## Gendering Liberalisation and Labour Reform in Malaysia: Fostering

'Competitiveness' in the productive and reproductive economies<sup>1</sup>

#### Abstract

This paper seeks to examine how and why gender needs to be brought into the analysis of state developmentalism in Asia. In doing so, the paper focuses on on-going processes of labour market and industrial relations reform that have accompanied Malaysia's economic development since the early 1970s. The argument is made that understanding these reforms from a gender perspective means that we must recognise both the significant contribution that women made to the growth of export manufacturing industries and the role that social relations of reproduction play in underpinning economic reform and transformation. The analysis explores how gendered social relations (of production and reproduction) have been central to the labour politics of Malaysia's state-led developmentalism. Particular emphasis is placed on how ideas of maintaining 'competitiveness' through the attempts to transition to a more knowledgecentred economy have entailed particular roles and responsibilities for women. Attempts to maintain economic competitiveness in Malaysia have rested upon ideas concerning the need to integrate women more fully into the formal labour market and a greater recognition of the contribution of social relations of production to capitalist accumulation. The article discusses some of the tensions and contradictions that have emanated from this policy shift.

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#### Introduction

In recent years, a growing consensus around the need to promote economic competitiveness via reforms to the finance sector, corporate governance regime and an increased emphasis on privatisation has characterised much of the analysis of post-crisis economies in the Southeast Asian region<sup>2</sup>. For many academic commentators, the widening and deepening of a neoliberal reform agenda in this manner spells the end of 'developmental' forms of state governance based on 'plan rational' bureaucratic economic decision-making and the emergence of less directly market-interventionist 'regulatory' states. This paper utilises the example of labour market policy in exploring how and why gender matters in unpacking the politics of development and reform in Malaysia. Such an examination is necessary for two reasons. Firstly, there has been a tendency to neglect the role of labour in analyses of capitalist development in East and Southeast Asia and concerns have been raised about the lack of focus on workers and local communities in what are largely macro-level accounts – treating them merely as 'passive inputs for an industrialisation process planned by (private or state) capitalists'<sup>4</sup>. Secondly, bringing in a concern with gender into discussions of the labour market necessitates that we appreciate more thoroughly how market reforms are embedded within 'productive-reproductive' relationships – those social relations of reproduction centred on the household that are ignored in conventional economic analysis.<sup>6</sup> An awareness of the centrality of both gender and social relations of reproduction to the functioning of the market economy is a key feature of feminist (or 'gendered') political economy. Such a perspective demonstrates not only how the experience of engaging with the market economy (for example as workers) is shaped by gender relations and divisions, but also how social inequalities are 'regulated and stabilised by gendered state formations'.7

In certain respects, it is unsurprising that most accounts of the post-Crisis politics of reform in Malaysia have overlooked labour issues – as this paper will illustrate the creation of 'flexible' and 'competitive' workplaces rooted in policies of anti-unionism was effectively completed during the 1980s. Economic development in Malaysia depended on the construction of certain groups of women workers as a source of exploitable labour. The Malaysian developmental state must, accordingly, be viewed as a capitalist developmental state in which multinational capital played a central role in the disciplining and depoliticising of (feminised) labour. This experience however, has come to be regarded as a 'model' example of how to build successful labour market competitiveness in ways that generates benefits for women. Thus Asian states are presented as a paradigm case of 'pro-poor' employment expansion which 'brought large numbers of women into that labour force, with important consequences for poverty reduction and the status of women'. However, it should also be noted that since the 1997 financial crisis there has been something of a shift in state labour market policies. The financial crisis of 1997 precipitated a rapid decline in Malaysia's economic growth rates which were compounded by a growing labour shortage. The state has sought to lessen its dependence on low-wage export manufacturing through the embrace of the so-called 'knowledge economy'. Attempts to redefine Malaysia's competitive advantage away from cheap labour and towards the knowledge economy have rested upon ideas of more fully integrating women into the formal economy and the consequent increased awareness of the contribution of social relations of reproduction to capitalist accumulation.

Labour market reform can, therefore, be seen as tied to the production of policy discourses (such as the focus on poverty reduction) associated with the 'Post Washington Consensus' policy agenda. One of the hallmarks of this agenda is the growing emphasis

on the language of (economic) 'competitiveness'. Malaysia's bid to maintain competitiveness has been discussed in terms of the ability to attract and retain foreign direct investment and skilled workers, the economy's comparative advantage in key industrial sectors *vis á vis* other developed and developing economies as well as in terms of the need to develop high-tech and knowledge oriented industries. In fact, there are many competing understandings of what 'competitiveness' entails and my concern is not to delve into these debates in any detail. Rather, I adopt the position that 'competitiveness' is a concept that is deployed as a justification for economic reform in the face of the pressures of 'globalisation'. Thus the fuzziness of the concept can be seen as part of its appeal to policy-makers - promoting new forms of neoliberal governance centred on the reification of the market as the main organising principle for social relations. As this article will demonstrate, the language of 'competitiveness' is explicitly gendered – prescribing particular roles for women within both the workplace and the household.

This article is structured as follows: The first part focuses on the need to bring gender into debates over the role of the state in Asia's economic development. The subsequent parts of the paper deal more specially with the Malaysian case study. This discussion initially provides a historicised account of the gendered politics of labour market policy in Malaysia from the early 1970s onwards. Such an overview is necessary because it exposes how the Malaysian 'model' of FDI-led export oriented growth was accompanied by the depoliticisation and flexibilisation of key feminised sections of the labour market as well as the state's role in the organisation of social relations of reproduction. The discussion then moves to consider how, under pressure to liberalise its economy and increase inward FDI flows, the Malaysian state moved to bolster and enhance this deeply gendered (and racialised) regime of repressive labour control that rested on assumptions

concerning women's 'secondary' status within the productive economy. The final section of the paper then evaluates the ways in which both female labour and the household have been reconstructed as part of the pursuit of a knowledge-oriented, high-tech, competitive economy. Particular attention is drawn to the contradictory and competing tensions that surround this policy shift. The new competitiveness agenda has sought to emphasise increasing the participation rates of educated women in the so-called knowledge economy, yet such strategies might also be perceived as being in tension with 'traditional' conceptions of women as wives and mothers that have long been central to state strategies of nation-building. Thus whilst many recent studies of neoliberal reform in Asia have emphasised how reform brings about conflict with vested statist interests <sup>11</sup>, this article provides a much needed gender dimension to this discussion.

### Locating the state

Central to the line of argument taken in this paper is a recognition of the significant role of the state in framing the (gendered) politics of economic development and liberalisation. Labour market reform is a process that reflects the relationship between the state's development priorities and embedded and deeply gendered and racialised social divisions and inequalities. As will become clear in the analysis presented in the later sections of this paper, a focus on Malaysia provides particular insights into how state activities are enmeshed in localised social relations characterised by gender, ethnic and class divisions. Such understandings are neglected in analyses of the developmental/technocratic East Asian state from both neoliberal and institutionalist perspectives that focus largely on the leadership role of a benign and technocratic state elite.

A more socially embedded understanding of the state 12 enables us to think through how state policy itself contains implicitly gendered assumptions. One such assumption would be the availability of low cost female labour to work in export manufacturing 13. But another gendered assumption relates to the way in which the labour market is understood purely in terms of the productive economy, thus undervaluing the significant role that women play in economies of social reproduction (in particular women's role in biological reproduction and in the provision of caring needs). Such an assumption is indicative of the state plays a central role in organising social reproduction in order to support the productive economy. For Bakker and Gill, these local gender regimes or 'orders' centred on nationally bounded social spaces are undergoing significant transformation under conditions of disciplinary neoliberalism. Part of this transformation is labelled the 'reprivatisation of social reproduction' as states increasingly place greater responsibility for welfare provision onto the household and unpaid women's labour. The second part is a deeply gendered process labelled the 'intensification of exploitation' whereby the realm of social reproduction is increasingly viewed as a key site of capitalist accumulation.<sup>15</sup>

It is important, however, not to overemphasise the role of a transnational disciplinary neoliberalism in understanding the state's role in regulating and supporting the productive-reproductive relationship. In gendering our analysis of the Asian state, we need to conceptualise how the development of gender orders takes place at the intersection between local and transnational social forces. Such an emphasis is essential to any understanding of the role of the Malaysian state in economic development – a role that has been fundamentally shaped by a localised politics of ethnicity. The embeddedness of the Malaysian state in the local as it adapts to transnational pressures (which can be understood both in terms of the globalisation of production and the

pressures of disciplinary neoliberalism) can be observed in the ways that state practices and discourses of ethnicity and nationalism (and, increasingly, religion) have framed notions of 'development'. As Chin argues, the state's management of the opening of the economy to FDI (as well as migrant labour flows) hinged upon the perpetuation and manipulation of racialised and gendered social divisions. The following discussion therefore seeks to situate the analysis of the state's approach to the labour market within a gendered political economy framework that recognises *both* the role of identity politics *and* material processes in analysing how gendered forms of production and reproduction are situated within particular economic development and reform agendas.

## The New Economic Policy and the emergence of feminised factory work

As has been widely documented, the founding of Malaysia's developmental state with the enactment of the New Economic Policy (NEP) in 1970 was fundamentally tied to a politics of ethnicity. <sup>17</sup> Following ethnic riots and political unrest in 1969, the Malay <sup>18</sup> dominated government launched the NEP - a 'blueprint' for socio-economic change focussed on poverty reduction and (more significantly) the elimination of ethnic inequalities in the economic structure of the nation. <sup>19</sup> What this effectively meant was a radical shake-up of economic policymaking and state structures with the establishment of an array of quotas and institutions aimed at improving the representation of the Malay population in the modern corporate world. Export oriented industrialisation (EOI) based upon the attraction of foreign direct investment (FDI) was to play a central role in the achievement of these objectives.

This opening up of the economy to FDI should not, however, be viewed in terms of a 'hollowing out' of the state. Rather, what we see is the establishment of an economy based around the expansion of both traditional primary sector and newer manufacturing

for export sectors in order to support protected local industries and vested state interests.<sup>20</sup> Even in the 'globalised' (export-oriented) zones of the economy, the state's presence was evident in the repressive anti-union policies that marked state-labour relations. In this early period, state economic development strategies benefited from the retention of anti-union policies and legislation established by the British colonial regime designed to prevent the emergence of class-based opposition movements.

Interestingly, when the plans were drawn up to promote export oriented industries and FDI, the assumption amongst state planners was that it would be Malay men who would take up the new export-sector jobs. The state's target of shoring up a gendered male breadwinner model of social reproduction through EOI was however challenged by transnational capitalist interests. Multinational corporations (MNCs) arriving in Malaysia establishing factories in labour intensive sectors sought to employ a labour force comprised mainly of young women.<sup>21</sup> As a percentage of the female workforce, women's employment in manufacturing rose from 16.4 percent in the late 1950s to 46.1 percent by 1987 and was overwhelmingly concentrated in the garment and electronics sectors. The preference for female workers in these sectors has been explained in terms of both the low wages that employers were able to pay young female workers as well as the persistence of 'gendered discourses of work'<sup>22</sup> – a 'globalised' set of ideas concerning the suitability of diligent and docile 'nimble fingered' women to factory work.

Depite of the rapid adsorption of female labour into key export sectors, economic planning only started to include a discussion of the gender dimensions of economic development in the 1990s. Women specific development policies that emerged during the 1970s and 1980s were concerned largely with women's domestic role. <sup>23</sup> Leete, for example, traces the particular emphasis that the Malaysian state placed on boosting

population growth via the New Population Policy (NPP) of 1984. 24 Such policies supported the emergence of Malaysia as a site for a highly feminised form of low-waged export oriented manufacturing. The NPP was targeted in particular at middle class women – whilst working class women could be relied upon to provide the low cost workforces for the export sector firms, middle class women were subject to policies of redomestication in order to boost the Malaysian labour force. 25 But it could also be suggested that this commitment to feminine domesticity within state gender ideology fed into constructions of all classes of women as secondary income earners and, invariably, supported the similar line taken in the export-factories. <sup>26</sup> An example of this gender ideology is found in the dominance of tropes of women's natural and innate 'domesticity' which were at the heart of the Minah Karen (meaning loose woman) moral panics of the 1970s and 80s in which young female and predominately Malay factory workers were viewed as susceptible to sexual and moral corruption.<sup>27</sup> These concerns were effectively institutionalised by the state as it moved to deal with this 'problem' through the establishment of a research programme and sanctioning the role of Islamic groups in providing moral instruction to workers in multinational factories.<sup>28</sup>

## Liberalisation and 'Looking East'

It is in the 1980s and early 1990s that we can see a discernable shift in Malaysia's development strategy, which, like many other Southeast and East Asian states, underwent considerable liberalisation and deregulation (particularly in the later part of the decade). These policies of liberalisation have had particular implications for the regulation of feminised productive labour within Malaysia's gender order. However, it should be recognised that these strategies of labour market deregulation and flexibilisation need to be contextualised within the discussion of the role of social

relations of reproduction in supporting a deeply feminised form of EOI provided in the previous section of this article.

The 1980s witnessed a further entrenching of a regime of anti-unionism which took place at a time of welfare spending cut-backs and rising socio-economic inequality.<sup>29</sup> The background to these policies was the period of world economic recession that hit the export sector exceptionally hard. However such policies were bolstered by global economic shifts during the late 1980s and early 1990s which included the establishment of the World Trade Organisation and the US's more aggressive pursuit of market opening following the end of the Cold War. 30 It was within this context that the state sought to attract FDI with renewed vigour - granting foreign capital a range of generous investment incentives with the enactment of the Promotion of Investment Act (PIA) of 1986. Often referred to as the 'look East' (in part because one objective of the reforms was to attract Japanese investment), these reforms had particular implications for labour as the state sought to emulate aspects of the Japanese industrial system (including enterprise-based 'in-house' unions).<sup>31</sup> Such reforms bolstered low wage and feminised systems of export manufacturing by effectively preventing the formation of unions in key export-oriented and female dominated sectors of the economy. Furthermore, the renewed emphasis on labour repression complemented a range of cross-cutting forms of labour control practiced by companies. These included: discouraging the formation of unions, the atomisation of workers through paternalistic human resource management practices, and the mechanisms of employee surveillance and control on Taylorist production lines.<sup>32</sup>

Malaysia's embrace of a more market-oriented development paradigm is criticised by scholars who have linked economic reform to rising levels of inequality.<sup>33</sup> Unskilled

workers in particular are identified as the group least likely to have benefited from Malaysia's economic growth. For example, within the female dominated garment sector, wages have been kept consistently low as employers sought out new sources of low cost workers (such as married women with children).<sup>34</sup> Rising income inequality in wages in the Malaysian manufacturing sector reflected an increased demand for skilled workers whilst the economy increased its dependence on low-wage workers – in particular transnational migrants.<sup>35</sup> With the launch the Second Outline Perspective Plan (OPP2) of 1991<sup>36</sup> and the 'Vision 2020' initiative (see below) state planners sought to embrace high-tech high value added industrial development in order to maintain competitiveness. One particular emphasis of this shifting policy-agenda has been on decreasing the economy's dependence on unskilled work through a focus on increasing women's labour force participation. It is to this shift in industrial strategy that the discussion now turns.

# 'Competitiveness' and the 'knowledge economy'

As shown in the previous section of the paper, labour markets were an important site for economic reforms centred around the construction of 'flexible' and 'efficient' depoliticised and feminised workers. Attempts to build and sustain 'competitiveness' via the development of a knowledge oriented economy has also had specifically gendered roots and impacts.

The emphasis on knowledge and competitiveness is not in any way a sudden shift in policy – rather it is a reassertion of an economic development strategy that has long been part of the government's reform agenda. A key turning point is often seen to be then prime minister Mahatir Mohamad's speech 'Malaysia: The Way Forward' - referred to as *Wawasan* (Vision) 2020 because of its stated aim of achieving developed country status by that year.<sup>37</sup> The speech reiterated the emphasis on liberal reform that the government had

been pursuing since the mid 1980s highlighting the role of the private sector in delivering growth and the need to build a more competitive economy. The deployment of Information communication technologies (ICTs) was central to the attainment of Vision 2020 and this ambition was concretised with the establishment of the Multimedia Super Corridor in 1996. But the need to build a knowledge economy began to take a much more central place in economic policymaking following the economic slowdown that followed the 1997 crisis. The Third Outline Perspective Plan (OPP3) of 2001-10 under which the Eighth and Ninth Malaysia Plans have been produced further emphasised the urgent need to develop a knowledge based economy in order to remain competitive in a globalised world economy. As stated by the then Prime Minister Mahathir Mohammed in the speech to launch the in the Eighth Malaysia Plan (2001-5):

Malaysia's comparative advantage in traditional manufacturing is being challenged by dynamic lower-cost developing countries, while industrialised countries are forging ahead with their focus on knowledge and ICT. As a nation, we will have to intensify our efforts to increase our productivity and competitiveness not only to stay ahead of the developing countries but also to catch up with the more developed countries so that we can emerge as a developed nation come 2020.<sup>40</sup>

Citing then Deputy Prime Minister Abdullah Badawi's concern of 2001 that labour was neither 'cheap enough nor skilled enough'<sup>41</sup>, Turner points to the increased salience of ideas concerning the need to construct flexible, productive, skilled and competitive workers. The *Ninth Malaysia Plan* (2006-2010) for example, in its chapter on 'enhancing human capital' states that 'efforts will be intensified to develop knowledge workers who are competitive, flexible, dynamic and performance minded'.<sup>42</sup> One emphasis therefore, has been on the provision of vocational training – aimed at creating the type of flexible,

efficient yet highly skilled individuals needed to compete in the global economy. The problem is however, that these reforms are ultimately limited by the extent to which the Malaysian economy remains dependent on low-wage labour based industries – and has maintained this dependence through the use of selective migration policies into low wage 'dirty and dangerous industries'. <sup>43</sup> Levels of foreign migrant labour increased throughout the 1990s and despite the knee-jerk reaction of the government to expel migrant workers following the 1997 crisis, have continued to rise.

Women and the competitiveness agenda: Gendered lenses on Vision 2020

In line with the increased focus on knowledge and competitiveness, it is clear that there has been an increased policy-emphasis on the role that women play in maintaining a state's competitive advantage. This set of ideas around women's role in development is very much part of a transnational policy consensus that has had considerable influence in Malaysia. Take for example a 2007 report on higher education and the knowledge economy in Malaysia co-written by the World Bank and Malaysia's Economic Planning Unit. The report cites a World Economic Forum (WEF) report in highlighting the significant role that women play (as workers) in building competitiveness.

In comparing the global gender gap rankings with the Global Competitiveness

Index, the WEF notes a strong correlation between the improved opportunities for
women and the higher *competitiveness* scores for countries.<sup>44</sup>

Indeed, it could be suggested that the vast majority of work on gender and development emanating from the major institutions of global governance in recent years has tended to treat gender issues in highly instrumentalist terms – as the need to mobilise women's labour force participation (in both the formal and informal sector) in order to produce

'pro-poor' development outcomes. <sup>45</sup> Cammack, describes such processes as 'systemic proletarianisation' <sup>46</sup> – efforts to draw previously 'unproductive' groups of people into the global capitalist workplace. Such a perspective chimes with Bakker and Gill's concerns around the 'intensification of exploitation' into the reproductive economy under conditions of disciplinary neoliberalism. <sup>47</sup> The way in which economic reform is conceptualised in terms of a widening and deepening of capitalist relations into all sections of society is clearly conveyed in the following section of a 2000 speech made by Mahatir:

The K-economy... is not an elitist process but one involving every Malaysian from the teacher in the classroom to his pupil, to his fisherman father and housewife mother, to the driver who drives the school bus, to the mechanic who maintains it, to the engineer who designs the vehicle, to the entrepreneur who owns the company, to his secretary, the janitor and the chairman of the Board. In order for us to succeed with the paradigm shift ... all Malaysians, including the young of the *Wawasan* generation, will have to be fully involved.<sup>48</sup>

One notable emphasis in government policy documents and pronouncements on the knowledge economy is a shift towards a much more instrumentalist focus on women's role in sustaining national competitiveness through their participation in the productive economy. The *Ninth Malaysia Plan* for example states that:

During the Ninth Plan period, efforts will, be undertaken to provide an enabling environment to ensure more effective participation of women in national development. Women will be equipped with the necessary skills and knowledge to

enable them to be more competitive and versatile to meet the needs of a knowledge economy.<sup>49</sup>

Despite the dominance of female employment in export manufacturing sectors of the economy, the overall female labour force participation rate in Malaysia has remained low. Malaysia's female labour force participation rate for women aged 15-64 remained around 47% between 1975 and 2002 whilst for the same period the male rate was consistently over 80 percent. The desire to increase women's labour force participation has been seen as a way of lessening the economy's dependence on migrant labour. There has also been a rapid and sustained increase in the numbers of women in higher education—to the extent that women now constitute 55 percent of enrolments in higher education. Whilst the employment of women graduates has in general kept pace with that of male graduates, concerns have been raised about the lack of women going into those IT, science and engineering courses that are seen as central to building the human capital base of the knowledge-economy. For Malaysia to achieve lasting and significant economic growth, women must be able to take their education into the workforce and develop professional careers that contribute to the local economy.

A number of strategies are discussed in government policy documents concerning how to increase women's labour force participation. These policies are interesting because of their explicit recognition of the reproductive economy. They include an emphasis on training and education programmes targeted at women, the promotion of flexible working hours, the promotion of more flexible employment opportunities such as telework and homework, and provision of workplace crèches. <sup>54</sup> ICT is viewed as key to increasing women's workplace participation in both the formal sector (for example, through better availability of information on job vacancies <sup>55</sup>) and the informal sector. In

the informal sector, the Ministry of Women Family and Community Development and the Ministry of Science, Technology and the Environment in 2001 provided funds for the establishment of an 'eHomemakers network' an initiative aimed at connecting home workers and promoting on-line sales of home produced merchandise.<sup>56</sup>

On the one hand, it could be argued that the persistence of ideas within both the MNCs and within society more generally of women workers as low paid docile and diligent factory 'girls' has played a role in discouraging many groups of women from entering the productive economy (especially when one takes into account how notions of domesticity have come to define perceptions of middle class Malaysian womanhood<sup>57</sup>). But on the other hand, concerns have also been raised about the types of work available to women in the knowledge economy – notably, the rise of call-centre employment as a new 'hitech' form of low wage feminised employment. As early as 1997, call centres were seen as a key potential site for FDI. 58 Research by Ng has shown that women employed in Malaysian call centres tend to be 20-25 years of age and in their first job.<sup>59</sup> Although this research reveals that women workers are often satisfied with the opportunities afforded to them in this sector and the ability to combine work with child-care responsibilities, it also warns of the continued stratification of women into low-waged employment and the way that the employment of 'flexible' female workers in part-time positions reconfirms their secondary labour market status. The knowledge economy is thus accompanied by gendered notions of 'labour flexibility, outsourcing and subcontracting'. 60

A central contradiction in the official discourse is that women are still regarded as the principal homemakers. In spite of widespread public debate over the need for employers to provide childcare facilities, childcare continues to be constructed as part of women's household responsibilities.<sup>61</sup> The *Eighth Malaysia Plan* incorporated a commitment to

include female part-time 'knowledge workers' (i.e. call centre workers) under the terms of the 1955 Employment Act. This was seen as important 'to enable women to integrate career with household duties'. <sup>62</sup> But, as Ng et al. argue, 'again, women are framed by the patriarchal state in their 'feminine' role as 'homemakers''. <sup>63</sup>

Overlapping with these discourses of women as homemakers has been a concerted effort to view the family and the household as a key site for the (re)production of economically productive Malaysians. Women's increased labour force participation is presented as an economic necessity but concerns have been raised that women will neglect their role in the social reproduction of labour (fears that are compounded by the increased reliance on migrant domestic workers as a key source of child care – see below). In the *Ninth Malaysia Plan* for example, reference is made to the National Family Policy: 'Recognising the increased participation of women in the labour force, steps will be undertaken to create awareness and provide knowledge to parents on the importance to balance work and family responsibilities'.<sup>64</sup>

A moral dimension is brought into this emphasis on the household through a concern with 'family values'. Building and strengthening the family is presented as aiding the development of 'a moral and ethical society' and enhancing 'national unity'. <sup>65</sup> As Stiven's has shown, such programmes must also be understood in terms of the on-going Islamisation of state and society in Malaysia. <sup>66</sup> The issue of Islamisation is very interesting in terms of the broader themes of competitiveness and liberalisation addressed in this paper. Prime Minister Abdullah Badawi's emphasis on *Islam Hadhari* (civilisational Islam) has increasingly become a point of reference in discussions of the need to maintain industrial and economic competitiveness whilst at the same time emphasis is placed on the need to 'develop a moral and ethical society' <sup>67</sup>. State institutions such as the National

Population and Family Development Board's work on 'strengthening the family' have tended to point to the central role performed by women in supporting values that preserve Islamic ideals. However, it could also be argued that this emphasis on 'family strengthening' in the pursuit of economic development is in part a local manifestation of a more globalised policy discourse – Bedford, for example, has noted the persistence of these more conservative ideals in World Bank gender policy.<sup>68</sup>

The household realm is also a central site of contestation over the role of foreign domestic workers in Malaysian society. In spite of government rhetoric on the need for employers to provide childcare, Turner suggests that the government's only real response to this issue has been the liberalisation of the market for foreign domestic workers. <sup>69</sup> 'Maids', who are exempt from coverage under the 1955 employment act (and thus not formally recognised as 'workers'), are a group overwhelmingly dominated by women from neighbouring Indonesia. One can identify within Malaysia the operation of a system of transnational migration of domestic work that acts to support the social reproduction of workers within the host country. The desire for low cost foreign domestic workers in middle class Malaysian households – is frequently presented as a 'labour shortage' issue. <sup>70</sup> Whilst the employment of foreign domestic workers is, in part, related to perceptions of class and status (the association with having a domestic worker with having attained a middle-classness) <sup>71</sup>, it also reflects the lack of social and welfare services available to middle-class educated women.

## **Concluding comments**

The analysis presented in this article has shown how labour reforms predicated on building flexible and efficient workers have been central to Malaysia's drive for industrial competitiveness since the early 1970s. Exploring the politics of labour market

competitiveness in Malaysia thus enables us to observe how a number of gendered assumptions have underpinned development policy-making and policy-implementation. First, and most obvious, were those assumptions regarding the availability of low cost female labour that underpinned the early stages of EOI. This set of assumptions also underpinned the 'look East' reforms of the 1980s which sought to enhance and deepen labour market competitiveness in the export sector through repressive industrial relations strategies.

Second, these commitments to securing a low cost feminised labour force for multinational capital in the country's export-processing zones, were supported by the prevalence of assumptions relating to women's primary responsibilities for social reproduction (and, thereby, their secondary labour market role). However, recent years have seen a significant shift in the state's approach to women's labour. Indeed, a third set of assumptions that can be identified focus on the need to integrate women – especially middle class educated women - more fully into economic development though formal labour market participation. As the final part of this article has shown, the increased reliance on women's formal labour market participation has generated tensions over how best to incorporate the reproductive economy more thoroughly into state development policy making. State discourses simultaneously emphasise both the productivity and the domesticity of women and these tensions are manifested in (a) the emergence of new forms of cheap feminised employment (e.g. in call centres) that benefit from the secondary labour market status of women due to their centrality within systems of social reproduction and (b) the rise of subordinated and racialized forms of paid domestic employment as transnational migrants increasingly take on society's socially reproductive work.

Gendering the politics of economic liberalisation and competitiveness in Malaysia requires that we do more than simply point to the major contribution that female labour force participation has made to export-led growth. Rather it requires that we develop a theory of the gendered nature of the state and the interrelationship between labour control in the productive economy and the social reproduction of labour. Thus economic reform not only entails particular state-endorsed roles and responsibilities for women as (formal) workers, it also necessitates an emphasis on the family, the household and the politics of domestic labour.

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<sup>&</sup>lt;sup>18</sup> As a result of its colonial past, Malaysia is an ethnically diverse country and the state officially recognises three major ethnic groups: Malay (or *Bumiputera*), Chinese and Indian.

<sup>&</sup>lt;sup>19</sup> Malaysia, Second Malaysia Plan 1971-1975, Kuala Lumpur: Government Printers, 1971, p. 1

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