

THE LABOUR MARKET AND WAGES IN SOUTHEAST ASIA

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Preface

The labour market in Southeast Asia is of the so-called migratory type. By this is meant that the labour force comes primarily from surplus population in rural communities and that unemployed persons in many cases return to their native villages.

This relationship between the labour market and rural communities, which is the principal consideration in the study of Southeast Asian labour market, has two different patterns. In one pattern large numbers of workers move back and forth between urban areas and distant rural communities as in Indonesia. In the other pattern, the labour force is supplied mainly by adjacent farming villages. In either case, the fact that a majority of the labour force is in the migratory pattern is in sharp contrast with the labour supply situation in Europe and the United States. In the latter places, the labour force is from surplus population in urban communities.

Another notable feature of the Southeast Asian labour market is the fact that unskilled labour and skilled labour form two different strata. Generally speaking, skilled labour is in short supply, although there is an ample demand for it. But unskilled labour is over-abundant even though the demand for it is small. With such an imbalanced background of labour supply and demand there is much labour turnover. However, while turnover in the skilled labour market is accompanied by improvement of wages and other work conditions, turnover in the unskilled labour market generally brings about worsening of such conditions.

Reflecting such characteristics of the labour market, the wage level of urban workers are generally low because of the pressure from the surplus population in rural communities. This tendency is particularly conspicuous among unskilled workers. Wages of skilled labourers are high because they are in short supply while those of unskilled labourers are low because the supply is much larger than the demand. Thus, there is an extremely wide wage differential between skilled labour and unskilled labour in Southeast Asia, whereas in the West, the disparity is, on the whole, within the two-fold range. The wage structure, meanwhile, retains pre-modern characteristics except in relatively large enterprises in countries which were formerly colonies of Western powers.

The writer wishes to substantiate the foregoing observations with facts he gathered during an on-the-spot survey of the labour conditions in Federation of Malaya, Singapore, Indonesia, and Thailand from December, 1961 to February, 1962.

I. Relationship Between Labour Market and Rural Communities

One of the characteristics of the labour market in the Southeast Asian countries is, as explained in the preface, its close relationship with farming communities. This relationship differs from one country to another. In Malaya, many rural residents move out to urban areas when jobs are available there but return to their native villages, sooner or later. The Malayan labour force is increasing because the surplus population in native villages has been mounting steadily due to the natural population increase, low productivity of Malayan farming communities; the practice of equal division of inheritance and the diffusion of the money economy. Nevertheless, Malaya is free of the tendency of a large labour force moving from distant farming communities into cities. The source of labour supply is limited to the farming villages adjacent to urban centres.

The same situation also prevails in Thailand. There, few labourers move between cities and distant rural communities. The only exception is the migratory group of workers who flow from the northeastern part of the country to Bangkok. The farming communities in northeastern Thailand have become very depressed recently due to low agricultural productivity. Therefore, the farmers go to work in Bangkok to get cash income.

Industrial enterprises in the Bangkok district draw the necessary labour force from farming and fishing communities in neighbouring areas. This means that there is a very large surplus labour force within the city of Bangkok and in adjacent farming and fishing villages looking for employment. At spinning mill in Bangkok, for example, where a majority of the employees are young female workers from neighbouring farming families, this writer was told that in the mill neighbourhood there were at least 500 girls looking for employment.

In every company he visited, the writer was told that a large number of persons applied when job opportunities were offered. This situation was proof of the presence of a surplus labour force. In employing workers, however, most companies do so through family or relative connections and employment offices have only a small role to play.

Both in Malaya and Thailand, there is an abundant surplus labour force but unemployment has not become a serious problem. Nor is there any brisk flow of labour between cities and distant rural communities. This is because in these countries, farming communities are relatively well-off and enjoying a stable livelihood. That is, the communal life in farming villages centring around the individual family units is viable enough to absorb the surplus labour force.

In Indonesia, where the conditions in rural communities are far less stable than in either Malaya or Thailand the labour market presents a different picture. In that country, a large labour force moves to urban centres from adjacent areas or distant farming villages, causing a great population concentration in the cities. Djakarta's population, for instance, shot up from 1,990,000 in 1955 to 2,920,000 in 1961, according to data of the

Indonesian Central Statistics Bureau¹. The capital's population is believed to have topped the 3 million mark recently.

Djakarta's population concentration is due to a number of causes. One of them is the defrayal of enormous military appropriations during the independence war against the Netherlands, the subsequent civil war and the West Irian Dispute. Another cause is the deterioration of public peace and the serious social disorder accompanied by inflation. The inflation is the result of lack of a new social order to fill the gap left by the destruction of the old social order. The old social order was destroyed as a result of expulsion of the Dutch and Chinese. Thus, farmers move into the cities leaving their communities where there is social unrest.

Another potent cause of the urban population concentration in Indonesia is the stagnation of agricultural production. Except for rice, Indonesia's farming production has been decreasing due to various reasons. In rubber growing areas, the number of small landholders increased after the war and in these small rubber estates production has remained stagnant due to the lack of capital and technology. Sugar production has so decreased due to the shortage of fertilizers that today Indonesia is compelled to import sugar which once was one of its major exports.

Such stagnation of agricultural production and the resultant instability in the livelihood of farm workers have contributed to the urban concentration of population.

Still another factor contributing to this phenomenon is the availability of cash income in the cities. Farmers who have migrated there can earn cash by working in small industrial and commercial establishment or by engaging in peddling, *betja* (pedicab) driving and other miscellaneous jobs.

How do people live in Djakarta after moving there from farming villages due to the causes mentioned above? The answer to this question helps to show why there is latent unemployment in Djakarta.

In Djakarta, there are a number of districts where low-income citizens are concentrated. An area of this type is called a *kampung*. A considerable portion of the city's population lives in them. A study of the structure of life in a *kampung* sheds light on the characteristics of Indonesia's labour market.

The *kampung* investigated is known as *Salemba*, and has a population of 42,000. The residents of this *kampung* are engaged in occupations which can be roughly classified into three kinds— (1) low-class government employees, (2) workers employed in small enterprises or in miscellaneous jobs and (3) retail merchants.

Most of the residents of *Salemba* have come there from Djakarta's neighbouring districts. Some are from West Java. The annual influx into this community is estimated at from 2,000 to 3,000. About 1,000 persons leave the *kampung* every year. Some of those leaving this community move

¹ *Statistical Pocketbook of Indonesia*, Djakarta, 1960.

to other parts of the city while others return to their native places. Since the influx is larger than the outflow, the population of *Salemba* is always increasing.

Kampung residents may be classified into upper, middle and low-income strata. A typical low-income family lives in a mat-rush tenement house built along a damp two-foot-wide alley. The house is dark inside and consists of nothing more than mat-rush partitions and a roof supported by wooden bars erected on the dirt floor. The mat-rush "roof" is so thin that sunlight filters into the room. The house consists of two rooms, one 6 metres square and other 3 metres square. A couple of dirty chairs lie on the dirt floor. In this hut live a family of 16-12 males and 4 females. The head of the family came from central Java and is employed at a small food store. His brothers are all *betja* drivers. The family came from Central Java with the intention of working in Djakarta for two months. They rented the "house" for 20 rupiahs¹ per month and intended to return to their native place after earning as much as they could during the two-month period.

Inspection of this *kampung* has revealed the following facts: A *kampung* provides a home for emigrants from farming communities. Some of these emigrants are engaged in peddling, *betja* driving and other miscellaneous jobs and return to their native places after earning some cash. Some of those who do not return to their native places settle in Djakarta, either remaining in one *kampung* or moving from to another. A small number of them succeed in business and climb to the upper reaches of the *kampung* community. In short, people move between farming villages and Djakarta and in the process of population circulation, the urban population and underdeveloped persons are both always increasing.

II. Stratified Character of the Labour Market

Another characteristic of the Southeast Asian labour market is the stratified character of both the unskilled and skilled labour markets. When the writer visited Singapore, he learned that 54,000 qualified job-seekers were registered at employment offices while the jobs offered numbered only 200 to 300 per month. Moreover, more than 40,000 of the job-seekers were unskilled workers seeking employment as clerks, telephone switch-board operators, janitors, common labourers and domestic servants. There is a distinct imbalance in the supply and demand of unskilled workers. The unskilled workers who fail to get jobs have no alternative but to become underemployed persons and to engage in a variety of odd jobs. This is the reason why Singapore is flooded with moneychangers, postcard peddlers, other kinds of street vendors, small fruit shop and tobacco shops.

On the other hand, skilled labour is in short supply because Singapore has hardly any history of modern industry. The few modern factories

¹ One rupiah equals US \$ 2 $\frac{1}{6}$ (I.M.F. exchange rate)

there employ workers on a long-term basis. The shortage of skilled labour is aggravated by the fact that skilled workers have long been monopolized by the Chinese with the fresh supply channelled through their immigration and guild networks. Those types of skilled workers are equipped with the new types of skills required by modern industry. According to employment offices, finding jobs for middle-aged and old-experienced workers is much easier than for young, inexperienced job-seekers.

In Indonesia, a large majority of the surplus labour force are unskilled. According to a labour force survey conducted in 1958¹, one third of the employable workers in rural communities are left idle, while in the cities, 7 per cent of those who can work are unemployed. Moreover, there is a large number of underemployed, unskilled workers who are eking out their living by working in small retail shops and other small businesses or as *betja* drivers and day labourers for construction work. These unskilled workers find jobs through employment offices or with the help of relatives and friends. In Djakarta, only 819 job offers were available for 7,992 job-seekers registered at the city's employment office in October, 1961. With such a marked imbalance in the demand and supply of unskilled labour, it is evident that those who cannot find jobs lead parasitic lives in the *kampung*.

In Indonesia, skilled workers are in extreme short supply today because the Chinese, who have been the major source of skilled labour supply, are being expelled from the country. According to employment office data, there are a relatively large number of job offers for experienced operatives or technicians, but qualified job-seekers are very few. All in all, there is a sharp contrast between the skilled labour market and the unskilled labour market.

III. Characteristics of Labour Turnover

Another characteristics of the Southeast Asian labour market is the labour turnover rate. An example is the case of the Nozawa Asbestos Co. in Kuala Lumpur. Since April, 1961, this company has hired 150 workers 50 of whom have quit. Malayan workers quit their jobs, if another company offers even a fraction more money.

In Indonesia, the writer was told that many of the workers in *batik* (wax printing) factories quit after working only a couple of days. At a machinery plant with 70 employees, the turnover is between 30 and 40 annually. At a textile mill with 250 workers, the turnover is as much as 100 annually.

However, in relatively large enterprises, workers tend to stick to their jobs. At Lever Brothers (Malaya) Ltd., a soap factory in Kuala Lumpur, the annual rate of labour turnover is only 7 per cent. The major cause of the turnover is the resignation of female workers who get married. At

¹ Departement Perburuhan, R.I., *Report on Labour Force Sample Survey in Java and Madura*, 1961.

Fraser and Neave Ltd., a beverage factory in Singapore, the retirement rate is also very low. Most of those who quit were female employees intending to get married or those who were dismissed for disciplinary reasons.

In Djakarta, the writer found that the labour turnover rate was generally low in enterprises operated with foreign capital. For example, the annual rate is only 3-4 per cent at the Unilever Co., a soap factory operated with British and Dutch capital. The low labour turnover rate seen in large enterprises of any of the Southeast Asian countries this writer surveyed is due to the fact that working conditions in large-scale enterprises are better than in smaller companies.

The "double-decker" structure of a labour market—one for large companies and the other for small enterprises—has not developed yet in Southeast Asian countries because large firms are still very few in number. But it would seem that this phenomenon, very much in evidence in Japan today, will come about when the numbers of large companies increase.

IV. Characteristics of the Wage Structure

A major feature of the wage structure in Southeast Asian countries is the large differential between unskilled labourers and skilled or clerical workers. The monthly starting salary of clerical workers employed in the oil industry in Singapore is 180 Malayan dollars for those with primary school education, M. \$260 for high school graduates, and M. \$600 for college graduates. In the case of banks, the starting salary for the least skilled clerical workers is M. \$210 while that for skilled workers is M. \$547.

As for skilled workers, the per diem wage paid at a metal factory operated by non-Malayans is M. \$8.8 (M. \$212 per month). At a pineapple factory operated by Chinese, the monthly salary is M. \$117 (with three meals provided). At a shipyard, the highest per diem wage for carpenters is M. \$9.69 (M. \$175 per month).

For unskilled workers, the day rate paid at the metal factory referred to above is M. \$4.7 (M. \$115 per month) while the pineapple factory pays M. \$60 per month. The daily wage paid at the shipyard is M. \$3.84 (M. \$95 per month).

In Indonesia, the nominal amount of wages does not provide an adequate yardstick to measure income. This is because additional payment is made in kinds to workers and also because the amount of the payment in kind varies from one company to another. A carpenter is paid 100 rupiahs per diem without any additional payment in kind. The wages of skilled workers in this category are fairly standardized. Wages paid to skilled workers employed in medium-scale enterprises vary slightly. The highest-grade daily wage paid at soap factories stands at 64 rupiahs, and at 40 rupiahs in textile mills. Additional wages in kind are paid in these cases.

In the case of wages of workers in managerial positions, a group leader

in the construction industry earns 50 to 75 rupiahs a day. Foreman get 75 to 150 rupiahs daily. In most companies, foremen and other managerial workers are paid on a monthly basis. The salary ranges from 1,000 to 2,000 rupiahs.

In the case of clerical workers, the starting salary of government employees with primary school education is 260 rupiahs. Junior high school graduates are paid 356 rupiahs, senior high school graduates, 512 rupiahs, and university graduates, 752 rupiahs. These are all basic salaries, which are supplemented with family, livelihood and commodity price allowances. With these allowances added, the actual salaries amount to just about double the basic wages.

The maximum basic salary for government employees is 4,000 rupiahs. Government employees' salaries are low in view of the fact that it costs 10,000 rupiahs to maintain a decent standard of living in Djakarta. Most of the government employees, therefore, are compelled to earn additional income by working outside office hours, which are from 7.30 a.m. to 2 p.m. After office hours, high-ranking government officials work in extra-departmental officers. Middle-class officials earn extra income by working at business firms.

Officers in military service are paid slightly more than government officials. According to the author's survey a warrant officer is paid 4,500 rupiahs a month plus 18 kilogrammes of rice. A major earns a monthly total of 9,000 rupiahs (3,500 rupiahs in basic pay plus family and length-of-service allowances).

Examples of the salaries paid to clerical workers of general industrial and business firms are as follows:

Machinery company:	1,000-3,000 rupiahs a month
Construction industry:	1,500-2,500 rupiahs (auxiliary position); 2,500-5,000 rupiahs (senior high school graduates)
Textile mill:	5,863 rupiahs (plant manager) 3,309 rupiahs (submanager) 3,306 rupiahs (chief engineer) 3,748 rupiahs (experienced clerical worker) 1,467 rupiahs (unexperienced clerical worker)

There are considerable wage differentials between government agencies, private enterprises and foreign-managed companies. For example, the salary for a typist is 500 rupiahs at government agencies, 1,000 rupiahs in private firms and 3,000 rupiahs in foreign-managed companies.

The wage level of unskilled workers is extremely low compared with that of skilled workers and office workers. The lowest-wage industries are *batik* (wax printing), tobacco growing, tile making and toy manufacture. In these rural industries, the daily wage is eight rupiahs without any allowance in kind.

Unskilled workers in fairly large enterprises backed by either foreign

or domestic capital also earn extremely low salaries. Unskilled employees of Indonesian-run machinery factories earn a minimum of 20 rupiahs a day plus allowance in kind. At the Unilever Co., a foreign-run soap factory, women workers earn a minimum of 26 rupiahs a day plus allowance in kind. (Generally, foreign-run enterprises pay slightly higher wages than native-run enterprises regardless of the sex of the worker).

Such a sharp wage differential between skilled workers and clerical workers on the one hand and unskilled workers on the other is due to the special nature of Indonesia's labour market referred to earlier.

The allowance in kind is paid to sustain the workers' livelihood in the inflationary economy. It consists mostly of rice, clothing and sugar. The amount of rice given to workers and the manner in which this allowance in kind is made vary from one enterprise to another, but in a majority of cases, a certain amount is fixed per capita and per month and is sold to the workers at low prices.

In Thailand, wages for skilled workers range from 30 to 40 bahts¹ a day and 450 to 700 bahts a month. Wages of clerical workers average a minimum 80 bahts a day. The starting salary for high school graduates is 800 bahts and that for college graduates range from 1,200 to 1,500 bahts.

Government employees' wages, which form the standard of clerical workers' wages, are as follows:

Grade I: 450-750 bahts (primary school education)

Grade II: 750-1,200 bahts (bachelor's degree)

Grade III: 1,200-2,650 bahts (master's degree)

Grade IV: 2,650-4,350 bahts

Special: 4,300-8,000 bahts

Daily wages for unskilled workers range from 8 to 15 bahts. The lowest (eight bahts) applies to female hands in textile mills and low-echelon workers in the construction industry. General day labourers earn 12 to 13 bahts while heavy construction labourers are paid 14 to 15 bahts.

Few persons work for less than eight bahts a day. Why does the wage not drop below the eight-baht level despite the presence of a fairly large surplus labour force in Thailand? The reason is because life in rural communities is fairly easy. Workers coming from farms prefer to live in the farming community to working in urban areas for less than eight bahts a day.

V. Characteristics of Wage System

The wage system in the Southeast Asian countries formerly governed by Western powers like Singapore and Malaya is quite modern. This is because of the influence of advanced capitalist countries which once ruled them. In a relatively large-scale enterprise in Singapore, the wage scale is determined on the basis of collective bargaining with labour unions.

¹ One baht equals about 47 US cents.

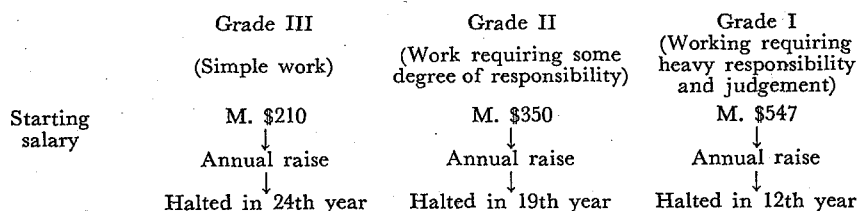
In many cases, two wage scales are drawn up separately for clerical and manual workers. The wage scale for manual labourers is of two types. One type has fixed wage rates staggered by vocational classifications or the degrees of skill. The other provides for pay raise periods, either by vocational classification or the degrees of skill, with the maximum wage level reaches after a fixed period.

As an example, the wage table of the Fraser & Neave Ltd. is shown below:

Table 1. PER HOUR WAGE RATE (in Malayan cents)

	1st year	2nd year	After 3rd year			
			low	standard	high	foreman
Factory hand (female)	47	49	51	53	55	61
Factory hand (male)	60	62	64	66	68	{ 93 110 120
Transport worker	54	55	57	59	61	
Automobile driver (1st grade)	76	79	83	88	93	
„ (2nd grade)	61	63	66	70	74	
Bottling machine operative	72	73	79	86	91	
Boilerman	75	77	79	81	83	
Assistant electrician and mechanic	71	74	78	83	88	

For clerical workers too, pay raise periods are set for each grade of skill but these periods are slightly longer than those for manual workers. The pay raise system is so arranged that the maximum limit is reached at the prime of the worker's life. This is unlike the Japanese system under which wage increase continues up to the retirement age. For example, the following wage scale is enforced by banking institutions:



The wage table given above is enforced by all foreign-managed banks in Singapore. Therefore it can be said that bank wages are completely standardized. The three grades are determined in the light of the individual employees' skill and experience and it usually takes about eight years to climb from one grade to the higher one. When an employee rises by one grade, his salary is not necessarily raised automatically but in the light of seniority, ability, efficiency and other factors. In the case of an employee who joined the bank at the age of 16, his wage raise stops at

the age of 40 if he remains in Grade III instead of climbing up to Grade II.

The same uniform wage scale as the one adopted by the Singapore banking industry is observed for Malayan rubber plantation workers. The system is based on the labour contract signed by the National Union of Plantation Workers and the Malayan Planting Industries Employees' Association. Even though there are three types of rubber estate workers, (the tapper, the field worker and the factory operative) the wage system for the tapper forms the basis of the rubber plantation wage scale.

According to the labour contract signed in 1961, wages consist of two parts. One part slides with the prices of rubber. The other is added in proportion to the output on the basis of piece work produced. All the rubber plantations are classified into several grades according to the age of trees planted. Different wage rates are enforced on different grades of plantations so that the workers' income may nearly correspond with their efficiency.

For example, workers on a plantation primarily planted with younger trees (which produce more rubber than older trees) earn less per hour than workers on plantations primarily planted with older trees. So that workers on younger tree plantations cannot earn much more than workers on older tree plantations. This wage differentiation system ensures that rubber plantation workers of the same efficiency earn equal output wages despite the yield of their plantation.

It does not necessarily follow, however, that the wage systems in force in Singapore and Malaya are completely modernized. In small enterprises and special industrial categories, pre-modern wage systems still remain. A typical case is the "Pok Chau" system in force in Chinese-operated tin mines. Under this system, mine operators, especially of mines with poor natural conditions, entrust a group of workers with mine operation and the head of the workers' group obtains from the mine operator a certain percentage (usually one half) of the proceeds minus expenses. Then he divides the income among the workers. The boss of the group usually gets a larger share than his subordinates.

Compared with those in Singapore and Malaya, wage system in Indonesia and Thailand are very simple. In the Djakarta area, hourly and output wage systems are predominant. Even in fairly large enterprises, few have adopted the modern efficiency wage system. In companies managed by foreigners, however, wage tables laying down objectively considered standards are adopted, and wages are fixed according to the degree of skill.

The Unilever Co. (a soap manufacturer), for example, enforces the following wage scale: (Table 2)

A Dutch-style wage system is in force in government agencies and enterprises formerly operated by the Dutch. This system provides wage scales in accordance with the employees' educational background and sets

Table 2. DAILY WAGES (rupiah per hour)

Grade	Basic Wage		Service Wage	Aggregate Wage	
	Male	Female		Male	Female
6	3.64	3.51	0	3.64	3.51
5	"	"	0.45	4.09	3.96
4	"	"	0.89	4.53	4.40
3	"	"	1.33	4.97	4.84
2	"	"	1.77	5.41	5.28
1	"	"	2.21	5.85	5.72

wage increases for a fixed number of years in the respective wage scales. In ordinary business enterprises, however, objectively considered wage standards are absent. In the latter case wages are set for each employee on an hourly basis. In many instances, therefore, wages rates for individual workers are specified in the labour contract concluded with the trade union. Efficiency wages are in many cases based on the amount of output. In business enterprises with labour unions, the unit output wage is specified in the labour contract.

Another notable feature of the wage system in the Djakarta area is the fact that almost all enterprises adopt the wage increase system. This wage increase system, however, does not specify the amount and rate of the pay raise. Rather it is a simple formula whereby employers determine wage increases in proportion to the rising commodity prices and living expenses. This system, designed to take care of the rise in living expenses, is a product of inflation. It is not intended, as in Japan, to insure continued service of the employees.

In the Djakarta area, wages consist of a number of allowances besides the basic wage and payments in kind. These allowances are, like the wage increase system, intended to offset the rise in living costs. Other allowances include attendance and transportation cost allowances.

In a wage system observed in *batik* factories in the Djakarta district, piecework (output) wages are paid to workers engaged in printing and dyeing jobs while daily wages or monthly salaries are paid to others. For the printing job, a unit price is fixed for one sheet of cloth, ranging from eight cents to 7.5 rupiahs. The unit prices are fixed according to the degree of difficulty involved in the work. The finer and more beautiful the patterns are, the higher the unit costs are.

As for the rate of production, the common standard is 15 sheets of one-side printing per hour. The maximum per day is 150 sheets. In the case of both-side printing, the normal rate is three to four sheets per hour and the maximum per day is 28 sheets.

The per sheet dyeing cost ranges from one to two rupiahs. In this job, the minimum-maximum disparity is not so wide as in printing. The reason is that dyeing production efficiency is not as high as in printing.

The maximum output in the dyeing job is said to be two sheets per hour and 14 a day.

Daily wages are paid to workers to whom such a simple piecework wage system does not apply. The daily wage ranges from 20 to 30 rupiahs. The employers determine the daily wages for individual workers in the light of their respective ability.

In Thailand, which has not experienced any colonial rule the wage system is completely free of foreign influences. In almost all enterprises, the daily wages or monthly salaries are fixed, and supplementary allowances for incentive purposes are rare. Even in the few cases in which incentive elements are included in the wage scheme, the incentives consist of simple piecework wages; efficiency wages in the modern sense are completely absent. The relative lack of an incentive wage system in Thailand seems to be due to the tendency among the Thais to prefer remaining idle to working harder and earning more.

Payment of allowances in kind is quite prevalent in Thailand. The payment in kind is made mostly with the supply of meals and, in rare cases of rice (in the case of rice mills, for example). Although a fairly large number of enterprises adopt the wage increase system, it is not firmly established as a system but is, rather, a loose arrangement by which the employers raise the wages as employees' skill advances. Therefore, a ceiling is set for wage increases. This is unlike the wage increase system in force in large Japanese enterprises where wages continue to rise until the retirement age. When the ceiling is reached in Thailand, the wage increase stops there.

A galvanized iron sheet company in Bangkok pays its employees monthly salaries. The wages range from a starting salary of 500 bahts for ordinary workers to 1,200 bahts for clerical workers with university education. Salaries are raised once a year but there is a maximum limit. The maximum raise for ordinary employees is set at 60 bahts.

It is obvious from the foregoing paper that wages and labour market in Southeast Asia are considerably less developed than in Japan or in Western countries.

However, with the economic development and further industrialization of Southeast Asian countries a rise in the wage levels and an increase in types of employment available are inevitable.