

## MAKING WORKERS RIGHT AT HOME

### *Some plantations are a-changing for the better...*

LIVING CONDITIONS in the plantations are going through a long-awaited metamorphosis although the changes are not nationwide. Deplorable living conditions in the plantations have been ignored by estate managements despite persistent complaints by the National Union of Plantation Workers (NUPW). This has contributed to work tensions in the plantation sector. But 'the times are a changin' – albeit slowly.

Kumpulan Guthrie Berhad, a major plantation owner in Malaysia, is one group that is doing something concrete about building better accommodation in the estates. For many Guthrie plantation workers, it is time to say goodbye to their old ramshackle huts, and welcome instead semi-detached, cement houses.

And it is not as if there is no benefit to Guthrie. Improved housing is one of Guthrie's many corporate strategies to curb the current shortage of labour in the plantations. To date, Guthrie has spent approximately 57 million rgt on upgrading its workers' living quarters. That is just the start. In addition to better living quarters, providing and auxiliary police force, crèches, kindergartens, recreational facilities, dispensaries, clean water and electricity are also part and parcel of Guthrie's commitment to the welfare of its workers. Guthrie sets aside about 20 million rgt annually for this purpose.

In line with its property development blueprint, Guthrie's long-term goals are to build a mixture of low-, medium- and high-cost houses. There are basically two types of housing facilities at Guthrie's plantations – institutional and commercial-cum-institutional housing. Institutional quarters are normally built on properties that are isolated and have no potential for commercial exploitation. Guthrie spends, on the average, 6 to 8 million rgt annually on these projects. In 1990, Guthrie is erecting 284 three-bedroom units at an approximate cost of 5 million rgt.

In Guthrie's commercial-cum-institutional housing schemes, the plantation worker is encouraged to purchase his own house and the remaining units will be offered to non-plantation workers. A series of these projects have been initiated throughout Guthrie's estates and they involve the construction of more than 2,000 units of three-bedroom, terrace houses. There are twelve housing schemes of this nature currently under various stages of development.

The first housing project was launched in Taman Sungei Dingin, Kedah in 1989, with the construction of 62 units of low-cost houses and four units of medium-cost houses. Currently, there are 64 new quarters with three bedrooms at Guthrie's Labu estate in Negeri Sembilan. Plans are underway to replace the remaining old quarters. At Guthrie's Tanah Merah estate, also in Negeri Sembilan, plans are in the pipeline to build 338 units of low-cost, medium-cost and shophouse houses.

Workers at the Tanah Merah estate are currently living in dilapidated shacks built more than a quarter of century ago. Tanah Merah estate manager Lim Ming Hong hopes to have construction begins in the next six months. Lim says to date he has purchase reservations for 110 low-cost and medium-cost units, and he is confident that as soon construction gets under way, many more of his workers will be attracted to buy the units.

Shoplot units are priced at 65,000 rgt each while the low-cost and medium-cost units are going at 25,000 rgt and 35,000 rgt each respectively. Guthrie employees will be given first preference in bidding for the low-cost houses. Successful bidders can apply for housing loans from the various commercial banks, which will allow a repayment period of 20 to 25 years. When asked if the plantation workers can afford to buy low-cost houses, Ismayudin Abdul Manan, Guthrie's divisional director of operations, says the management will provide these workers with a housing allowance of 60 rgt a month which will help them to shoulder the burden of their loan repayment.

According to Lim, unsold units in the housing projects will be converted to institutional housing for workers who choose not to buy them. Ismayudin says that even though Guthrie's housing projects is profit-oriented, the standard of the houses is far superior to those in the same price range built by private developers.

Would anybody purchase a house in the estate and live permanently there? 'Why not?' Lim quips. 'An estate worker is only entitled to free institutional housing as long as he works in the estate. If he retires or quits, he will not allowed to live in an institutional house. He'll have to seek accommodation elsewhere.' Lim adds that the plantation sector is the only sector in the economy that provides free housing to its workers.

Labour shortage in the plantations is not something new. The plantation industry since its inception has, to a large extent, been dependent on 'imported labour'. Historically, the 'imported labour' was primarily from India and China. More recently, Indonesian workers have filled the void. This perennial problem in the plantation is further intensified by the booming manufacturing sector. The younger generation of workers is more attracted to working in factories than in the estates, thus creating a huge labour shortage in the plantation sector.

This has resulted in an incessant headache for plantation managements. Losses are incurred every year due to unharvested crop. There is also a pressing need for constant recruitment and retraining of labour, which inevitably pushes labour cost up and significantly reduces productivity.

Sources say that there is a creeping fear that in years to come, the plantations will be left with an aging workforce if the current trend of labour migration maintains its momentum. Datuk Dr Ani Arope, Guthrie group chief executive officer who is also the president of the Malaysian Agricultural Producers' Association (Mapa), shares a different opinion. 'I'm sure that the government in the long run would not wish to kill the plantation industry and would readily allow the importation of foreign workers.'

Malaysia workers continue to be the pillars of the plantation industry, consisting approximately 80 per cent of the workforce. The remaining 20 per cent or so is made up primarily by Indonesian workers, with a small percentage of Thais, Bangladeshis, and Kampuchians.

Even with the influx of foreign workers into the plantations, Ani Arope says no major social, economic or political problems have arisen. He agrees that these foreign workers demand less and work very hard. Nonetheless, Ani Arope adds, their wage rates are no less than those of their Malaysian counterparts.

Labour shortage in the plantations has other detrimental effects. It is a contributory cause of poor upkeep of estates, since the available labour force is hardly adequate to maintain the developed areas of the plantations. This could bring about poorer yields and increase the cost of production which will in turn make Malaysian produce less competitive in world commodity markets.

Even with management furnishing the basic amenities (housing, recreational and medical facilities, etc) in the plantations, the younger generation of the labour force is still migrating to the manufacturing sector. This indicates that these amenities are probably not top on the workers' list of priority. Ani Arope says that the labour shortage problem in the plantations is actually the direct result of the government's policy towards industrialisation. 'Workers are required to man these new industries and the workforce can only come from two sources, urban youth and rural youth.'

Even though no specific research has been conducted to get the root of the problem of labour migration, Guthrie's monitoring of the problems indicates that estate youth with some form of secondary education are less inclined to opt for a job in the plantations. Ani Arope says jobs in the agricultural sector lack 'status appeal' and are more often than not geographically isolated. There is also reluctance on the part of today's youth to perform manual work on plantations.

Bright city lights, better job opportunities, a possible higher standard of living, and a wider range of facilities for self improvement, to name a few, are some other factors responsible for labour migration. But the grass is not necessarily greener on the other side of the fence if one considers the facts carefully.

Better living conditions in towns? Hardly. An analysis of the situation will reveal that desired affordable accommodation is quite difficult to find in the vicinity of factories. This is particularly true in the Klang Valley where there is a shortage of housing facilities for low-income workers. In such cases, the only option is to make do with cheap accommodation in squatter settlements. In addition, the cost of living, housing, utilities and transport are also substantially higher.

The shortage of labour in the plantations has to a certain extent fuelled a boom in plantation contract work. Ani Arope agrees that more 'players' – for instance, contractors – are taking advantage of the situation and reaping good money from it. Nevertheless, he says, the contractors have so far been efficient in their work.

Ismayudin says that the contracting out of estate work, particularly weeding, land clearing, harvesting and replanting, has assisted estate managements in completing their work programmes on time. He also says that these contract jobs are given out on an *ad hoc* basis. All major engineering and building works are contracted out, as are all additional jobs beyond the normal working hours. When asked to quantify the value of the contract work given out annually, Ismayudin would only say that it 'runs into millions of rgt'.