Indonesia and the Malay World ›

Volume 40, 2012 - Issue 116

1,843 Views | 4 CrossRef citations to date | 19 Altmetric

Articles

THE LONDON DAWN RAID AND ITS EFFECT ON MALAYSIAN PLANTATION WORKERS

Sivachandralingam Sundara Raja

Pages 74-93 | Published online: 14 Feb 2012

Cite this article https://doi.org/10.1080/13639811.2011.648999

Sample our Language & Literature Journals

>> Sign in here to start your access to the latest two volumes for 14 days

Abstract

The London Dawn Raid refers to the attempt by the Malaysian government to take control of the plantation giant, Guthrie Corporation at the London Stock Exchange on 7 September 1981. It was part of a strategy by which Malaysia acquired controlling interest over flagship companies owned by European plantation companies, such as Dunlop Estates and Harrisons & Crosfield (subsequently known as Golden Hope Plantations), and the export agricultural sector. These companies then started selling their shares to the newly formed Permodalan Nasional Berhad (PNB, National Equity Corporation), Malaysian government's investment agency. With PNB's takeover of foreign-owned plantations, the plantation workers (most of whom were Indians) had hoped for security in terms of tenure, better wages and working conditions. Their hopes were crushed as the new management was only interested in multiplying profits and

ensuring wages remained low. It also started recruiting labour from Indonesia and other countries. This article examines how the change in management affected plantation workers, especially Indian labourers and the predicament faced by the latter from the early 1980s until early 2000s.

Notes

*The author would like to thank Professor Emeritus Rajeswary Ampalavanar Brown for her comments on drafts of this article.

[1]‘The Guthrie takeover was therefore, regarded as retaliation for this Scrooge-like British government action’ (Shakila and White 2010: 19).

[2]Abdul Khalid Ibrahim, General Manager, Permodalan Nasional Bhd., ‘Business investments and growth’, <http://mgv.mim.edu.my/MMR/8508/85805.htm> Accessed 10 June 2010.

[3]Lit. son(s) of the soil, referring to the indigenous people of Malay stock and the native communities of the country.

[4]The 1948 Federation proposal denied automatic citizenship and made strict provision for acquisition of citizenship by non-Malays such as language requirement i.e. an adequate knowledge of Malay or English.

[5]Malaysian Indian Congress (1974: 15, 26–8). Government allocation for the rural sector in all its economic programmes amounted to 35%. If the plantation sector was to be categorised as rural sector, the position of Indians could well be taken care of. According to Anbalakan (2004: 395), ‘the estimated development expenditure for rural and agricultural development was MYR2,279,000 under the Second Malaysia Plan. In the next three plans the allocations had been significantly increased to MYR6,448,250, MYR7,888,200 and MYR11,799,850 respectively' (see second to fifth Malaysia Plans). The major share of the allocations for the eradication of rural poverty was utilised specifically for the alleviation of the lot of the Malays only.

[6]FELDA was established by the government on 1 July 1956 to settle or resettle and provide employment for farmers who were landless or underemployed due to land

fragmentation and had insufficient land to meet their needs.

[7]The termination of Indian plantation workforce for the purpose of employing foreign workers is against Section 60M Employment Act 1955 which states that an employer cannot terminate the services of a local worker for the purpose of employing a foreign worker. This Act which was enacted during colonial days was intended to protect local workers. Unfortunately after independence, especially in the 1980s, mostly Indonesian foreigners,were recruited on the grounds that there was not enough labour and this move affected the wages of Indian plantation workers. The displacement that has taken place since the the 1980s to the present time is against this Act. The Act, which applies only to the private sector also regulates the hours of work, including overtime work, payment of wages, advances on and deductions from wages. It provides for the priority of wages over other debts, and the liability of principals and contractors, as well as employers, to pay wages. It also provides for a rest day, public holidays, annual leave, sick leave, maternity leave, maternity allowance, and termination and lay-off benefits. It could be concluded that the colonial laws had the welfare of the workers at heart compared to what was seen after independence (Part XII B – Employment of Foreign Employees, Section 60 M, Laws of Malaysia, Act 265, Employment Act, 1955). The Act has continuously been cited by the Labour Ministers in the Malaysian Cabinet whenever workers were made redundant by the plantation agencies in the early 2000s.

[8]Member System was introduced in April 1951 to provide self-governance. It had nine members of different communities responsible for various departments and functions of government.

[9]When the NEP was introduced, 60% of the plantations were owned by foreign companies, the rest by non-Malays and the bumiputera only owned 2% (Nickalls 1990: 214).

[10]In 1940, three-quarters of the area planted with rubber and oil palm were foreign owned. By 1972, foreign ownership had shrunk to a little over one-fifth of the total area, and by 1990 to one-tenth (see also Drabble 2000: 199-201).

[11]Interview with Janakey Raman Manickam, the author of The Malaysian Indian dilemma on 18 June 2010.

[12]Evidence taken from Selvakumaran Ramachandran's field surveys carried out between 1989 and 1990. (Selvakumaran 1994).

[13]The paternalistic attitude of NUPW is discussed in INSAN (1989: 33-4). To quote the editor, 'In the absence of a spirit of service and sacrifice, as well as genuine community involvement, and due to the overwhelming influence of materialistic values and corruption in Malaysian society, a significant number of office holders in these three big institutions [MIC, NUPW and NLFCS] work mainly, if not solely to benefit themselves – a sad state of affairs, to say the least' (INSAN 1989: 34). See also, Ramasamy (1983: 57).

[14]No date of the event was provided by the author.

[15]No date was cited.

[16]For details of the Bukit Jelutong incident, see Aliran Monthly 22(10), 2002 quoted from Tate (2008: 219).

[17]According to Manickam (2009: 203) the government had previously allocated MYR2.9 million to provide such facilities but the estate management did not apply for the grant.

[18] 'Pengusiran paksa dan pencerobohan paksa tempat tinggal bekas pekerja ladang Bukit Jelutong Rasak: tiga generasi berkorban untuk syarikat, kini dilayan macam sampah' (Forced eviction and demolition of former Bukit Jelutong Rasak Estate workers' houses: treated like dirt despite sacrificing for the company for three generations), memorandum submitted by the Bukit Jelutong Rasak Estate Residents to Kumpulan Guthrie Bhd Chairman, Musa Hitam, on 6 March 2003 (quoted in Nagarajan 2007: 132).

Related research

People also read | Recommended articles | Cited by 4

THE MANUSCRIPT COLLECTION OF THE ACEH MUSEUM >

Nurdin AR
Indonesia and the Malay World
Published online: 14 Feb 2012

Information for

- Authors
- R&D professionals
- Editors
- Librarians
- Societies

Open access

- Overview
- Open journals
- Open Select
- Dove Medical Press
- F1000Research

Opportunities

- Reprints and e-prints
- Advertising solutions
- Accelerated publication
- Corporate access solutions

Help and information

- Help and contact
- Newsroom
- All journals
- Books

Keep up to date

Register to receive personalised research and resources by email

Sign me up

Copyright © 2026 Informa UK Limited Privacy policy

Cookies Terms & conditions Accessibility

Registered in England & Wales No. 01072954
5 Howick Place | London | SW1P 1WG

Taylor & Francis by informa