

*Problems of
the Malayan Economy*

LIM TAY BOH

**BACKGROUND TO
MALAYA SERIES
No. 10**



Problems of the Malayan Economy

A SERIES OF RADIO TALKS

Edited by

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CONTENTS

	Page
Introduction	i
1. The Malayan Economy –Its Structure and Basic Problems – <i>Lirn Tay Boh</i>	1
2. The Population of Malaya – <i>You Poh Seng</i> ..	9
3. The Causes of Poverty in Malayan Agriculture – <i>Ungku Abdul Aziz</i>	19
4. The Remedy for Rural Poverty – <i>Ungku Abdul Aziz</i>	27
5. The Tin Mining Industry in Malaya – <i>Siew Nim Chee</i>	34
6. From Piracy to Credit – <i>T. H. Silcock</i> ..	41
7. The Currency and Banking System of Malaya – <i>P. W. Sherwood</i>	50
8. Fiscal Policy in Malaya – <i>P. W. Sherwood</i> ..	58
9. Enterprise and Capital in Industrial Development - <i>Sir Sydney Caine</i>	66
10. Wages in Malaya – <i>Charles Gamba</i>	71
11. Investing Capital in People – <i>T. H. Silcock</i> ..	79
12. Social Services and Living Standards – <i>Jean M. Robertson</i>	88
13. Financing Social and Economic Development – <i>Lirn Tay Boh</i>	95

INTRODUCTION

by

THE EDITOR

This series of talks was broadcast over Radio Malaya between 13th April and 8th July, 1956 and was probably the first experiment in Southeast Asia in the teaching of economics to adults through the medium of radio. It was prepared by members of the staff of the University of Malaya with the technical assistance of Radio Malaya, and was sponsored by the Adult Education Association, Federation of Malaya, and the Singapore Council of Adult Education. The idea of organizing the series was suggested by Radio Malaya in May last year, when it took the initiative of approaching the University to discuss the project.

In preparing the talks for broadcast, the speakers had in mind two groups of listeners: (a) the general listeners who would be interested in listening for the purpose of having some background knowledge of the Malayan economy; and (b) the more serious listeners who would be prepared to work systematically through the readings recommended by the speakers and submit written work set in connection with each talk.

The talks were, therefore, planned as an integrated course and, as can be seen from the contents of this volume, covered a wide range of topics and gave a comprehensive picture of the Malayan economy. At the same time, each talk was a unit by itself and could be understood by the general listener without having to read systematically through the references recommended for the serious student. Nor was it necessary to know what had been said in the preceding talks.

Another feature of the series is that it attempted to introduce the adult citizens of Malaya to some of the basic principles of economics not by means of formal instruction in economic theory but through the discussion of the economic structure and problems of their own country — problems relating, for example, to rural conditions and reform, trade and industrial development, wages, monetary institutions and fiscal policy, education and the training of skilled labour, social services and the

financing of social and economic development. We believe that this approach contributed much towards sustaining the interest of the listeners in this series of talks.

With the exception of minor revisions to get rid of some of the more obvious features of the colloquial style, most of the talks appear in this volume as they were actually broadcast. They differ from the original versions prepared by the lecturers in that they have been edited for broadcast with the assistance of Radio Malaya. Chapter 2, however, contains the original version of Dr. You Poh Seng's talk, before it was edited for broadcast, because it includes some useful statistical information, which was omitted in the broadcast talk.

It will be seen from a perusal of these following chapters that the contributors have tried to present some of the basic ideas of economics in simple language. Moreover, as this is only an elementary course intended for those with a general school education, the standard of discussion aimed at is lower than that for first year economics students at the University of Malaya. Nevertheless, it is hoped that this book will prove useful not only to the general reader, but also to members of adult education and post-school certificate classes, and other study groups, who will find in the topics discussed a useful framework for systematic study of the Malayan economy.

It should be mentioned that these talks formed only one feature of the "Malayan Economy" programmes, which were broadcast over Radio Malaya. In actual fact, each of the thirteen weekly programmes consisted of three parts: (a) comments by the previous week's speaker on the essays submitted by students; (b) the talk of the week; and (c) questions and answers, arising out of the talk, on related topics of current interest. Generally speaking, the first part lasted about five minutes, the second part about eighteen minutes and the last part about five minutes, making a total of twenty-eight minutes for each programme.

It is necessary now to say a few words about the lesson notes which were issued to the serious listeners in connection with this series of talks. The enrolment of a group of serious students who received textbooks and lesson notes on payment of a modest fee was the most interesting feature of this experiment of higher education by radio. The two textbooks recommended for the course were:

T. H. Silcock's *The Economy of Malaya*, and the International Bank Mission Report, *The Economic Development of Malaya*.

Those students who paid the lower fee of \$4.50 received a copy of Professor T. H. Silcock's book together with a set of lesson notes, while the other students who paid the higher fee of \$7.50 received in addition the International Bank Mission Report.

The lesson notes which were issued as aids to the students consisted of three sections:

(a) An outline of the talk, to give the students an idea of the points discussed, and to enable them to follow the talk.

(b) References to the relevant sections or chapters in the two textbooks, for the students to read in studying the particular topic discussed in the talk. This section of the lesson notes included supplementary statistical material and additional references from sources other than the two recommended texts.

(c) A short essay of about 300-500 words to be written after the students had heard the broadcast.

A specimen of the lesson notes is given in the appendix.

It was originally planned to enrol up to a maximum of 200 students, but the actual response from applicants was far beyond the expectations of the organizers. As a result of the enthusiastic interest shown in the course, the maximum enrolment was raised to 313. Even so, a large number of applications had to be turned down.

The enrolled students were from different parts of Singapore and the Federation. With the exception of Perlis, every State in the Federation was represented. The highest enrolment of 133 was from Singapore; Perak was second with an enrolment of 73; Selangor was third with an enrolment of 46. The students included both young and older persons, and were from different walks of life. Among them were clerks, civil servants, forestry officers, businessmen, accountants, bank officials, dental surgeons, journalists, school teachers and post-school certificate students.

TABLE I.

Enrolment by States and Settlements

States and Settlements	No. of Students who enrolled	
Singapore		133
Federation of Malaya		180
Johore	10	
Malacca	13	
Negri Sembilan	8	
Pahang	5	
Selangor	46	
Perak	73	
Penang	13	
Trengganu	3	
Kelantan	5	
Kedah	4	
Total		313

TABLE II.

Number of Students who Submitted Essays.

	1 or more Essays	3 or more Essays	6 or more Essays	9 or more Essays	12 Essays
Singapore	55	39	38	34	28
Fed. of Malaya					
Johore	7	5	5	5	2
Malacca	6	4	3	2	2
Negri Sembilan	2	2	1	1	1
Pahang	4	4	3	2	2
Selangor	26	23	15	14	10
Perak	41	28	19	13	8
Penang	9	7	6	5	4
Trengganu	3	2	1	1	1
Kelantan	1	1	0	0	0
Kedah	1	1	1	1	0
Total	155	116	92	78	58

ESSAYS.

Those who enrolled in the course were encouraged to write essays based on the talks. Thirteen essay subjects were set for the whole course, but students were asked to submit the first twelve essays to the lecturers for comments. The assignment was purely voluntary, the initiative for submitting essays being left to the students.

The substantial number of essays submitted by the students provided further evidence of the keen interest of the students in the course. Table II shows that about half of the students attempted one or more essays. This is, on the whole, a very satisfactory result, considering that many of those who enrolled were merely interested in following the series of talks with the aid of the lesson notes and had no intention of participating in the written work.

It is true that there was a decline in the number of essays submitted as the course progressed, but this was to be expected in a voluntary assignment of this nature. In fact, the lecturers anticipated a much greater fall-off than actually happened. What is significant is that a substantial proportion of the students made a sustained effort to write their essays week after week. Of the total number of those who submitted essays, about three-fifths attempted at least six essays, about half attempted nine or more essays and over a third attempted all the twelve essays.

The general standard of the essays was good and some were very good. The subjects for the essays were planned so as to give scope for the students to discuss current Malayan questions in relation not only to the points explained in the talks and the readings recommended in the lesson notes, but also to the personal experiences and observations of the students. The aim was to encourage the students to think clearly, to distinguish between the various issues involved, to give specific and practical suggestions and to state their ideas concisely. There is no doubt about the success of this aspect of the course. The lecturers were in particular very pleased with the maturity of outlook and range of ideas shown by some of the writers.

It could be expected with any course of this kind that the quality of the essays would vary widely, and there was in fact a great deal of variation in the standard of English and the general level of ability shown. A surprisingly high proportion of the students, however, showed willingness to read the books provided and apply the information to the subject matter of the

essays. In some instances this was done rather mechanically but in general a considerable proportion of the students appeared to have followed the lecturers in the true spirit of academic education.

A surprising and most encouraging feature was the trouble that students were willing to take to find out facts for themselves, for example, by visiting an agricultural village in their neighbourhood or by enquiring into the investment in education made by the families of people known to them. This willingness suggests that with proper preparation it might be possible to use the medium of radio to secure a good deal of background information about the economy which is not at present available.

WEEK-END SEMINAR.

The essays submitted were assessed by the lecturers, and on the basis of the results achieved, sixty students were selected for the week-end seminar to be held on 5th and 6th August, i.e., about a month after the conclusion of the series of broadcast talks. The seminar was intended as a follow-up to the course, so that the lecturers could meet a selected group of the students to discuss questions arising out of the various talks.

In the selection of students for the seminar, consideration was given to (a) the quality of the essays, (b) the keenness of the student as shown by the number of essays submitted, and (c) the State or Settlement where the student was residing. The purpose of (c) was to secure, from each of the States or Settlements, at least one student, who had reached the minimum standard set by the assessors. It was hoped to ensure, in this way, the widest possible participation in the seminar by students all over the country.

At the time of writing, preliminary arrangements had been completed for the holding of the seminar at the University of Malaya.

CONCLUSION.

The experience gained from this first experiment in adult education suggests that there is considerable scope for the further application of the technique of providing higher education for the people of Malaya through the medium of the radio. There appear to be three possible lines of development in the future:—

(1) The introduction of practical and well-graded courses to enable listeners to learn, by easy stages and with the aid of suitably prepared textbooks, how to converse in Malay, Mandarin

or Tamil. The radio is a pre-eminently suitable instrument for this purpose.

(2) The introduction of a series of programmes in English similar to that on "The Economy of Malaya." These could deal with the geography, history and economics of Malaya, the life and culture of its people, and its political, economic and social institutions. It is more practicable, at present, to plan such programmes in English, firstly, because our sources of information about Malaya are found mainly in publications in the English language, and secondly, because most of those who have expert knowledge of the various subjects in this field are educated in English. Moreover, those who are educated in English have the advantage of an adequate secondary school education to enable them to follow discussions at the pre-university level.

(3) There is, however, great scope for experimenting with similar programmes in the three major local languages of Malay, Mandarin and Tamil; though owing to the lack of suitable texts and language difficulties the programmes may have to be less elaborate and the level of discussion lower, especially in the Malay and Tamil programmes.

It is also necessary to emphasize that the success of the experiment was largely due to the partnership of the University of Malaya, Radio Malaya, the Adult Education Association of the Federation, and the Singapore Council of Adult Education. Mr. Derek Cooper of Radio Malaya was the producer of the series; he supervised the broadcasting of the programmes and gave valuable assistance to the lecturers in editing the final scripts.

Both the Adult Education Associations contributed part of the funds for running the course and the week-end seminar and through the generosity of Mr. Heah Joo Seang, the President of the Federation Adult Education Association, it was possible to bring the students to Singapore with very little expense to themselves. The Singapore Council of Adult Education also undertook the secretarial duties of replying to enquiries about the course, enrolling students, keeping accounts and despatching notes, textbooks and essays. We hope that it will be possible to have the advantage of the same partnership in future projects of a similar kind.

LIM TAY BOH

Singapore, July, 1956.

PREFACE TO THE SECOND EDITION

In this enlarged edition of *Problems of the Malayan Economy* the greater part of the lesson notes issued for the Radio Economics course has been included, and the Appendix giving a specimen of these lesson notes has been omitted. The lesson notes are printed immediately after the chapters to which they refer; and the reading lists included with the lesson notes have been expanded.

It is intended that the book in this form should be useful to schools, and a larger type has been used for easier reading. Several tables which had to be omitted from the earlier edition have now been included.

LIM TAY BOH

Singapore, 1957



Chapter 1
THE MALAYAN ECONOMY - ITS STRUCTURE AND
BASIC PROBLEMS

by
LIM TAY BOH

I should like to begin by drawing your attention to the main features of the Malayan economy. The first feature, with which we are all familiar, is Malaya's dependence on the production of rubber and tin for the export markets. In this respect, Malaya is similar to other countries which specialize in the production of one or two commodities for export. In the West Indies, for example, the predominant role played by the export of sugar is well known. In Burma and Thailand, the economies are dependent on the export of rice.

Rubber is the more important of the two major exports of Malaya. This can be easily seen from the direct contribution of rubber production to our national income. In 1953 agriculture, forestry and mining contributed about 46% of our national income. Rubber alone contributed about 13%. Tin, on the other hand, contributed only about 6%.

The relative importance of rubber and tin in the economy of Malaya is illustrated by other figures. Rubber accounted for 60% of our domestic exports in 1953, while tin accounted for only about 25%. Rubber and tin also employ a large proportion of our working population. According to the Report on the 1947 Census of Population in Malaya, there were about two million people employed, of whom 69% were engaged in agriculture, 9% in commerce, 9% in manufacturing and 2 $\frac{1}{2}$ % in mining. Over a third of those engaged in agriculture were in the rubber industry, while nearly 9% of those engaged in mining were in the tin industry.

What I have said also illustrates the predominantly rural character of our economy. In spite of this, however, only 16 per cent, of the total area of Malaya is cultivated with crops. Rubber is of course the most important crop, nearly two-thirds of the total area under cultivation being planted with rubber.

Besides rubber, there are two other important crops, rice and coconuts. Together they use less than a quarter of the total area under cultivation. Both rice and coconuts are smallholder crops. Rice is grown by Malay peasants mainly for their own use, while coconuts are grown mostly on smallholdings, though a quarter of the copra production does come from estates. Rice and coconuts differ from rubber, which is grown mostly on estates. We have about two million acres of estates compared with 1.7 million acres of smallholdings.

The other crops are relatively unimportant, judged by the acreages under cultivation. They are oil palm, pineapple, coffee and tea. All of them are commercial crops, and with the exception of oil palm, which is entirely an estate crop, they are grown partly on estates and partly on smallholdings.

A striking characteristic of agriculture in Malaya is the sharp contrast between the subsistence farming of the peasants and the production of commercial crops on the plantations. In subsistence farming, the technique of cultivation is traditional, and in consequence the yield is relatively low. Since production is a family affair and peasant households are relatively large, while land holdings are small, the ratio of people to the acreage under cultivation tends to be high. The result is that the peasant population tends to be under-employed, that is, the peasants are not employed as fully as they could be. Thus besides the low yield due to the use of traditional techniques of cultivation, there is a relatively high ratio of people per acre of cultivated land.

On the other hand, production on the plantations is organized on a commercial basis, using modern techniques and geared to a world market.

Now let us look at another feature of the Malayan economy, that is, the entrepot trade of Singapore and Penang.

The production of rubber and tin for the world market has been an important factor in the growth of our foreign trade, but it has only really become important since the turn of the present century. Before the trade in rubber and tin became important, the chief feature of our foreign trade was the entrepot trade of Singapore and Penang. This trade consisted of the import of commodities from the neighbouring countries for re-export to Western countries; and of the re-export of manufactured goods imported from the West.

In the 19th century, the commodities imported from the neighbouring islands for re-export were known as the Straits

produce, and consisted of pepper and other spices, gambier, rattans, beeswax, damar and other gums, and birds' nests. In addition to the Straits produce, imports of tea, silks and cassia came from China, while sugar, rice, ivory and salt were imported from Thailand and Indo-China.

The importance of our entrepot trade today may be seen from the fact that it forms nearly half of the total value of our foreign trade. Singapore is of course more important than Penang as an entrepot, and handles about 90% of the trade.

Professor Silcock will discuss our entrepot trade in greater detail in Chapter VI. I shall therefore, only mention briefly how this trade was affected by the growth of the world market for rubber and tin. In the latter half of the 19th century, the area of Malaya's entrepot trade was steadily contracting. This was due to the establishment of competing trading centres in the neighbouring countries and the growing practice of trading direct with countries in Europe. The founding of Hong Kong in 1841 and the establishment of ports in the Netherlands East Indies and Indo-China challenged the position of Singapore as the entrepot of Southeast Asia. But the growth of trade in rubber and tin at the beginning of the present century enabled Singapore to maintain and even increase the value of its trade. Moreover, the production of rubber and tin brought a flood of immigrant labour from China and India. This in turn increased Malaya's demand for consumer goods. It also led to the development of a market in Malaya for the machinery and equipment required in the production of rubber and tin.

Malaya's entrepot trade has in fact been an important factor in the growth of her processing and manufacturing industries. Some people think that our manufacturing industries are not very well developed, but they are wrong. As a matter of fact, the level of industrial development achieved by us is only exceeded in Asia by Japan, India and Hong Kong. Manufacturing accounts for 9% of the people employed in Malaya.

The most important lines of development are connected with rubber and tin production and the processing of commodities for the entrepot trade. Another important type of secondary industry is the manufacturing of food, drinks, tobacco and other consumer goods for the home market.

The growth of entrepot trade and of rubber and tin production has resulted in the rapid development of the west coast of Malaya, where the rubber estates and tin mines are concentrated and where the trading settlements are situated. The west coast

is not only favoured by climatic and soil conditions, but also by the sheltered position of its harbours. The latter advantage has stimulated the rise of trading centres to meet the needs of the hinterland trade.

Another important consequence of the development of rubber and tin production is the rapid growth of population in the States and Settlements along the west coast. In the early years of the present century, the rapid population growth was due to the influx of immigrants, who supplied the labour force required in the rubber estates and the tin mines.

It is clear from what I have said that the economic development of Malaya has been characterized by a lack of balance. First, there has been an unequal rate of development between the western and eastern coastal States. Secondly, development in the different lines of production has also been unequal. The economy is far more dependent on the production of rubber and tin than on any other single line of activity. The most striking example of this lopsided development is the relatively small output of home grown rice, compared with that of rubber. Although rice is our staple food, it occupies only some 850,000 acres, compared with 3.7 million acres planted with rubber.

As a consequence of this lopsided development, Malaya is dependent on the import of food and other consumer goods from abroad. Her ability to pay for her imports is in turn dependent on the state of the world market for rubber and tin. Thus she is doubly dependent on the outside world—as a source of supply of consumer goods and as a market for her major export commodities.

This double dependence on the outside world has both advantages and disadvantages. The advantages are those which result from our specialization in the production and processing of commodities for international trade. It is this specialization which has contributed towards our relatively high standard of living, compared with other countries in Asia. Our national income per head of population is, in money terms, higher than those of other Asian countries, with the exception of Israel. Even making allowances for differences in the cost of living, the real income per head in Malaya is substantially higher than in most of the other Asian countries.

But as against the advantages of a higher national income, there are definite disadvantages from our dependence on the outside world. In the first place, we are too dependent on foreign

sources of supply for our basic consumer goods. Secondly, our economy is very unstable, because the world market for our major exports is liable to fluctuate violently.

These disadvantages have given rise to two important problems of policy. The first problem is to produce a greater amount of the rice we require. As we have already seen, the acreage under rice cultivation is relatively small. In 1953 we produced only about half of the total annual amount of rice we consumed.

To avoid any misunderstanding, let me say at once that for technical and economic reasons, complete self-sufficiency in rice is not a practicable proposition for Malaya in the foreseeable future. That is to say, I do not believe that it is practicable for us to produce all the rice we need. But the possibilities of increasing our rice output are good. There are two ways of increasing our output of rice, by increasing the yield per acre or by bringing new land under cultivation. Both methods are possible only if Government continues to take vigorous measures to improve the drainage and irrigation of padi lands; to encourage the wide use of high yielding seeds and of fertilizers; and to improve the techniques for sowing, cultivation, and disease and pest control. The greatest need in this connection is the development of adequate agricultural extension services, through which the results of research and experimentation in improved techniques can be effectively transmitted to the farmers,

The second important problem is that of diversification, which has often been prescribed as the cure for the instability of our economy. The term "diversification" is usually taken to mean the widening of the range of economic activities in agriculture and industry. Thus the broadening of Malaya's economy can be achieved by the diversification of agriculture and by industrialization.

The objectives of diversification and industrialization have, however, seldom been clarified by critics of Malaya's dependence on rubber and tin. Some argue in favour of industrialization on the ground that it will increase productivity; others that it will promote stability, and still others that it will achieve both. Yet there is no guarantee that diversification can achieve both these objectives simultaneously.

I have already mentioned the advantages of increased productivity, which results from our international trade. This

increase in productivity has, however, been achieved at the expense of economic stability. The fundamental problem of our economy is, in fact, to achieve economic stability and at the same time to raise productivity or output per head of population. It is by no means certain that diversification can solve this problem. Any scheme of diversification which aims at increasing substantially the level of our output must involve production for the export market, because our domestic market is small. But if we expand our export industries, our economy will become more unstable.

On the other hand, if diversification takes the form of increasing the range of production for the home market, fostered by protective measures, there may be no increase in productivity. This would, to some extent, reduce our dependence on the world market and make our economy more stable; but this advantage would be achieved at the expense of higher productivity.

Diversification and industrialization are by no means adequate remedies for the weaknesses of our economy. I have no doubt that in the development of a diversified economy, priority should be given to the increase of productivity. Owing to the smallness of our home market, the development of export industries gives us more opportunities for increasing our production. Diversification which aims at increasing productivity, must, therefore, take advantage of opportunity of production for export. It is true that this will make our economy more unstable. To reduce such instability, we should support international agreements on the regulation of demand and supply conditions of commodities which enter into world trade. But we should continue to take advantage of the benefits from international trade. Our economic future will continue to be bound up with the prosperity of our export industries. So it is desirable that measures should be taken not only to promote the development of new export industries, but also to improve the efficiency of our traditional rubber and tin industries.

It is true that in addition to the development of export industries, there is room for increasing the range of commodities produced primarily for the home market. Such industries must necessarily be on a small scale, owing to the smallness of the local market. Even so, there is scope for contribution to some increase of productivity by the application of better techniques to existing industries and by the training of specialized skill to develop new industries.

I have emphasized the crucial importance of raising the level of productivity, because I believe it is a vital condition for improving our standard of living. It is true that at present we enjoy a standard of living which is the highest in South and Southeast Asia. But we need to raise it to a much higher level, because it is still far below living standards in highly developed countries.

There is an even more urgent reason why we should pay special attention to the problem of increasing the level of productivity. This is that the population of Malaya is growing very rapidly, and unless our production keeps pace with the growth of population, our standard of living will inevitably fall. I shall not say anything about the pattern of our population growth, as this will be explained in detail by Dr. You Poh Seng in the next Chapter. It is sufficient for us to note that our population is now growing at the rate of about $3\frac{1}{2}$ per cent, per year. This rate is among the highest in the world. What is even more significant is the future trend of our population. If the present pattern of growth remains unchanged, our population will double within the next 25 years.

There can, therefore, be no doubt of the urgent need to speed up the economic development of our country and to increase our productive efficiency.

NOTES ON READING

Useful information on the structure of the Malayan economy is found in the following:—

Silcock, T.H., *The Economy of Malaya* (Donald Moore, Singapore), pp.1-13, and 26-27.

International Bank Mission, *The Economic Development of Malaya* (Government Printing Office, Singapore) pp.9-11 and 13-14.

Professor Silcock explains the structure of the Malayan economy in terms of three economies: the peasant economy, the free trade economy and the plantation and mining economy. The importance of Malaya's specialization in the production of rubber and tin is emphasized on page one of his book and on page nine of the International Bank Mission's Report. But this must not "obscure the importance of other lines of economic activity which contribute in total far more to the national in-

come than do the rubber and tin industries directly". (IBMR*, page 9. See table 4 on the same page.) Note also the dominant position of agriculture in the Malayan economy (IBMR, page 10), and the relatively advanced development of Malaya's manufacturing industries (IBMR, page 11).

2. On the basic problems of the Malayan economy, the following references should be consulted:—

- (a) Economic specialization and instability: See *The Economy of Malaya*, pp.27-29, and IBMR, page 11.
- (b) Rice production: See *The Economy of Malaya*, pp.3-4, and IBMR, pp.21, 41-42 and 46.
- (c) Diversification of agriculture and industry: See IBMR, pp.21-22.
- (d) Population growth and the need to increase productivity: See IBMR, pp.18-19.

The importance of increasing the diversification of agriculture and industry is recognized by the International Bank Mission. "To assure satisfactory rates of further expansion and development it seems essential that both the export sector and a broad range of activities serving domestic economic requirements continue to contribute to a rising national output." (IBMR, page 18.) But emphasis is laid on the need to improve the level of productivity both in Malaya's major export industries and in other lines of agricultural and industrial activities (pp.21-22). Note the warning against the use of tariff protection to promote the development of domestic industries (p.27, para.3). The problem posed by a rapidly growing population is explained on pp.18-19.

The prospects of economic development in Malaya are assessed on pp.26-28.

ESSAY

Write a short essay on how to diversify agriculture and industry in Malaya (bearing in mind the need to increase the level of productivity).

* International Bank Mission Report.

Chapter 2
THE POPULATION OF MALAYA
by
YOU POH SENG

By the population of a country, we do not just mean the number of persons in that country. We include also many details of the population distribution, or in other words, details regarding the various sub-groups of the total population. For example, we have the population classified by males and females, by ages or age-groups, by whether working in some gainful occupation or not, and if so, in what occupations and in what industries, whether employed or unemployed.

Knowledge of, and research into, the population of a country and of its distribution by various characteristics are of great value for the formulation of State policy, to industry, commerce, and to many economic and sociological researches; for example, electoral redistribution cannot be made without a knowledge of population distribution. Population data are necessary in the estimation of the future money provision requirements for the payment of old age pensions, or of the educational needs of the rising generation. The various social security schemes also depend for their set-up on knowledge of population data of many kinds and on data of the labour force.

The census of population is the most important single source of information regarding the number of persons in a country, and of their distribution.

The advantage of the census is that it covers all the persons in the country, and therefore census information is comprehensive. Its disadvantage is that it is a very large-scale and expensive undertaking. As a result it is very seldom taken more frequently than once every ten years. In the years between censuses, the information becomes progressively out-of-date, and any policy based on population figures of the previous census must become more and more tentative.

The information on population is brought up-to-date by

means of estimates. These estimates are based on the census figures, plus the births and minus the deaths which have occurred, and taking into account migration into and out of the country. Unfortunately, these estimates are usually inadequate and not sufficiently precise.

Statistics on births and deaths are also relevant to the study of population growth. If, for example, there are 1,000 persons in a population, and if in the course of a year there are 30 births and 16 deaths, then the excess of births over deaths in this population over the year is 14. We say that the crude birth-rate in the population under study is 30 per thousand population, the crude death-rate 16 per thousand, and the crude rate of natural increase 14 per thousand. In fact the population of any country is not always 1,000, but may be several hundred thousands or several millions, but the rates can always be reduced to the basis of per thousand population. The rates are crude rates because they have not been refined to take into account many aspects of population distribution. They do, however, give an indication of population growth, as will be seen later.

Natural increase is one important cause of population growth. There is another important cause, namely migration, or the movement of persons into or out of a country. A large or constant inflow of immigrants into a country will bring about an increase in the population of the country, and vice versa in the case of emigrants.

There is a big difference between these two causes of population growth. If the population of a country is increasing too rapidly mainly because of large-scale immigration, this increase can be checked almost at once by legislation. On the other hand, a large excess of births over deaths cannot usually be checked by any legislation, and any factors tending to influence it will take a long time before they begin to show any effect.

In the middle of 1955 the population of Malaya was estimated to be about $7\frac{1}{4}$ million. When we reflect that the population in 1911 was only about $2\frac{1}{2}$ million, we can see how fast the population has increased, about three times in the space of 45 years.

Until about 1930 the main cause of population increase in Malaya was migration. The excess of births over deaths had been very small and indeed negative for some years, so that natural increase played a very minor part in this increase, if at all.

The inward movement into Malaya originated mainly from China and India. The majority of the immigrants consisted of adult males of working age who came as single persons. As a result the male section of the population was more numerous than the female section. The number of females for every thousand males in the population was 570 in 1911, just over 600 in 1921, slightly under 700 in 1931. This abnormal sex-ratio was especially obvious in the adult and middle-age sections of the population. In these sections too, there was a larger proportion of persons than in a relatively more settled population.

The low birth-rate at the time was a result of the population structure brought about by the migration movement. On the other hand, the death-rate was high for two reasons. First, infant mortality (that is, deaths of infants under one year of age) was high. Second, tropical diseases were not yet brought fully under control.

From about 1930 onwards the history of population growth in Malaya underwent significant changes.

First of all, with regard to migration. One of the effects of the economic depression at about that time was to slow down migration movement very considerably, and in some years even to reverse the direction of the movement.

This was the start. When economic conditions began to improve and the migrants to come back, barriers were introduced. These barriers resulted from the desire of the Government to control population development, and to improve the sex-ratio of the population. A quota system regarding migration was introduced favouring the inward movement of women. At the same time the Indian Government imposed some restrictions on the outward movement of would-be emigrants from India. This, coupled with the activities of the Indian Immigration Committee to assist the inward movement of Indian women into Malaya, tended in the same way to improve the sex-ratio of the population of Malaya.

The improved sex-ratio was responsible for an almost immediate increase in births. The crude birth-rate in 1931 was about 35 per thousand population, while in 1936 it was about 40.

At the same time the crude death-rate of the population also steadily declined. This decline was most probably brought about as a result of the fact that tropical diseases were being gradually brought under control. The crude death-rate in 1931 was about 25 per thousand population, and in 1936 it was 22.



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