

## CHAPTER TWO

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### FEMALE LABOUR FORCE PARTICIPATION IN MALAYSIA

#### 2.1 Introduction

In line with other countries in the world, Malaysia has progressed immensely over the last two decades in terms of integrating women into development process. Since the International Year for Women in 1975, various measures were taken by the Malaysian government to improve the status of women. In 1976 the Malaysian government formed the National Advisory Council on the Integration of Women in Development (NACIWID). NACIWID functions as an advisory body to the government on affairs relating to women. Subsequently, in 1983 a Women Affairs Secretariat called HAWA was instituted to co-ordinate and implement policies and projects for women. HAWA is also responsible for monitoring the progress of non-governmental organisations (Arrifin, 1993).

The Malaysian government's commitment to improve women's status was further enhanced by denoting a whole chapter to women in the Sixth Malaysian Plan (1991 – 1995). A "National Policy for Women" was also formulated in 1991. The measures taken by government disseminated knowledge on the status of women in Malaysia and enhanced research in this area. Therefore, from the 1970s there was a growth and proliferation of women's studies in Malaysia (Arrifin, 1993).

The following sections in this chapter will briefly highlight the social and economic development and structural changes in Malaysia and the effect of these changes on the

growth of female participation in the labour force. It is imperative to understand the “big” picture before analysing certain communities, as undertaken in this study.

## **2.2 Social and Economic Development**

Malaysia has a heterogeneous population consisting of three main ethnic groups - Malays, Chinese and Indians. Slightly over one-half of the population consists of Malays (indigenous population), while over a third are Chinese and approximately 10 per cent Indians. The plurality of its society is largely due to inflows of immigrants from China and India from the middle of the nineteenth century to the early parts of twentieth century. Most of the immigrants only intended to be temporary residents, but subsequently many of them became permanent residents.

Prior to independence, there were distinct cultural, social and economic divisions among the three main ethnic groups. These divisions can be traced back to the crucial formative decades under colonial rule. Based on the 1970 Census of Population and other national source data, Hirschman (1975) showed that the Chinese were generally concentrated in urban areas and have a more diversified occupational structure than the Malay population. He also noted that on most counts, the Indians are intermediate between the Chinese and Malays. In the rural agricultural sector, most Malay agriculturalists were peasant farmers, while a high proportion of Chinese and especially Indians agricultural workers were wage labourers on large agricultural estates (Hirschman and Aghajanian, 1980).

Due to inter-ethnic income disparity<sup>5</sup>, which subsequently led to riots in 1969, the New Economic Policy (NEP) was implemented. Main objectives of NEP is to eradicate poverty by raising income levels and employment opportunities for all Malaysians and to restructure Malaysian society in order to reduce existing economic imbalances and eventually eliminate the identification of race with economic function and geographic location. The NEP has since become the main reference point for Malaysia's economic development policies (Jomo, 1990).

### **2.3 Economic Development and Structural Change**

Since independence in 1957, Malaysia has undergone rapid economic transformation and significant growth. This is mainly due to the development planning that has emphasised on steady economic growth, diversification, reduction of unemployment, and improvement in income and wealth distribution (Chia, 1987). The transformation of Malaysian economy is reflected by structural shift from the primary to the secondary sector. As shown in Table 2.1, between 1970 to 1995, the share of primary sector to GDP declined from 37.2 percent in 1970 to 32.8 percent in 1980, 28.1 percent in 1990 and 20.5 percent in 1995. On the other hand, the share of secondary sector to GDP rose from 17.3 percent in 1970 to 24.6 per cent in 1980, 30.0 per cent in 1990 and 36.5 percent in 1995 (Malaysia, 1971; 1976; 1986; 1996).

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<sup>5</sup> Although Jomo (1990) argues that the riots in 1969 were mainly due to disparity of income among the ethnic group themselves.

**Table 2.1**  
**Gross Domestic Product by Sector, 1970 – 1995**  
**(Malaysian ringgit)**

Sector	1970	1975	1980	1985	1990 <sup>a</sup>	1995 <sup>a</sup>
Primary	4575	5596	9155	11261	22267	24665
% share of GDP	(37.2)	(32.2)	(32.8)	(30.4)	(28.1)	(20.5)
Secondary	2125	3504	6861	8986	23832	43894
% share of GDP	(17.3)	(20.2)	(24.6)	(24.3)	(30.0)	(36.5)
Tertiary	5152	7811	11126	16305	33230	51757
% share of GDP	(41.9)	(45.0)	(39.9)	(44.0)	(41.9)	(41.9)
GDP	12308	17365	27885	37019	79329	120316

Note <sup>a</sup> In constant 1978 prices, while the rest are in constant 1970 prices.

Source : *Second Malaysia Plan*, 1971, p. 31, Table 2.5, *Fourth Malaysia Plan*, 1976, p. 11, Table 2.1, *Fifth Malaysia Plan*, 1986, p.46, Table 2.2, *Seventh Malaysia Plan*, 1996, p. 52, Table 2.5

The shift from primary to secondary sector was mainly due to industrialisation policies implemented by the Malaysian government. Malaysia's efforts at industrialisation began with import substitution industrialisation in late 1950s. However, the import substitution industries had a comparatively low labour absorptive capacity and its growth was restrained by a small domestic market. The government realised the need to implement a more self-reliant and equitable development strategy. In 1968, Investment Incentives Act was drawn up to encourage the expansion of manufactured exports. The emphasis was on resource based and labour intensive industries. The resource based industries were the traditional agricultural based industries as well as processing of renewable resources such as rubber, palm oil and coconut oil, while the labour intensive industries included textiles, garments, electronics, electrical products and food processing. In order to attract foreign investment, several free trade zones were introduced and a wide range of fiscal incentives were offered to investors. As a result, the contribution of the manufacturing sector to the Gross Domestic Product (GDP) as shown in Table 2.2 increased steadily from 13.4 percent in 1970 to 20.0 percent in 1980, 26.9 percent in 1990 and 30.6 percent in 1995 (Ministry of Finance, 1970; 1980; 1990; 1995).

**Table 2.2**  
**Gross Domestic Product by Sector, 1970 – 1995**  
**(shown as percentage)**

Sector	1970	1975	1980	1985	1990	1995
Agriculture, forestry and fishery	30.8	27.7	22.8	20.7	18.7	12.7
Mining and quarrying	6.3	4.6	10.0	10.4	9.8	7.5
Manufacturing	13.4	16.4	20.0	19.6	26.9	30.6
Non-tradeables	51.3	49.5	47.2	49.3	44.6	44.9

Source : Bank Negara Malaysia, Annual Report

The rapid economic growth and industrialisation have had profound influence on employment. The shift in labour from subsistence rural sector to urban sector in response to growth in industrialisation increased the demand for labour, both in number and composition. The emergence of labour intensive industries such as textiles, garments and electronics industries provided further opportunities for women as these industries were gender segmented. Employers in these industries preferred to employ women as these jobs required much patience, endurance and care. In 1978, about 71 per cent of the unskilled workers in the manufacturing industries were women (Malaysia, 1981a). Similarly, in 1980, 85 percent of the workforce in the electronics industries were women (Malaysia, 1981b).

Apart from social and economic development and the consequent structural change, the general forces of modernisation also influenced employment decisions of women by making it more acceptable for them to enter wage employment. The following section will analyse the growth and structural change of women's participation in the labour force.

## **2.4 Female Labour Force Participation in Peninsular Malaysia (1970 – 1995)**

The complexity of analysing women's participation in the labour force in Malaysia has been perpetuated by a combination of factors. The pluralistic nature of its economy combined with diverse and multi-racial society makes it necessary to take into account the social system and cultural differences in order to understand the division of labour within the family and the reciprocal relations that each individual enjoys in the community. Factors such as sexuality, procreation, control over property and income allocation vary between class and race and has an impact on the structure of labour market and the determinants of women's employment (Sinclair, 1991).

### **2.4.1 Labour force participation by gender and age group**

Labour force in Malaysia is defined as all persons in the age group of 15-64 years old who are either employed or actively and inactively unemployed. The term “employed” includes all persons at any time during the reference week who did any work, for pay, profit or family gains. Also included in this category are people who did not work during a vacation, labour dispute, or due to social or religious reasons, but nevertheless had a job to return to. In addition, those who have been laid off temporarily with pay but would certainly be re-employed are also included in the “employed” category (Malaysia, 1995).

“Unemployed” refers to both actively and inactively unemployed persons. Those who fall into the actively unemployed category are those who did not work during the reference week but are actively looking for a job, while the term “inactively unemployed” refers to those who are not looking for a job as they believe that jobs are unavailable or if available, they are not qualified. Persons who have been temporarily ill, those who are not working during the reference week due to bad weather, those who are still in the

process of applying for work and those who looked for work prior to the reference week are also included in the above category (Malaysia, 1995).

Table 2.3 shows labour force participation rates (LFPR) in Peninsular Malaysia by age group and sex. The most obvious conclusion that can be drawn from Table 2.1 is that males exhibit a higher LFPRs compared to females. From 1970 to 1990, the LFPRs of women rose from 36.3 to 47.3, and then to 46.8. The most dramatic increase in female LFPRs are in the 1970s. Between the year 1970 to 1975, females from every age show a higher LFPR. Several factors may help to explain this phenomenon.

First, the expansion of education facilities and increasing access of females to education led to improvement in knowledge and skills, thus increasing their chances to penetrate the job market. The persons attending school increased dramatically from 2.3 million in 1970 to 3.2 million in 1980, 4.1 million in 1990 and 4.9 million in 1995. Female

**Table 2.3**  
**Labour force participation rate by sex and age group**  
**for Peninsular Malaysia, 1970-1995**

Age Group	Participation rates											
	1970		1975		1980		1985		1990		1995	
	M	F	M	F	M	F	M	F	M	F	M	F
15-19	52.3	33.0	54.3	39.4	47.9	33.5	43.7	28.2	44.1	31.4	34.2	25.3
20-24	87.1	41.9	94.0	56.4	91.1	54.0	90.7	58.3	89.1	63.9	88.1	63.4
25-29	93.5	38.4	98.1	46.3	92.4	44.6	98.1	49.2	97.4	53.9	97.7	54.3
30-34	94.4	39.0	98.9	47.5	98.0	40.5	98.8	47.3	98.5	50.2	98.2	49.8
35-39	94.0	40.0	98.8	52.4	98.2	42.7	98.9	48.5	98.8	47.8	98.6	49.3
40-44	93.2	40.0	98.7	52.1	97.7	43.8	98.4	50.4	98.5	48.8	97.8	46.4
45-49	91.5	40.7	97.2	53.2	96.6	41.4	97.9	48.7	97.2	48.5	96.9	42.7
50-54	86.7	36.6	93.2	49.4	92.7	36.5	93.5	40.0	93.3	40.9	93.0	34.0
55-59	75.6	29.2	83.3	37.5	77.4	30.8	76.6	32.6	71.3	29.4	72.0	24.6
60-64	65.2	23.7	72.0	28.5	68.6	25.0	67.1	23.9	59.9	24.0	59.4	17.3
15-64	83.4	36.3	86.0	47.3	86.6	39.3	84.6	44.6	84.4	46.8	83.1	44.2

M = male F = female

Source: Labour Force Survey (various issues)

enrolment at the primary and secondary level accounted for about half of total enrolment, while at the upper secondary level, the percentage was about 52.3 per cent of total enrolment. Female intake into universities showed a distinct improvement from 35 per cent in 1980 to 37.2 per cent in 1990 and 49.5 per cent in 1994 (Malaysia, 1996).

The improvement in female educational status is reflected in higher educational attainment of the female labour force. For example, the proportion of female labour force with secondary and tertiary education in 1990 was about 45.1 per cent and 9.9 per cent respectively compared with 49.4 per cent and 13.5 per cent in 1996. On the other hand, the percentage of female labour force with no formal education or primary education declined from 15.7 per cent and 29.3 per cent, respectively, in 1990 to 12.1 per cent and 25.0 per cent in 1996 (Malaysia, 1996). Education changed women's attitude towards having full time careers, marriage and child-bearing.

Second, the process of modernisation and urbanisation generally leads to socio-economic development. Such developments have facilitated the availability of contraception and subsequently a reduction in fertility. Hence, the reduced burden of home-making and child care responsibilities encouraged women to seek wage employment. This leads to increased female LFPRs, which is a contributing factor for delayed age of marriage. For example, between 1970 and 1980, the proportion of single women aged 15 and above rose from 26 per cent to 31 per cent; the proportion of those aged 15-19 rose from 83 per cent to 90 per cent and those in the age group of 20-24 rose from 41 per cent to 59 per cent (Chia, 1987). The mean age of marriage increased from 22.3 years in 1970 to 24.1 years in 1991 (Malaysia, 1996). Similarly, the total fertility rates in Peninsular Malaysia declined from 5.0 in 1970 to 4.0 in 1980 (Chia, 1987). In addition, the proportion of



women with seven or more children declined from 22.3 per cent to 8.3 per cent respectively (Malaysia, 1996).

Third, the rapid pace of development created new job opportunities for women. This is more evident in labour-intensive industries such as textiles, garments and electronics. Apart from that, the expansion of education and health services in the public sector also created demand for women; especially typists, clerks, secretaries and teachers (Chia, 1987).

Fourth, the implementation of the New Economic Policy in 1970 encouraged women from the indigenous population to participate in the labour force. Therefore, many women, especially among Malays began to participate in wage employment (Ariffin, 1993)

Fifth, the improvement in technology has altered the nature of jobs. There was a shift from hard physical labour to skilful and meticulous jobs, which were more suitable for women. Innovation and technology also introduced devices that reduce the burden of household chores and enable women to enter the labour market.

Another distinct observation from Table 2.1 is the reduction in LFPRs for all age groups between 1975 to 1980. The only explanation for this observation could be reduction in relative importance of employment in the rural agricultural sector. Often, in rural areas, women's LFPR is high as they generally assist their husbands in farm work or cottage industry. Tradition does not hinder them from carrying out such activities as they often work from or around their home. In addition, they are also not confined to specific working hours. Such flexibility allows them to work as unpaid family workers and carry out their daily chores without any hindrance. However, in urban areas, this is not the

case. Separation of work place and home, coupled with specific working hours prevent women from entering wage employment. Due to such impediments, LFPR is lower in urban areas as compared to rural area. The reduction in relative importance of rural-agricultural employment, reduces the impact of high rural female LFPRs, thus reducing on the overall female LFPRs.

The second salient feature of female LFPRs in Peninsular Malaysia is that the female LFPRs by age group for the periods between 1970 to 1990 are bi-model or M-shaped. The curves have a first high peak at age group 20-24 and a second low peak at either the age group 40-44 or 45-49. The bi-model curve is usually associated with a developing country, where the first peak is attributed to tendency of women to work after leaving school and prior to marriage and child bearing years. The second peak is associated with women who re-enter the labour market after completing child rearing responsibilities.

However, in Peninsular Malaysia there are limited employment opportunities for middle aged women in the industrial sector. Therefore, the bi-model curve is likely to be the result of two separate distributions imposed on one another. The first peak is made up of younger and probably more educated working females in non-agricultural work, while the second peak is made up of older women working in informal agricultural sector. The bi-model curve is a typical feature of a country in the early phase of industrialisation (Chia, 1987; Kwok and Van 1983).

However, the curve for Peninsular Malaysia in 1995 differs from the other years. The first peak which occurs at the age group 20-24 is very pronounced and thereafter, it diminishes. This is a common feature among the more industrialised economies, as the agricultural activities in such economies are relatively less important (Chia, 1987; Kwok and Van, 1983).

Figure 2.1 Female labour force participation rates by age group, 1970 - 1980

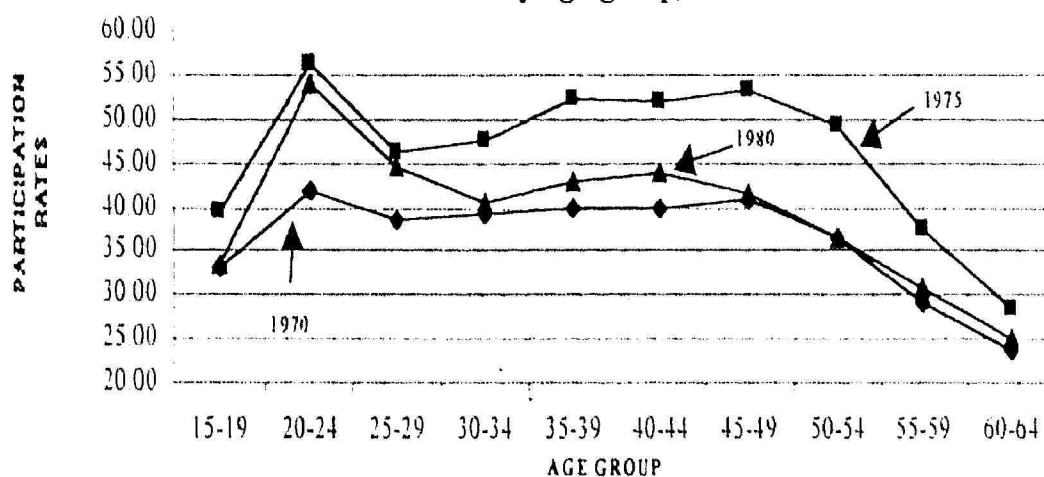
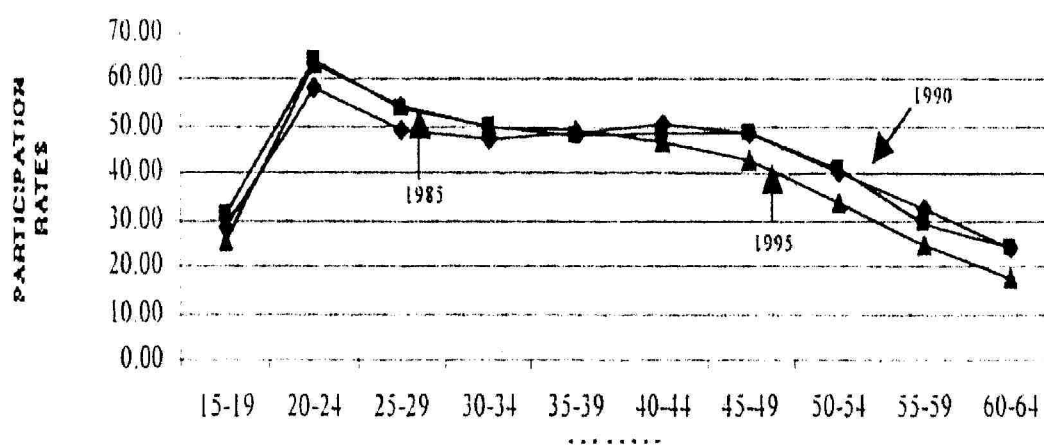


Figure 2.2 Female labour force participation rates by age group, 1980 - 1995



## **2.4.2 The structure of female employment**

Economic development not only leads to augmentation of labour force, but is also associated with changes in the structure of employment. Changes in structure of employment include employment status, sectoral/industrial distribution and occupational distribution. Any process of development is usually accompanied by a shift from traditional to modern sector. The traditional sectors include subsistence farming, handicrafts and informal unorganised services which are mainly family or household enterprises. On the other hand, modern sector is identified by production of goods and services for the market, as well as formal relationships not controlled by family or kinship ties (Ariffin, 1993; Chia, 1987; Yahya, 1986).

### ***i. Employment Status of Female Labour Force***

Employment status can be categorised into employees, employers, own account workers and unpaid family workers. Advanced countries are characterised by a high percentage of labour force who are employees and a small percentage of labour force who are unpaid family workers. In developing countries, it is common to encounter a high percentage of own account workers and unpaid family workers, especially among women and among women. In Peninsular Malaysia, as shown in Table 2.4, there is a very obvious shift among female labour force participation from unpaid family worker to employee. Between 1980 to 1995, the percentage of employees from the total female labour force increased from 64.5 per cent to 77.1 per cent. On the other hand, the percentage of unpaid family workers declined from 18.5 per cent in 1980 to 9.5 percent in 1995. The process of urbanisation and industrialisation has shifted an increasing proportion of female labour force from unpaid family workers to employees.

**Table 2.4**  
**Distribution of Economically Active Females (percentage) in Peninsular Malaysia by Occupational Status, 1980 - 1995**

Employment Status/Year	1980	1985	1990	1995
Employer	0.6	0.8	0.7	0.7
Employee	64.5	64.4	69.1	77.1
Own Account Worker	16.4	16.5	15.2	12.7
Unpaid family worker	18.5	18.3	15.0	9.5
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source : Labour Force Survey (1980, 1985, 1990 and 1995)

When a comparison is done across the gender, as shown in Table 2.5, it is evident that the employer status is mainly dominated by males. Similarly, the percentage of males who are classified as employee and own account worker is higher than that for females. Conversely, females maintain a higher percentage than males in the unpaid family worker category. The unpaid family workers are more prevalent in rural areas than urban areas. For example, in 1995, about 64.9 per cent of the unpaid family workers are located in rural areas, while 35.1 per cent are located in urban areas (Malaysia, 1995).

**Table 2.5**  
**Distribution of Economically Active Population in Peninsular Malaysia by Employment Status, 1980 - 1995**

Year/Gender		Employment Status			
		Employer	Employee	Own Account Worker	Unpaid Family Worker
1980					
Male	(%)	93.0	67.3	73.0	33.9
Female	(%)	7.0	32.7	27.0	66.1
Total	('000)	121.2	2775.8	917.1	420.4
1985					
Male	(%)	90.8	66.8	72.2	34.0
Female	(%)	9.2	33.2	27.8	66.0
Total	('000)	146.5	3105.7	951.3	443.9
1990					
Male	(%)	91.5	64.2	72.9	35.8
Female	(%)	8.5	35.8	27.1	64.2
Total	('000)	169.4	3798.5	1105.2	461.3
1995					
Male	(%)	90.4	64.6	75.4	32.2
Female	(%)	9.6	35.4	24.5	67.8
Total	('000)	157.9	4565.8	1083.2	295.1

Source : Labour Force Survey (1980, 1985, 1990 and 1995)

*ii. Female employment by sector and industry*

From Table 2.6, a high percentage of female labour force in Peninsular Malaysia is concentrated in the agricultural and fishing sector. On the other hand, relative to their share of total employment, females were severely under represented in mining and quarrying, construction, utilities and wholesale, transportation, storage and communication.

The structural change in Malaysian economy has changed the distribution of female labour force. In 1970, 67.9 per cent of females were employed in the agricultural sector, followed by 16.4 percent in services and 8.1 per cent in manufacturing. Between 1970 to 1995, the percentage of females employed in the agricultural sector declined consistently. In 1995 only 11.6 percent of females were employed in the agricultural sector. The other evident shift was in the manufacturing sector. The percentage of females employed in this sector rose steadily between 1970 to 1995 from 8.1 per cent to 33.9 per cent. The shift of female employment from the agricultural sector to manufacturing sector can be attributed to several factors such as rural-urban migration, increased opportunities in the manufacturing sector and the use of machines in the agricultural sector.

In terms of ethnic concentration, there were significant changes in various sectors of the economy in Peninsular Malaysia. In response to the New Economic policy, there was large scale migration of Malay women into the urban areas. They were predominantly employed in the manufacturing sector. In 1970, 34.2 per cent of those employed in production sector were Malays and by 1980, this percentage rose to 45.5 per cent. Similarly, there was also a prominent increase of Malays in the services sector. In 1970,

**Table 2.6**  
**Distribution of Economically Active Population in Peninsular**  
**Malaysia by Gender and Industry, 1970-1995**

Industry	Percentage Distribution (%)									
	1970		1980		1985		1990		1995	
	M	F	M	F	M	F	M	F	M	F
Agriculture & Fishing	49.6	67.9	37.5	49.3	28.6	33.7	28.9	28.2	17.5	11.6
Mining & Quarrying	2.3	0.7	1.4	0.3	1.1	0.2	0.7	0.2	0.4	0.2
Manufacturing	9.3	8.1	11.8	16.3	13.0	18.9	15.2	24.3	22.2	33.9
Construction	3.1	0.5	6.4	1.0	10.7	1.2	8.7	0.7	11.6	1.6
Electricity, gas, water	1.0	0.1	0.2	0.1	0.8	0.5	0.9	0.1	0.9	0.2
Wholesale, transportation, storage and communication services	5.0	0.5	6.9	2.3	9.7	5.2	9.9	5.4	24.3	22.2
Total	100	100	100	100	100	100	100	100	100	100

Source: Labour Force Survey (various issues)

M = male      F = female

14.3 per cent of workers in the service sector were Malays and by 1980, the percentage rose to 55.4 percent (Jomo, 1990).

## *ii. Female Employment by Occupational Status*

Table 2.7 compares the distribution of labour force by occupational status and gender. Between 1970 to 1990, women were mostly concentrated in agricultural, animal husbandry, forestry, fishery and hunters occupational status, followed by production, transport equipment operator and labourers. In 1995, there is a variation in the distribution of women labour force. The proportion of females employed in the agricultural sector was overtaken by those employed in the production and related work. This was followed closely by clerical and related workers. Between 1970 to 1990, although females were highly populated in the agricultural and production related category, most of them occupied the lower end of the hierarchy. They were underrepresented in the managerial and supervisory positions (Chia, 1987).

Women were also under represented in the administrative and managerial and related occupational group. Before 1995, the percentage of women who fall into this occupational status remained below one per cent. Although there was an improvement in 1995, it was a meagre 2.0 percent.

In the professional and technical occupational group, women show a higher percentage than men. However, further scrutiny reveals that most of them are either teachers or nurses. In 1980, teachers and nurses accounted for over 80 per cent in the professional and technical occupational status (Chia, 1987). Another observation that should be noted is the share of females in the clerical and related group that increased consistently from a mere 4.1 per cent in 1970 to 18.2 per cent in 1995.

In terms of ethnic concentration, Malays were largely over represented in agricultural and professional and technical occupational groups. In 1990, 69.1 per cent of agricultural workers were Malays, followed by 62.7 per cent in the professional and technical group.

**Table 2.7**  
**Distribution of Economically Active Population in Peninsular Malaysia by Occupational Status and Gender, 1970 – 1995**

Occupational Status	Percentage Distribution (%)									
	1970		1980		1985		1990		1995	
	M	F	M	F	M	F	M	F	M	F
Professional, Technical & related Workers	4.6	5.3	6.4	8.5	6.8	9.1	6.4	9.4	8.8	13.2
Administrative and Managerial	1.0	0.1	1.4	0.3	3.2	0.6	2.8	0.6	4.4	2.0
Clerical & Related Workers	5.4	4.1	6.8	11.1	7.4	14.2	7.0	14.1	7.8	18.2
Sales & Related Workers	9.8	4.9	10.3	7.2	11.1	11.0	11.4	11.4	11.4	11.3
Service Workers	8.1	8.4	9.0	9.0	10.1	13.7	9.9	14.1	9.8	14.5
Agricultural, animal husbandry and forestry, fisherman and hunters	47.6	66.8	35.9	46.3	28.7	33.7	29.4	28.1	18.3	11.5
Production, Transport Equipment Operator & Labourers	23.5	10.4	30.2	17.6	32.7	17.7	33.1	22.3	39.4	29.2
Total	100	100	100	100	100	100	100	100	100	100

M = male      F = female

Source: Labour Force Survey (various issues)



Similarly, in 1995, the percentage of Malays in the agricultural and professional category was 63.1 per cent and 66.4 per cent respectively. On the other hand, Malays were greatly under represented in the administrative and managerial occupational group, followed by sales related group. In 1990 and 1995, the percentage of Malays in administrative and managerial category was 28.7 percent and 36.1 per cent respectively, while the percentage in sales related group was 29.9 percent and 36.2 per cent (Malaysia, 1996).

The Chinese labour force had a very low concentration in the agricultural occupational group, but were over represented in all the other occupational groups. In 1990 and 1995, the percentage of Chinese in the agricultural category was 13.8 and 12.9 respectively. The Indians were over represented in the production and related occupational groups, but grossly under represented in the administrative and managerial occupational group. In 1990 and 1995, the percentage of Indians in the production category was 10.8 and 10.3 per cent respectively. Conversely, only 4.0 percent of Indians fell into the administrative and managerial category in 1990, while the percentage rose slightly to 4.1 percent in 1991 (Malaysia, 1996).

The occupational concentration of the three main ethnic groups in Malaysia reflect a complex set of factors. The most prevalent factors are differences in the urban-rural orientations, cultural inclinations, educational attainment and the application of public policy (Chia, 1987).

## **2.5 Female Earnings in Peninsular Malaysia**

Earning differential between males and females and wage discrimination between them (if any) is an indicator of women's status. However, there is limited published data on earnings and wage rates. In the year 1969, Equal Pay for Equal Work policy was

launched by the public sector. Therefore, official policies do not discriminate women in terms of recruitment and salaries paid.

The studies on earning differentials are scarce in Malaysia. The available studies such as Chapman and Harding (1985), Chia (1987) and Lee and Shymala (1995) indicate that women generally receive lower salary than their male counterparts. However, the major part of earning differential is due to distribution of women in lower paying jobs.

Due to the absence of comprehensive data on wages, it is difficult to make any conclusions on wage differential. Based on the occupational concentration, it is evident that segregation does exist and women tend to be concentrated in the lower occupational hierarchy. Therefore, one can only conclude that women as a group are generally paid lower than their male counterparts.

## **2.7 Summary**

It has been clearly demonstrated that economic development and structural changes in Malaysia has had profound implications on female labour force participation. An issue of particular interest is the distribution of females by industry. The data from 1970 to 1990 show that females were most densely populated in the agriculture and fishing industry. In 1995, the trend has changed and females were most densely populated in the manufacturing sector, followed by services and wholesale and related industry. In terms of female labour force distribution, agriculture has been relegated to fourth place. The distribution of females by occupational status reinforces this finding. In 1995, there is a drastic decline in the percentage of unpaid family workers. The percentage of employed females by occupational status also show some encouraging signs. There is an increase, albeit small, in percentage of women in the administrative and managerial group.

Similarly, the age group curves from 1970 to 1990 show bi-model patterns while the 95 age curve shows a uni-model pattern. This is an indication that Peninsular Malaysia is becoming an industrialised nation.

Despite such promising signs in the patterns of female labour force participation, the few studies on female earnings insinuate that wage differentials do exist and it is mainly due to the distribution of females in lower paying jobs. In addition, having a full time career does not lessen their household responsibilities and often women end up with the double burden of wage employment and family responsibilities. The shift from unpaid family workers to wage employment did not alter the fundamental role differentiation.