

ECONOMIC TRANSITION IN LATE NINETEENTH CENTURY MALAYA: MALAY ECONOMY IN MULTIETHNIC PERSPECTIVE

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Abstract

This article discusses the economic aspect of the Malays in multiethnic perspective in Malaya in the late 19th century. It focuses on the central issue associated with the slow pace of Malay economic development and their reaction to the changing economic orientation from subsistence to capitalism. The main concern here is the assumption based on the general consensus that the involvement of the Malays in commercial activities in the late 19th and early 20th centuries was less eminent compared to other communities. This assumption is referred to the historical development which indicates that the immigrant Chinese community was closely associated with the economic development which had taken place in Malaya during this period. In another respect, the Malay economic activities as a whole were also manifested by the economic integration with the Europeans, the Chinese as well as the Muslim immigrant communities of Indians and Arabs. Nevertheless, it still gave the impression that the pace of economic change of the Malays was considerably slow by comparison to those immigrant communities. Accordingly, they were still unable to adapt themselves to the commercial orientation in their economic activities. This new phenomenon was necessary for them to penetrate into trade and commercial plantation which were dominated by Europeans and Chinese merchants and planters.

Keywords: Economic transition, Malay economy, Malaya, Multiethnic, 19th century.

Abstrak

Makalah ini membincangkan aspek ekonomi masyarakat Melayu dari perspektif kepelbagaian kaum di Malaya pada akhir abad ke-19. Ia memfokuskan isu pokok yang dikaitkan dengan kemajuan ekonomi masyarakat Melayu yang perlahan dan reaksi mereka terhadap orientasi ekonomi yang berubah daripada sara diri kepada kapitalisme. Perbincangan di sini berpandukan andaian yang berdasarkan kepada pendapat umum bahawa penglibatan masyarakat Melayu dalam bidang komersial pada akhir abad ke-19 dan awal abad ke-20 adalah kurang menyerlah berbanding dengan komuniti-komuniti lain. Andaian ini adalah berdasarkan kepada perkembangan sejarah yang menunjukkan bahawa komuniti imigran Cina yang mempunyai hubungan rapat dengan perkembangan pesat ekonomi yang telah berlaku di Malaya dalam tempoh tersebut. Dari sudut yang lain pula, terdapat integrasi ekonomi masyarakat Melayu dengan komuniti Eropah, Cina serta imigran Arab dan India Islam. Namun begitu, ia masih memberikan gambaran bahawa tahap perubahan ekonomi masyarakat Melayu masih terlalu perlahan berbanding dengan komuniti pendatang. Akibatnya, mereka masih tidak dapat menyesuaikan diri dalam orientasi komersial yang perlu untuk membolehkan mereka terlibat dalam sektor perdagangan dan tanaman komersial yang dikuasai oleh golongan saudagar dan peladang Eropah dan Cina.

Kata kunci: *Transisi ekonomi, ekonomi masyarakat Melayu, Tanah Melayu, kepelbagaian kaum, abad kesembilan belas.*

Introduction

Most of the phenomena in relations to economic change in the modern period are associated with capitalism. In Malaya,¹ such phenomena are attributed to the economic development during the second half of the 19th century. In fact, most historical sources derived from the British colonial record indicate that the colonial authorities had given a prime concern to the economic activities which were associated with export economy such as tin mining, commercial plantation and trade. Since economic domination had become their imperial aspiration, the export economy sectors were largely dominated by the European and Chinese immigrant communities (Cowan 1961; Chai 1964; Lim 1967; Sinclair 1967; Jackson 1968).

Therefore, it is found that the Malay economy as a whole was not treated as the primary subject by the British colonial administration in Malaya. It appears that the Malays were given less attention compared to those Europeans and Chinese by the British authorities mainly due to the fact that the Malays' involvement in commercial activities in the late 19th and early 20th centuries was less eminent compared to other communities. However, in reality, it is evident that the Malays did respond to the economic change in the 19th century as they also had economic consciousness and were subjected to economic transition during the British colonial rule in Malaya.

Thus, this article will examine the economic transition in Malaya in the late 19th century with particular reference to the economic aspect of the Malays and multiethnic perspective. It will pay specific attention to explain the historical development contributing to the non-Malay economic dominance which reflected the slow pace of the Malay economy during the colonial period. Meanwhile, the article will be preceded by a brief discussion on the term 'Malays' in the historical context of the 19th century.

The Concept of Malay Race in the 19th Century Malaya

It is necessary to emphasize here that the current understanding of the term 'Malay race' was quite anachronistic compared to the historical context of the 19th century. The issue of ethnicity became the concern among the colonial officials as it can be found in their definition and application of the concept of native. Accordingly, the scholars who wrote on this issue are more concerned with the inconsistent definition of the term 'native' in both territories. This dimension is reflected in the writing of Charles Hirschman (1987) on Malay Peninsula and Ueda (2006) on colonial Sabah. Both of them have extensively referred to the census report published by the colonial authorities.

Hence, in this respect, the understanding of the Malay race has to be based on its historical context in the 19th century. Basically, the term 'Malays' is referred to the Malay race. However, the term Malay race should not only be strictly applicable to the Malays who originated from Malaya as it is actually more applicable to sociocultural rather than nationhood that is confined to particularly geographical boundaries. In general, the Malays are identified

with the majority of indigenous people who originally inhabited the Malay Peninsula, Sumatera, Borneo, Sulawesi, Southern Thailand and Southern Philippines (Barnard, 2004). However, in the 19th century Malaya, the Malay race was actually confined to the majority of them who originated from the Malay Peninsula and Sumatera. In addition, even the Banjarese and Buginese were also acknowledged as Malays. Despite the fact that the Banjarese had begun to migrate from Banjarmasin in Borneo to the Malay Peninsula at the end of the 19th century, they were regarded as the Malays due to their similarities in terms of language. It was also applied to the Buginese who had long resided in Johor and Selangor since the ruling dynasties of those states descended from the Buginese origins (Maxwell, 1890: 322; Abdullah, 2011: 5 – 12). Thus, the cases of the Banjarese immigrants and the Buginese who had long been residing in Malay Peninsula in the 19th century were apparently conformed to the legality in the Malay Reservation Land Enactment of 1913. According to the provision in this enactment, it was stipulated that a Malay individual is a person of Malayan race, who habitually speaks Malay language or other Malay languages, and professing Islam as religion.²

Accordingly, in this context, the Javanese were excluded from the Malays as there were exclusive communal distinction between the two communities in the classical texts such as *Sejarah Melayu* (A. Samad Ahmad, 1979) and other Malay writings in the 19th century notably *Hikayat Abdullah* (Abdullah, 1966: 300 – 1) and *the Voyage of Mohammed Ibrahim Munshi* (Mohd. Fadzil Othman, 1980: 15 – 7). This means that both the Malays and the Javanese were at least regarded as two separate major subethnics under the umbrella term of *nusantara* (Evers, 2016: 5 – 12). This meaning still remained the same in the Malayan context until the early twentieth century.³ It was in 1931 that the Javanese began to be included into the Malays.⁴ Apart from this, until the 1930's, the communities of Indian Muslims and the Arabs by descent were also excluded from the term 'Malay race' (Yegar, 1979: 1 – 15). From the Malays' point of view, it can be observed that there were some reservations to acknowledge the Indian Muslims and the Arabs as Malays.

Although the Indian Muslims and the Arabs had been socially integrated into the Malays through marriage and family ties, most of them actually established their Malay descent based on matrilineage rather than

patrilineage. It appears that the Malays began to acknowledge the Malayness of any particular person through matrilineage at the end of 1930's. The actual circumstance was to allow the so-called Jawi Pekan in Penang and Kedah especially Indian Muslims known as 'Keling' and the Arabs to be considered as Malays based on their genealogy which was from maternal rather than paternal descent.⁵

Additionally, the definition of 'Malays' was also motivated by economic means rather than purely based on ethnicity per se. Due to the economic implication in this issue, it is evident that the ruling authorities in the so-called Unfederated Malay States had applied the term 'Malay' as a purely ethnic one. This can be seen in the Land Enactment of Johor which stipulated that 'Malays' must be the Malays who habitually speak Malay language and believe in Islam.⁶ Based on this definition, the Arabs have been excluded from the definition of the Malays since they maintain their Arab genealogies and their titles as *Saiyids*. This is evident when they were excluded from acquiring the Malay Reserved Land in Johor (Abdullah, 2009: 50). It is also found that the similar provision had also been applied in Kelantan and Terengganu (Wong, 1975: 512 – 3). Under this circumstance, it is not surprising to discover that until the end of the 1940's, the Arabs by descent in Malaya were still excluded as a separate community from the Malays.⁷

Thus, based on this perspective and its economic implication, this writing will consider the application of the Malays based on the historical context of the 19th century which means that the Javanese, Indian Muslims and the Arabs communities are excluded from the term 'Malay race'.

Economic Change in the 19th Century

The years between 1850 and 1941 are regarded as the period of transition from traditional to modern orientation in the economic aspects of the Malay society in Malaya. The word 'transition' encompasses the extent of the changes in the economic aspects of the Malays as a whole which was merely a gradual rather than rapid process. In this context, the economic changes from traditional to modern manifestations were perceived as less eminent than the manifestation reflected in the case of the immigrant communities of Chinese, Arabs and

Indians. In fact, it can be observed that the traditional economic features still prevailed in the Malay society in the late 19th century because the changes in the economic pattern and orientation in capitalism and commercialism was relatively slow compared to those immigrant communities. Nevertheless, through association with the economic transition, the Malays eventually became conscious with the changing economic orientation during this period. The word ‘consciousness’ here is referred to the beginning phase of the Malay society’s realization and readiness to adapt to the new phenomena of economic changes.

In the historical context, the fundamental concept of economic change is applied to the change from traditional to modern orientations. It generally refers to the change from self-sufficiency or subsistence to commercialism (North, 2005: 1 – 9). Subsistence refers to the economic condition which is dependent solely on oneself or one family for the means of support or survival. This condition only produces marginal surplus, the quantity that exceeds what is needed or required. Meanwhile, commercialism is referred to the spirit, operation and methods of commerce and business characterized by excessive adherence to the goals of gain and profit. In this respect, commercialism is synonymous to capitalism, an economic system in which the means of production and distribution are privately owned, and prices are chiefly determined by open competition in a free market. The basic characteristics of commercialism and capitalism are manifested by the expansion of capital economy, the adaptation of concept and practice of specialization which involve an intensive usage of labour in the process of production and private ownership of land.

In principle, this historical context could be seen by referring to the Malay peasants who formed the majority of the society. It is evident that the basic change in Malay agricultural orientation was the departure from subsistence or self-sufficiency to capitalism. It is evident that the changing orientation which is based on the principle of capitalism can be seen in business and trade. In fact, the Malays had been involved in those economic sectors even during the pre-colonial period. Nevertheless, those sectors were dominated by the Malay upper class and not the peasants (*rakyat*) (Drabble, 2000: 9 – 20). Thus, it is supposed that under the new situation, the upper-

class Malays continued to enjoy the advantages of economic domination by associating themselves with the immigrant communities and by collaborating with the colonial authorities. This phenomenon reflects the circumstances that the process of transition was more associated with the ruling class rather than the *rakyat*. Consequently, the *rakyat* still remained as peasants and fishermen until the first half of the 20th century. It is even hard to imagine that the *rakyat* would have the opportunity to become petty shopkeepers or peddlers since they lacked financial support especially credit facilities which were normally available to the capitalists and mercantile community. Even in the late nineteenth century, it is hard to imagine that the Malay peasants could possess even \$10 (Gullick, 1991: 184 – 5).

The most relevant and practical means for the Malays to benefit from the economic change in the nineteenth and early twentieth centuries was the adoption of private land ownership. It was achieved through clearing the jungle lands for agricultural activities. However, the economic achievement of the Malays was only restricted to small holdings due to the limited size of land in possession. Another means of change was derived from the conversion of non-monetary labour or forced labour to waged labour under the capitalist orientation. However, the Malays were not keen on engaging themselves as waged labourers especially in commercial plantation and mining due to their preference not to be disintegrated from their village life. In the case of tin mining, it did not attract the interests of the Malays due to its nature as high-energy occupations compared to the farming and trawling. Consequently, this had opened the space for the penetration of the non-Malay coolies in the economic activities in Malaya.

Accordingly, it brought to the circumstances that the issue of Malay economy and its relations with other ethnic community was always associated with the slow pace of Malay economic development and their reaction to the changing economic orientation. On one hand, this particular aspect of discussion is referred to the extent of the Malays in responding to the challenges from the Europeans and the Chinese merchants and planters in agriculture and trade. On the other hand, it is also referred to the economic integration among the Malays and the Europeans, Chinese as well as the Muslim immigrant communities of Indians and Arabs. Generally, it can

be observed that the Malays' involvements in commercial activities in the late 19th and early 20th centuries were less eminent compared to other communities. This general statement is referred to the historical development which indicates that the immigrant Chinese community were closely associated with the economic development which had taken place in Malaya in the second half of the 19th and the first half of the 20th centuries. From such comparison, it has given the impression that the pace of economic change of the Malays was considerably slow.

The Collaboration between the Immigrants and the Malay Elite

It is evident that the historical development in the process of economic transformation in Malaya was associated with the immigrant communities rather than the Malay ruling elites. Even before the advent of colonial administration in Malaya, most of the revenue of the Malay ruling authorities had been dependent on their relations with the Chinese immigrants not only in labour but also capital injection in the economic affairs. The presence of the Chinese farmers and miners in Malaya had generated the income to the Malay authorities in the form of revenue farms. This revenue was generated from the tax imposed on commodities and services such as opium, liquor, tobacco, pawn broking, gambling, land concessions and duties on tin (Trocki, 1975: 1 – 8; Nonini, 1991: 51). Those sources of revenues were not really related to the lower-class Malays except in the case of tin mining in which a small number of the Malays were involved as labourers. Even in this case, the tin mining sector was also dominated by the Chinese immigrants. Their domination began in 1848 when the chief of Larut in Perak, Long Jaafar granted mining concessions to the Chinese to explore and conduct mining activities in the district (Mohd. Fadzil Othman, 1980: 137).

Furthermore, a similar scenario is found in Johor when there were several individuals from the state ruling authorities who had direct interest as partners in the Kangchu concessions in pepper and gambier plantation areas. Among them were Engku Abdul Rahman (d. 1876) and Engku Abdul Majid (d. 1889) who were the younger brothers of Maharaja Abu Bakar and the regents of Johor from the 1860's to 1880's. Jaafar bin Haji Mohammed (d.

1910), the first Chief Minister of Johor was also involved as member of several Chinese enterprises known as Kongsis in the Kangchu concessions (Trocki, 1979: 172 – 174). These personnel were listed as the Council members of the state of Johor in 1874 (SSD, 1874: 3 – 7). The Chinese, especially in Johor under the Kangchu system were associated with the revenue farm operated under the syndicates that were owned by the Chinese mercantile community in Singapore. In fact, almost the entire capital investment in the revenue farm sector in Johor came from them, and most of their capital investments were derived from loans from the European mercantile community in Singapore who were attached to the Singapore Chamber of Commerce.⁸ Thus, it is understandable that the Malay authorities continued to be inclined to give economic opportunities to the Chinese especially the mercantile community in the Straits Settlements.

Again, the same phenomenon can be found in the padi cultivation in Kedah in the late 19th century. It can be observed that padi cultivation associated with the Malays in Kedah remained stagnant as subsistence and this situation continued to be the same until the early 20th century. In fact, during this period, it was apparent that the expansion of padi cultivation as one of the commercial products was much more associated with the Chinese rather than the Malays (Sharom Ahmad, 1984: 19 – 45). This phenomenon was connected to the change from subsistence to commercial orientations which is referred to large scale productions in order to produce surplus. Here, it is noticeable that the pace of the Malays to increase their scale of production in order to fulfil the commercial requirement was slower compared to the Chinese. This is because there was no major change in the practice and orientation in order to expand the production. Most of them still remained as smallholders and their labour resources were limited to family members. Undoubtedly, in order to expand the scale of production, the Malays needed the development in technological improvement and the increase of cultivation land for the padi farms 'sawah'. Those aspects of expansion could only be derived from capital investments in the padi cultivation itself. In the case of Kedah, the resources of capital investment in padi cultivation in the late 19th century was mainly provided by the Chinese merchants who obtained the concessions in the form of revenue farms from Sultan Abdul Hamid Halim Shah.⁹

Certainly, it is always a line of reasoning to assume that the Malay ruling authorities and the British colonial governments were inclined to favour the immigrant communities especially the Chinese in economic affairs. It is generally held that economic progress can only be achieved through hard work. Nevertheless, from the economic perspective, it is essential for the Malays to realize that they also need to embrace the concept and the practice of capitalism and commercialism which was preceded by mercantilism.¹⁰ Mercantilism under the orientation of capitalism did not only require them to be engaged in the activity that could generate income and profit but they also had to be prepared to take the risks which could lead to failure and losses until eventually they would obtain profit. To the immigrant communities, they had been accustomed to mercantilism and very much aware of this view. For instance, it is narrated by Mohammed Ibrahim Munshi that a Chinese miner named Chu Ngo had worked on the tin mining in Padang. Initially, the activity generated losses but he was determined and continued the operation until it eventually generated profit for him (Mohd. Fadzil Othman, 1980: 18). Furthermore, in June 1871, a Chinese named Lim Boon Toh, had borrowed from Engku Abdul Rahman \$3000 in order to sustain the outstanding payment of his revenue farming rent at Padang in Muar. The concession was extended until he managed to obtain profit two years later.¹¹

It is understandable that for the same reason, the Malay ruling authorities were predisposed to give economic opportunities to other immigrant mercantile communities such as the Arabs and Indian Muslims. In fact, these immigrant communities also had close relations with the Straits Settlements. It is undeniable that the process of economic transition in the Malay society occurred through economic interaction between the Malays and the Muslim immigrant communities of the Indians and the Arabs. This interaction was established through the emergence of specific Islamic institutions of *waqf* and pilgrimage that were exclusively dominated by those immigrant communities. However, this interaction was limited to the Malay aristocrats due to their intimate relations with those immigrant communities and colonial authorities. For instance, the success of the Saiyid Al-Sagoff family in Johor was due to their close economic association with the ruling dynasty of the state. This can be seen in the close relations between Syed Omar and Syed Mohammed Al-Sagoff with Sultan Abu Bakar in the 1860's which eventually brought

about the establishment of Al-Sagoff Concession at the subdistrict of Kukub (Kukup) in Pontian in 1878. The area of the concession covered the estimated land of between 50,000 and 60,000 acres.¹² The Arabs were also granted the concessions similar to the Kangchu system at Sungai Sekudai and Teberau.¹³

The Muslim Immigrants in The Straits Settlements

Meanwhile, it is evident that the British authorities in the Straits Settlements were also inclined to provide the foundation for the immigrant Muslims to pursue their economic drives. The Al-Sagoff and other Arab Saiyid groups also had close relations with the British authorities in the Straits Settlements especially in Singapore. This position certainly gave them wide economic opportunities and provided them with a strong foundation to become among the professionals such as accountants, lawyers and medical doctors. In general, being the professionals did not only symbolize high social status in the society but it had also become the ground for further economic achievement. Those professional groups would also gain equal opportunities with the capitalist mercantile communities in terms of the opportunities for economic expansion. This achievement would then elevate them from the middle to upper class. This phenomenon is relevant to be applied to the societies which had undergone the process of transition in the modern period. Thus, the emergence of professional groups among the natives should be regarded as an important phenomenon in the development of the society. In fact, it is common in history that the immigrant communities were faster to adapt with the changing circumstances than the natives and the latter who were largely of lower class would find that the economy would continue to be dominated by the immigrant communities. Further examples can be seen in the cases of the Kapitan Keling of the Indian Muslim from the Merican family in Penang and Syed Husain Aidid. With reference to the Kapitan Keling,¹⁴ it was initially in mid-1770 when two brothers, Kader/Cauder Mohideen/Mydin Merican, aged 11 and Muhammad Noordin Merican, aged seven, of Arab-Indian Muslim descent, with their mother, Fatma/Fatimah, migrated together with other immigrants from the Indian continent by a sail boat towards the Malay Archipelago. They came from a village and a port called “Parranggi Pettai”, currently known as “Porto Novo”, situated at the Arcot District in the East coast of India.¹⁵ Their group docked, and lived at Tanjung Pudukarai, a place quite far from the pirates

(sea people).¹⁶ This is where the history of the descendants of Kapitan Keling begins. Although the place was different from their birthplace, from young, the two brothers, together with their mother, Fatimah, worked hard to obtain a better life. Even before they were adults, the two brothers travelled to Kedah Tua (Old Kedah) near Kota Kuala Muda, Aceh and other ports. They bought and sold their merchandise, such as cotton, *kayu gaharu*, beads and jewels of any sorts and colours. Before Captain Francis Light came to Penang, these two brothers had brought development to this area. With their hard work in trading, they became rich and earned the respect of the people of Penang and Kedah. Therefore, it is not surprising when Captain Francis Light came to Penang, they were bestowed their due respect. On 11 August 1786, Captain Francis Light, officially became the British Administrative Authority in Penang ratified under the treaty signed by Sultan Abdullah Mukarram Shah of Kedah and the English East India Company (Allen, Stockwell & Wright, 1981: 132 – 3). On 17 August 1786, the forest at Tanjung Penaga was cleared. Subsequently, Penang became more developed and changed from a fishing village into a port. Then, Captain Light managed to develop Penang into a Freeport. There were traders and merchants from India such as the Chulias and Malabaris, from China, Burma, Aceh, Siam and etc. In fact, Captain Light encouraged more people to reside in Penang by granting them free land titles/deeds.

Then in 1801, Kader Muhiddeen Merican was officially appointed “Kapitan Keling” by the English East India Company and he was given the authority to protect, manage and administer the affairs of the Indian community. Kapitan Keling was also the right-hand leader of the Chulias and they were meant to approach the ‘Kapitan’ for any arising problems concerning their community or even personal life. On 2 November 1801, Lieutenant General Sir George Leith, on behalf of the English East India Company granted a piece of land (367 deeds) to the Muslim community. The west and south borders of the land met Cauder Mydin Merican’s own land. After receiving a letter of authority from Governor Philips, this is where Kader Mydin Merican built the Kapitan Keling Mosque largely from his own money apart from a small contribution from the community. Kader Mydin Merican’s business continued to prosper, and by 1834, he was considered as the richest Indian Muslim in Penang. His wealth, at that time, was estimated

at fifty thousand Spanish dollars. As a British official, Kapitan Keling had the authority to solve any dispute involving the Muslim community that came from “Coromandel Coast”, India. As the richest Indian Muslim merchant, he managed to attract the attention of the Sultan of Kedah. He was invited by the Sultan of Kedah (Sultan Ahmad Tajuddin who was living in exile in Penang) and was granted to marry a princess named Tunku Wan Chik Taiboo or Tunku Maheeran.¹⁷

Another instance is Syed Husain Aidid (Tengku) who is the pioneer of the Arab community and the founder of the Malay Mosque at Acheen Street in Penang.¹⁸ He was the grandson of the Sultan of Aceh and a successful and influential trader. Syed Hussein and his clan moved to Penang in 1792 and he set up his trading post and settlement fronting the sea. The settlement was recognised as the first township in Penang and was referred to as the Malay Town or Malay enclave at Batu Uban. As a seasoned trader with a vast trading network, he influenced others, especially the Arabs in the Malay Archipelago, to migrate to Penang (Bajunid, 1971: 1 – 16). Accordingly, it is evident that both the Indian Muslims and the Arabs had played vital roles in the economic development of Penang before the advent of a large number of Chinese in the second half of the nineteenth century (Salina Haji Zainol, 2005: 111; Mahani Musa & Badriyah Haji Salleh, 2013: 34 – 40).

This circumstance provided the foundation for both the Arabs and the Indian Muslims to represent the Muslims who were involved in business and trading activities in the Straits Settlements and the Malay Peninsula. Clearly, such engagement in those activities had adapted them to the changing economic orientation of commercialism and capitalism. Later, most of them were then engaged in real estate. Truthfully, it is well known that some of its proportions were donated as Islamic endowment known as *waqf*. For instance, the *waqf* associated with the Indian Muslims are Wakaf Kapitan Keling, Wakaf Alimsah Vali and Wakaf Majoodsaw in Penang and Wakaf Sentosa in Alor Setar, Kedah. The *Waqf* that belonged to the Arabs are the Malay Mosque at Acheen Streets and Wakaf Al-Mashhur in Penang and Madrasah al-Attas in Johor Bahru. Most of the *Waqf* properties in the Straits Settlements were then registered under Mohamedan and Hindu Endowments Board.¹⁹

The Malays and Commercial Orientation

On the other hand, in the 19th century, it was apparent that the involvement of the local Malays in the commercial economic sector was very marginal. During this period, most of the economic opportunities could be achieved through the opening up of jungle land for commercial plantation areas. In principle, this particular activity could be regarded as the elementary stage in capital economy. In this respect, the economic progress was associated with the immigrant communities of the Malays. This can be referred to the case of the Javanese who were always regarded as pro-active compared to the local Malays. It was reported by Mohammed Ibrahim Munshi that in 1871, the Javanese had opened up the land at the settlement known as 'Padang' in Muar for the plantation of coconut, betel nuts, bananas and tapioca. Historically, the settlement of Padang had long been known as the main area of the Malays in Muar up to the first half of the 19th century. Its main agricultural products were coconuts and betel nuts as well as Malayan fruits, especially durian. However, in the 1870's, it had been predominantly inhabited by the Javanese. Thus, most of the name of the places which begins with 'Parit' which means 'Trench' notably (for instance Parit Jawa) was associated with the Javanese settlements or villages (Abdullah, 1966: 300 – 1).

It could be construed that the Malays were not keen on becoming involved in the commercial plantation because they were intimately attached to their village life at that time. The sentimental attachment to their way of life at the village had hindered them from making any changes. Certainly, it was not in their mind to be involved in any adventurous pursuit of economic expansion. Thus, it is not surprising to discover that most of the Malays involved in setting up the padi commercial plantation in newly opened areas in Krian in the late 19th and 20th centuries were the Banjari immigrants from Borneo.²⁰

Even more, the Malays' involvement as commercial plantation labourers were low and far from significant. In the plantation sectors, the Javanese was associated with the immigrants who migrated to Johor in the 1870's and 1880's (Skinner, 1884: 53). The local Malays' involvement was limited to short term labour in clearing up the jungle lands and building temporary shelters

in the areas. Even more, it was reported that the Europeans were not keen on employing the Malays as short term contract workforce because they were known to be reluctant in cleaning the newly opened land after cutting down the trees.²¹ Hence, the European investors tended to employ Indian Tamils as labourers in the plantation of coffee.

Again, the case of the Javanese exemplifies the evidence of their commitment and determination to explore any economic opportunity. Their partiality to become involved as plantation labour force was initially motivated by their intention to perform Hajj (pilgrimage) to Makkah. This can be seen in the terms and conditions stipulated in the plantation concessions of Al-Sagoff at Kukub, Pontian from 1878 to 1907. A contract was drawn between the Javanese immigrants and the Al-Sagoff Concessionaires in which the former would be able to perform the Hajj without any payment for the purpose. All the cost charged for the pilgrimage would be repaid after they had returned from Makkah. The repayment would be done through their promises to work in the plantation areas without any wage or with considerably low wages for a particular duration.²² The nature of this contract of labour was similar to the indenture system practised by the British in North America in the 17th and 18th centuries before the introduction of slavery in the colonies there (Brogan, 1990: 27, 94, 101, 110). Understandably, it was the hardship faced by the Javanese that caused them to become motivated and progressive in opening the jungle land for cultivation. It is not surprising that in the later phase, most of them were prepared to respond to the economic change under capitalist circumstances. This phenomenon can be seen in their participation in the rubber plantation as smallholders when rubber became the commercial and profitable commodity in the early twentieth century (Lim, 1977: 73 – 78).

The Marginal Opportunity in Money Economy

It is a revealing fact that the Malay ruling authorities notably in Johor also established business joint ventures and granted economic concessions to the European mercantile communities, especially the British. It was well known that the Johor authorities had close business relations with Kerr, Rawson & Co.,²³ Paterson, Simon & Co.²⁴ and Messers. Rodyk and Davidson (Buckley, 1965: 42 – 5, 200 – 201, 203 – 212). Through these financial associations,

the European merchants provided loans to particular members of the ruling authorities for commercial agricultural activities which required the utilization of a large amount of money for capital investment to finance the cost of operation. The Malay peasants did not enjoy this privilege because they were not exposed to the capitalist economy.

It has been mentioned before that the practice of money economy among the Malays in general was still marginal. In the context of commercial and capitalist economy, their involvement in money economy was limited only as waged labourer. Unfortunately, the mercantile communities were more interested in bringing in the Chinese and Indian Tamil labourers even though those immigrant labourers were not accustomed to the tropical commercial plantation such as pepper, gambier, tapioca, Liberian coffee and cocoa.²⁵ The Chinese mercantile community was only interested in bringing the Chinese coolies in the Kangchu System in Johor and padi cultivation in Kedah.²⁶ This is because those coolies also created financial gains under the revenue farm concessions and the revenue was derived from their consumption of liquor and opium as well as their gambling activities. From this revenue, the Chinese concessionaires were then able to offer the payment for the concessions to the Malay authorities.

Consequently, it is notable that the existence of revenue farms created the foundation for Chinese economic dominance in the Malay states. This is due to the dependence of the Malay authorities on the immigrant Chinese who generated revenue to the Malay chiefs. Moreover, their dependence on the Chinese was manifested by the fact that most of the Malay chiefs were involved as associates in their business ventures. This is possibly due to the assumption that it was a safer way to secure their interests and to avoid major risks than to participate directly in the business operation. Even under this circumstance, they could still expect to generate the dividend from the concessions.

The revenue farm also provided new economic platforms for the Malays to strengthen their economic foundation, especially for the Malay chiefs to penetrate into the mercantile economy. In fact, there were few notable Malay chiefs who were not merely the associate members in the joint ventures but they also managed to become the principal concessionaires in

revenue farms in Kedah. This can be referred to the concessions belonging to Wan Mohammed Saman at Kulim and Kuala Muda, Mohammed Jasin at Krian and Mohammed Hassan bin Abdul Rahman at Kuala Kedah in the last decade of the 19th centuries. Most of their revenue farm concessions were related to the main products of animal husbandry especially chicken, the cultivation of tapioca and sugar cane, the collection of *nipah* and the consumption of tobacco and salt. These concessions normally cover the period from two to six years.²⁷

The mercantile economic opportunities derived from the revenue farm were normally accessible to the minority upper class Malays and not the majority *rakyat*. Under these circumstances, the Malay economy was fully dominated by the Malay aristocrats and it was doubtful for the Malay *rakyat* to become the concessionaires or even the associate partners in the revenue farm concessions which were the only form of joint business ventures during that period. It is evident that this circumstance is not adequate to address the main objective of the improvement of the economic accomplishment of the Malays as a whole. This objective can only be attained through the incorporation of the majority of the Malays into money economic orientation at elementary level, at the very least. Undeniably, this could only be established by increasing of the numbers of the Malays involved in small scale businesses and trading sectors. In principle, the starting point for the Malay *rakyat* to become involved in mercantile activities was if someone was willing to assume the financial risk of beginning and operating a business or small scale enterprise with them. In fact, it was from such involvements that they could potentially increase the scale of operation which could provide the opportunity for them to generate surplus.

In a broader context, it is important to form a constructive view in order to examine the extent of the failure and success of the Malays in economic achievement. In those days, the Malays of both upper and lower classes were still finding the formula in order to adapt themselves in the new economic orientation of capitalism and commercialism. The Malays in general needed the knowledge and expertise to manage their economic affairs especially in money matters as well as to continuously give their commitment to pursue economic progress. On one hand, it is understandable that the Malay chiefs

did not prefer to establish joint ventures with the Malay *rakyat* who were regarded as inferior in economic achievement and lack the experience of handling money in accordance with the practice of mercantilism which was necessary in managing business activities. This is because commercialism is related to the practices and spirit of commerce or profit-making. However, it was evident that even the Malay aristocrats did not have the skills in managing their money matters although they had been directly involved in commercial economy. They were still dependent on the joint ventures with the Chinese. In fact, it is the common knowledge that the Chinese progress and dynamism in economic affairs were manifested by the fact that they not only formed joint ventures with the Malays and the Europeans, but they also competed with the latter (Brown, 1994: 77 – 172). Moreover, it is found that the main factor for the success of the immigrant Chinese here was their knowledge in handling money in business (Leo, 2007: 29 – 49). Certainly, there is reservation if this view is to be applied to the Malays. However, the question here is that although the Malays realized that and intended to become involved in commercial activities, they were still likely exposed to the risk of failure.

Thus, in order to achieve economic progress, the Malays had to partake in the activities that could generate income but were less exposed to risks. The younger generations were later exposed to other sources of income which was derived from the introduction of modern educational system and the establishment of civil service which generated salary and allowance on continuous and permanent basis. This new opportunity certainly brought major impacts on the peasant community to acquire the potentials for vertical economic mobilization in the colonial period. It led to the emergence of the middle class among the *rakyat* although it was still at an elementary stage and was a gradual process. Those who were classified into middle class in those days were teachers, civil servants, journalists and traders (Milner, 1995: 89 – 113).

In principle, the elementary economic mobilization to middle class was regarded as having an impact on the transformation in the peasant communities in both social and economic perspectives in the early 20th century. The emergence of the middle class certainly reflected the progressive

and dynamic dimension in the society especially the peasant communities in the villages. The higher status for an individual could be accomplished through the higher level of education. With a higher qualification, an individual could attain a higher position because the new system and orientation recognized the position and status based on achievement rather than inheritance or family background. In reality, it was still quite difficult for the individuals from the peasant background to attain a high status. This is because even though the individual improvement could be based on achievement, i.e., education, the Malay aristocrats still had the advantages over the *rakyat* to hold the prestigious posts such as magistrates, district officers and assistant district officers. It can also be observed that there were marginal participations of the Malays in professional occupations such as lawyers, accountants and medical doctors. Most of the Malays who were associated with those occupations were the mixed blood individuals of the Muslim immigrant descendants especially the Arab Saiyids. For instance, the legal profession was referred to Syed Umar al-Sagoff & Co. and Syed Mohamed al-Habshee who became the advocates in Johor. They also had the license as assistant property evaluators in Johor Bahru.²⁸

Conclusion

By and large, it can be said that from the 1850's to 1941, The Malay society in Malaya had undergone the process of economic transition rather than change. In this context, the term 'transition' here is applied to the Malays as a whole because the degree of change in the economic aspect and orientation was merely a gradual process of transformation rather than a drastic one. During this period, the economic change is always referred to the transformation from traditional to modern orientation. This phenomenon is manifested by the changes from subsistence to commercialism which were enhanced by the economic system based on capitalism, the adoption of the concept and practice of specialization and the use of intensive labour in economic productivity. Generally, it can also be observed that the Malays' involvement in commercial activities in the late 19th and early 20th centuries was less eminent compared to other communities. This general statement is not merely referred to the Chinese community who were closely associated with the

economic development which had taken place in Malaya in the second half of the 19th and the first half of the 20th centuries. It was also manifested by the achievement of other immigrant communities especially the Indian Muslims and Arabs. Irrefutably, through this comparison, it had given the impression that the pace of economic change of the Malays was considerably slow.

This then raised the question of economic domination by the immigrant communities especially the Chinese. In historical context, they had more advantages over the Malays simply because the Malays, including the aristocrats, were not extensively exposed to mercantilism which became important in the money economy. In fact, mercantilism is the transitional mechanism between subsistence and capitalism. This was established in most of the orientation in agricultural and mining activities in the form of concessions which needed money to be used for initial capital investments and cost of operations.

Notes

- ¹ The concept of Malaya is used by Western writers to be applied to the Malay Peninsula since the end of 18th century. See Swettenham. (1948: 1 – 5); Barnard (2004: 11); Owen. (20053: xix).
- ² Malay Reservation Land Enactment of 1913 can be found in Federal Council of the Federated Malay States Enactments NO. 15 OF 1913, Kuala Lumpur: National Archive of Malaysia. It had been ratified on 23rd December 1913 and gazetted on 1st January 1914.
- ³ In fact, based on the contemporary perspective, it is evident that the Javanese in Java do not profess themselves as the Malays as reflected in the conversations with a few academia and laymen during the conference visits at Surakarta, Jakarta and Bogor in 2012 and Semarang in 2016. This view is also consistent with personal conversations the Indonesian students and lecturers in International Islamic University of Malaysia based on observations from 2003 to 2012.
- ⁴ *Census Report of Malaya*. 1931. Kuala Lumpur: Arkib Negara Malaysia (ANM), p. 32.
- ⁵ The editorial comment on this issue can be found in “Takrif Melayu dan Siapa Boleh Melayu”, Utusan Melayu, 8 May, 1940, National University of Malaysia Library..
- ⁶ State of Johor land Enactment, (Amendment) 1936, 1.
- ⁷ *A Report on the 1947 Census of Population of Malaya*. The Government Printer, Federation of Malaya, Kuala Lumpur, Arkib Negara Malaysia Kuala Lumpur, p. 81.
- ⁸ Singapore Chamber of Commerce to Governor Cavenagh, 30 Dec. 1865, SSR. W. 25, no. 301, National Archive of Singapore.

- ⁹ See all the concessions related to revenue farms in padi cultivation in Surat-menyurat Sultan Abdul Hamid No. 2, 1304 – 1312^H (1884 – 1895 CE.), Arkib Negara Malaysia Cawangan Kedah, Alor Merah, Kedah, Hereafter known as The Kedah Archive.
- ¹⁰ Historically, Mercantilism is the doctrine, developed in the West after the decline of feudalism, that a nation's economy could be strengthened by governmental protection of home industries, by increased foreign exports, and by accumulating gold and silver. For further explanation see Ekelund and Hebert (2007: 44 – 63).
- ¹¹ Surat Hutang Lim Toh Kerana Sewa Rumah Kongsi Candu di Padang, Muar, 9 March, 1873, Johor State Secretary, Surat-Surat Pelbagai, S. 15, Arkib Negara Malaysia Cawangan Johor Bahru hereafter ANMCJB.
- ¹² Brief History of Alsagoff Concession Kukub, ANMCJB.
- ¹³ Buku Daftar Surat Jual-beli, Pajak Gadai dan Hutang 1284-1301H/1867-1884M, ANMCJB.
- ¹⁴ The narration of Kapitan Keling is extensively cited from Merican, Haji Mohamed Ismail. 2003. Sejarah Kapitan Keling, Wakaf Masjid Kapitan Keling, Majlis Agama Islam Negeri Pulau Pinang Hereafter AINPP.
- ¹⁵ According to the Tamil language, the word “Parrangi” means “White Men” (Europeans). Europeans are known as “parrangiar” by the Indians because their faces resemble a round pumpkin. The word “Pettai” means “village” or a place for momentary stopover.
- ¹⁶ The “Tanjung” that was mentioned is currently located around Kampung Kolam, a part of Lebu Chelia and Jalan Masjid Kapitan Keling. According to Tamil language, “Pudu” means “new” and “Karai” means “with beach” (berpantai).
- ¹⁷ She was his third wife. The second wife of Kapitan Keling was Che Aminah who was the niece of his first wife, “Pathni” Fatimah Nachiar.
- ¹⁸ See Open Minute on Conservation Project of Masjid Melayu at Lebu Acheh, 11 May 1996, Wakaf Majid Kg Melayu, MAINPP.
- ¹⁹ See for example, General Report Upon the Moslem Trusts and Foundations in Penang, 1932. *Handbook of the Mohamedan and Hindu Endowments Board*, Penang: Criterion Press.
- ²⁰ Memorandum from Lee Warner, enclosed in E. W. Birch to Resident-General, 14 June, 1907, HCO R.G. 3282/07, Kuala Lumpur: Arkib Negara Malaysia (ANM).
- ²¹ *Straits Daily Times*, 23 May, 1879, National University of Singapore (NUS) Library.
- ²² Brief History of Alsagoff Concession Kukub.
- ²³ Kerr to Lord Kimberley, 28 Feb., 1871 and 24 Feb. 1873, CO 273/54, National Archive at Kew, United Kingdom, hereafter NAK.
- ²⁴ Abu Bakar to Governor Ord, 21 March, 1873, CO 273/66, NAK.
- ²⁵ *Straits Daily Times*, 6 May, 1879, NUS Library.
- ²⁶ See Surat-menyurat Sultan Abdul Hamid No. 2, 1304-1312^H (1884-1895 CE. Alor Merah: Arkib Negara Malaysia Cawangan Kedah hereafter ANMCK).
- ²⁷ See Surat-menyurat Sultan Abdul Hamid No. 7, 1315-1317^H (1897-1899 CE. Alor Merah: ANMCK).
- ²⁸ *Singapore and Straits Directory (SSD)* 1910, p. 40 and *SSD*, 1912, p. 48.

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