Culture Change in Malay Society: From Peasantry to Entrepreneurship*

ABDUL MAULUD YUSOF

ABSTRACT

Malay society had experienced several changes in several aspects of its basic cultural pattern. The meeting of Malay and other cultures is the main process which brought about this process. Malay society is regarded as a classic peasantry during colonial times, but before the arrival of the western powers, Malay society was basically entrepreneurs and seafarers which conducted trading in the Indian ocean and China seas. Malay society once again experiences rapid changes from peasantry life to one based on business and trade in post-independence period. The government formulated policies and programmes to inculcate and revive business values among the Malays.

INTRODUCTION

When an anthropologist discusses the concept of change in society, he normally refers to changes which are considered to be profound. The process which brings about the change covers a broad time frame which is normally not consciously realized by a large majority of the society. Most of the significant changes are normally the results of culture contact, especially the influences of large civilizations on small communities.

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In recent times colonizations and international trading activities brought about the meetings of different cultures. Such meetings brought about changes, normally in the cultures which were often subjugated or controlled by others in some ways. Malay society is one example which had experienced such changes in the past thousand years or more.

The idea of a Malaysian society was a recent historical event. The polity that is now known as Malaysia is about 30 years old. But Malay society has existed well before the arrival of religious civilizations such as Hinduism and Islam or the arrival of and colonization by European nations which began with the arrival of the Portuguese in the 1500.

Malay society which existed in significant numbers and position before the arrival of the Europeans operated as trading communities in riverine and coastal ports of Eastern Sumatra and the Malay Peninsula, with perhaps equal strength of hinterland rural population.

**EMERGENCE OF MALAY PEASANTRY**

The earliest significant change in Malay society was the arrival of Hindu civilization about a thousand years before the emergence of Europeans. Malay rulers and their subjects became Hindus and such conversions assisted the Malays to expand trade basically with the areas of the Indian Ocean. This was followed by Arab and Muslim Indian traders who expanded into the Malay world in the 13th Century A.D. Conversion to Islam was another significant change in Malay society. Hindu influence was so strong that even though rulers and common people became Muslims, a large part of Malay culture till today has some semblences of Hindu faith and to some extent other beliefs such as animism. Embracing Hindu faith and later converting to Islam can be considered profound changes in Malay society at that time.

The Malay peasantry emerged rather significantly with the introduction of European dominated economic and political systems in the Malay states in the mid-18 and 19 century. By this time the British had already established a foothold in the Malay areas opening large plantations, mining and transportation lines to meet the needs of the new export oriented economic organization.

To assist them in the profitable plantations and mining business, the British authorities encouraged the migration of large number of Chinese and Indians to the Malay states. Before the arrival of the British, a few Chinese were already involved in mining tin with Malay rulers and after the British established themselves as colonial powers, the Chinese found new and more powerful European investors as partners. The Malay rulers on the other hand were given pensions by the British and subsequently relegated to symbolic authority in their own states.

While the British with the assistance of Chinese and Indians developed the modern sector of the economy, the Malay population, except for a few royal and nobal families, were slowly and effectively pushed into the
hinterland and coastal areas to become small-scale farmers and petty fishermen. Thus emerged the classic peasantry in the Malay world.

The emergence of the Malay peasantry was a profound change in Malay society. Their knowledge of trade, shipbuilding, and commercial enterprise were slowly and systematically erazed. They were often described as contented, self-sufficient, rural small-scale farmers and fishermen. After more than a hundred years of colonial subjugation, the Malays emerged as the indigenous poor in the dual or multiple socio-economic systems of the region.

Besides farming the rice field, the Malay peasants were also introduced to rubber planting on a small scale. The money economy was again introduced into Malay society. But this time their participation in the market system which used money as the medium of exchange, were limited to only selling the rubber produce to village or small town traders who would in turn sell these peasants needy supplies such as salt, sugar, clothing and others. By this time the village and small town traders were already made up of migrants such as Chinese and Indians who slowly moved to the interior from the big cities.

The cash from the operation of a small rubber farm and later the introduction of primary education in the villages, induced further changes in the Malay peasantry. Swift (1965) discovered that in a strong peasant matrilineal social system where cash income from the sale of rubber and partly from salaried jobs in surrounding towns became part of the peasant economic structure, certain basic social values were ignored or violated. Young men and women had the means to move out of the social system and migrate to towns and cities with the help of cash and a little education which became the passport for some form of government jobs. Traditions became ineffective in controlling social behaviour.

The sale of rubber produce and fish to the larger society creates a dependence network between the peasants and the operators of the urban social systems. It is, however, the peasant groups which are more dependent on the city people for their livelihood. They have no control over the operations of the market which determines prices of both the products they sell or the supplies they need to purchase (Firth 1966, Husin Ali 1975).

POVERTY IN MALAY SOCIETY

Studies by economists and others who are interested in the status and livelihood of Malay peasants in the past have indicated that poverty among the peasants was partly due to the manipulative control of the urban market system of the country and large peasant families who depend on small-size farms and rubber holdings. There are also indications that traders at the village and small town levels had become middlemen who purchase rubber and other farm products at an unfairly low price and in turn sell needy supplies to the peasants at unreasonably high prices. During non-productive days such as heavy rains and other natural disasters,
peasants borrow cash from these traders and they are charged high interest rates which are disguised in many ways (Aziz 1964; Fisk 1963).

Another area of Malay peasant culture which experienced change and became part of their social values was the introduction and acceptance of salaried jobs among a large number of them who were able to obtain primary education which was introduced early during British rule. The colonial government which established an administration to operate their economic and political interest required personnel to handle such matters as land alienation, taxes, police, transportation and justice.

The emergence of the *makan gaji* (salaried jobs) mentality during colonial times become strongly embedded in the value system, so that in post independence period, the Malays had some difficulties changing into another vocation such as entrepreneurship. Earlier observers of Malay society indicated that poverty among the Malays was partly due to this social value, that is, the preference of educated Malays to become government servants or salaried workers (Tham 1977).

The socio-economic poverty of the Malays was also due to the low wages they received compared to the amount needed to maintain daily needs as well as savings for capital formation. At the same time the migrant workers were encouraged to participate in commerce and industry, the so-called modern or export sectors which normally created a more favorable environment for savings and capital formation. Early in the century, old cities and new centers of commerce and administration were developed and populated mainly by these migrant groups, and the Malays were continuously encouraged to live as peasants and fisherman. Even early urban Malay settlements such as Kampong Bahru in Kuala Lumpur were agricultural settlements rather than full-fledge city environments (Provencher 1968). In spite of rapid socio-economic development in the Malay states between the two world wars, British colonial policies continued to encourage the Malay population to live and work “... within the limits of areas of Malay agricultural settlement, and within the occupational bounds of peasant farming and the government service” (Gullick 1981: 45).

With the emergence of a salaried class, a large peasant group and small-scale rubber producers brought about some basic cultural handicaps among the Malays. This is because the cash obtained from the three sources of income were rather too small compared to the amount needed by the groups to meet daily needs. Moreover, the working and living conditions in such vocations prevented the Malays from breaking away from the mental constructs of collective representations (Alatas 1972). Collective representations which consisted among other things, the non-scientific beliefs in daily lives, have been considered as instrumental in containing Malay society in less dynamic cultural environments, where as migrant groups especially, are encouraged to rearrange their social values to meet new needs of cultural patterns. The educational system which was
devised for the rural Malays did not equip them to participate in the modern sectors.

Poverty in the rural areas and low wages in the towns were some of the basic factors which prevented the Malays from having sufficient capital and skill when there were plans to introduce and encourage entrepreneurship as a new or perhaps revival of vocations among the Malays as a whole. When political independence was achieved in 1957, there were clear divisions on types of vocations practiced by the various communities of the Malaysian society. The majority of the Malays were in the rural areas living in poverty with very few opportunities to participate in the modern sectors or the export economic systems. A large number of the migrant Chinese and Indians live in the urban centers and together with the Europeans dominate the commercial activities. Table 1 shows the residential patterns of Malaysian society, as of 1975.

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>Urban</th>
<th>Rural</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malays</td>
<td>18.0</td>
<td>82.0</td>
</tr>
<tr>
<td>Chinese</td>
<td>56.7</td>
<td>43.3</td>
</tr>
<tr>
<td>Indians</td>
<td>37.3</td>
<td>62.7</td>
</tr>
</tbody>
</table>

*Source: Fourth Malaysia Plan, 1981.*

**STATE INTERVENTION IN CULTURE CHANGE**

During the years following independence, the Malays had been given special attention by the government for several reasons. One is the fact that the largest political party which had been governing the country draws its support and membership from rural and peasant Malays. The other reason is that a large majority of these supporters are poor economically compared to the urban, mostly migrant population, as shown in Table 2.

In order to obtain continuous support, the government instituted several changes, often called rural developments, basically with the aim of increasing income and subsequently an improved quality of life among the rural Malay peasants and fishermen. One of the most important institutions which was established a few years before independence was Rural Industrial Development Authority (RIDA), later renamed MARA. One of its earlier objectives was to identify and encourage the growth of peasant cottage industries. Later MARA widened its scope to include the
TABLE 2. Monthly average household income by ethnicity

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>1970</th>
<th>1976</th>
<th>1979</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>MS$</td>
<td>MS$</td>
<td>MS$</td>
</tr>
<tr>
<td>Malays</td>
<td>56.76</td>
<td>101.95</td>
<td>140.35</td>
</tr>
<tr>
<td>Chinese</td>
<td>135.93</td>
<td>247.27</td>
<td>280.11</td>
</tr>
<tr>
<td>Indians</td>
<td>112.48</td>
<td>197.21</td>
<td>263.43</td>
</tr>
<tr>
<td>Others</td>
<td>44.72</td>
<td>107.08</td>
<td>154.37</td>
</tr>
</tbody>
</table>

Source: Fourth Malaysia Plan, 1981
Note: 1 Malaysian $ is equivalent to US $0.40 cent.

introduction of business education among young educated rural youths, the training of rural entrepreneurs, and lately urban Malays in commerce and industry by way of loans, guidance and training. Since the inception of the New Economic Policy MARA has embarked on programmes which involved the sending of thousands of young rural and urban Malays for basic and advanced university training in various fields overseas. Rural development was considered by the government as the cornerstone for its stability that a senior Ministry of Rural Development was established soon after independence with a massive bureaucracy to manage and coordinate the various agencies involved in bringing about changes among the rural peasants (Ness 1967).

One highly visible programme which was meant to reduce rural poverty was the creation of plantation-like new settlements managed by the Federal Land Development Authority (FELDA). This government agency was established about 30 years ago and up to 1984 FELDA had been able to resettle a total of 85,000 families. Basically each family is given a 100 per cent loan towards construction of houses, clearing of virgin lands, planting and managing the schemes, and subsidies while waiting for maturity of the plantations. There are indications that these new settlements which look more like urbanized plantations, are experiencing a higher standard of living compared to other peasants who continue to farm on traditional lands. During stable or high rubber and palm oil prices, FELDA farmers earn as much as US$800 a month which is perhaps about 8 to 10 times higher than the income of traditional farmers and fishermen.

In spite of the numerous agencies which had been established, rural Malays continue to experience some form of poverty compared to their counterparts in the urban areas, which had been experiencing rapid industrial growth. This rapid industrial expansion has also affected rural Malays. A large number of rural Malay youths migrated to the cities to look for jobs affecting the labor supply in the farming areas (McGee 1967). Besides the depletion of labor in the farming areas, the salaried urban workers who were formerly rural youth began supporting their immediate
families (basically parents) which in turn affected the attitudes of farmers towards farming their small acreage lands. In Negeri Sembilan, in the past 20 years or so, large tracts of rice lands had been neglected, as farmers would rather buy rice than plant them (Peletz 1983).

If early European expansion in the late 19th century created a class of Malay peasantry, early independence and rapid industrial expansion in and around the cities created a new working class among the Malays who might be aptly described as ex-peasants in cities. Urban life became prominent again in Malay society. Though most cities are populated by migrant groups such as the Chinese, there are pockets or areas in or around the cities which are settled by Malays such as Kampong Bahru in Kuala Lumpur. In a few old cities such as Alor Star in Kedah state, there is a large Malay population, as many as 40 per cent of the total urban population of that city. In Kuala Lumpur city the Malay population is about 23 per cent of the total. However, a large majority of the Malay urban population are considered poor economically.

Rapid rural to urban migration in the past 30 years, insufficient skill and capital to meet the urban commercial needs led to the creation of illegal settlements among the Malays, joining other ethnic groups such as the Chinese and the Indians, resulting in about 70 per cent of the Malay population in Kuala Lumpur city being slum dwellers officially known as squatters. Slum life and room renting among the young people can be considered as new phases in Malay society, exposing them to new ways of adapting to city environments. One of the basic reasons for slum living is the high cost of rent and the lack of low cost housing facilities for low salaried workers.

Urban poverty and imbalanced racial participation in the modern sector were some of the fundamental environments which brought about the 1969 conflicts. After these incidents, the government formulated the New Economic Policy (NEP) with two main objectives (Malaysia 1981). One is the eradication of poverty and the other is the elimination of identification of ethnicity by way of economic functions. Currently the Malays are regarded as rural and surrounded by socio-economic poverty. The Chinese and Indians are basically urban and involved in the commercial activities of the country which enable them to experience higher standards of living, as demonstrated in Tables 1 and 2 in the earlier pages. The basic idea of the New Economic Policy is a fair and equitable distribution of national wealth within twenty years or so. This new policy is also aimed at restructuring the Malaysian society from a divisively identifiable ethnic community to one of a cohesive grouping.

One of the basic programmes of the NEP is the creation of Malay entrepreneurs or a class of Malay businessmen who will compete with the established non-Malay migrant groups in the country. Before the creation of the NEP there were already some programmes to assist rural Malays to increase their productivity and improve the quality of cottage industries and small scale businesses at the village level. The change agent in these
programmes was basically RIDA, later renamed MARA. Another agency which was created to assist specifically the rural rubber small holders was RISDA, the Rubber Industries Smallholders Development Authority. One of the main activities of RISDA was to assist the rural rubber producers to replant their old rubber plots which are producing low yields and subsequently affecting the income levels of these farmers. In addition to these institutions there are several broad policies and programmes within the Ministry of Industries and Trade which were established to assist Malays, among other things to purchase shares in companies which are listed in the stock exchange.

These agencies and programmes were found to be inadequate and in some areas, such as the issue of transport and construction licences to Malay entrepreneurs, were abused. A few Malays became instant rich when they mortgage their licences to non-Malay traders, but there were no significant increase in the number of Malay entrepreneurs.

We may consider the establishment of trading class in Malay society as a revival of old Malay traditions. As pointed out earlier, Malays in pre-European times were trading communities, conducting businesses with Chinese, Indians and Arabs. After about 300 years or more of European domination, traditions and values were replaced by a peasant culture, and Malay society as a whole were relegated to fertile but unproductive subsistence farming and small-scale fishing. When the Malay World was opened for large scale plantation industries, workers were drawn from outside the Malay areas. This resulted in the establishment of a plural society, which had far reaching impact on indigenous communities.

MALAY VALUES AND THE EMERGENCE OF ENTREPRENEURSHIP

Some writers have pointed out that Malays have certain social values which are not conducive to entrepreneurship (Parkinson 1967), and government intervention alone will not ensure the success of the policy sponsoring the growth of Malay entrepreneurs (Popenoe 1970). At one point in time in Malay culture, perhaps there are values which hinder economic growth, development or trading values. But values are ever changing and continously reinforced by society at large. If leadership in the society could provide effective guidance in providing new values or reviving old values, such desirable values will prevail. The Malays became peasants because, among other subtle colonial policies, they were following the patterns set by the colonial powers. Later, during the colonial administration, Malays took up salaried jobs when such values were introduced and reinforced. Social values are not constant factors in human experience.

It has also been suggested that non-Malay migrants who succeeded in business had three or four major attributes or environments with them. One is that the group is marginal in relation to the larger society. The other is that the group has positive social values which encourage change.
Thirdly, there must be opportunities for business and lastly there must be some form of cohesion or strong *esprit de corps* among members.

If we analyse Malay culture in the past and at the present, such attributes are also present. Currently there are opportunities and assistance from government, in a way positive government intervention, for Malay participation in commerce. The NEP, various programmes to train youths to participate in business, formal instructions at college and school levels, easy credit terms and several government institutions which have been established, can be considered the right environments or opportunities for Malay participation in entrepreneurship.

In both large and small urban centres where trade and entrepreneurship are conducted in the most complex manner, we find that the Malay population is a small minority. In Kuala Lumpur city, for example, the Malays comprise approximately 23 per cent of the total population. It is possible that in their day to day interaction with non-Malays in the city, who are mostly entrepreneurs and business people, the Malays may slowly adopt some of the ways of the Chinese. There are already indications that young Malays in the city are taking up some form of trade as food vending, locally known as hawking, in the streets which were formerly a non-Malay area and activity. These young entrepreneurs are learning the trade including the ways of avoiding the city’s authorities such as non-licensing activities or vending in unauthorised areas.

Even though the majority of urban Malays work for the government and other service sectors, future migrants from the rural areas will have to adopt entrepreneurship for a living when government jobs become scarce. Furthermore, the model of success by a few Malay businessmen in the city will also become the focus of new or renewed values. Previously Malays placed high prestige on individuals who hold high ranks in government or in traditional positions such as district chiefs. Currently the government itself is honouring and recognizing individuals who succeed in business by awarding these individuals with state honours and other status-related recognition. There are already indications that young Malay professionals prefer to participate in commerce and industry since the material and status rewards are forthcoming from society in general. In the past 10 years the media had focussed its attention on these successful Malay entrepreneurs by exposing their history and experiences so that other Malays can emulate them. It is also done to show the Malaysian society in general that Malays can become successful entrepreneurs.

It is also asserted that cohesion in the group is essential in the creation of early successes in entrepreneurship among the non-Malay migrants. In the present context of Malay participation in business, the cohesion factor may not be important since, economically they are dependent on the government for assistance rather than kinsmen for capital and support in order to enter business. Moreover, there are indications that Malays would rather not use kin support in the establishment of business because failures
in such ventures may lead to enmity between relatives. It is more important to maintain strong bonds of kinship than to seek support for business ventures (MacKinley 1974).

Among the Malay businessmen themselves, there are sufficient evidence of close cooperation and cohesion. They had established the Malay Chamber of Commerce at both national and state levels to represent their interests in relation to negotiations with the authorities or other non-Malay organizations. Besides this Malay Chamber of Commerce, there is another organization which was established by the Malay petty traders or street vendors at both national and state levels with branches in state capitals. The Kuala Lumpur Malay Petty Traders Association was active in the past 10 years in assisting their members in matters such as obtaining a loan from MARA or other financial institutions to begin or expand trade. In fact MARA made it mandatory that small loans to petty traders are awarded only to Association members.

Even though Malays had experienced urban life well before the implementation of the NEP, Malay participation in the high tech business and large capital enterprises is rather insignificant. In a study in 1979 in the city of Kuala Lumpur, out of 136 types of businesses which required licensing, Malays participated only in 64 of these businesses. Even then, they participated only in small capital ventures such as coffee shops, family retail outlets, school cafeteria and food stalls. In some of the established Malay areas of the city such as Kampong Bahru and Datuk Keramat, however, a large number of Malay houseowners have become real estate managers, renting out rooms or units to urban Malay workers.

The government realized that the development of Malay entrepreneurs could not be achieved purely by giving loans and other assistance to would-be businessmen. There was a need to create “trustee institutions” on behalf of future Malay entrepreneurs. Large scale businesses can only be carried out in large cities and towns, hence there was a strong emphasis on Malay participation in business activities in such areas.

One of the government agencies established to assist the growth of Malay entrepreneurs in the cities and towns was the Urban Development Authority (UDA), soon after the 1969 conflicts. UDA offices were established in Kuala Lumpur and other towns in the country to develop city areas in general and specifically to assist Malay traders in acquiring business opportunities and favourable trading locations. UDA was allowed to participate in these urban development programmes with non-Malay (mainly Chinese) businessmen in the development of housing and business areas with a proviso that at least 30 per cent of these programmes would be sold and owned by Malays.

UDA was also established to assist urban Malays who own lands in the city and surrounding areas in their efforts to develop such properties into some form of commercial properties rather than homesteads with low commercial values. The idea was to generate capital among these urban Malay landowners. In a survey in 1979, Malays were found to own only
seven per cent of the undeveloped properties in the city of Kuala Lumpur.

One of the reasons often expressed by Malay businessmen for the lack or low percentage of Malay participation in commerce in large cities such as Kuala Lumpur, was the high rental of trading spaces. After independence, Kuala Lumpur experienced rapid economic growth which subsequently brought about the rise in land and property values. The few Malay businessmen who were trading then could not catch up with the increase in the rental of business spaces.

In a study conducted by UDA itself, it was found that in 10 major shopping malls or complexes in the city of Kuala Lumpur, there was not a single Malay trader in five of these trading areas. The main reason for the poor performance of Malay businessmen in this case was the high rental charged by the owners. One of the shopping malls among the 10 mentioned above is owned by UDA itself. In this particular shopping mall 59 per cent of the traders are Malays. The rent is low compared to the rent in other malls. We can conclude from this example that the lack of Malay participation in urban enterprises is basically due to lack of capital to meet the high needs of high powered urban enterprises, and not lack of motivation or trading values.

One of the chief characteristics of Kuala Lumpur city and most major towns is the clear demarcation of ethnic residential patterns. The Chinatown is one of them and Kampong Bahru is another. In areas where the inhabitants are mostly non-Malays, Malay participation in business is very marginal for several reasons. One is that these trading areas had been in the control of non-Malays well before the Malays began to revive the old trading values and activities. In the early state of these Malay ventures, and before there were concrete programmes to assist them, Malay traders depended on the non-Malay wholesalers and suppliers for their businesses. Members of the Malay Chamber of Commerce often asserted that during this time, Malay businessmen could not compete fairly because both prices and suppliers patterns were manipulated to the disadvantage of the Malay businessmen.

Even though the majority of the Malays is rural in habitat, their residential locations in the rural areas are closely related to the urban cities and ports. This network or relationships between the rural and urban environments are significant in bringing about new values and reviving old ones in entrepreneurship among the Malays. Malays were never really isolated from complex urban life. The rural Malays had always been in contact with the urban world - the market place, the land office, the hospitals, royal palaces and other officialdom.

CONCLUSION

In this presentation, the writer does not attempt to analyse the role of large scale entrepreneurs who operate normally with established non-Malay businessmen. Some of these successful Malay entrepreneurs were formerly high government officials, who upon retiring, took up positions as
directors and later ventured out on their own. The writer considers these businessmen as successful entrepreneurs due to circumstances. He is, however, more interested in the beginners who take big risks and perhaps place their family welfare in great jeopardy.

It is the aim of this paper to show that Malay society which is rural and traditional in the past 300 years or so can accommodate changes and are capable of reviving old values like entrepreneurship. Malays who have moved to the cities in large numbers since after the Second World War have sufficient adaptive cultural mechanism to compete in the urban world with established migrant communities. The Malay society in general has also created a national leadership which was able to introduce positive culture changes in Malay society in general. It has also created a leadership which was able to introduce positive culture changes in Malay society without dismantling basic Malay culture. The process of change in society, however, cannot be fairly judged by analysing such processes over one or two generation period.

REFERENCES


