

SOCIO-CULTURAL ANTHROPOLOGY OF VIETNAMESE LABOUR EXPORTED TO SOUTHEAST ASIAN COUNTRIES

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Abstract

Vietnam is evaluated as the nation of young population with the high rate of labor age, making up about 63% of its total population (by the end of 2006, there were 43.3 million labors, in which 22.5 % were trained workers and 5% were managing staff). However, the rate of unemployment is quite high. Therefore, employment is an urgent and long-term problem. To solve this problem, it is important to develop local business and production, but also the labor export to neighbor countries and the world should be taken into account. Among Southeast Asian nations, Malaysia considered as a potential market for labor export, because it is available for unskilled workers. It needs about 1 million of foreign workers per year to fill the lacking of its local labor for the strategy of turning Malaysia into a developed industrial nation towards the year of 2020. To carry out the targets of labor export policy, besides the responsibility of concerned agencies and authorities, it is necessary to require the contribution by scientists, including Anthropology. Hopefully, the applied research of anthropology could contribute to the improvement of Vietnamese labor export to Malaysia market, and limit the risks of cultural problems, particularly between Vietnamese laborers and local ones in Malaysia which is an Islamic multi-ethnic country.

Keywords: foreign labor, labor export, anthropology

Abstrak

Vietnam dikenal sebagai Negara dengan populasi angkatan kerja muda sebesar 63% dari total populasi. (Sampai akhir periode 2006, terdapat 43,3 juta tenaga kerja, dan 22,5 % merupakan tenaga kerja terlatih dan 5% adalah level manajer). Namun tingkat pengangguran juga cukup tinggi, Sehingga lapangan kerja merupakan masalah penting dan jangka panjang. Guna mengatasi masalah ini maka perlu dikembangkan bisnis dan produksi skala lokal, selain ekspor tenaga kerja ke negara lain. Diantara negara-negara Asia Tenggara, Malaysia merupakan pasar potensial untuk ekspor tenaga kerja karena Malaysia menerima tenaga kerja yang belum terlatih. Dibutuhkan 1 juta tenaga kerja per tahun untuk memenuhi kebutuhan tenaga kerja di Malaysia dan mendukung Malaysia menjadi negara maju secara industri pada tahun 2020. Diharapkan riset terapan dibidang antropologi dapat memberi kontribusi untuk peningkatan ekspor tenaga kerja Vietnam ke pasar Malaysia dan mengurangi risiko hambatan budaya secara khusus antara tenaga kerja Vietnam dan tenaga kerja lokal di Malaysia yang termasuk negara multi etnis beragama islam.

Kata kunci: *foreign labor, labor export, anthropology*

1. Research Background

To understand more about this receiving Vietnamese labor nation, this research would like to present generally about the policy of Malaysian Government for foreign labor. Malaysian Government is facing with the shortage of the labor source in some economic fields, especially in industry, construction and agriculture. To cope with this problem, from the early year of 1970s, Malaysian Government has allowed using the immigrated labor source. Recently, Malaysia needs about one million of labor from other countries. To strengthen the legal and effective management for immigrated labor, from January 1992, Malaysian Government has promulgated the new policy about recruitment for foreign labor based on Working Law in 1995. Labor Law of Malaysia has stipulated that the foreign labor is treated equally as the native labor on salary, benefits and other duties. Thus, by their policies, Malaysian Government respects and defends the legal interests for immigrated labor. Foreign labor guaranteed to be treated fairly as the native labor on benefits, and other duties.

Today, Vietnamese labor has been working in 13 states of 14 states in Malaysia; among of them, Kuala Lumpur and Johor are two areas that gather most of Vietnamese workers, approximately 20,000 people in each area. Overall, Vietnamese labor is evaluated quite well in working ability; they are laborious, creative, and acquire so well in working. This is the first step to make a good position in this market. In Malaysia, Vietnamese labor works mainly in industry, construction, and some work in public services, and agriculture. Besides the above mentioned results, labor export to Malaysia in the past time still had some disadvantages, originated from different sides, different causes that are both objective and subjective: a) The causes from the labor export companies; b) The causes from workers; c) The causes from employers; d) The ability to supply labor of Vietnam is still limited both quantity and quality in comparing with demand from Malaysia, especially in some areas as industrial manufacture, and construction; and e) Some stipulates and guides for contract conditions with Malaysia have not been appropriate with real condition; thus, some contracts have signed as stipulation, but they have performed in different ways, and it leads to divergence and conflict both sides.

We believe that the picture of Vietnam labor export in Malaysia will be brighter if the companies of two sides have positive manner to overcome some disadvantages mentioned above. With the purpose to enhance effectively the labor export to Malaysian market, under the view of Anthropology, besides studying the policy of Malaysian Government for foreign labor, this research collected data to evaluate effectively the Vietnam labor export to Malaysia in the past time.

When studying social – cultural Anthropology, the anthropologists have used a lot of information from different sources, including the result from social survey, collecting data from fieldwork with the purpose of solving specific problems, choosing the feasible solutions for a fact, project or an action program. To research more details in real situation and the result of processing for Vietnam labor export to Malaysian market, this research have carried out some social – cultural anthropological investigations in some scopes that this

research are able to do. We have analyzed 40 questionnaires for the workers completed paper work for going to Malaysia. We have also collected 30 questionnaires from the workers returned from Malaysia; most of them live in Southern of Vietnam.

Through analyzing the questionnaires, this research have found that Vietnamese workers in Malaysia are around from 25 to 30 years old, mainly men workers who make around 55% with educational level from class 10 graduated from senior high school (12 classes). There is only a few of skilled workers in some areas as mechanic, wooden furniture, construction is most workers have been trained by a professional course.

Average income of a Vietnamese worker in Malaysia is 250 USD per month; the highest is 300 USD per month. After spending for living cost, every worker has saved around 100-120 USD per month and sent to their family in Vietnam. Most of Vietnamese workers have been taken to Malaysia by labor export agencies that have been controlled by the Government. The workers have to pay security and pay for any procedures follow as stipulation of Vietnamese Government. They have to borrow from the bank to pay most of the fee (98%). That is another aspect that this research need to pay attention.

Vietnamese workers working in Malaysia were not well introduced enough about Malaysian culture. Nearly 100% workers who are interviewed said that their biggest difficulty is to be adaptable to Malaysian manners and custom. Through our survey, it has been found that 70% workers said that their working environment is acceptable, 13% workers said that their working environment is quite good. However, their integration into Malaysian culture is limited and they feel lonely in their environment. Most workers who are interviewed said that they do not understand about Islam culture and some taboos related to Islam in Malaysia. This is a cause leading to that some Vietnamese workers have behaved inappropriately with native inhabitant as drinking, gambling, promiscuous behaviors, those have affected to the image of Vietnamese workers in specific and prestige of the Vietnamese country in general.

2. Literature Review

To synthesize the data this research collected, under the view of social cultural anthropology, this research can summarize about Vietnam exported labor to Malaysian market follow as:

- a) Vietnamese labor export to Malaysian market is in the labor export strategy of Vietnam's Government, and this is a good opportunity to increase the number of Vietnam exported labor. Malaysia is an attractive labor market and appropriate to labor source of Vietnam.
- b) Vietnam's Government tries to cooperate with Malaysia's Government to promote the project about exporting and importing Vietnamese labor to Malaysia. Through the activities of some companies and the support of Government, Vietnamese workers have had a positive help to work in Malaysia.

- c) The activity of Vietnamese labor export to Malaysia is now only in first period, and getting quite good results; but it is still not satisfy fully the potentiality of Malaysian market.
- d) To help Vietnamese workers adapting and integrating with Malaysian socio-culture will play a very important role with purpose for export labor sustainable development. It requires not only the efforts from workers but also the support from the offices and companies to join exported labor.

After researching the exporting labor situation from other countries in area, this research have found that some Southeast Asian countries as Philippines, Indonesia, Myanmar and Thailand consider exporting labor as an important part to bring many benefits, especially economic benefit to develop their country. From the experiences of labor export from some Southeast Asian countries, to form an export labor strategy with the specific content, the Government needs to promote export labor together with economic development strategy of Government.

3. Research Methods

To carry out the project, this research taken the time from 2004 to 2005 (1st time: August 2004, 2nd time: April 2005, 3rd time: November 2005) to survey in many states of Malaysia, where there are a lot of Vietnamese workers. In addition, this research use classified method, analyzing from many data of statistics, reports, documents concerned about human resource matters, and pay attention to labor export field under the way of Social Culture - Anthropology. We also use referendum method and collect many ideas of experts, such as Executives from Vietnamese Embassy, Management Board of Vietnamese labor and experts in Malaysia, and some reporters, who are interested in this field.

Especially, this research used the questionnaire, which is the strength of social studies, to take ideas from two concerned groups from April 26, 2007 to May 16, 2007 in ENLECO Company, SULECO Company, and HATICO Company located in Ho Chi Minh City. We have taken 40 answer sheets from the group of workers who are waiting to go to Malaysia and 30 sheets from the group of workers who have worked in Malaysia.

4. Result and Discussion

Some solutions to improve the effect of Vietnamese labor export to Malaysian market. Labor export is always a complicated question because this has related to many Government's sections from central agencies to local ones. By our studying, it is showed that there are many remains in organizing, controlling, carrying out this activity. Thus, it is necessary to be improved more under the way of social culture anthropology.

4.1. Macro-Solution from the Government:

- a) Issue the standard route of labor export to Malaysia for dealers. The following is the recruitment route that has been used in many large-scale corporations in Malaysia.

- b) It is required to revise some details in labor export contract to be suitable with current Malaysia's market, so that the competition between Vietnamese business and other countries and the interests of labor can meet together.
- c) It must be controlled closely in Vietnamese labor export to avoid illegal living status in partner country by the way of traveling, studying, working.
- d) It is necessary and urgent to continue negotiating to sign the Vietnam – Malaysia Labor Agreement, based on workers' interests and the minimum guarantee in which the labor export companies have more responsibility in their assignments, such as extending visa for company's representatives, having a hand in the problems caused by breaking workers' interests from the employers, the question is whether the employers could keep their workers' passports or not.

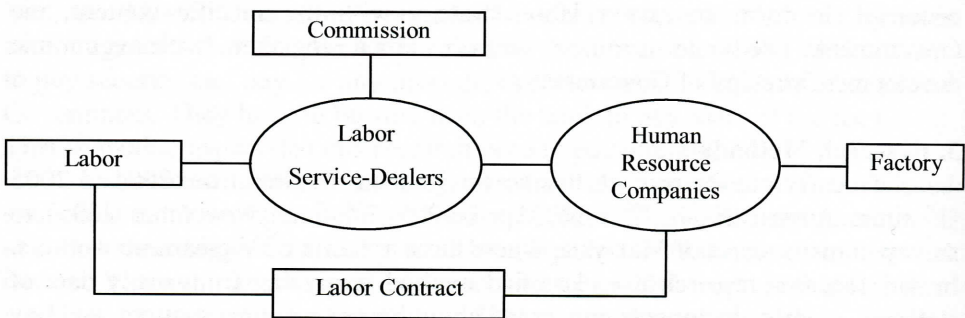


Figure 1. Labour Relationship

4.2. Some Problems Related to Labor Export Activities

In particular, markets such as Islamic countries, including Malaysia, except for above mentioned demands; it is necessary to give a general picture of Islamic manners and customs to exported workers, in order to help them integrate into new environment in a right way. Relating to the given targets and solutions of improving the effect of Vietnamese labor export to Malaysian market, under the view of Social culture anthropology, this research would like to present some manners and customs of the Malay – the main ethnic in Malaysia, that Vietnamese labor should pay attention to integrate into new living environment easily, in order to live with their manners and customs that are quite big different from Vietnamese ones.

This research will not present the specific things of Indian and Chinese culture in their communities in Malaysia, because both of them have immigrated into Malaysia for a long time; although their traditional culture (tangible and intangible culture alike) have been kept alive by their community's activities, they have still integrated into their new country quite successfully since the independent day of 1957. Furthermore, they do not have any strict religious rules as Islam – the Malaysian religion and also the national religion of Malaysia, except for Hindu group that beef is a taboo in meal.

4.3. Some Social Courtesies and Taboos

- a) When entering a house of Malay people, we must take off shoes and put them outside the door, because, for the Malay people, the living room is also the room for prayers. Thus, if we take your shoes into their house, it will make the house dirty. Malay people are known to be very hospitable, so when we visit a Malay family, if the host, for the sake of politeness, says, “You don’t need to take off your shoes,” we are still advisable not to do that.
- b) When meeting, greeting and shaking hands with the older people, you should pay attention to this norm: the style of shaking hands among the Malays is rather different from that of the Westerners. For the Malays, shaking hands is merely a palm-to-palm touch. Sometimes, they just touch each other’s ends of fingers as a way of shaking hands. The important movement of the hand – shake is that one of the two persons or both must withdraw their hands and have them placed at the position of their heart which means “it is pleasure to meet you”. The hand – shake is just made between people of the same sex. Handshakes may be performed between the people of the opposite sex who must be the relatives or kin.
- c) We should avoid touching any Malays on the top of their head if not allowed, even though it is your gesture of pampering a child because head considered keeping the Malay’s souls.
- d) Women should not sit cross – legged, stretch their legs out or squat but they must bend their legs to one side (left or right) with the feet kept close to the body or sit kneeling low down.
- e) If you wish to assist any Malays, you must not use your left hand, which considered dirty according to the Malays’ custom. They just use their left hand when going to the rest room.
- f) The Malays love to offer and to be offered a gift. They unwrap the gift in the presence of the giver and show how much they love the gift as well as say thank you to the giver. If the Malays offer you a gift, they request you to open it also. They will be very happy if the receiver really likes their gift, complimenting and thanking them for it.
- g) Customarily, at the parties, especially at the wedding receptions, the guests must not use their forefinger to point to whatever they would like to indicate. If wishing to indicate something or someone, you must keep the right hand closed and use the thumb to point at them.
- h) About the Malay’s fare (culinary activities) and dishes, Vietnamese labors should know that Muslim never eat pork and other dishes cooked from meats that are not slaughtered by themselves. Therefore, we should not invite them any porky food and have ourselves cooking food in the same place with them.
- i) Men should never harass, flirt with women, especially married women.
- j) Finally, about clothing style, Vietnamese females pay attention not to dress in too uncovered way. Malaysian females always cover their body up and especially underwear must be never shown. They must cover hair and use traditional purdah.

4.4. Religion and Belief of the Malays

Except for paying attention to the Malay's traditions and taboos, we also introduce Islam and some religious rules. The Islamic regulars bear important significance like direction compass to follower's lives. Hence, if we want to understand them as well as mingle with their world, we should have some knowledge of Islamic five-rules; besides, we should respect their rituals and religious ceremonies. Muslim followers believe that nobody has right to make a mock of the Allah and Nabi Mohammad messiah. Every follower practices religious exercise to express their belief through praying five times a day, going on a pork diet and other meats that are not kinds of they slaughter before praying, men must not drink alcohols, women have to wear uncovered outfits, cover hair and wear traditional purdah before going out. For different features, multinational companies having Muslim employees concern in supplying "communicative culture" background to their agents to prevent cultural conflicts originated from different lifestyle and religious belief. Shell Company carefully prepares the personnel management tactics to respect ethnic culture to create friendly surroundings, mutual understanding with introducing Islamic knowledge to total filiations of the company where Muslim work in Ramadan 2007.

Related to necessary trained knowledge for employees before going abroad to work, in 18/7/2007 The Vietnam's Ministry of Labor, War Invalids and Social Welfare announced the Declare number 18/2007/QĐ – BLĐTB&XH on "Customs, culture of the host country" with eight-class period (4 class hours of theory) and "The way of behavior in working and in living" with the total eight-class periods (theory). From the reality of exported employees in Malaysia, base on Declare 18/2007/QĐ – BLĐTB & XH and our researches on Anthropology, this research recommend The Vietnam's Ministry of Labor, War Invalid and Social Welfares to offer the content The Malay's customs and taboos, belief, religious features and ethnic relations in The Federal of Malaysia, which we expose in the work like a draft of formal discipline supplying employees those who are going to work in Malaysia.

4.5. Conclusion

In conclusion, it is required for taking the contribution of many branches of science especially social sciences and humanities such as history, sociology, cult urology, anthropology when forming policies in national strategy. The diversified scientific studies has brought the result of research to exactitude, as well as the practicability of scientific studies has brought the best affection in carrying out social policies and strategies. The project "The application of Socio-cultural anthropology to Vietnamese labor export to Southeast Asian countries' market - The case of Malaysia" is also in above-mentioned purposes. In the economics market, labor export activities are carried out based on supply and demand relation. It is considered as a mode of international labor assigation. In Vietnam, the Party and Government always consider labor export as an important and long-term strategy, as the Instruction No.41/CT-TW dated September 22, 1998 about "Labor and Expert Export" mentioned. To carry out well all the targets and strategies of Government, there are many important

activities besides the role of State in making laws, decisions, circulars, instructions for the service-dealers in labor export.

Those are the ones, which are not paid attention properly by dealers as introducing about the culture, manners and customs of partner country, especially in the countries that have many different things in lifestyle, the way of thinking, behavior culture in comparison with country. To fill this lacking, concretize the contents of the training program of basic background for labor export regarding to the Decision No.18/2007/QĐ – BLĐTBXH, this project has chosen Malaysia as a case study; under the way of social culture anthropology, this research has introduced in general about Malaysia country with the specific culture of Muslim Malay. By wishing that this content will be mentioned in training program for Vietnamese labor export, this research hope that it can partly limit the conflict of cultural problems. Learning culture, ethnic psychology for understanding, sharing and co-operating among Southeast Asian nations is certainly will be the effective contribution from anthropology to contribute to the success of Vietnam in the process of industrialization – modernization as well as international integration.

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Appendixes

The Analysis of Questionare for the Group of Workers Who Are Waiting to go to Malaysia (40 Sheets)

No	Contents of interview	Basic parameters (%)	
1	Age	Under 25 (80)	Over 25 (20)
2	Gender	Male (57.5)	Female (42.5)
3	Working field	Manufacturing (42.5)	Others (57.5)
4	Knowing about Malaysia by	Company (100)	Others (0)
5	Documents procedure	Advantage (100)	Disadvantage (0)
6	To be taken career advising	Yes (100)	No (0)
7	Loan from	Bank (98)	Others (2)
8	Permanent address	Southern provinces (92.5)	Others (7.5)
9	Education level	Senior High school (32.5)	Under Senior High school (67.5)

The Analysis of Questionnaire for the Group of Workers Who Worked In Malaysia (30 Sheets)

No	Contents of interview	Basic parameters (%)		
1	Age	Under 25 (50)	Over 25 (50)	
2	Gender	Male (66.6)	Female (34.4)	
3	Working field	Manufacturing (47)	Farm (26.5)	Service (26.5)
4	Salary (net)	4 – 5 million VND/month (56.6)	5 – 6 million VND/month (43.3)	Others (0.1)
5	Duration of accomplishing Labor Contract	End of Contract (63.3)	Unfinished Contract (36.7)	
6	Reasons for unfinished Contract	Nothing to work (36.6)	Salary is not fit as Contract; bad behaviors from owners (64.4)	
7	Environment for working	Good (13.3)	Average (70)	Bad (16.7)
8	Comment on the livings in Malaysia	Easy for Integration (10.7)	Hard for Integration (73.3)	Unable to Integrate (10)
9	Gathering experiences	Much (13.3)	Few (73.3)	Very few (13.4)
10	Wishing to come to Malaysia for working again	Yes (16.7)	No (83.3)	
11	Residence in Vietnam	The Southern Provinces (13.3)	Others (87.7)	
12	Education level	Senior High School (53.3)	Under Senior High school (46.7)	
13	The difficulties when living in Malaysia	100	Custom, languages	

The Training Program of Basic Background for Labor Export

(The attachment of Decision No. 18/2007/QĐ-BLĐTBXH dated 18-Jul-2007 of Vietnam's Ministry of Labor, War Invalids and Social Welfare)

No.	Contents	Theory	Practice	Total time
1	National cultural character and tradition	4		4
2	Basic contents which are concerned to the labor law, criminal law, civil law, administrative law of Vietnam and the country that export labor will go to.	12		12
3	The contents of the labor contract signed by the service-dealers and workers.	8		8
4	Labor discipline, safety and industrial hygiene.	8	8	16
5	The manners and customs of the country that export labor will go to.	4	4	8
6	Behavior in working and living.	8		8
7	Using means of transport, apartments' accessories, sales and purchase.	4	4	8
8	Some matters that can be prevented in advance when living abroad.	6		6
9	Review and final test	4		4
Total		58	16	74

TEORI PECKING ORDER PADA KONDISI HIGH UNCERTAINTY DAN LOW UNCERTAINTY

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Abstract

This article tests the pecking order theory during the periods of high uncertainty and low uncertainty in Indonesia. Our results show that during the period of high uncertainty (from 1997 to 2000), several variables such as: dividend yield, profitability (return on assets), sales growth and total assets growth are important determinants of financing decisions (leverage). In addition to those variables, we find that capital intensity is also significantly related to leverage during the period of low uncertainty (from 2001 to 2004). Overall, our results for the whole sample confirm the prediction from the pecking order hypothesis.

Keywords: pecking order, leverage, asymmetric information, dividend yield

Abstrak

Artikel ini meneliti teori *Pecking Order* selama periode ketidakpastian tinggi dan ketidakpastian rendah di Indonesia. Hasil menunjukkan selama periode ketidakpastian tinggi (dari 1997 sampai 2000), beberapa variabel seperti *dividend yield*, profitabilitas, *sales growth* dan *total assets growth* merupakan faktor penting keputusan pendanaan. Selain variabel diatas, ditemukan bahwa intensitas modal juga berpengaruh terhadap pendanaan selama periode ketidakpastian rendah (dari 2001 sampai 2004). Hasil penelitian mengkonfirmasi ramalan dari hipotesis *Pecking Order*.

Kata kunci: *pecking order*, *leverage*, *asymmetric information*, *dividend yield*

1. Latar Belakang

Keputusan Pendanaan dan keputusan deviden merupakan salah satu dari tiga aktivitas utama manajer, menyangkut keputusan tentang penanaman modal, pembiayaan kegiatan usaha dan pembagian deviden pada suatu perusahaan. Dana diperoleh dari sumber keuangan internal dan eksternal dengan memilih biaya yang paling rendah pada tingkat resiko tertentu. Faktor yang mempengaruhi keputusan pendanaan tidak lain yaitu perubahan lingkungan ekonomi makro maupun mikro. Kondisi makro ekonomi Indonesia sejak krisis perekonomian nasional pada pertengahan tahun 1997 yang berlanjut tahun 1998 memberikan dampak negatif terhadap perekonomian Indonesia sampai dengan sekarang ini. Dampak negatif berupa kondisi perekonomian Indonesia yang tidak stabil dan fluktuatif atau ketidakpastian perekonomian (*uncertainty*), ditunjukkan dengan melemahnya nilai tukar rupiah terhadap dollar Amerika