively in government and community services suggesting strongly that this is the major channel for breaking the two-circuit system.

The U-R Malay migrants are in agricultural production and services where Malay-Chinese percentage point differences are 9.0 per cent and 17.8 per cent, respectively. The high proportion of Malays in the government and community sectors suggests decentralization from established urban areas and continued suburbanization. The Chinese retain their leadership in traditional Chinese domains of mining and manufacturing.

3.4.3 Occupations of Migrants in the Two-Circuit System

Table 3.11 shows the occupations of migrants in the four streams. The upper-circuit is anticipated to have a larger share (compared with the other streams) of more educated and skilled workers. Indeed, the U-U stream consists mainly of service, production, professional-technical, clerical and sales workers. Protection services and domestic servants constitute nearly all the service workers, reflecting the role of government service and the demands of urban society for domestic help. The importance of the tertiary and secondary industries is evident in the diversified structure and nature of the occupations in the U-U stream.

R-R migrants present a quite different picture. Here, agricultural workers comprise 75.8 per cent of all R-R migrants. The U-R migrants reflect many features of R-R migrants, being mostly agricultural, production and service workers.

Examining these industrial categories by ethnicity reveals great differences between the Malay and Chinese migrants (Table 3.12). For example, in the U-U stream, Malays in the service sector are protection workers while the Chinese are mostly servants. The Chinese proportion in production work is twice the Malay proportion.

The striking Malay-Chinese differences in the R-R stream are in the category of

Table 3.11
Migrants 1965-70: Selected Occupations^a by Migration Stream, 1970

Occupation	Migration Stream			
	U-U	R-R	R-U	U-R
Professional and Technical	15.5	3.4	12.1	6.8
Teachers	8.6	1.4	8.5	3.5
Administrative and Managerial	1.6	0.4	0.8	0.4
Clerical Workers	12.8	1.8	7.3	5.5
All clerks	6.4	1.6	6.6	4.6
Sales Workers	10.3	3.3	10.8	5.2
All sales workers	7.0	1.9	7.1	2.8
Working proprietor (sales)	0.9	0.7	1.1	0.9
Service Workers	28.0	5.2	23.5	11.8
Cooks and maids	10.7	1.8	9.9	2.8
Protection services	14.4	2.7	7.8	6.8
Working proprietor (services)	0.4	0.1	0.4	0.2
Agricultural Workers	7.8	75.8	20.0	45.7
Farm managers	0.2	1.0	0.7	-
Farmers	1.4	21.1	2.8	9.7
Animal husbandry	4.9	47.8	12.3	28.8
Forestry workers	0.5	1.2	0.5	1.6
Fishermen, hunters	0.9	1.0	1.7	1.2
Production Workers	23.9	10.1	25.4	24.6
Miners	0.5	1.1	0.4	6.1
Wood processers	-	0.8	0.9	1.2
Chemical processers	0.5	0.9	1.0	1.3
Food processers	0.6	0.5	2.8	1.0
Tailors	3.0	0.4	2.4	0.7
Machine and electrical fitters	4.3	0.8	1.9	2.4
Bricklayers and carpenters	2.1	1.0	2.9	1.3
Dock workers	-	-	-	1.2
Transport workers	3.5	1.8	4.3	2.9
Not Elsewhere Classified	7.8	4.8	10.2	7.0
Total No.	3,321	2,869	578	3,458
%	100.0 ^b	100.0	100.0	100.0

Source: Census Sample Tape, 1970.

Note: ^a Major occupational categories exclude labourers not elsewhere classified but proportions of specific occupations include them. As the sub-categories are selected ones, they do not necessarily add up to the main categories.

^b Rounding error.

Table 3.12
Migrants 1965-70: Occupation^a by Ethnicity by Migration Stream, 1970

Occupation	Migration Stream															
	U-U			R-R			R-U			U-R						
	Malay	Chinese		Malay	Chinese		Malay	Chinese		Malay	Chinese					
Professional and Technical																
Teachers	14.8	15.5	3.8	2.2	15.1	8.2	8.6	4.5	8.0	8.3	3.0	1.3	10.6	5.3	5.3	1.7
Administrative and Managerial																
	1.3	1.8	0.2	1.1	0.4	1.5	0.1	0.9								
Clerical Workers																
All clerks	15.6	10.7	1.3	2.8	7.2	6.7	4.8	6.6	11.2	9.4	1.2	2.8	5.3	6.3	6.1	
Sales Workers																
All salesmen	4.6	14.7	2.5	7.6	9.4	13.4	2.6	8.4	2.8	11.6	1.3	4.5	5.6	9.2	5.2	
Working proprietor (sales)	0.6	1.2	0.6	1.8	1.1	1.4	0.5	1.6								
Service Workers																
Cooks and maid	41.0	17.8	4.9	6.7	27.7	17.0	16.4	6.9	8.0	11.1	1.5	2.8	11.2	1.8	3.9	
Protection services	27.5	1.9	2.4	2.8	12.5	0.5	11.9	1.4	0.2	0.5	0.2	-	0.4	0.5	0.3	
Working proprietor (service)	6.0	8.6	79.3	60.7	19.4	20.1	51.8	32.7								
Agricultural Workers																
Farm managers	0.2	0.2	0.6	1.7	0.3	1.0	1.0	1.4	1.0	1.3	26.3	7.7	4.4	1.0	5.6	
Farmers	2.2	5.8	46.9	44.4	8.7	16.0	29.2	21.0	0.7	0.3	0.9	3.6	0.6	0.5	2.3	
Animal husbandry	1.4	0.5	0.8	2.4	2.8	0.5	1.5	1.1								
Forestry workers																
Fishermen & hunters																

Table 3.12 (contd.)

Occupation	Migration Stream											
	U-U			R-R			R-U			U-R		
	Malay	Chinese		Malay	Chinese		Malay	Chinese		Malay	Chinese	
Production Workers												
Miners	16.6	30.8		7.9	18.9		20.9	33.0		15.8	39.9	
Wood processors	0.3	0.7		0.5	3.0		0.6	1.0		2.2	12.8	
Chemical processors	0.9	0.9		0.5	2.8		-	-		0.9	2.1	
Food processors	0.5	0.4		0.9	0.4		-	-		1.5	0.7	
Tailors	0.2	0.9		0.6	0.4		0.9	5.8		0.5	1.6	
Machine and electrical fitters	0.7	5.0		0.3	0.9		1.9	3.4		0.3	1.4	
Bricklayers and carpenters	1.7	6.6		0.5	2.4		1.3	2.9		1.4	4.3	
Dockers	0.9	2.9		0.7	2.1		2.5	4.4		0.9	2.5	
Transport workers	1.6	1.3		0.4	0.4		0.3	3.4		0.9	1.9	
	3.7	2.6		1.7	2.4		5.3	2.9		2.6	2.9	
Not Elsewhere Classified	10.5	5.4		4.9	1.7		13.4	5.8		8.4	4.3	
Total No.	1,343	1,569		204	469		321	206		1,746	1,219	
%	100.0 ^b	100.0		100.0	100.0		100.0	100.0		100.0	100.0	

Source: Census Sample Tape, 1970.

Note: ^a Major occupational categories exclude labourers not elsewhere classified but proportions of specific occupations include them. As the sub-categories and selected ones, they do not necessarily add up to the main categories.^b Rounding error.

farmers (18.6 percentage point difference) and production workers (11.0 percentage point difference). Among R-U migrants, the major Malay-Chinese contrasts are in production (12.1 percentage point difference) and sales (4.0 percentage point difference). It would seem that while Malays in services migrate as or into the armed services, the Chinese move into domestic service. While Chinese are diversified within the production category, the Malays tend to concentrate in transport. The greater dispersal of Chinese in the professional-technical category is shown in the larger number of Chinese engineers, doctors and accountants compared to Malays. The Malay share of the professional-technical category is mainly as teachers and nurses.

The discussion so far has shown that consistently, the U-U stream had the more modern, skilled occupations in the tertiary and secondary sectors. In direct contrast, the R-R migrants were mainly in the primary sector, remaining in more traditional-type work. Both R-U and U-R streams show characteristics from the upper- and lower-circuits, which may be explained by their being transitional between the two-circuits. This section has also revealed that the Malays are generally less diversified industrially and occupationally than the Chinese, being predominantly in agriculture. A break into the upper-circuit by the Malays is almost exclusively into wage-labour sectors of government, transport, utilities and some modern agriculture such as oil palm.

The apparent preference of Malays for wage employment is seen in the type of industries and occupations in which they cluster. The Chinese, on the other hand, congregate in traditionally Chinese-associated industries and occupations, being most obvious in commerce (sales work), manufacturing (production workers), mining and construction. This issue will be discussed further, after an analysis of industries and occupations within the formal and informal sectors.

3.5 SOCIO-DEMOGRAPHIC CHARACTERISTICS OF THE TWO-CIRCUITS

Socio-demographic characteristics are pertinent to the two-circuit hypothesis because what we expect to find in the upper-circuit or the U-U stream is that they have the mostly highly educated migrants, with literacy in more than one language, are single and mostly males. Consistent with the nature of the two-circuit system, the R-R stream, as the lower-circuit tends to have less-educated migrants, lower proportion of single migrants and fewer males. The R-U and U-R streams which represents the break in the circuits should reflect features of the U-U stream. These socio-demographic

variables are important because they, especially age and sex, affect the economic characteristics. For example, one has to ascertain whether the larger proportion of Malays in the unemployed category of U-U migrants is due to their comparatively younger population structure, or perhaps to the problem Malays face in trying to penetrate the urban labour market. Similarly, if the R-R migrants appear to be less educated we have to control for age in order to compare more accurately between migration streams. Socio-demographic factors directly influence economic characteristics, for example, one of the most obvious, the level of education⁴ determining occupation.

3.5.1 Age-Sex Structure of Migrants in the Two-Circuit System

First, let us examine the age-sex structures of the different migration streams for they affect the other socio-demographic variables such as marital status, literacy and level of education of the migrants (Figure 3.2). All streams have more males than females. The R-R migrants have the most balanced sex ratio (104 males : 100 females) while the U-R stream, the most unequal sex ratio (112 males : 100 females). The U-U and R-U streams have a high proportion in the 15-19 and 20-24 age-groups which suggests the importance of single migrants. In contrast, the regularity of the R-R age-sex structure indicates high levels of family migration.

The age-sex structure of ethnic groups in the different migration streams are depicted in Figures 3.3–3.6. The R-R age-sex structure of the Malays is more balanced than that of the Chinese. The Indians have more females due to patrilocality after marriage. Twenty-eight per cent of the Malay R-R migrants are below 10 years old suggesting the prevalence of family migration within this stream. The Chinese have a smaller proportion within this age-group due to less family migration and probably declining fertility.

The U-U migration stream shows a predominance of males among all communities, especially the Malays. The Malays have been drawn most heavily from the 15-19 and 20-24 age-groups (20 per cent compared to 16.5 per cent among the Chinese). The major difference between Malays and Chinese is in female migration. The two major female age-groups for the Malays are 10-14 and 15-19 years while the Chinese

⁴ Level of education is defined as: Primary (Year 1-6); Secondary (Year 7-11); Pre-university Year 12-13); Tertiary (Year 14+).

Figure 3.2
Migrants 1965-70: Age-Sex Structure of Migration Streams, 1970

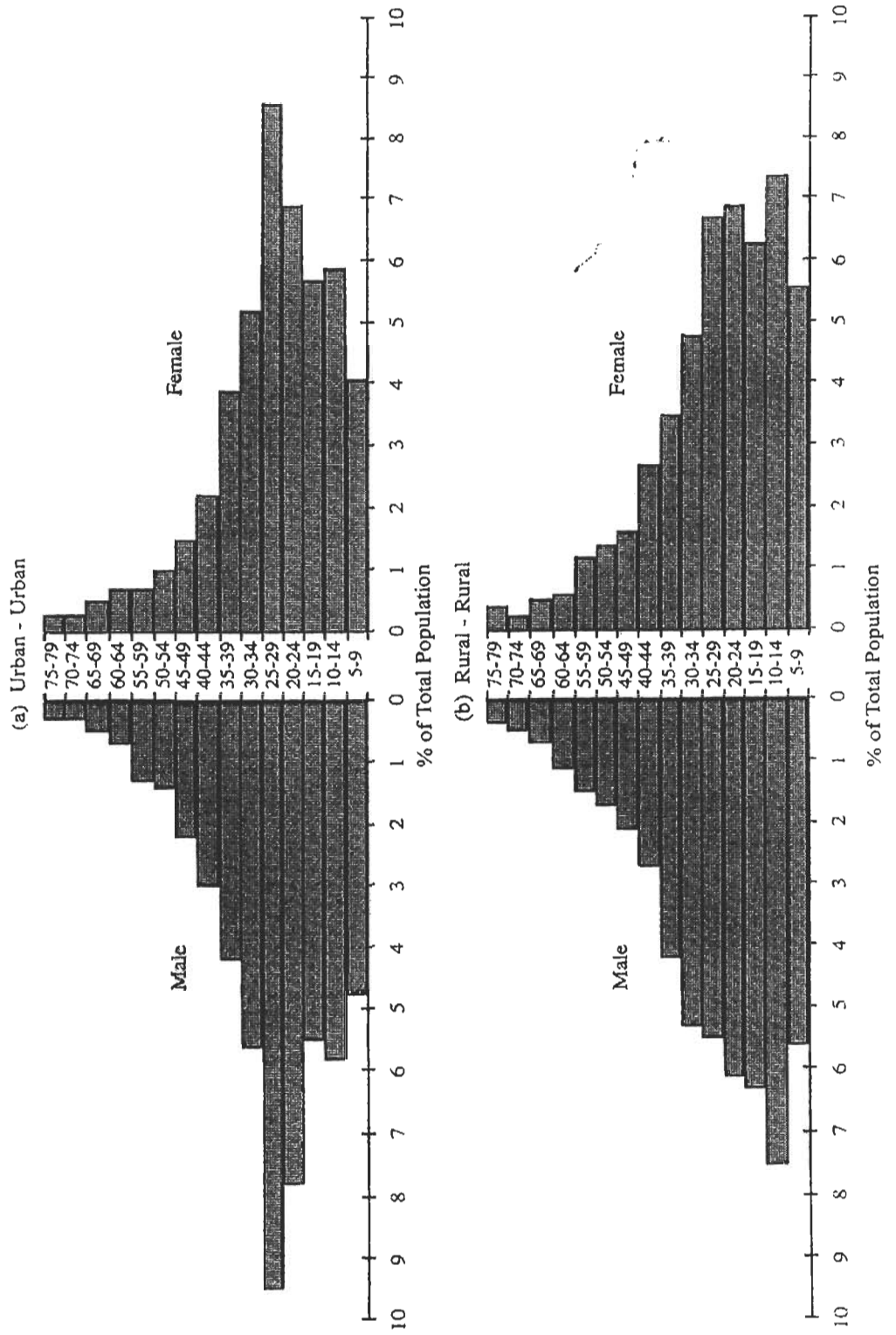
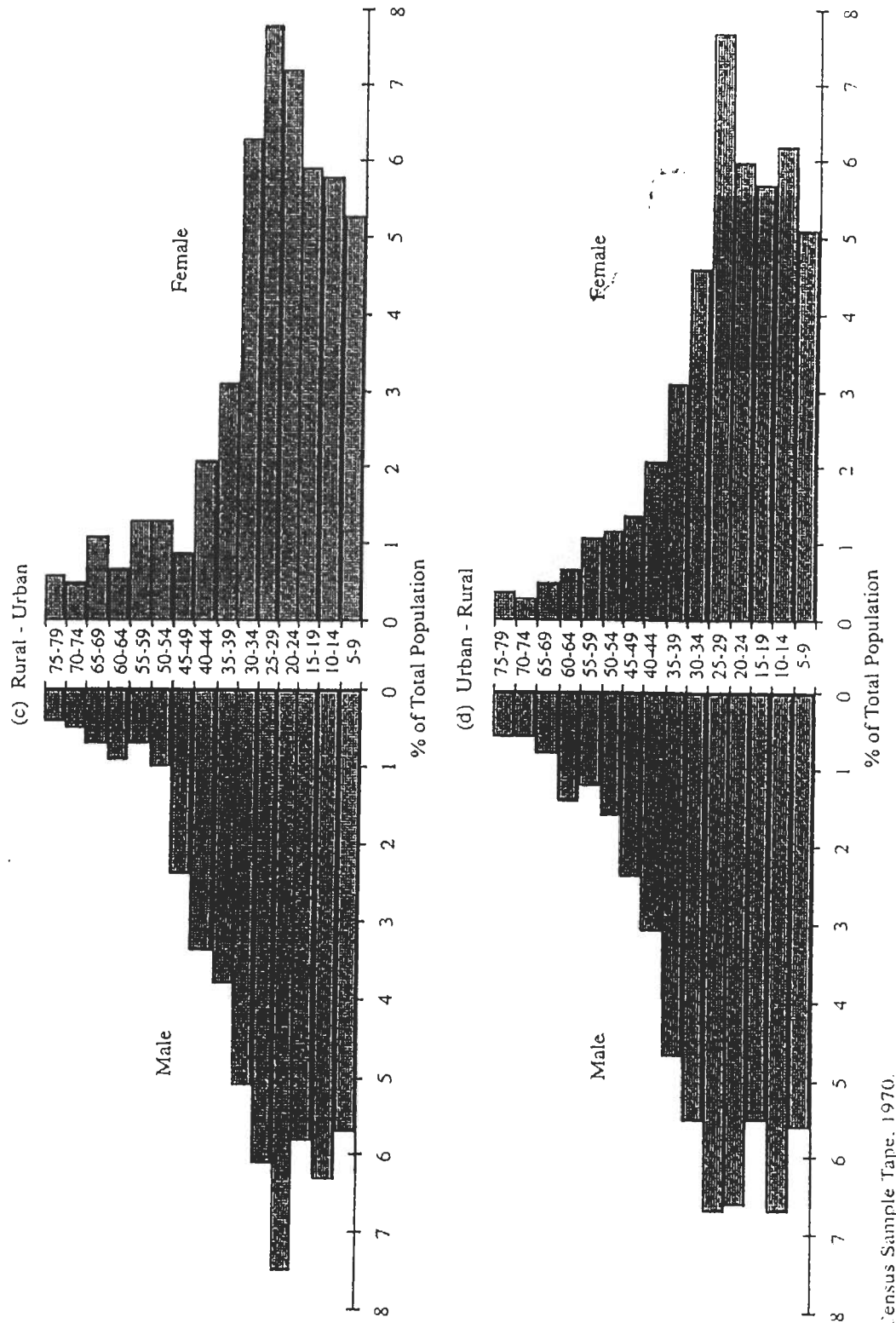
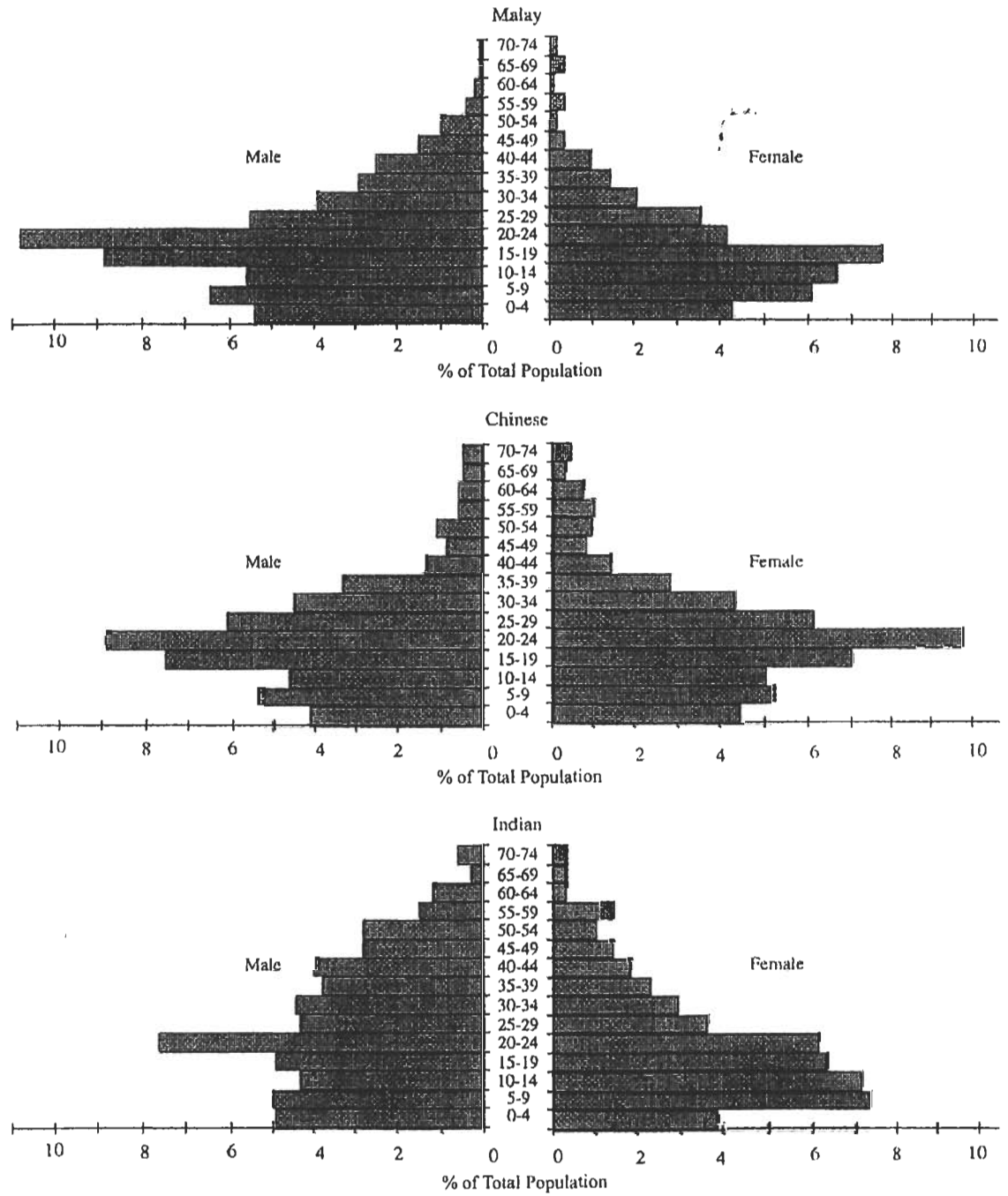


Figure 3.2 (Cont.)



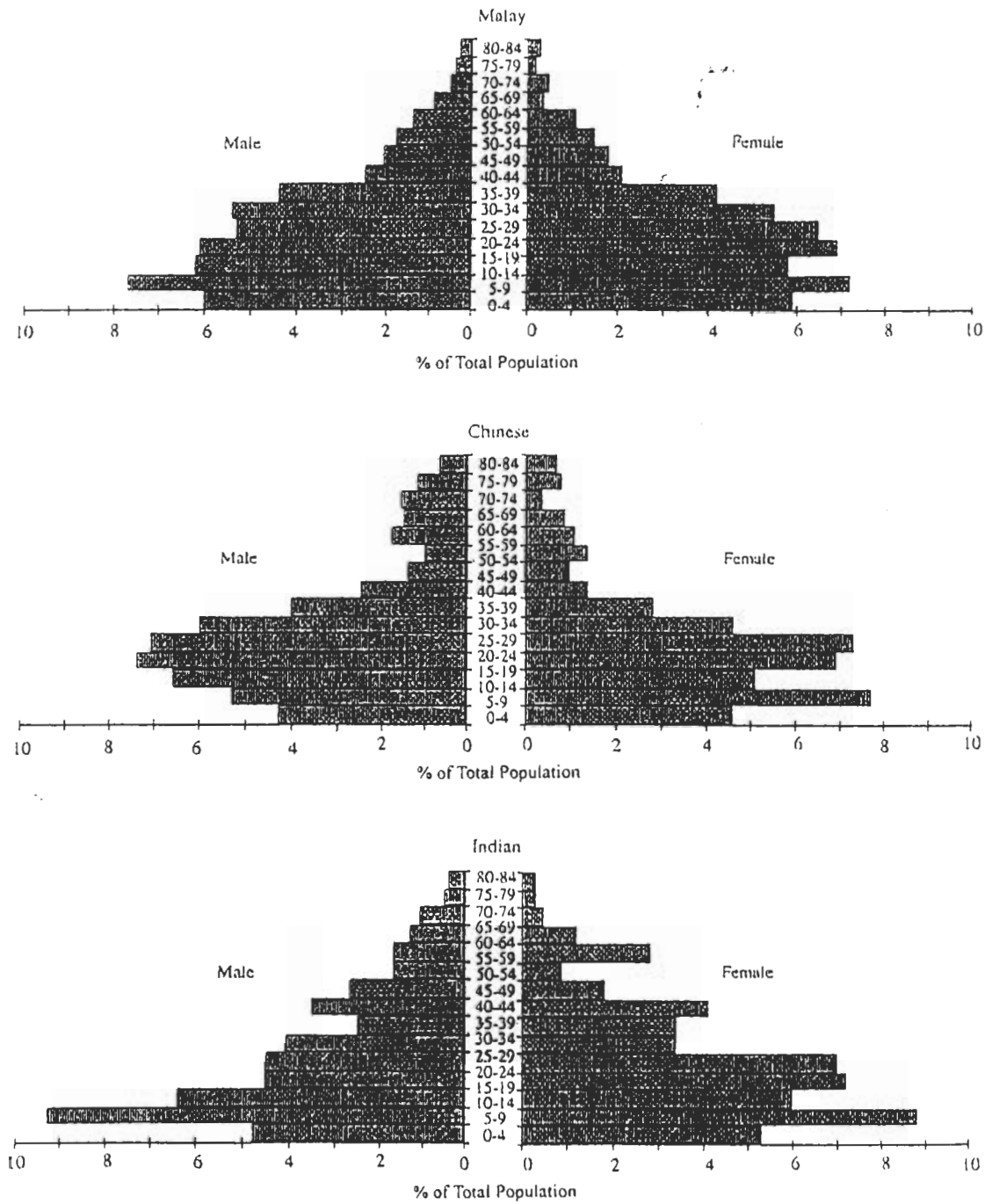
Source: Census Sample Tape, 1970.

Figure 3.3
Migrants 1965-70: Age-Sex Structures of Urban-Urban Migrants by Ethnicity, 1970



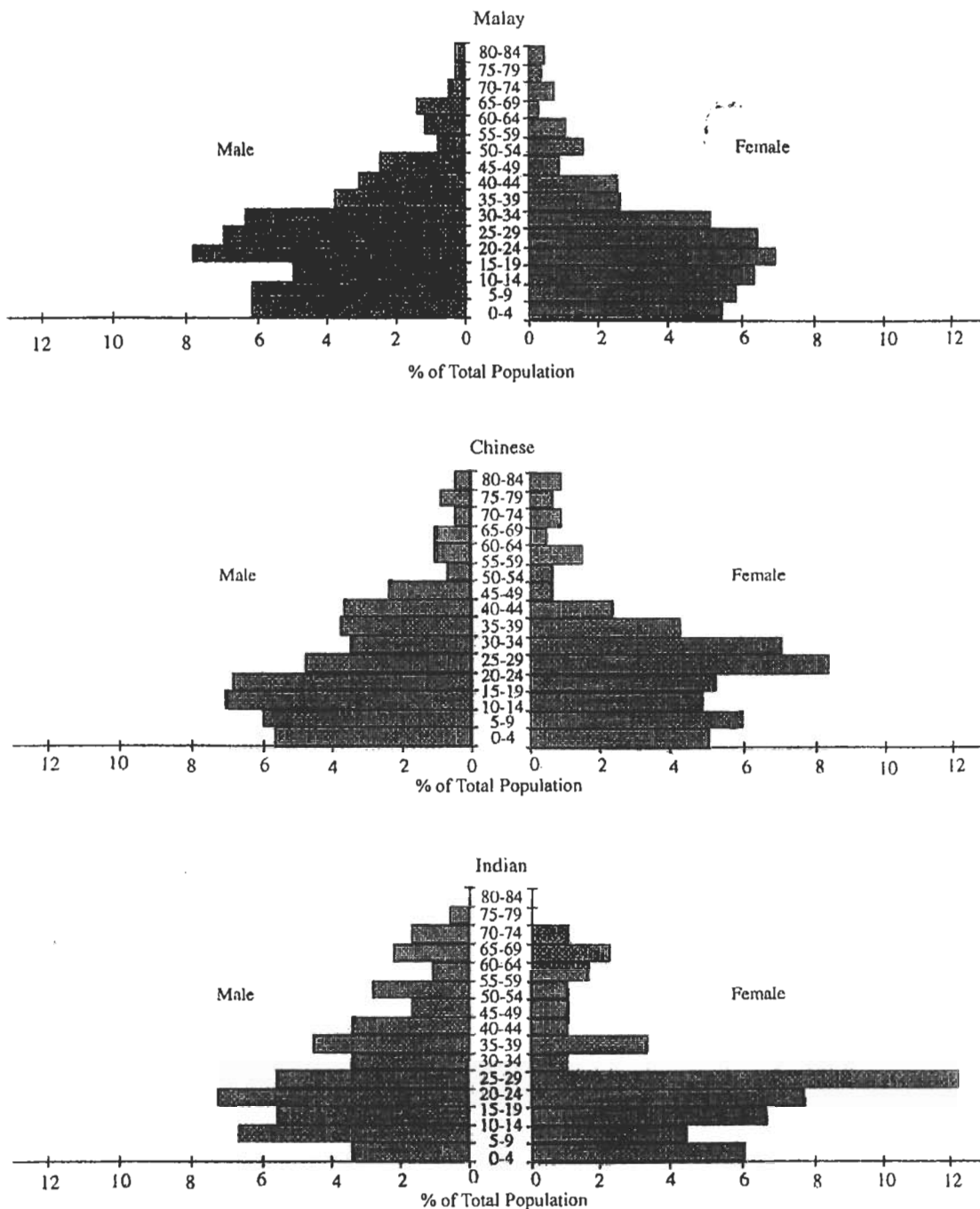
Source: Census Sample Tape, 1970.

Figure 3.4
Migrants 1965-70: Age-Sex Structures of Rural-Rural Migrants by Ethnicity, 1970



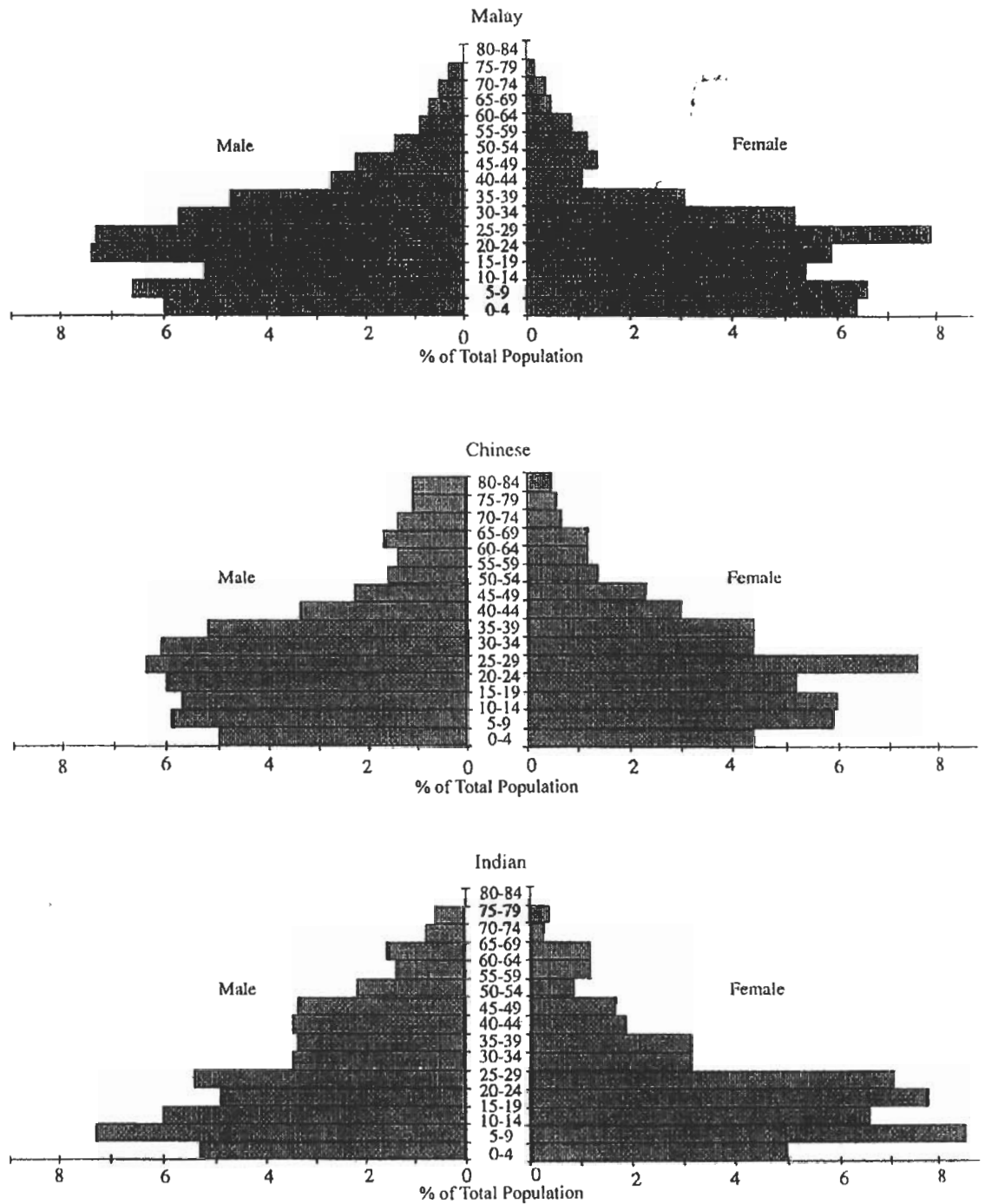
Source: Census Sample Tape, 1970.

Figure 3.5
Migrants 1965-70: Age-Sex Structures of Rural-Urban Migrants by Ethnicity, 1970



Source: Census Sample Tape, 1970.

Figure 3.6
 Migrants 1965-70: Age-Sex Structures of Urban-Rural Migrants by Ethnicity, 1970



Source: Census Sample Tape, 1970.

equivalents are 15-19 and 20-24 years. While the proportion for the Malays aged 15-24 is 13.5 per cent, the Chinese proportion for the same age-group is 16.5 per cent.

More Chinese females are migrating independently. The younger age-groups for the Malays may be explained by education and family migration as well as younger age at marriage. There is also a larger proportion of people aged 50 and over in the Chinese U-U stream compared to the Malays (5 per cent versus 1.3 per cent). This may be due to the fact that the Chinese have been in this upper-circuit for a longer period than the Malays (being traditionally the urban community) and by the tendency for urban Malays to retire to their *kampung asal* (village of origin) at the end of their working life with the government (see McGee, 1969; Nagata, 1974). The Indian age-sex structure for migrants shows an ageing male population with a young female proportion, a reflection of the male-oriented immigrant characteristics of the Indian population.

The R-U migration stream displays slightly different characteristics from the U-U stream. While it is male-dominated for the Malays, it is female-dominated for the Chinese and Indians (Figure 3.5). The particular pattern of the non-Malays probably reflects greater female and marriage migration as demonstrated in the heaping of the 15-19, 20-24 and 25-29 age-groups.

The U-R age-sex pyramids are mostly male, with the Chinese having the largest difference (121 males : 100 females) (Figure 3.6). While the Malay age-sex structure shows a predominance of those aged 15-19 and 20-24 years (suggesting government transfers), there is no clear age heaping among the Chinese.

Table 3.13 provides a summary of the salient differences in socio-demographic characteristics among the four migration streams. As alluded to in the discussion on age-sex structures, U-R migrants have the largest male proportion, followed by the U-U migrants. The U-U migration stream has the largest proportion of single migrants, in contrast to the low proportion noted for R-R migrants.

The R-U stream has the next highest percentage of single migrants. These are mainly youths pursuing further education or who have jobs in urban centres. The small proportion of single migrants among the R-R migrants is due to the prominence of family and marriage migration. The fairly high proportion of married migrants in the U-R stream suggests suburbanization and retirement migration by families.

Table 3.13
Migrants 1965-70: Summary of Socio-Demographic Characteristics
of Migration Streams, 1970
(in percentage)

Socio-Demographic Characteristics	Migration Stream			
	U-U	R-R	R-U	U-R
Males	52.4	51.0	51.1	52.9
Never Married	51.2	35.8	44.4	41.9
Literate	80.0	60.6	74.2	69.9
One Language	44.2	51.7	51.4	51.8
Two or more Languages	35.8	8.9	22.8	18.1
Primary Schooling	43.6	49.7	47.5	48.4
Secondary Schooling	32.7	9.7	22.4	18.4
University	1.1	0.1	0.5	0.2
Other tertiary	1.8	0.4	0.7	0.7

Source : Census Sample Tape, 1970.

3.5.2 Education and Literacy of Migrants in the Two-Circuit System

As anticipated, U-U migrants have the highest proportion who are literate in comparison to the low levels of R-R migrants. The large number of literates in the U-U stream is because of its share of students (18.7 per cent of U-U migrants) and the more qualified types of occupations in urban centres. R-R migrants are mainly farmers. The fact that 74 per cent of the R-U migrants are literate is due to both the qualifications required for urban jobs and the high student proportion (17.2 per cent of R-U migrants).

Table 3.14 shows the major literacy groups by ethnic composition within the migration streams. For both Malays and Chinese, the largest percentage of illiterates is found in the R-R and U-R streams. A closer examination reveals that the Malays are relatively more literate than the Chinese in all streams. This may partly be explained by the larger proportions of Malay students than Chinese students in all streams.⁵ But, more importantly, it is the necessity for Malays to be more educated than the other communities to penetrate the upper-circuit owing to the nature of the types of occupations which they have access to. On the other hand, Chinese are able to migrate to and within urban areas even though they have little education. While the illiterate

⁵ The Malay-Chinese percentage point difference in student proportions are 7.9 per cent, 2.0 per cent, 4.0 per cent and 2.0 per cent in the U-U, R-R, R-U and U-R streams, respectively.

Table 3.14
Migrants 1965-70: Major Literacy Groups by Ethnicity by Migration Stream, 1970

Major Literacy Groups	Migration Stream											
	U-U			R-R			R-U			U-R		
	Malay	Chinese	Chinese	Malay	Chinese	Chinese	Malay	Chinese	Chinese	Malay	Chinese	Chinese
Malay	46.0	0.3	0.5	53.6	0.5	0.5	58.2	0.5	0.5	59.4	0.6	0.6
Chinese	0.1	35.5	44.8	0.0	44.8	37.7	0.0	37.7	37.7	0.0	39.3	39.3
Malay-Chinese	0.0	1.4	0.9	0.0	0.9	1.9	0.0	1.9	1.9	0.0	0.6	0.6
English	0.4	6.7	2.2	0.0	2.2	4.3	0.1	4.3	4.3	0.1	4.4	4.4
Malay-English	36.9	10.1	3.3	6.4	3.3	7.6	18.5	7.6	7.6	14.6	5.0	5.0
Chinese-English	0.0	7.2	2.6	0.0	2.6	5.2	0.0	5.2	5.2	0.0	4.8	4.8
Sub - Total	83.4	61.2	54.3	60.0	54.3	57.2	76.8	57.2	57.2	74.1	54.7	54.7
Illiterate	11.2	19.6	32.6	36.2	32.6	25.8	19.9	25.8	25.8	22.0	29.3	29.3
Total No.	2,968	2,902	767	3,910	710	422	3,724	422	422	3,724	2,129	2,129
%*	94.6	80.8	86.9	96.2	69.7	83.0	96.1	83.0	83.0	96.1	84.0	84.0

Source: Census Sample Tape, 1970.

Note: * The remainder from 100 per cent are the semi-literates and Malay or Chinese migrants literate in Tamil (insignificant number).

Malays are left in the rural areas in agriculture (as non-migrants or rural-rural migrants), the illiterate Chinese are able to carve a niche for themselves in the urban employment structure. This is another important factor causing the entrenchment of the two-circuit system. It shows the disadvantages and limited opportunities for economic mobility faced by the uneducated rural Malay. This point is directly related to the nature of job recruitment, job requirements and the racially stratified urban employment structure. The need for the Malay to be better educated than the Chinese to find work in urban areas is evidenced in the higher literacy of Malays within all the streams but mainly in the R-U stream (percentage point difference of 19.6 per cent).

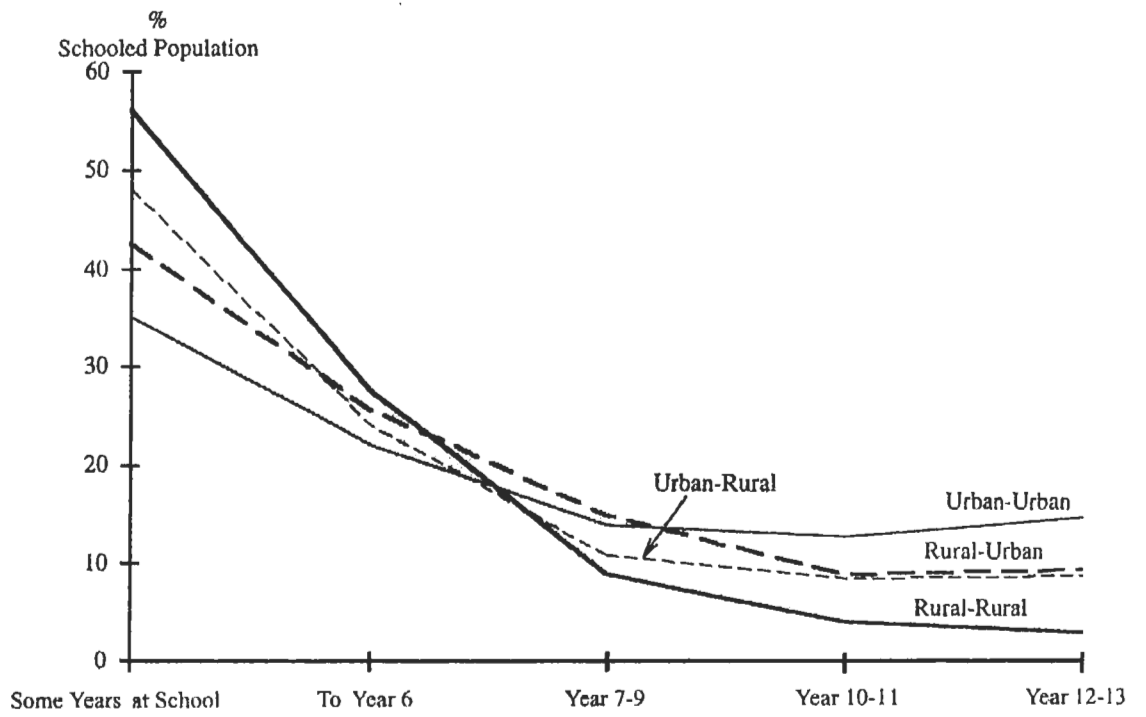
The R-R Malay and Chinese migrants tend to be educated exclusively in one language, usually their own language. For example, there are more bilingual migrants (mainly Malay-English and Chinese-English) in the U-U and R-U streams than the R-R or U-R flows. The Malay-English proportion is larger than the other combinations due to the educational structure. The preference of middle-class Chinese to educate their children in English is clear from the consistently higher proportions noted by the Chinese compared to Malays in all streams. Until the *Bumiputra* policies of recruitment in the 1970s, English was the preferred language for formal employment.

The U-U stream has the highest proportion (32.7 per cent) of migrants with secondary schooling (Table 3.13). The next highest percentage is noted by the R-U migrants. As anticipated, R-R migrants have only 9.7 per cent with secondary schooling. Figure 3.7 illustrates in greater detail the highest level of schooling of migrants in the four streams. R-R migrants have the highest proportion with “some primary school education” and the lowest percentage with university education. Consistently with all the other socio-demographic patterns discussed so far, the U-U migrants are the most educated, followed by R-U migrants.

Figure 3.8 depicts the ethnicity of migrants with the highest level of education in the four migration streams. In all streams, the Chinese have larger percentages than Malays from Form 5 onwards. The difference is greatest in pre-university levels in the U-U and U-R streams.

Because schooling is affected strongly by the age structure of the migrants, Figure 3.9 shows the highest level of schooling of Malay and Chinese migrants by the two most

Figure 3.7
 Migrants 1965-70: Highest Level of Schooling by Migration Stream, 1970



Source : Census Sample Tape, 1970.

Figure 3.8
Migrants 1965-70: Highest Level of Schooling by Ethnicity by Migration Stream, 1970

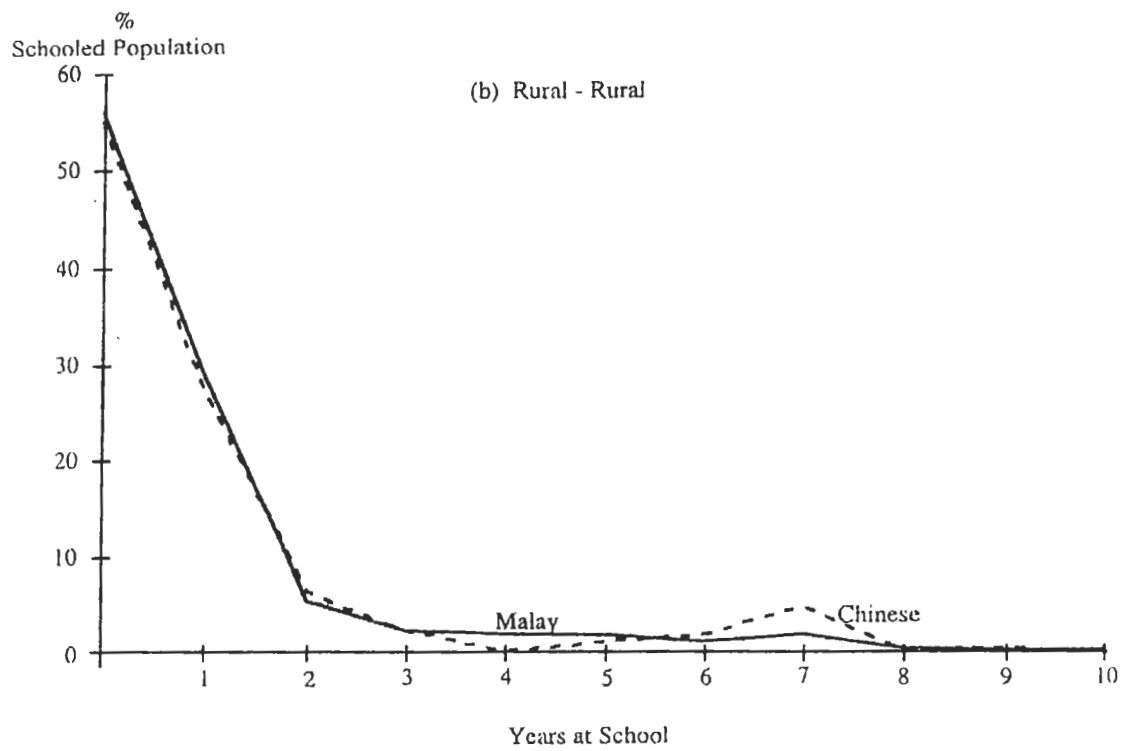
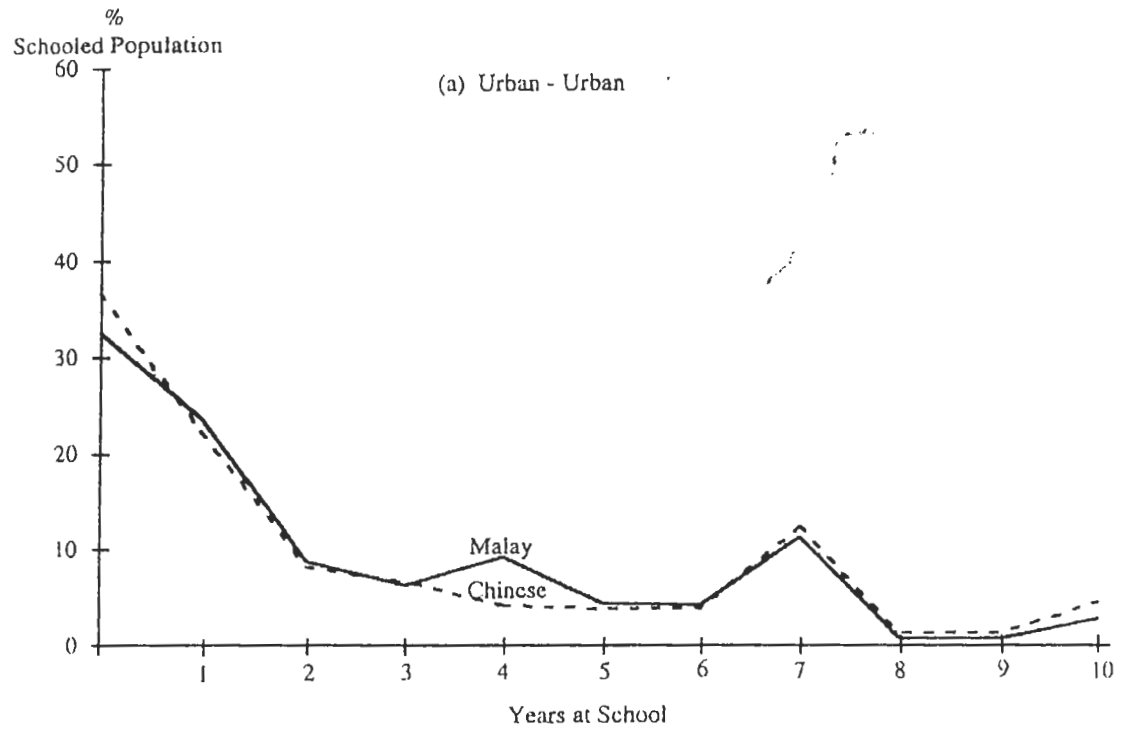
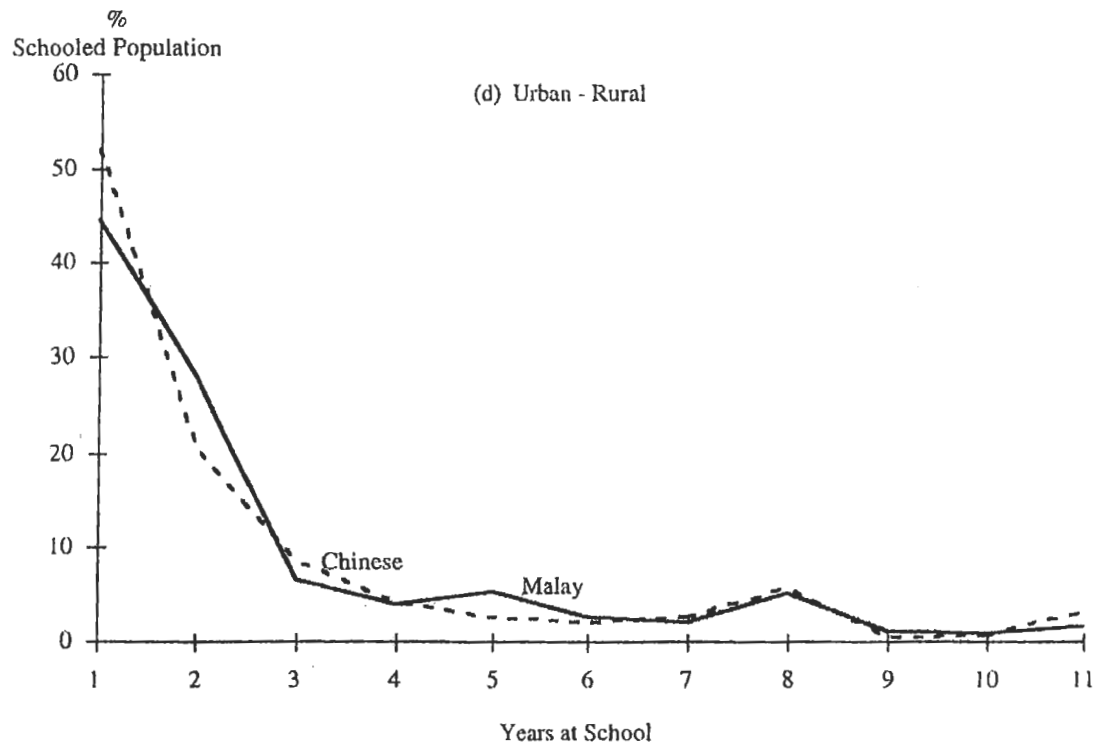
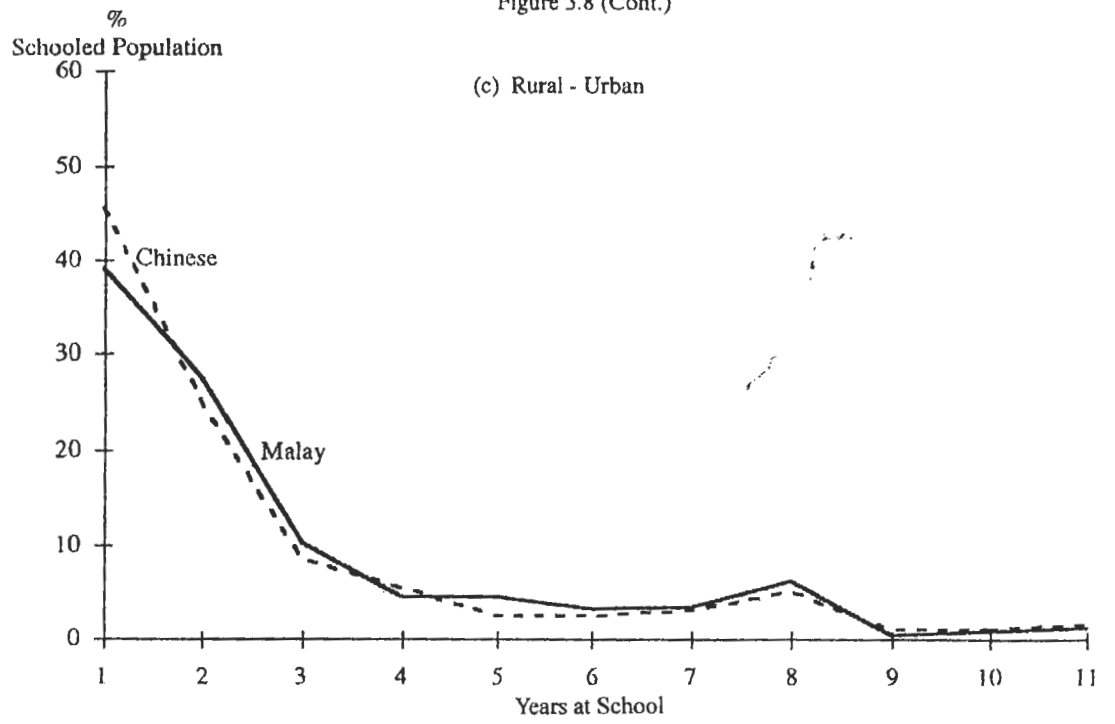


Figure 3.8 (Cont.)



Source: Census Sample Tape, 1970.

Figure 3.9
Migrants 1965-70: Highest Level of Schooling by Age Groups by Ethnicity by Migration Stream, 1970

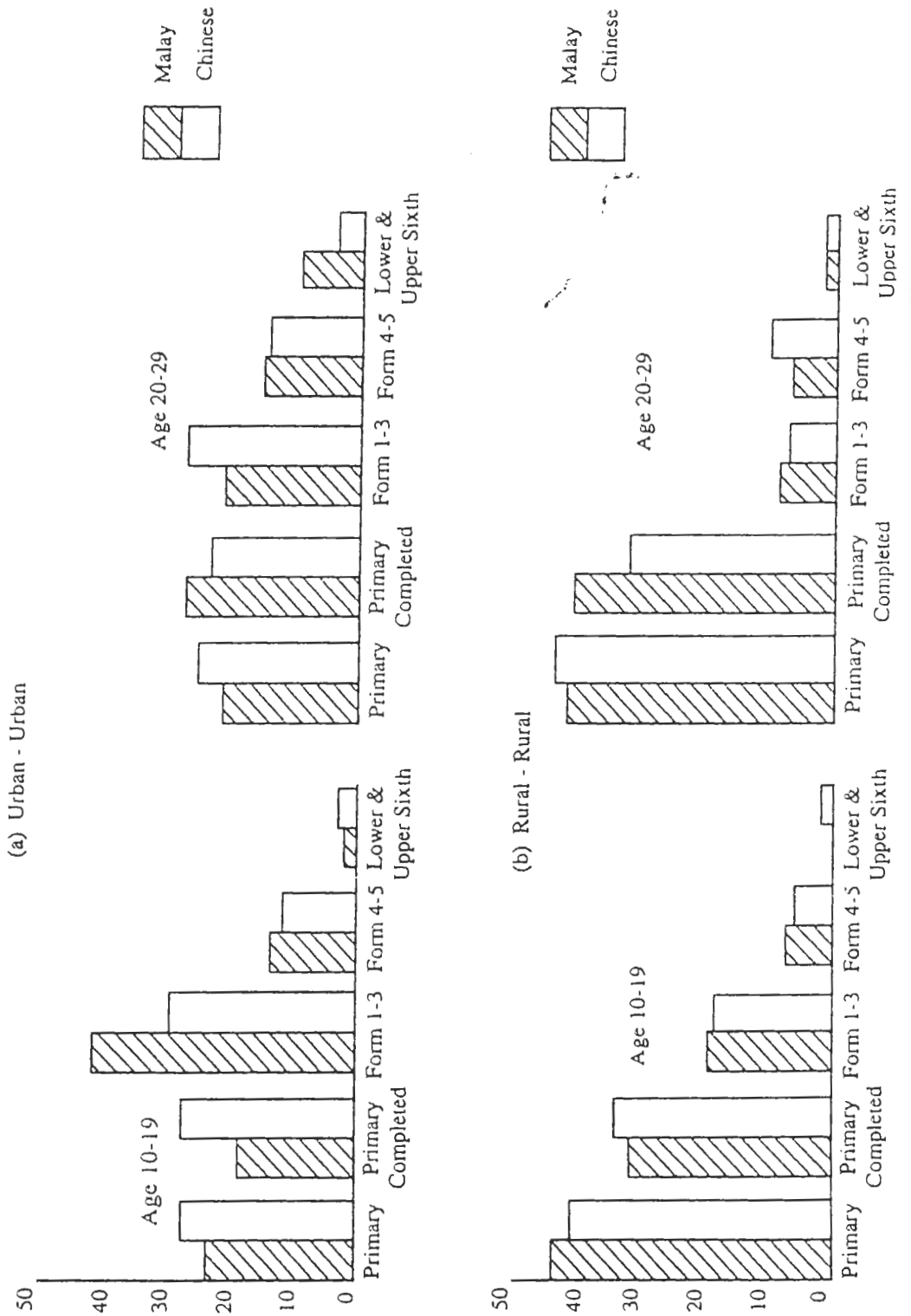
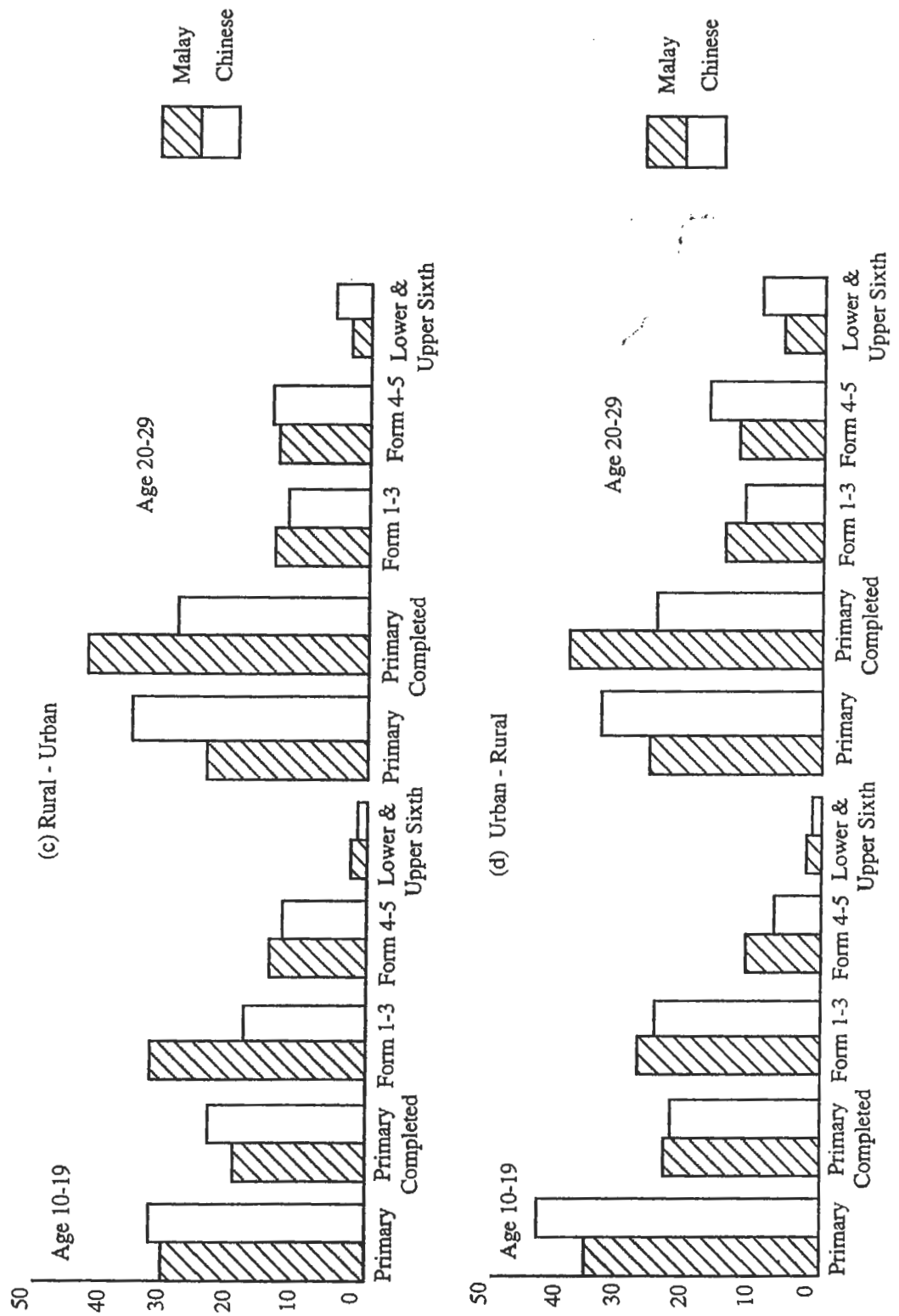


Figure 3.9 (Cont.)



Source: Census Sample Tape 1970.

migration-prone age-groups of 10-19 and 20-24. The significance of these age-groups is that they are the stages when migrants enter the workforce. In all migration streams, there are proportionally more Malays than Chinese in the secondary education levels, the difference being accentuated in the U-U and R-U streams. This finding lends support to the earlier argument on the need for Malays to be more educated than the Chinese if they are to be in the upper-circuit and to penetrate into the urban employment structure. However, consistent with earlier patterns of schooling, the Chinese tend to have higher proportions than Malays in the pre-university levels. Although Figure 3.9 does not include the older age-groups, an examination of migrants aged 30-39 and 40-49 points to the relatively higher education of the Chinese compared to the Malays. The higher proportions of Malays in the 0-9 age-group as well as the 10-19 and 20-29 age-groups indicate the more selective nature of Malay migration compared to the Chinese and the impact of rural development policies geared to increase Malay education (refer Chapter 2).

Information on tertiary education among migrants of the four streams shows that the U-U migrants have both the highest percentages with tertiary education and university education (refer Table 3.13). In all streams the Chinese have a higher proportion with tertiary education – a reflection of their higher educational attainments and a more diversified tertiary education.

This section has explored the major socio-demographic characteristics of the four migration streams. The U-U stream, or the upper-circuit, with its other spatial ramifications are mainly single males in the younger age-groups of 15-19 and 20-24. They are not only more literate but command literacy in more than two languages. They have the highest education, with secondary and university levels as well as the most diversified tertiary education. In sharp contrast, the R-R migration stream scored lowest for these educational attainments. As expected, the R-U migrants ranked second after the U-U migrants for these positive factors.

When Malays are compared with Chinese, they usually had more secondary education than the Chinese except at the highest level of schooling, such as pre-university and university and are less diversified in their tertiary education.

3.6 MIGRATION STREAMS: FORMAL AND INFORMAL SECTOR ANALYSIS

The previous sections demonstrated that the two-circuit system is inexorably linked to migration streams. The upper-circuit is mainly urban-urban, the lower-circuit is rural-rural while the urban-rural and rural-urban streams represent the dissolution of the two-circuits. Although this is a useful way of analyzing the structural processes underlying the migration streams, it implies that the circuits are merely a product of location. This is obviously too simplistic. The two-circuits model outlined in Chapter 2 suggested that equally critical is the economic sectoral dimensions. For example, even within the lower-circuit of R-R migration there are modern type activities. Similarly, the U-U stream has enclaves of traditional small-scale occupations namely the informal sector, which cannot be adequately dealt with in a simple framework based on migration streams defined by location only. In this section, the analysis is refined by explicitly incorporating the concept of the formal and informal sectors into the characteristics of migration streams.

Although the concept of the formal and informal sectors and its development have been criticized (see McGee, 1978; Kamal, 1980), it does provide some important insights into understanding migration as processes of structural change. As discussed in Chapter 1, there are various ways of operationalizing the concept of the formal and informal sectors, such as income opportunities (type of wages and activities, scale of enterprises and distribution, and types of transfer payments), ease of entry into the activities, reliance on indigenous resources, family ownership of enterprises, labour intensity, and so on. However, as census data are used in this study, the most appropriate way to define the two sectors is by using employment status. Thus, the employer and wage earner are classified as formal while the self-employed and unpaid family workers are classified as informal (see Mazumdar, 1976; 1981). Although such a proxy of membership in the formal and informal sectors is far from satisfactory, it is the best available way within the data constraints. What is sacrificed in terms of a more acceptable way of defining the formal-informal sector is compensated by the larger number of persons involved, that is, the national macro-level database. Besides, using employment status to indicate these two sectors have been used previously by other researchers who examined national patterns and whose sources of data were censuses and large-scale surveys (see for example, Webb, 1975; Mazumdar, 1976; 1981).

3.6.1 Dimensions of the Formal-Informal Sectors in the Two-Circuit System

Table 3.15 shows the proportion of migrants in formal and informal employment within each migration stream. Two points may be highlighted from this table. First, the informal sector among migrants is small by Third World standards (see Mazumdar, 1976; 1981). This is an indication of the higher level of economic development in this country. Second, the selective nature of migrants, in this case towards migrants in the formal sector compared to the total population is clear; the informal sector among migrants is only 24.4 per cent, in contrast to the total population in 1970 of 49.1 per cent.⁶ Because the strata of destination of migrants reflect the nature of occupational and industrial characteristics of the migrants, the more traditional sector, the informal sector, is largely in the rural areas.

Table 3.15
Migrants 1965-70: Migration Stream by Sector, 1970

Migration Stream	Sector		Total	
	Formal	Informal	No.	%
U - U	86.1	13.9	3,358	100
R - R	51.7	48.3	1,320	100
R - U	78.4	21.6	583	100
U - R	74.0	26.0	3,524	100
Total	75.6	24.4	8,785	

Source : Census Sample Tape, 1970.

Thus, the upper-circuit or U-U stream has 86.1 per cent, the largest proportion of migrants in the formal sector, followed by the R-U stream with 78.4 per cent.

By contrast, the lower-circuit or R-R stream has the highest proportion (48.3 per cent) in the informal sector. The U-R stream does not fit into this pattern with its large percentage of formal occupations. This may be explained by the sizeable amount of

⁶ Calculated from Chander (1977: 424).

suburbanization and government servants' transfer in the U-R streams based only on location in the previous section.

An analysis of the formal-informal sectoral representation as a total proportion of migration streams shows the same pattern, with U-U and U-R dominating the formal sector and U-R and R-R dominating the informal sector (Figure 3.10). The latter observation may be explained by the prevalence of self-employed and unpaid family workers in farming. The insignificance of "urban involution" (see McGee and Armstrong, 1968) and the absence of the phenomenon of flooding of the labour market in the cities by migrants who cannot get absorbed into the formal sector in this country is evidenced in the comparatively low proportion of migrants in the informal sector.

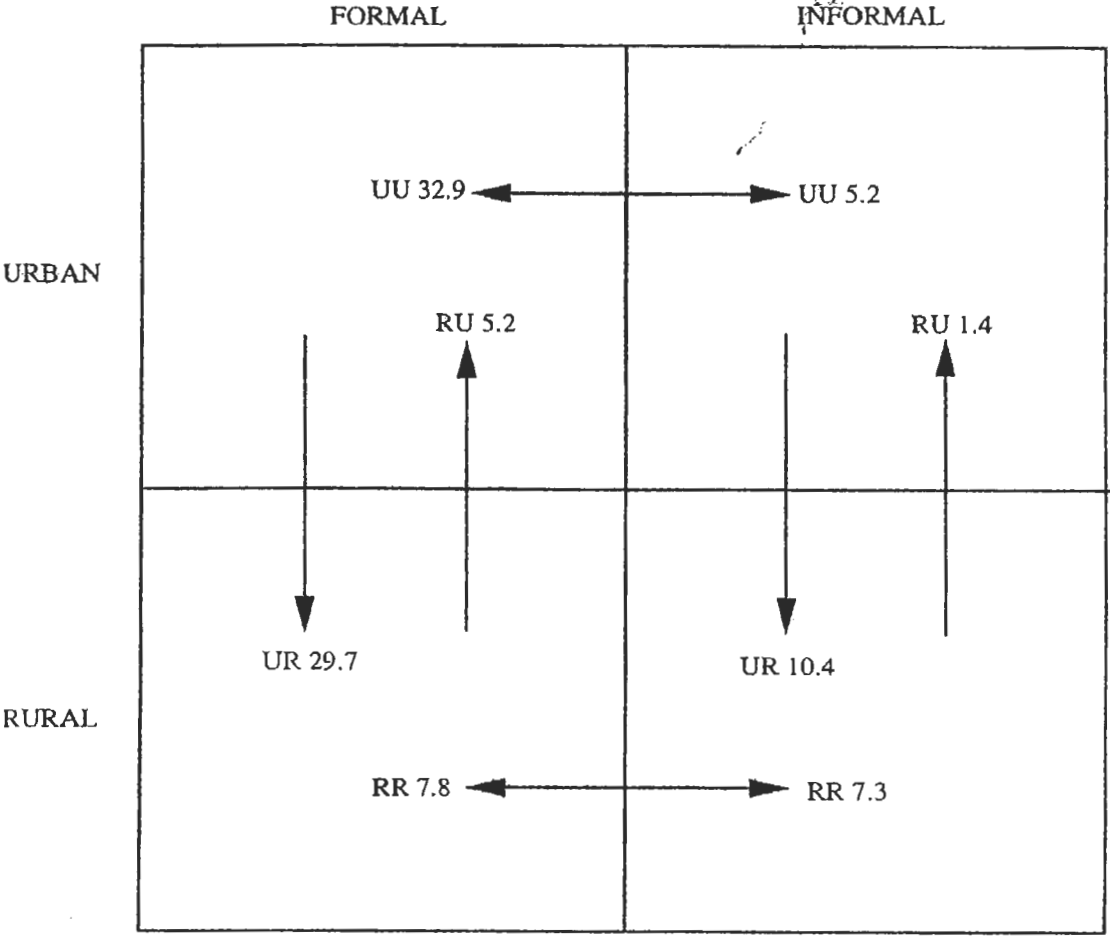
Again this is a product of "structured expansion" of the rural areas in the form of rural development which has held back potential migrants, making the migration experience of Malaysia quite unique compared to other Third World countries. Even the differential of migrants in the informal sector and formal sector in the R-R stream is quite small, only -3.4 per cent.

3.6.2 Ethnic Composition of the Migration Streams by Sector

The ethnic composition by streams provides more insight into the preservation and dissolution of the two-circuits. The dichotomous sectoral pattern of the Malays is demonstrated in their having the majority in both the formal (35.9 per cent as against 30.3 per cent of the Chinese) and informal sectors (15.0 per cent compared to the 7.2 per cent of the Chinese). This is due to their large numbers in government service and farming. The differences between Malays and Chinese are highlighted in the bigger proportion of Chinese in the U-U informal stream compared to the Malays. The opposite pattern occurs in the R-R stream where the Malays are an outstanding majority. Within the U-R informal sector, Malays have twice the proportion of the Chinese, again a result of their agricultural pursuits.

When the relative proportion of each race within the sectors and streams are analyzed, more Malay migrants are in the informal sector (29.6 per cent) than Chinese (19.1 per cent). Corresponding to the earlier findings on the two-circuits, most of the Malay share is in the R-R stream, while the Chinese share is in the U-U stream. Conversely,

Figure 3.10
 Proportion in Migration Stream by Sector



Source: Census Sample Tape, 1970.

few Malays in the informal sector are in the U-U stream (2.4 per cent against the Chinese with 7.9 per cent) and few Chinese are in the R-R stream (1.5 per cent against the Malays with 13.4 per cent). Only the R-U and to a lesser extent, the U-R, display similar proportions between Malays and Chinese within the formal sector. The Chinese are mostly in the U-U stream, with 41.4 per cent compared to 27.0 per cent noted by the Malays. The Chinese also have a slight edge over the Malays in the U-R stream. The only stream where Malays have a bigger majority in the formal sector is in the R-R migrant flow where Malays have 11.3 per cent compared to 4.2 per cent of the Chinese.

3.6.3 Socio-Demographic Characteristics of Migration Streams by Sector

Table 3.16 shows three important socio-demographic features of the formal and informal sectors. In all streams, there are far more males in the formal than the informal sector which shows the lower educational and occupational status of women. No where is this more stark than in the U-R and U-U streams. The opposite occurs where there are relatively more females in the informal sector of the R-R and U-R streams due to the absorptive capacity of women in agricultural work.

For all streams, the younger migrants tend to be found in the formal sector while those above 40 years old are concentrated mostly in the informal sector. Owing to their higher education, these younger migrants are able to secure more modern-type jobs.

The only exception to this pattern is the R-R migrants where those aged 10-19 years are mainly in the informal sector as unpaid family workers in farming. For those with only primary education this is likely to be their employment status for some time. The more educated are marking time in the family farm until they get a better job. The greatest difference between the formal and informal sectors is among migrants aged 20-29 in the U-U stream (11.7 percentage point difference). This shows the heterogeneity of urban-type occupations in contrast to the type of work of R-R migrants where the differential for the same age-group is only a 5.4 percentage point.

Schooling is probably the most important factor in determining occupation and consequently, the formal and informal categorization. In all streams, those without schooling dominate the informal sector, this being most conspicuous in the R-R

Table 3.16
Migrants 1965-70: Socio-Demographic Characteristics of Migration Stream by Sector, 1970

Socio-Demographic Characteristics	Migration Stream								
	U-U		R-R		R-U		U-R		
	Formal	Informal	Formal	Informal	Formal	Informal	Formal	Informal	
Sex									
Male	73.5	73.0	70.3	6.7	71.5	70.4	8.1	68.5	
Age Groups									
10-19	15.5	12.9	18.4	22.3	19.6	18.3	15.5	13.8	
20-29	47.8	36.1	37.5	32.1	4.4	31.3	39.9	30.3	
30-39	22.2	23.3	25.4	19.3	22.1	22.6	24.5	25.3	
40-49	9.3	16.3	11.5	11.8	10.9	10.4	11.2	15.4	
50+	5.2	11.4	7.3	14.4	6.9	17.3	8.9	15.2	
Highest Level of Education									
None	6.6	15.1	28.2	48.4	10.2	30.4	15.7	30.4	
Years 1-6	41.3	63.6	57.1	48.4	55.8	58.3	55.6	60.0	
Years 7-13	52.1	21.3	14.7	3.3	34.0	11.3	28.7	9.6	

Source: Census Sample Tape, 1970.

stream (48.4 per cent). While the R-R migrants are able to attain formal sector jobs with no education (28.2 per cent), this proportion falls to a low of 6.6 per cent among U-U migrants, a result of the more demanding requirements of the urban labour market which needs formal education if migrants are to be absorbed into the corporate sector. Therefore, it is in the U-U stream, within the formal sector, that the most educated migrants are found (52.1 per cent). Furthermore, the U-U informal sector has the largest component of secondary-educated migrants, 21.3 per cent compared to 3.3 per cent in the R-R stream. This may show the higher level of education in the U-U streams where even those with secondary education have to work as self-employed and unpaid family workers. In line with the earlier findings, the R-U migrants also display this pattern.

Table 3.17 shows selected economic characteristics of the formal and informal sectors. It is interesting to note that within the corporate sector, the U-U and R-R streams are remarkably similar. The main difference is the larger proportion of family workers among R-R migrants. As expected, all the other characteristics which denote modernism are most prevalent in the formal sector. However, the relative importance of these variables in each stream varies, showing the complexities within the economic system. Thus, while U-R and U-U formal migrants have low proportions with home-made goods compared to R-R and R-U migrants, they have the highest percentages of home-made goods among informal migrants. This is due to the urban-type jobs of the U-R and U-U migrants. Among informal sector migrants, the R-R stream has nearly 80 per cent working at home, explained by their agricultural work. This is the opposite to the 14.2 per cent of formal U-U migrants who work at home. For the same reasons, 86.8 per cent of R-R informal sector migrants help in the family business compared to 73.6 per cent in the U-U informal stream. While all the formal sector migrants of the other streams have less than 14 per cent helping in the family business, the proportion for R-R migrants is 44.7 per cent. It is the informal sector which has the bulk of irregular jobs, this being most prevalent in the U-R and R-R streams. A comparison of these two sectors within streams again shows the structured nature of migration in the two-circuits. Generally, the U-U formal sector has the smallest proportions of traditional indicators contrasting with the R-R informal sector.

Table 3.17
Migrants 1965-70: Economic Characteristics of Migration Stream by Sector, 1970

Economic Characteristics	Migration Stream								
	U-U		R-R		R-U		U-R		
	Formal	Informal	Formal	Informal	Formal	Informal	Formal	Informal	
Employment Status									
Employer	3.8	-	3.4	-	5.5	-	7.0	-	
Employee	96.2	-	96.6	-	94.5	-	93.0	-	
Self-Employed		68.3		57.4		59.1		68.0	
Family worker		31.7		42.6		40.9		32.0	
Home-made Goods									
Yes	37.7	63.2	68.2	57.9	57.1	33.3	33.0	61.4	
Work at Home									
Yes	14.2	45.5	45.5	79.5	18.9	53.0	26.1	64.8	
Help in Family Business									
Yes	9.4	73.6	44.7	86.8	11.1	82.4	13.7	81.1	
Regular Job									
No	0.8	10.7	4.0	17.2	1.5	11.6	1.2	18.4	

Source: Census Sample Tape, 1970.

3.6.4 Usual Industry of Migration Streams by Sector

The two-circuits is best illustrated by integrating the concept of location with sectors. As emphasized earlier, industry and occupation are the most important variables in the analysis of the two-circuits because they constitute the economic structure of the migration streams. Table 3.18 shows the usual industry (main industry of the respondents during the past one year) of migrants by streams and urban sectors. The complexity and rigidities of the two-circuits of migration may be seen in the large differences between formal and informal sectors within the same stream. For example, while the largest proportion of formal sector migrants in the U-U stream are in services (55.4 per cent), the counterpart for the informal sector is commerce (40.4 per cent). In the corporate sector, commerce and the miscellaneous category “other” are next in importance. For the informal sector migrants, the next three major categories are “other”, rubber and services. Therefore, while Malays dominate in the formal sector in services (74.3 per cent compared to 37.9 per cent of the Chinese) mainly as government servants, the Chinese belong to the informal sector in commerce (40.8 per cent compared to 29.6 per cent of the Malays).

R-R migrants show more homogeneity than U-U migrants, although there are some important ethnic differences. The major categories for both the corporate and informal sectors are rubber (51.1 per cent and 44.5 per cent, respectively). The formal sector migrants in rubber are mainly estate workers, while those in the informal sector are self-employed smallholders. Malays and Chinese are nearly equally divided in the Malays have 46.2 per cent compared to 32.6 per cent of the Chinese. And where Malays have 41.1 per cent in *padi* the Chinese proportion is only 7.0 per cent showing the importance of self-employed farmers and family workers in *padi* for Malays. As expected, the Chinese are mostly in commerce (32.6 per cent) compared to 3.2 per cent recorded by the Malays. Even within this R-R informal stream, the Chinese display greater industrial diversity than the Malays.

Within the formal sector, services (12.8 per cent, consisting of mostly government and army personnel – where Malays have 17.1 per cent and Chinese only 0.4 per cent), other agriculture (11.8 per cent) and *padi* (10.1 per cent) are the next major categories. In the informal sector, *padi* alone constitutes 39.2 per cent, mostly of self-employed farmers and family workers.

Table 3.18
Migrants 1965-70: Usual Industry by Migration Stream by Sector, 1970

Usual Industry	Migration Stream											
	U-U			R-R			R-U			U-R		
	Formal	Informal	Total	Formal	Informal	Total	Formal	Informal	Total	Formal	Informal	Total
Padi	0.2	3.3	10.1	39.2	1.9	12.1	1.6	22.2				
Logging	0.9	0.9	2.8	-	-	-	3.8	2.0				
Fishing	0.7	3.0	0.3	1.3	0.6	6.6	0.9	2.7				
Rubber	3.6	11.7	51.1	44.5	11.7	13.2	26.8	34.3				
Other Agriculture	0.7	4.8	11.8	4.5	2.8	5.5	5.9	11.5				
Manufacturing	9.1	4.2	3.2	0.9	11.7	7.7	6.7	2.1				
Commerce	15.1	40.4	2.3	5.6	11.4	44.0	5.8	9.5				
Transport, Communications	5.0	5.1	1.3	0.5	5.3	1.1	2.9	1.0				
Services	55.4	11.4	12.8	0.5	43.2	4.4	28.1	3.1				
Other	9.3	15.3	4.3	2.9	11.4	5.5	17.6	11.5				
Total No.	2,367	234	603	553	359	91	2,180	703				
%	100	100	100	100	100	100	100	100				

Source: Census Sample Tape, 1970.

However, it is in the R-U and U-R streams that the dissolution of the two-circuits is discernable. The R-U migrants display more diversity than the R-R migrants, having more similarities with U-U migrants. Like the U-U stream, the formal and informal sectors in the R-U stream belong to different industries. As much as 43.2 per cent of the corporate sector migrants are in services, where the Malays (mostly army personnel) constitute 58.3 per cent compared with the Chinese proportion of 22.8 per cent. The next important categories are nearly equivalent proportions of 11.5 per cent each of manufacturing, rubber, commerce, and others. But the major category in the informal sector migrants is commerce, 44.0 per cent, comprising mostly Chinese in petty trading (48.4 per cent compared to 38.2 per cent of the Malays).

The R-R stream displays sharp differences between formal- and informal-type industries, but the stream has an interesting mix of U-U and R-R characteristics. For example, in the formal sector, services (28.1 per cent) and rubber (26.8 per cent) constitute nearly 60 per cent of the total. As in the previous findings, services is mainly transferred Malay government servants from urban to rural areas (41.8 per cent compared to 16.6 per cent Chinese). They have a slight edge over the Chinese in rubber. In the informal sector, a picture similar to R-R migrants emerge.

3.6.5 Occupational Structure of Migration Streams by Sector

Certain important patterns emerge in Tables 3.19 and 3.20. First, as in the case of usual industry, it is clear that the U-U and R-U streams have a diversity of occupations within both formal and informal sectors, not displayed by the R-R and to a lesser extent, U-R streams. For example, while the major occupations of the U-U formal-sector migrants is service work (29.7 per cent), followed by production work (24.1 per cent) and professional-technical (17.0 per cent), the ranking in the informal sector is sales (29.7 per cent), production work (22.0 per cent) and agriculture (21.5 per cent). In the formal sector of the R-U stream, the major occupations are production workers (27.5 per cent). These are the new factory workers migrating to work in newly-established industrial estates which have emerged in the major towns of Kuala Lumpur and Penang in the late 1960s. The informal sector in the R-U stream is primarily in agriculture (35.7 per cent) and sales (26.1 per cent). However, the chief occupations in both the formal and informal sectors of the R-R and U-R streams are agriculture, even though this proportion is relatively smaller in the formal sector of both streams. Second, while services, production and professional technical workers are the major types of

Table 3.19
Migrants 1965-70: Selected Occupations^a in the Formal Sector by Migration Stream, 1970

Occupation	Migration Stream			
	U-U	R-R	R-U	U-R
Professional & Technical	17.0	4.6	15.4	8.6
Teachers	8.8	4.0	10.7	4.4
Administrative & Managerial	1.7	0.9	0.5	0.3
Managerial	1.1	0.9	0.4	0.3
Clerical Workers	14.4	1.2	8.4	6.9
All clerks	10.3	1.0	5.5	4.7
Sales Workers	7.3	1.4	6.5	3.2
All salesmen	6.3	1.1	5.0	2.4
Working proprietor (sales)	0.3	0.1	0.4	0.2
Service Workers	29.7	6.5	26.1	14.0
Cooks & maids	10.3	1.4	11.2	2.9
Hairdressers	1.0	-	0.4	0.1
Protection services	15.2	4.7	11.1	9.7
Working proprietor (service)	0.2	-	0.4	0.1
Agricultural Workers	5.8	74.0	15.6	37.2
Farm managers	0.2	1.0	0.9	1.7
Farmers	0.2	1.6	-	0.9
Animal husbandry	3.9	66.0	11.8	29.0
Forestry workers	0.5	1.2	0.7	2.0
Fishermen & hunters	0.6	0.3	0.4	0.7
Production Workers	24.1	11.3	15.7	29.8
Foremen	0.9	-	-	1.0
Miners	0.5	-	0.4	8.0
Wood processors	0.8	1.8	1.1	1.2
Chemical processors	0.4	1.8	1.1	1.6
Food processors	0.4	0.9	2.8	1.0
Tailors	2.1	0.3	2.0	0.3
Machine & electrical fitters	4.2	1.0	2.0	2.9
Production Workers				
Rubber plastic	1.0	-	0.4	0.5
Bricklayers & carpenters	1.9	1.0	2.8	1.5
Stationary operators	0.9	-	-	1.3
Dockers	1.8	0.6	2.0	1.5
Transport	3.3	2.3	5.0	3.5
Not Elsewhere Classified	8.3	5.3	11.8	7.7
Total No.	2,893	682	457	2,607
%	100.0 ^b	100.0	100.0	100.0

Source: Census Sample Tape, 1970.

Note: ^a Major occupational categories exclude labourers not elsewhere classified but proportions of specific occupations include them. As the sub-categories are selected ones, they necessarily add up to the main categories.

^b Rounding error.

Table 3.20
Migrants 1965-70: Selected Occupations^a in the Informal Sector by Migration Stream, 1970

Occupation	Migration Stream			
	U-U	R-R	R-U	U-R
Professional & Technical	5.4	0	0.9	1.5
Teachers	1.3	-	-	0.7
Administrative & Managerial	1.0	0	1.7	0.7
Clerical Workers	3.0	0.2	1.7	0.7
All clerks	2.1	-	1.4	0.7
Sales Workers	29.7	5.4	26.1	11.3
All salesmen	14.0	2.5	14.3	3.9
Working proprietor (sales)	11.4	2.7	9.5	5.9
Service Workers				
Cooks & maids				
Working proprietor (service)				
Agricultural Workers	21.5	90.2	35.7	71.0
Farmers	8.2	47.6	12.7	33.9
Animal husbandry	8.0	37.9	13.5	25.6
Fishermen & hunters	2.4	0.6	6.3	2.4
Production Workers	22.0	3.3	18.3	9.3
Wood processers	0.2	-	-	1.1
Food processers	1.3	0.3	2.4	1.1
Tailoring	6.0	0.6	4.0	1.9
Machine & electrical fitters	0.9	0.2	2.4	-
Bricklayers & carpenters	2.1	0.2	1.6	0.8
Transport	2.6	0.6	1.6	1.0
Not Elsewhere Classified	13.1	4.4	8.7	12.4
Total No.	465	638	126	917
%	100.0^b	100.0	100.0	100.0

Source: Census Sample Tape, 1970.

Note: ^a Major occupational categories exclude labourers not elsewhere clarified but proportion specific occupations include them. As the sub-categories are selected ones, they do not necessarily add up to the main categories.

^b Rounding error.

occupations in the formal sector of all streams, the informal sector is made up of agriculture (in rural areas) and sales (in urban areas).

A discussion of the main types of occupations within these major categories will further reveal some of the structural processes of the two-circuits. Not only do the migration streams display occupational niches but the formal-informal sectors also illustrate the predominance of certain occupations. Ethnicity seems to further differentiate occupational categories. An analysis of the detailed formal occupations indicate the preservation and conservation of the two-circuits. Chinese are not only more diversified but they continue to dominate in occupations which traditionally have been associated with them such as commerce, sales and production work.

The U-U migrants are mainly in services (29.7 per cent). Malays are over-represented with 43.2 per cent compared to 18.0 per cent of the Chinese. While Malays are almost exclusively government servants and military personnel, the Chinese are servants and cooks. Within production work (24.1 per cent), the Chinese have 31.7 per cent compared to 16.2 per cent recorded by the Malays. While the Chinese are concentrated in the heavier industries such as machine and electrical fitters, the Malays tend to be in light industries such as transport and food. Skilled work like tailoring and electricians which allows self-employment are almost exclusively Chinese. Such skills are acquired through informal channels of apprenticeship based on kinship and contact. While 12.3 per cent of the Chinese are in sales, the Malay share is only 2.5 per cent.

Nearly three-quarters of R-R migrants in the formal sector are agricultural workers; mostly as farmers and engaged in animal husbandry. In this sector, Malays are over-represented in agriculture, 76.4 per cent compared to 59.2 per cent among U-R migrants. While Malay migrants concentrate in agriculture (37.5 per cent), the Chinese are mostly in production work (46.9 per cent). The R-U stream also has a fair proportion of farmers and migrants engaged in animal husbandry. Chinese migrants are widespread in production work (34.9 per cent, compared to Malays 23.4 per cent) while Malays are mainly in services (33.5 per cent, compared to Chinese 15.8 per cent). The Chinese are mainly tailors, bricklayers and carpenters.

The break of the two-circuits is shown in the formal sector of R-U and U-R migrants. R-U migrants concentrate in services (26.1 per cent) as domestics (Chinese) and military personnel (Malays). The latter has been a major way of take off from the rural areas for partially educated Malay men, while the former has been a typical pattern of rural-urban

migration for Chinese females. As these have been the traditional ways in the break of the two-circuits, it would be interesting to explore how recent inroads have been made into the modern sector.

Production workers are an important category in the dissolution of the two-circuits. However, even here, the ethnic segregation prevails. While Malays concentrate in transport (5.0 per cent) and as stationary operators (2.8 per cent), the Chinese are tailors (2.0 per cent), mechanics and electrical fitters (2.0 per cent), and wood and chemical processors. However, there are large numbers of Malays in the professional and technical category, mainly as teachers and clerks.

The U-R pattern is harder to interpret owing to the suburbanization process operating alongside more meaningful U-R movements. This stream has mixes of both U-U and R-R characteristics. As agricultural workers constitute 37.2 per cent, the majority is in animal husbandry followed by production workers (29.8 per cent). The largest sub-category within this group is the miners who are nearly all Chinese. Some Malays are found in transport and stationary operators although most of the processors are Chinese. Unlike the U-U stream, service and clerical workers make up smaller proportions.

In the informal sector, there is more homogeneity between streams – agriculture dominating in R-R, U-R and R-U streams. The U-U and R-U migrants are similar in that sales and production workers are important categories. In the R-U stream, Chinese and Malays have nearly equal proportions in agriculture, production and sales. The Chinese are primarily in production (26.6 per cent against 19.4 per cent recorded by the Malays) while the Malays are in agriculture (23.5 per cent compared to 21.5 per cent noted by the Chinese).

The R-R stream has over 90 per cent agricultural workers, mostly as self-employed farmers and in animal husbandry. While Malays have 92.7 per cent in agriculture, the Chinese proportion is 60 per cent. Sales is important for the Chinese (33.3 per cent to 3.8 per cent). The R-U stream is nearly a replica of the U-U stream. But when the occupations are detailed, it is a mirror image of the U-U migrants, Malays in agriculture (47.8 per cent) and sales (26.1 per cent) and Chinese in production work (26.8 per cent) and sales (22.0 per cent). Among U-R migrants, Malays are in agriculture with 84.0 per cent, while the Chinese display a more varied structure, with 51.6 per cent in agriculture, 19.3 per cent in sales and 5.0 per cent in production work.

3.6.6 Age and Education by Sector and Migration Streams

We have seen in Table 3.16 that most of the informal sector migrants are older in all streams. As age affects education which in turn affects the type of occupation which Malays and Chinese concentrate in, it is necessary to disaggregate this variable further. Table 3.21 shows age-groups by race, sector and streams. Although some of the cells may have too few cases for analysis, certain generalizations can be made. In all streams, there is a larger proportion, ranging from 22.0 per cent to 35.6 per cent, of migrants above 40 years for both Malays and Chinese in the informal sector. The Malays have a slight edge over the Chinese except in the R-R stream where 35.6 per cent is above 40 years. This may be due to the small total (45 persons) and the spilling over of those aged 30-39 into this category. An interesting contrast is the larger proportion of Chinese migrants compared to Malays aged 10-19 in the informal sector in all streams. This may be showing the greater problems faced by young Chinese penetrating the formal sector. The Malay proportion in this age-group in the formal sector of all streams is smaller. This is also explained by the larger percentage of Malays who remain in school compared to the Chinese. On the whole, the formal sector of the U-U stream has the largest proportion of migrants aged 10-29 years. While the Malay proportion in the formal sector of this group is larger than the Chinese in the U-R stream (60.4 per cent against 53.1 per cent) owing to young Malays in government service, the R-R stream displays the opposite (54.8 per cent against 65.6 per cent), due to older Malays in agriculture.

It was argued in the section on migration streams and education that Malay migrants tend to be more educated than Chinese migrants. The types of modern jobs which Malays move into demand formal education. Therefore, it would be interesting to examine the difference in level of schooling between Malays and Chinese in the different migration streams by sector (Table 3.22). Within the formal sector, the Malays are substantially better educated than the Chinese in U-U, U-R and particularly, the R-U stream (10.7 percentage point difference for migrants with secondary schooling). In these streams, there are larger proportions of Chinese without schooling and with primary schooling while the Malays consistently have higher proportion with secondary education. The only exception to this pattern is that of R-R migration where Malays without schooling is 30.1 per cent compared to 18.4 per cent

Table 3.21
Migrants 1965-70: Age by Ethnicity, Sector and Migration Stream, 1970

Age Group	U-U				R-U				U-R							
	Formal		Informal		Formal		Informal		Formal		Informal					
	Malay	Chinese	Malay	Chinese	Malay	Chinese	Malay	Chinese	Malay	Chinese	Malay	Chinese				
10-19	13.9	18.4	8.2	16.0	18.0	23.2	21.4	31.1	14.8	25.0	15.9	24.4	14.3	17.1	14.3	15.4
20-29	48.9	49.6	40.8	39.2	36.8	42.4	32.8	28.9	45.5	36.2	31.9	31.7	46.1	36.0	30.1	31.9
30-39	21.9	21.2	22.4	22.8	25.3	21.6	20.6	4.4	22.5	19.1	26.1	19.5	25.2	22.8	26.2	24.0
40+	15.3	10.8	28.5	22.0	19.9	12.8	25.1	35.6	17.3	19.7	26.0	24.4	14.3	24.1	29.5	28.8
Total No.	1,100	1,247	98	237	462	125	548	45	209	152	69	41	1,106	913	489	254
%	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Source: Census Sample Tape, 1970.

Table 3.22
Migrants 1965-70: Schooling by Ethnicity by Migration Stream by Sector, 1970

Education Level	Formal												Informal									
	U-U		R-R		R-U		R-R		U-U		R-R		R-U		R-R		U-U		R-R		R-U	
	Malay	Chinese	Malay	Chinese	Malay	Chinese	Malay	Chinese	Malay	Chinese	Malay	Chinese	Malay	Chinese	Malay	Chinese	Malay	Chinese	Malay	Chinese	Malay	Chinese
No Schooling	3.8	8.3	30.1	18.4	8.6	11.8	12.0	15.8	20.4	11.4	50.2	20.0	34.8	24.4	31.3	28.7						
Primary	41.5	42.4	57.4	59.2	53.1	60.5	55.6	58.6	57.1	69.2	46.5	75.6	58.0	56.1	62.0	57.1						
Secondary	54.6	49.3	12.6	22.4	38.3	27.6	32.4	25.6	22.4	19.4	3.3	4.4	7.2	19.5	6.7	14.2						
Total No.	1,100	1,247	462	125	209	152	1,106	913	98	237	548	45	69	41	489	254						
%	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100						

Source: Census Sample Tape, 1970.

Note: Education level is defined as primary (1-6 years) and secondary (7+ years).

recorded by the Chinese. And a greater proportion of Chinese are educated at secondary level (9.8 percentage point difference) compared to Malays in the R-R stream. This may be explained by the larger number of wage earners in the formal sector, especially the R-U stream where Malays who migrate to urban areas have to be far more educated than the Chinese.

In line with the earlier observation, the informal sector migrants are far less educated. The most educated are in the U-U and R-U streams. The Chinese in the informal sector are more educated than the Malays, the greatest difference being in the R-U stream (12.3 percentage point difference). This is due to the large number of Chinese who are family workers or self-employed in kinship-based enterprises; for example, as much as 19.5 per cent and 14.2 per cent of Chinese migrants in R-U and U-R have secondary education. The one exception is the U-U stream where Malays have a slight edge over the Chinese for those with secondary education. However, the other extreme is that compared to the Malays, nearly twice the proportion of Chinese are those without schooling.

The educational differences between Malays and Chinese in major occupational groups within streams have been selected for further examination. Within the formal sector of the U-U stream, the Chinese have larger proportions of migrants with secondary education. They are mostly in the professional and technical, clerical and production work groups. Over 90 per cent of the Chinese have secondary education in the professional and technical categories.

A different pattern emerges in the services. Again this shows the dualism within the services sector – Malays are more educated than the Chinese (6.4 percentage point difference). While Malays work in the government sector which demand secondary schooling as a pre-requisite, the Chinese are mostly domestics and cooks. Similar patterns are displayed in the other streams. Similarly, production workers in the R-U and U-R streams have more educated Malays than Chinese. This is due to the formal nature of Malay recruitment compared to the family-oriented Chinese enterprises. It suggests that the Chinese have relative ease in penetrating these occupations compared to Malays. Only in agriculture, in the formal sector of the R-R migration stream, that the Chinese are more educated than the Malays.

In the formal sector, most of the totals in the U-U, R-U and R-R streams are too small for meaningful comparison. In the U-R stream the same pattern as that of the corporate

sector emerged, that is, Malays tend to be more educated than the Chinese only in services. In agriculture, production and sales, the Chinese have higher education.

3.6.7 State of Destination and Origin of the Migration Streams by Sector

Finally, Figure 3.11 (a-d) shows the present state location (destination) of migrants in the formal and informal sectors for the four streams. The developed states of the west, particularly Selangor, Perak and Negeri Sembilan have a pre-ponderance of U-U migrants in the formal sector compared to the underdeveloped east coast states and Kedah. This pattern is repeated in the R-U and U-R streams. For R-U migrants, the informal migrants to Selangor and Perak is half of the formal migrants which points to the positive selectivity of R-U migration in Peninsular Malaysia. Only in the lagging states like Kelantan, Terengganu and Kedah is the informal sector migration far larger than the formal sector. This is true also for U-R migrants although the informal sector migration in the developed states are larger and those of the depressed states very small. The R-R pattern shows the importance of the large estate sector in Johor, with its huge formal sector migration. An opposite form exists in Kelantan where the informal sector migration is over twice that of the formal sector, explained by its traditional agriculture and petty trading. However, Kedah has nearly equal proportions of each, due to *padi* and rubber as well as the labour wage earners within the agricultural sector. An examination of the migrants by previous state location (origin), Figure 3.12 (a-d) shows that the pattern is similar to that of the current location.

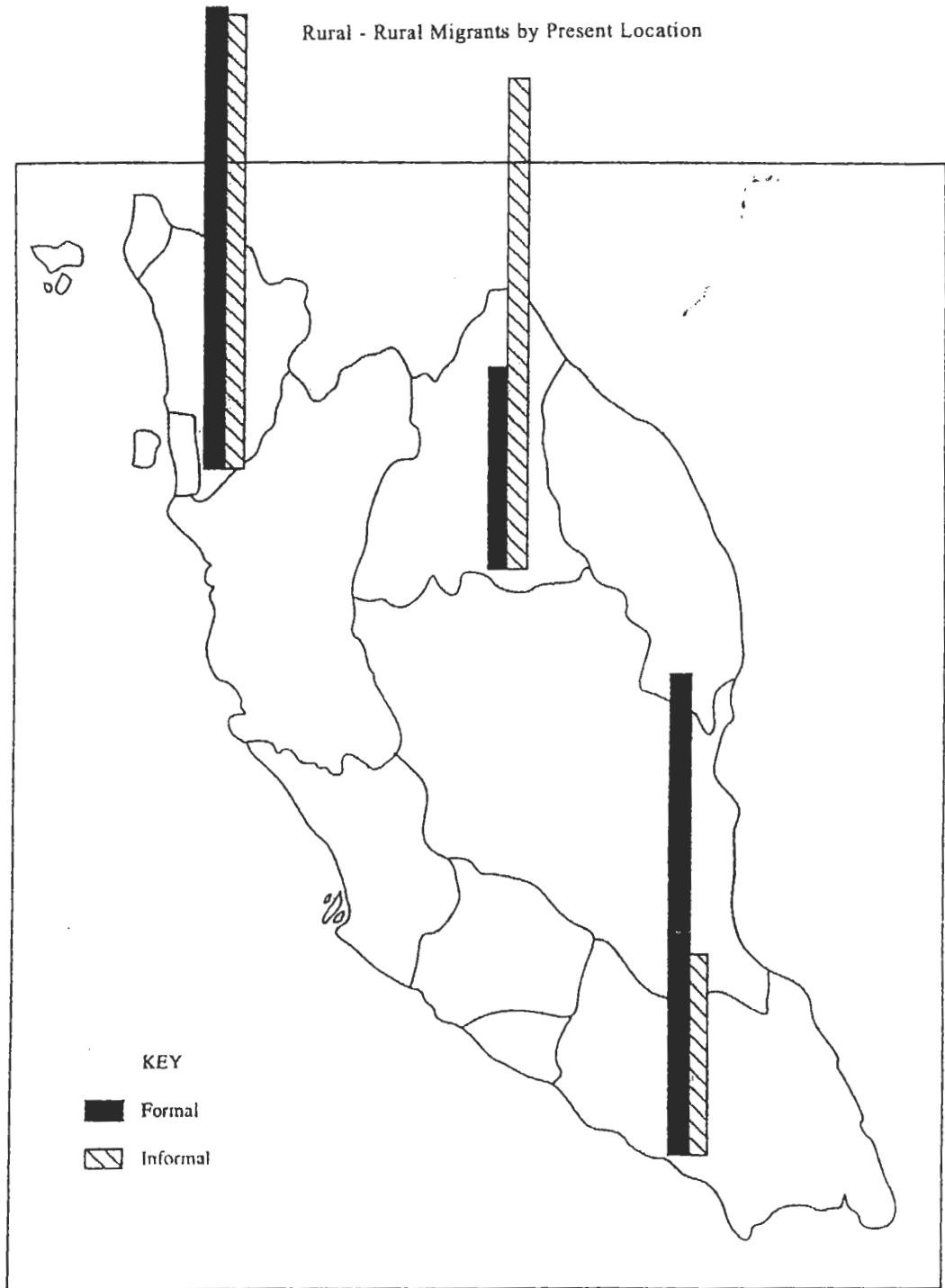
3.7 CONCLUSION

This chapter sought to analyze the structure of the two-circuit system of migration by relating it to the four migration streams based on strata. It also examined this structure of migration in terms of the formal-informal sectoral classification.

The first task was to examine the spatial, socio-demographic and economic characteristics of the four migration streams. Table 2.1 of Chapter 2 summarizes these major characteristics of the two-circuits, as analyzed in this chapter. The importance of ethnicity in the structure of the two-circuit system is clearly evident. Within this two-circuits framework of migration, the Malays tend to dominate in the R-R stream which encompasses circulation within the depressed states. The Chinese are mainly in the U-U stream which tends to operate in the developed west coast

Figure 3.11(b)

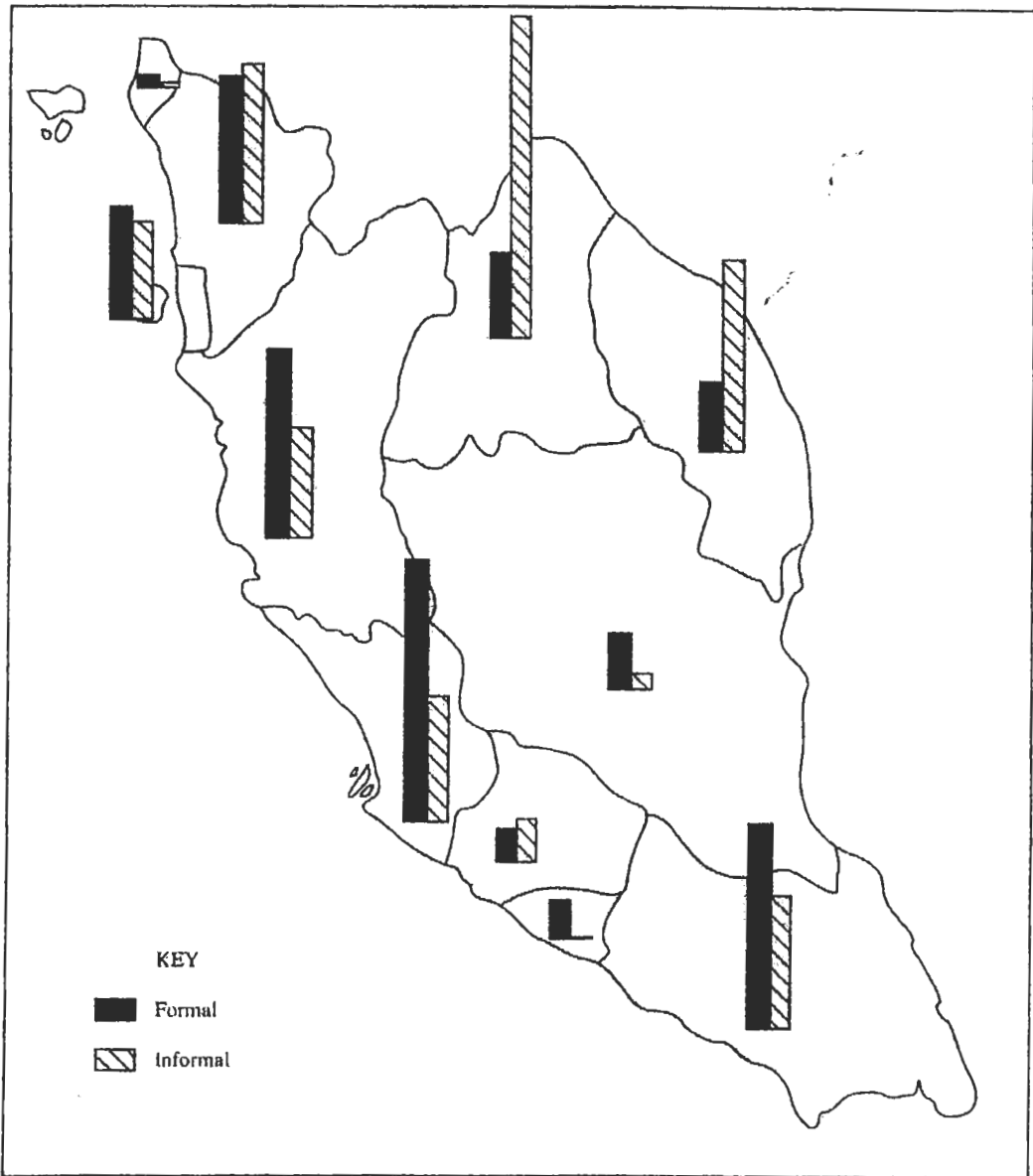
Rural - Rural Migrants by Present Location



Source: Census Sample Tape, 1970.

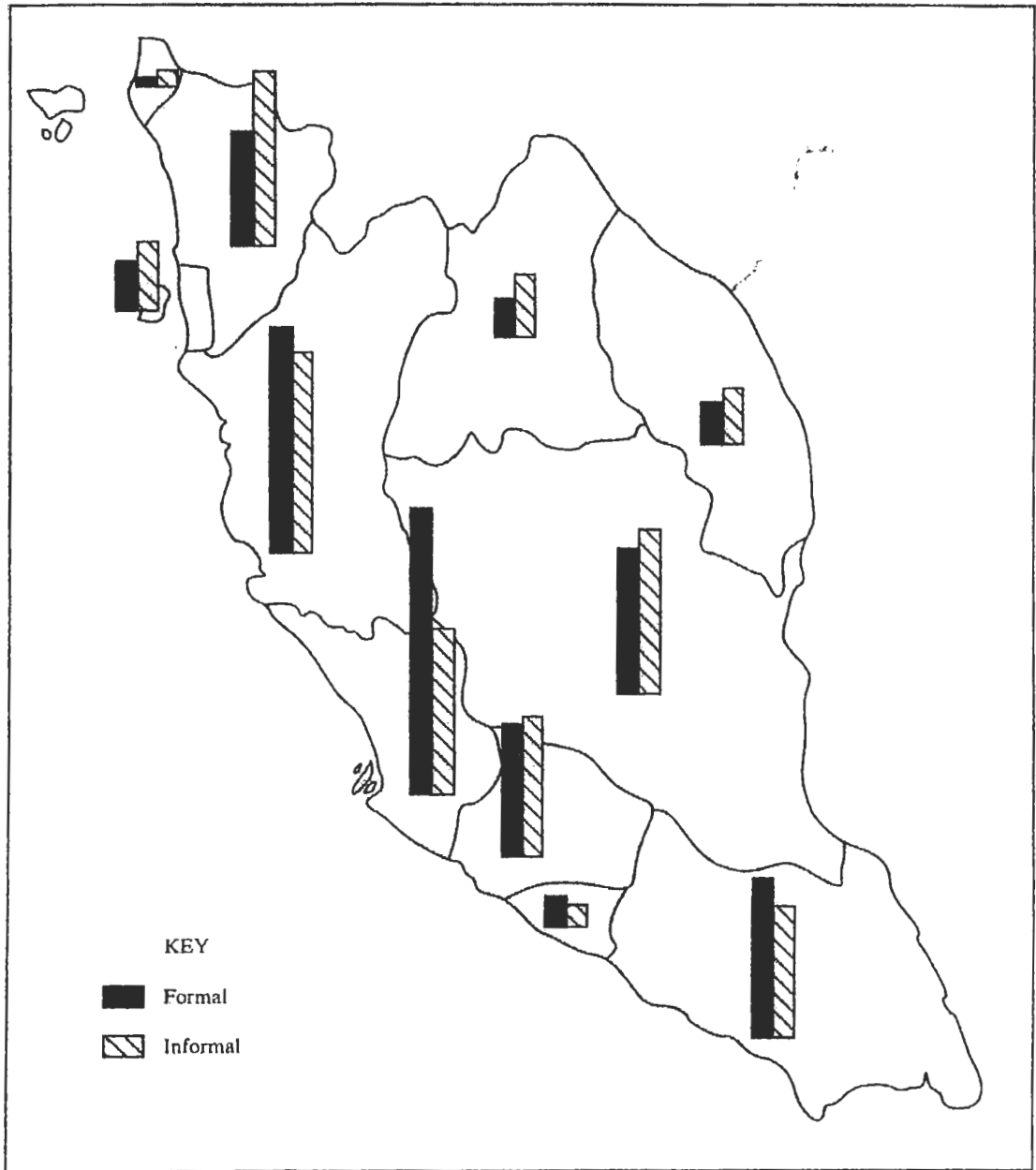
Figure 3.11(c)

Rural - Urban Migrants by Present Location



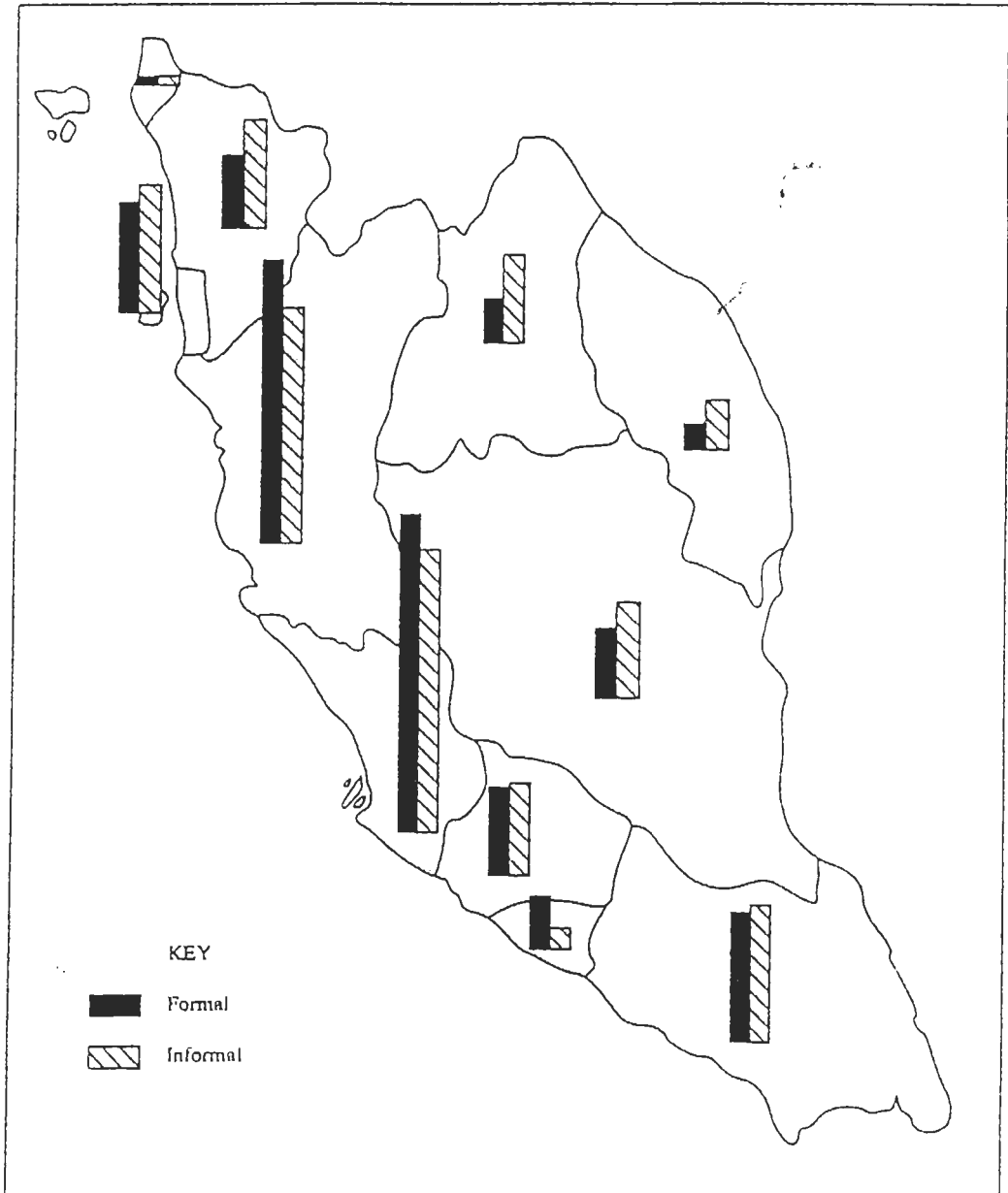
Source: Census Sample Tape, 1970.

Figure 3.11(d)
Urban - Rural Migrants by Present Location



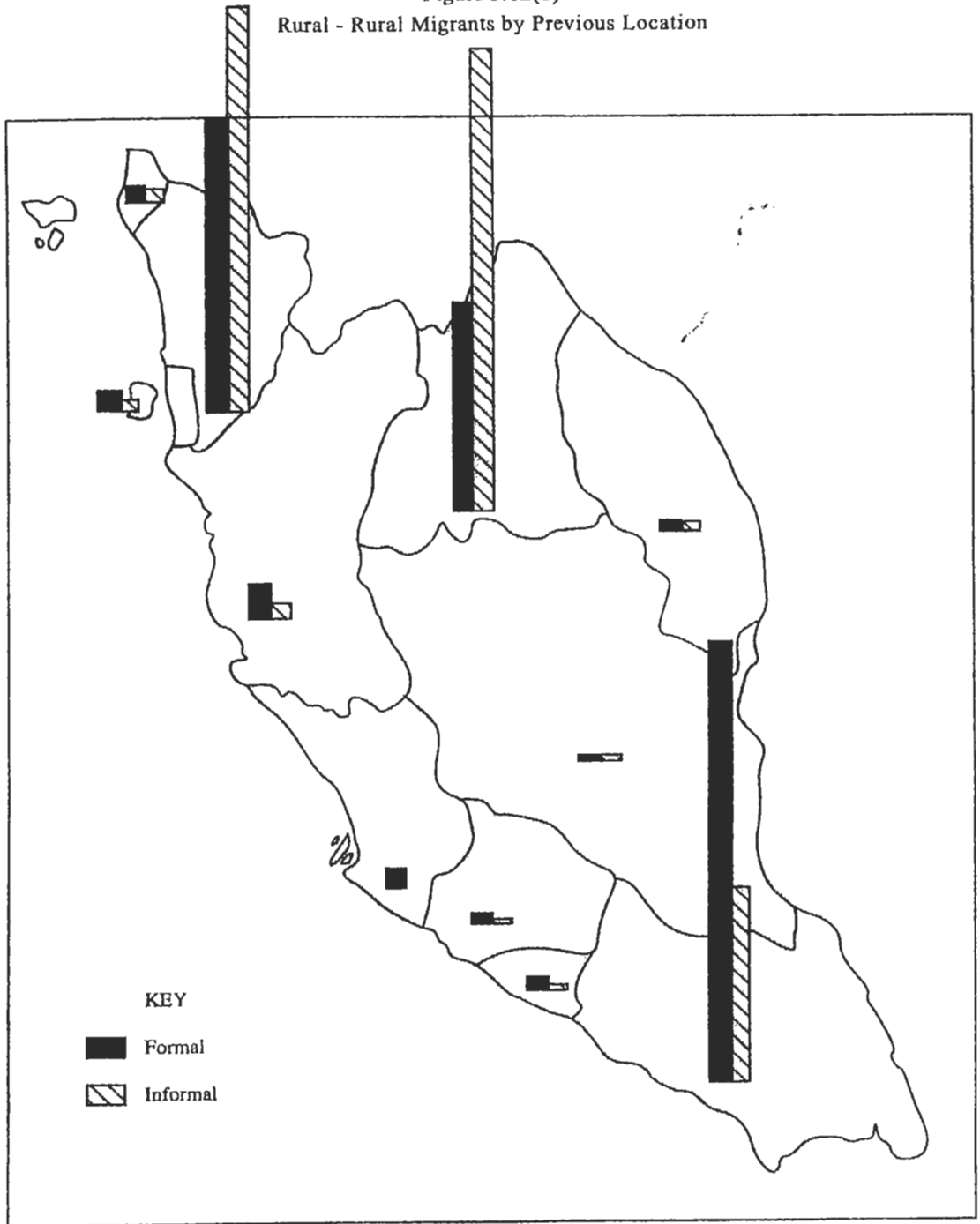
Source: Census Sample Tape, 1970.

Figure 3.12(a)
Urban - Urban Migrants by Previous Location



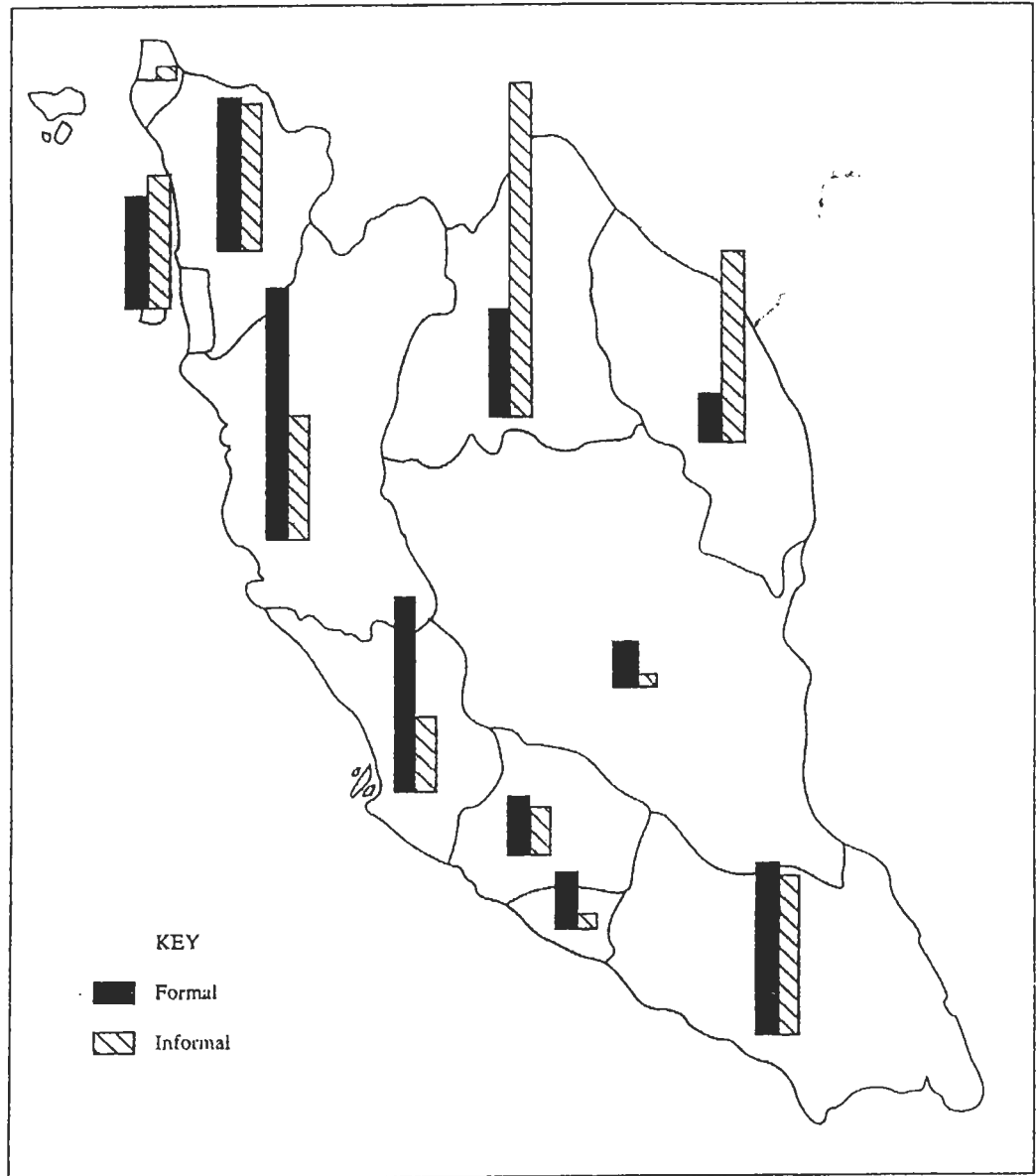
Source: Census Sample Tape, 1970.

Figure 3.12(b)
Rural - Rural Migrants by Previous Location



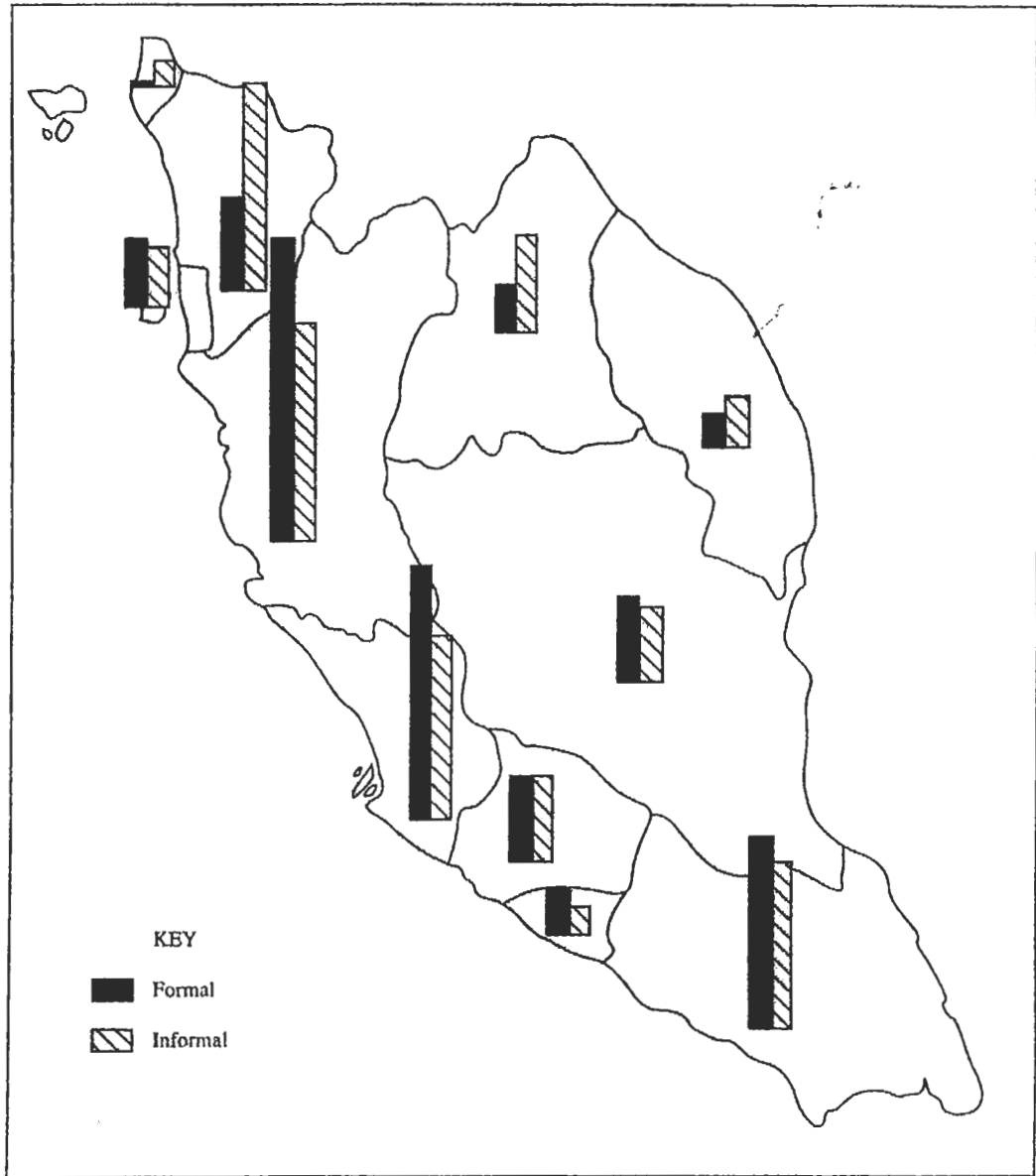
Source: Census Sample Tape, 1970.

Figure 3.12(c)
Rural - Urban Migrants by Previous Location



Source: Census Sample Tape, 1970.

Figure 3.12(d)
Urban - Rural Migrants by Previous Location



Source: Census Sample Tape, 1970.

states. This basic pattern is also related to socio-demographic characteristics. The U-U stream tends to be male, younger (15-29 years), single, with high literacy and ability to speak and write in more than two languages, with more schooling and a more diversified education. In contrast, the R-R stream tends to be family migrants who have less schooling, lower literacy and tertiary education. R-U and U-R migrants who represent the transformation of the two-circuit system reflect characteristics from the U-U and R-R streams, respectively. It was clear from this analysis that migration selectivity for both urban and rural areas were different due to the opportunities and requirements of the different economies.

The comparison of R-U Malay and Chinese migrants led to the hypothesis that because Malays are recruited mainly in government and other public sector jobs, they needed formal education to break the two-circuits, unlike the Chinese. An analysis of occupations by level of education in the R-U stream for both Malays and Chinese provided more evidence to back this argument. Services and production work, the two major sectors for Malays and Chinese respectively in the R-U stream were selected for comparison. While 20.8 per cent of the Malays in services had secondary education, the proportion for the Chinese was only 8.0 per cent. In marked contrast, while 39.2 per cent of the Chinese in production work had primary education, the proportion of the Malays was only 24.3 per cent. In the U-U stream, this pattern is even more concentrated. Nearly 38 per cent of Malays with secondary education were in services compared to 9.2 per cent of the Chinese. While 40.8 per cent of the Chinese in production work had primary education, the Malay proportion was only 24.6 per cent. This shows the dualism that exists even within the industrial structure.

Migrants of different streams who exhibit different economic features have long been theorized and empirically tested. This chapter has shown that consistently, the U-U stream had the more modern, skilled occupations in the tertiary and secondary sectors. In sharp contrast, the R-R migrants were mainly in the primary sector, retaining traditional work characteristics. On the other hand, both the R-U and U-R streams reflect features from the U-U and R-R streams which may be explained by their being transitional between the two streams.

However, this analysis has shown that despite the general characteristics shared by both Malays and Chinese in each of the streams, a response to the demands of the labour markets and economies at the destination, some Malay-Chinese differences are retained even within the same stream. It has revealed that the Malays are less diversified

industrially and occupationally than the Chinese, being predominantly in agriculture. Even within the R-R stream, proportionally more Chinese are in commerce and manufacturing as sales workers and production workers than Malays. It is mainly within the R-U stream that Malays show greatest diversity. A break into the modern sector by the Malays is almost exclusively into wage-labour sectors of government, transport, utilities and some modern agriculture such as oil palm.

The structuring of migration streams in terms of the two-circuit hypothesis as evident in the analysis of the census data of 1970 reinforces the importance of ethnicity and its strong relationship to locational distribution in Malaysian society. It shows the unevenness of development which led to the 1969 riots. It was to address these inequalities that the NEP was formulated in 1970 which aimed to restructure society as one of its two strategies.

The structured migration hypothesis, brought out by analysis of the locational, socio-demographic and ethnic factors, and the economic characteristics of the migration streams, was reinforced further by the examination of the formal-informal sector classification which formed the other basic dimension of the two-circuits framework.

We had envisaged that the formal-informal sector classification should cut across ethnic boundaries and represent a further breakdown of all the economic sectors, regardless of streams. While the census data utilised for the formal-informal sector classification may not be wholly satisfactory, it is clear that the ethnic factor does play an important role in this dimension as well. The Chinese are mainly in the formal sector, within the U-U and U-R circuits. Malays have a larger proportion in the informal sector, most of which are in the R-R and U-R flows. In the dissolution of the two circuits, more rural Malays are breaking into the urban formal sector than Chinese as shown in the R-U stream.

It was also shown that the Chinese occupations are more diversified in both the formal and informal sector, even though they continue to dominate in commerce, sales and production work. The differentiation between formal and informal sector migration flows according to origin and destination states, reinforces the earlier findings by reconfirming the uneven development manifested in economic and socio-demographic structure between the east coast underdeveloped states and those of the west.

Herein, perhaps, lies the crux of the complex problem of Malay-Chinese economic differences. Obviously, there are obstacles to the smooth absorption of Malays into

modern business sectors. It is suggested here that while some of these difficulties are socio-cultural, others are of a structural nature, characteristic of a transitional colonial economy.

Why have Malays failed to penetrate the occupations dominated by the Chinese? This is mainly because of the nature of recruitment. These firms tend to be small family enterprises run on a traditional kinship-basis, the proprietors even discriminating against non-family members and Chinese of different dialect groups. Besides, apprenticeship to skilled jobs such as tailoring, hairdressing, mechanics, carpenters and electricians are through informal channels where the apprentice is expected to live and eat with the proprietor. This in itself excludes Malays.

The major entry point by Malays into the tertiary sector is not into the petty trading, informal, marginal jobs, so characteristic of Third World urbanization (Hirschman, 1979). Instead it is mainly into the government, as petty officials and protection services. Why do Malays display this preference for government employment? One reason is their preference for government jobs owing to the security, regularity of income, retirement benefits and a certain prestige.⁷ Hussein (1975; 1972) argues that the government bureaucracy is an extension of the feudalistic structure of Malay society which has not been disrupted by colonialism. Tham (1977) suggests that the Malay social structure emphasized loyalty for social mobility and the government is after all, an extension. The second reason may be due to their inability to penetrate the more urban informal channels. Government recruitment is mainly through application with stated educational qualifications, all the features of formal recruitment. Third, the government for political reasons and being paternalistic would see its role in creating jobs for the Malays. All these factors have contributed to Malay predominance in the government sector.

⁷ Fieldwork data on Malay and Chinese job preferences.