

Economic System of Malay Community: Self Sufficiency to Commercial Economic Level

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Abstract:

This paper discusses the economic system of Malay community from self-sufficiency to commercial level. Since the beginning of 19th century until 1963, the economic system in Malaysia can be categorised into 2 main categories; self-sufficiency economic system and commercial economic system. The pattern and manner of the economic system at that time followed exactly the system imposed by the ruler. Malay traditional economic system was different from the economic system brought by the British. The Malays based their economics on the self-sufficiency system. The purpose of this system was to support the family's daily needs. Majority of these Malay communities lived by the riverside and at the remote areas. They planted paddy. When the British came and conquered Malaya, the self-sufficiency system was changed to the economic commercial from the aspect of planting, technology, and marketing. Now at the 21st century, Malays have transformed themselves systematically in this economic sector parallel to the world's every need. The pattern of today's economic is more commercialised with the help of the sophisticated technology. Nevertheless, being Malays, there are some of the communities who still cling to the self-sufficiency system as their hobby. With the existence of the sophisticated technology in agriculture, the economic opportunities are getting higher and the marketing needs have started demanding on new things to be marketed.

Background

The Malay Peninsular was once known as Golden Chersonese by Claudius Ptolemaeus. The earliest British settlement in Malaya at that time started in Pulau Balambangan in 1769 resulted from the agreement signed with the Sultanate of Brunei and Sultanate of Sulu. Whereas, the settlement of the Royal British Colony Strait existed in 1826, and the British had started to declare its influence and control to all states in Tanah Melayu since then. In 1867, the British was aggressively fighting to conquer the whole Tanah Melayu. Due to the civil war and disturbance erupted by the Chinese secret association, British was appointed to settle the problems of the people at the Straits Settlements. At first British came to Malaya to gain the wealth of the land. Unfortunately, when too many problems occurred and British had to interfere, they used their secret weapon to solve the problems by putting conditions at every single problem solved by them. At the end, Pangkor Treaty which resulted in the widespread of British to the Federated Malay States; Perak, Pahang, Selangor, and Negeri Sembilan, and unfederated Malay States; Perlis, Kedah, Kelantan, and Terengganu was signed. Every state has varieties of its natural wealth. British also has divided the people to certain occupation. Malays worked in farmland, Chinese in minefield and Indians in the rubber estate. It all began from there, people in Malaya who used to work to support themselves and their family have started to commercialised their crops like what we see today.

Previous Study

Douglas (1975), the function of marketing is in the shape of economic, that is as a group of behaviour which functions to intergrate the units of marketing. This point is based on the definition of marketing behaviour – behaviour of business firm and the usage of exchanging agreement. Marketing exists from the specialization of economics towards the production and usage. Therefore, marketing is a mechanism to arrange and intergrate production and usage in one unified economic system. Marketing can be said as the productive economics.

Looking at the agricultural point of view, the scope of marketing is being influenced by the development and progress of the sector itself. The development in the trade industry and its open competitiveness among productive countries, and emergence of new technology in producing, processing and marketing; including the high pace performance of information technology have geared these concepts of 'business marketing' in the agricultural marketing and paradigm shift into its target.

Self sufficiency Economics

This self sufficiency economics was practised by almost all states in Malaya last time. Before the arrival of British, Malays did economic activities like mining, farming, collecting crops, rearing animals and fishing. This self sufficiency kind of agriculture was to fulfill the needs of their families and themselves. Any excess production will be sold, the proceeds will be used to purchase other essential goods that are also a basic needs such as clothing and so on. This exchange process is known as a barter system. The Malays at that time used traditional equipment like shovels, spades, rakes and hoes. Without this complete equipment the harvested crops were only enough to support the family. Both humans and animals power were needed for farming. The activity did not need such a big capital. Moreover, the farming activity was done within the family only. These scenarios have made the occupation at that time seemed blur with no specialization. The diversion of work could only be seen towards gender.

Commercial Economics

British has given more emphasis on the agricultural sector based on export. The commercial agricultural at that time could be considered as the biggest contribution to the British in Malaya before the independence. Among the commercial cultivated plants encouraged by the British were tapioca, sugar cane, black pepper, clove, tobacco and coffee. Many European and Chinese investors were involved in the commercial farming during the British era. This was because they managed to obtain capital, technology and big concession land as well as a long trading duration. On the 19th century, British only focussed on plants like coffee and tobacco, whereas the Chinese investors liked clove, black pepper and tapioca. In the 20th century the British investors have started planting rubber for the export purposes.

Agricultural system of Malaya before the British

Malaysia is a developing country which depending so much on the economics production especially from the agricultural activities. Being at the strategic position- the tropical rainforest which enables Malaysia to receive rain under 3000mm in a year and sunlight within 2200 hours. These characteristics enable Malaysia to produce varieties of plants and productions. Before Malaya achieved its independence and managed to own sophisticated technology, people of Malaya did all sorts of farming systems like shifting cultivation, self sufficiency, cash crop, crops market and estate. The richness of its production is based on the weather of that particular place. The temperature of Malaya / Malaysia is 27^o celcius all year long. This country also has varieties of land shapes like flat, hill and even mountain (highland) which give advantage to the plants planted.

1. Shifting / Self sufficiency Cultivation

The system of this farming is known as Swiden system. The shifting cultivation was normally done by the primitive people at the remote area which consisted of the aboriginal peoples especially in Pahang, Kelantan, Perak, and Ibanese in Sarawak. They planted their crops at the remote areas like valley land and hills. This method is suitable at the area that has layers of thin top soil and normally it is not fertilised. The criteria of planting for this system are jungle, burning, cleaning and planting main crops like paddy, corn, tapioca and banana. This area will be used for 3 to 4 years, then they will move to a new and unfertilised place. The problems for this type of cultivation are landslide, unfertilised land, flood and damage of forest sources as well as valuable woods. Besides that, as for self sufficiency, the individuals together with the family ran a small land full of plants and they did not move around. The farmers concerned were those who came from rural and earned a lower pay monthly. The farming techniques used were old, the productions were very little and the excess productions will be kept for future usage. However, this self sufficiency cultivation was proper compared to the shifting cultivation. Among the crops and animals harvested were paddy hill, corns, vegetables, fruits, chickens, ducks, cows, goats and pigs.

2. Cash Crop

The farming and harvesting done was to be marketed in and out of the states. This type of cultivation was introduced by the British since the 19th century.

The crops came from the family beverages; coffee, tea and sugar cane and raw materials like rubber, palm and tobacco. Other crops were pineapple, vegetable and flower. There were two types of cash crops; small farming and estate farming.

Small Farming

The plants planted by the farmers were actually similar to the estate but the production was small/low. The production was low because of the land size; uneconomical, limited usage of technology, land of not properly owned and lastly the production system was not arranged properly. The effect was, the production as well as the income of the framers were very low.

Estate Farming

The estate farming was conducted at a big scale; more than 100 hectare. The crops planted was specialised to one type only. This estate farming concentrated on rubber, palm, coconut, pineapple and tea. The cost of management was high and systematic. It was managed like a business which consists of a board of directors, manager, estate supervisor and workers. Before 1970, most of the estates owned by the foreign investors.

Commercial Cultivation System

The commercial cultivation was done at the Straits Settlements and Johor. Kangcu System was popular in Johor. In 1840s, the Chinese from Singapore were taken as workers to work on the clove and black pepper at the southern Johor. The Chinese had been given a letter of the land or letter of the river that is a letter to show their rights to plant clove and black pepper to the salesmen in Singapore and the leader of the Chinese Mafia along the river at the southern and northern of Johor. The productions of the black pepper and clove were marketed to overseas through Singapore. Coffee plantation was taken care by the European farmers until the end of the 19th century. Coffee was planted hugely in Selangor, Perak, Negeri Sembilan and Johor.

Liberica is one of the examples of coffee planted. However, the plant had its bad time when it was attacked by diseases and this resulted in the price dropped tremendously. At the beginning of 1880s, the European have started to plant tobacco at the east coast of Sabah. Tobacco started to be exported in 1884 and in 1890, there were 60 estates in Sabah that focussed on certain shores at the southeast and east coast of Sabah. In the 19th century, the most important export in Sarawak was black pepper. The government gave a concession to the Chinese who came from Singapore. Black pepper was planted at the remote area of Sarawak. Clove was planted mostly in Bau, Sarawak. The company has given the concession to the Chinese to plant the clove. Besides that, sago was also one of the most important businesses in Sarawak. Sago was planted in Mukah and Oya. In 1880s, Sarawak has produced half of the world's total production of sago.

The Effects of Malays' Economy Development Before Independence

Even though the economy in Malaya was developing fast, the Malays were still maintained by the British in the traditional farming without involving them in the modern economics activities. The British felt that the Malays should not be disturbed. As a result, the Malays were separated totally from the development of economy that happened in their own land. The divide and order policy resulted in the existence of different settlements based on races in Malaya. Majority of the Malays lived in the rural areas, whereas the Chinese lived in the urban side and worked as businessmen and miners. As for the Indians they lived in the estates. This situation has created a variety of races and ethnicity which practised their own culture and belief. The modern economic activities like mining, rubber planting and business were more focussed to the west coast of Malaya because the area had good transportation system. The gap of poverty among the Malays was so obvious. This kind of pattern had caused problems to the socioeconomic among races after the independence. The principles of the British was not to help the Malays to adapt themselves with the modern economic system. This made the Malays stagnant despite the fast movement of the economic at that time. They remained poor and worst when the education system was also separated according to ethnicity.

The Economy Development of the Malays After the Independence

The difference of the economy between the Malays and other races continued to exist though after independence. Thus, after the independence, the focus was given more to the development of the rural area. The aim of the government at that time was to balance the economic development of all people regardless of their race so that everyone was able to reap what they harvested accordingly. Other than that, the development was also to overcome the political, economical and social problems due to the British colonisation. Overall the economic development plan of Malaya since independence until now was done in two phases. The first phase of the economic plan happened from 1956 till 1970 which consisted of three economic plans.

The first phase of economic plan was in 1956 till 1970, and the second phase of the plan happened in 1970 till now through the New Economic Policy.

Cultivation Now

The Ministry of Agriculture was responsible to upgrade the income of the farmers and fisherman through the use of the country's resources; including to maximise the production of food for domestic usage as well to be exported. The ministry also emphasised on the transformation of the agricultural sector towards modernisation, more commercialised and stable. The Ministry of Agriculture has highlighted three strategic programmes as follows:

Traditional Farmer Transformation (extensively done all over the country)

Technology Transferred Programme (TOT) – to upgrade the farms so it becomes more efficient and progressive.

Private Sector Investment – to move the sector to the food industry

The Transformation of the Traditional Farmer

The six transformation programmes under this strategy are:

Cluster Project

Nucleus Farm

Coconut Farm Transformation

Transformation of the National Farmer Association – Transformation of the National Fisherman Association, and Transformation of Commercial Fishery

Cluster Project

Under the Cluster Project, the lands owned by the small scale farmers are merged to become huge estates, the farmers are then trained to enlarge the farm in a modern and systematic way. The project is conducted properly and systematically through the business plan and technology package under the control of a centralised agency. There are about 210,000 hectare of land under the programme and there are 175,000 farmers involved in 4,600 projects. From this total, 834 projects involved 26,031 hectare of land and 20,613 farmers has received the extension of confirmed service under the ISO 9002. In this area, the production of the farmers has increased to 33%. By the year 2005, it is estimated that there will be 3,380 projects to cover a land with 145,340 hectare with the involvement of 115,000 farmers under the ISO Cluster Project Programme.

Nucleus Farm

New estates are open or the existing fruit farms are determined to change them to change the small ones to such a big and modern estate. Under this programme there are 4,274 hectare of fruit farms managed by 5,447 farmers in 183 projects. The farmers who are involved in this programme have obtained such a high income and productions tremendously. In 2005, the Ministry of Agriculture planned to expand the land to 20,500 hectare which will involve 13,652 farmers. An accreditation programme has also been introduced to the estates (an estate that is managed by farmers who have to comply to the fixed accreditation standard. The Department of Agriculture will acknowledge the safety and quality of the products). They have the rights to use the "Malaysia's Best" Logo to the products that they produced under the FAMA A&P Brand. The important criterion about this transformation of technology is it could be done properly under the support of the Ministry of Agriculture.

Coconut Farm Transformation

With this programme the income of the farmers increased tremendously. The average land covered 1.2 hectare to 1.8 hectare. One coconut farmer could easily obtain an average of RM 1200 to RM 1800 monthly. Now there are 160,000 hectare of coconut farm land which involved of 130,000 farmers and the age of the coconut trees are 55.5 years old. This transformation project involved the replanting of coconut trees by introducing the new breed of MATAG which could produce 25,000-30,000 coconuts per hectare yearly compared to the existing ones that could only produce 3,000-5,000 coconuts yearly. The alternate fruits like bananas, pineapples and other herbs are replanted as well.

Transformation of the National Farmer Association

Under this programme, there are 48 flagship projects which covered paddy, fruits and aqua-culture vegetables and animals introduced. The example of the aquaculture project is a project in Sg. Chenaam, Pulau Pinang. The owner of the project managed to reach its production for 4 tonnes per harvesting per hectare. As for another project; Bukit Awang Chilli, Kelantan received 10 tonnes per hectare more than the normal production 5 tonnes per hectare. Now they are still working on it to achieve a target of 12 tonnes per hectare.

Transformation of the National Fisherman Association

The important criterion of this programme is to supply a small scale of loan (by using the Fisherman Fund) to all fishermen for the purpose of training and buying modern equipment that is complete with boat and other equipment. The main purpose of this programme is to introduce a direct market for the fishermen like fish market, fish kiosk, Fish on Wheel and modern seafood restaurants. For instance, the income of the fishermen in west coast Malacca has increased by RM 500.00 from their average income monthly.

Transformation of Commercial Fishery

Efforts are put forward to develop four main fishing ports in Kuantan, Pahang, Tok Bali, Kelantan, Batu Maung, Pulau Pinang and Tanjung Manis, Sarawak. All of the commercial fishermen license holders are encouraged to set up a consortium like Tg. Manis, Sarawak. For the time being there are 60 vessels are operated under the consortium. With this kind of consortium, they can catch more fish to be processed. The process of setting up the new port at Tg Manis has just commenced, The Economic Plan Unit is setting up a fishing port at Bau Maung under the privatisation scheme and is scheduled to complete in 2005 to support the industry of tuna.

Conclusion

The economy of agricultural has been developed from the level of self sufficiency to the commercial level. The fast development of technology together with groups of researchers have created many equipment and facilities to be used in the field. With the existence of the sophisticated technology, farmers are helped to upgrade and increase their crops by introducing many mix-married plant. This method is able to produce better productions and can reduce the chances of getting any diseases. Not only that, the crops will be exported to other countries due to its (fruits and vegetables) quality and durability. The transformation from the self sufficiency to commercialised cultivation happened successfully. This transformation happens clearly in the east coast of Peninsular Malaysia. All of these six transformation have been given the priority in the RMK-9.

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