Chapter One

SOCIOLOGY

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Introduction

The review of sociological research in and on Malaysia is a difficult task for more than the usual reasons. First, as an academic discipline, sociology is a relatively recent development in Malaysia, largely a product of the last decade. However, this does not mean that sociological research is new to Malaysia, only that the relevant research was conducted and published under the auspices of a number of other social science disciplines. Second, this search for sociological content rather than the sociological label is compounded by the rather imperialistic scope of the field of sociology. Virtually any research that attempts to generalize about the structure of society or social processes can be included within the sociological purview. Lest I attempt the impossible or stray too far into the domain of other disciplines, my review concentrates on certain selective topics in Malaysian society.

The primary focus of this chapter is on ethnic inequality—a dominant issue in contemporary Malaysia. (To be consistent, I use the term Malaysia, although my focus is on Peninsular Malaysia.) But I also review both some of the critical sociological issues in the historical development of Malaysia (Malaya) and some of the emerging
social science literature on public policy, especially in reaction to the Second Malaysia Plan. Before turning to these topics, the development of sociology as an academic discipline in Malaysia is surveyed and some of its distinctive features are discussed.

The Discipline of Sociology in Malaysia

Within the British academic tradition, sociology was a minor subject, most often considered as part of social anthropology. Not too surprisingly, there were few sociological studies conducted in Malaya during the long period of British dominance. But this situation can only partially be explained by the lack of British sociologists. More basic reasons were the colonial structure's general uninterest in higher education and antagonism to any social science investigation that questioned the prevailing social order. Aside from the publications of colonial civil servants, there were only a few sociological-anthropological studies during the colonial era. These investigations include the classic studies of Raymond and Rosemary Firth (Raymond Firth 1966; Rosemary Firth 1966) on the Malay peasant economy, and studies of Malay and Chinese family structure by Judith Djamour (1959) and Maurice Freedman (1957).

In large part, the writings of colonial government officers are distinguished by what they reveal about the European community and the colonial mentality rather than any deep insight or understanding of Malaysian society. There were a few significant exceptions worthy of note, especially Purcell's (1948) survey of the Chinese community and Gullick's (1958) account of the social structure of Malay society prior to British colonial rule.

There were a few scattered contributions by non-British social scientists during the colonial era, the most notable being the classic comparison of British Malaya and the Dutch East Indies by Rupert Emerson (1964), an American political scientist. R. D. McKenzie, a distinguished American sociologist of a generation ago, wrote a remarkable essay on the dilemma of colonial rule in the multi-ethnic Society of Malaya in the 1920s (1927).

It was not until after World War II, when the University of Malaya was founded in Singapore, that an indigenous social science began. This process continued with the expansion of higher education after independence in Malaysia (Malaya). The University of Malaya in Kuala Lumpur opened in 1958 and slightly more than a decade later the Universiti Sains in Penang and Universiti Kebangsaan in Kuala Lumpur were founded. A few years later Universiti Pertanian became the fourth university to be established in Malaysia (excluding the University of Singapore, formerly the University of Malaya in Singapore).

In addition to providing higher education for the youth of the nation, the universities in Malaysia created an environment for the development of research and other scholarly activities in the social sciences. Most of these activities occurred in the Department of Economics (later the Faculty of Economics and Administration) at the University of Malaya. While sociology was not initially included as a formal department in the University of Malaya, many of the economics studies included consideration of the institutional structure of society. Perhaps, the presence of Ungku Aziz, first as a professor of economics and later as vice chancellor of the University of Malaya, encouraged a focus on poverty, inter-ethnic relations, and other topics drawing upon both sociological and economic perspectives. The Rural Economics Division in the Faculty of Economics probably was the most sociological in orientation. (For an informative but critical account of the Faculty of Economics and Administration at the University of Malaya, see David Lim 1974.)

Another group of scholars with a sociological orientation was associated with the Departments of Malay, Chinese, and Indian Studies in the Faculty of Arts at the University of Malaya. While these three departments were as much in the humanistic tradition as the social sciences, a number of faculty members were sociologists.

It was not until the late 1960s that sociology became a separate discipline in Malaysian universities. In 1968, a Sociology Department was formed in the University of Singapore (Weldon 1973). In 1969, the School of Comparative Social Sciences at the new Universiti Sains in Penang opened with a Department of Sociology. A Department of Sociology and Anthropology at Universiti Kebangsaan
followed in 1970. In 1971 a Department of Sociology and Anthropology was created in the Faculty of Arts at the University of Malaya (Kahar Bador 1973:133).

This recent recognition of sociology as a separate discipline in Malaysia should give considerable impetus to the development of the field in the coming years. There is already a demand for Malaysians (rather than temporary expatriates) with postgraduate degrees to staff these departments. Additionally, there will be (and probably already is) a growing discontent with textbooks from abroad with little Malaysian content. This attitude, in turn, should stimulate support for additional sociological research.

One sign of these current developments is the growing periodical literature with sociological content. There are several publication series of research reports, discussion papers, and monographs issued by the Center for Policy Research at Universiti Sains. The Director of the Center for Policy Research is K. J. Ratnam, political scientist and former dean of the School of Comparative Social Sciences. Additionally, two of the new departments of sociology and anthropology have established journals: Jernal Antropoloji dan Sosiologi (Universiti Kebangsaan) and Manusia dan Masjarakat (University of Malaya). In fact, the number of social science periodicals published in Malaysia and Singapore is impressive. (A selective list of the major journals is given in Appendix 1.)

In reviewing the contents of these journals and other publications from Malaysian social scientists, some tentative generalizations can be made about the nature and development of sociological studies (and the social sciences in general) in Malaysia. (For an earlier account, see Freedman and Swift 1959.)

First, the institutional development of the Faculty of Economics and Administration at the University of Malaya has meant that economics has become the major social science discipline in the country. Perhaps the need for economists and administrators for development objectives or the personal influence of Ungku Aziz has led to the growth of this discipline in Malaysia relative to the social sciences. In any case, the field of economics in Malaysia has not been a narrow one. Studies of poverty, national development, demographic patterns, and the structuring of society are regularly published in the Malaysian Economic Review and Kajian Ekonomi Malaysia. The annual conventions (perhaps the major academic meetings in the nation) of the Malaysian Economics Association attracts academics from all the social sciences. For these reasons, the development of sociology (and the other social sciences) in Malaysia is somewhat in the shadow of economics. But much of the research undertaken by Malaysian economists is relevant to sociological themes.

Second, most of the emerging literature in sociology at Malaysian universities has been non-quantitative. Many of the articles are either essays which illustrate sociological theories with Malaysian examples or interpret Malaysian society with the use of sociological concepts and theory. Some articles are based upon field work in Malaysian communities, while others appear to be impressionistic accounts based upon personal observation. While the research in other social science disciplines (economics and geography) has been more quantitative, there are many sociological data sources, especially national censuses and surveys, that have been barely exploited.

This situation partially derives from the influence of the British school of social anthropology which is much less quantitative than sociology in the United States. Perhaps, it also reflects the rapid development of the curriculum in sociology-anthropology departments which has only slowly developed courses in statistics and research methods. This is unlikely to be a permanent characteristic of Malaysian sociology. For example, the post-graduate training of Malaysian sociologists in overseas universities, especially in North America, will lead to a diversity of research skills among the faculty in Malaysian universities.

A final generalization based on examining Malaysian social science publications is the latent tension between the academic social sciences and the Malaysian government. One reason for this situation is the great interest of policy questions, and the general neglect of academics in policy questions, and the general neglect of academics by the academic community (but not of social science) by the government policymakers. Other critical factors are the
government's distrust of most academic critics and the possible retaliation some government officials may take against social scientists they believe endanger the established social order. Since these are vital issues in understanding the development of Malaysian social science, each is now discussed at length.

**Malaysian Social Scientists and Government Policy-Making**

The Malaysian government has not been reluctant to seek outside advice in the formulation of policy, especially in the area of development. Technical assistance and advisors from the United Nations, international agencies, foundations, and other foreign sources frequently have been consulted by many government agencies. This reliance on foreign "experts" probably has been most significant in the area of development planning through the Economic Planning Unit (in the Prime Minister's Department) and in the construction of several regional master plans, e.g. Johor Tenggara, Pahang Tenggara, etc. With a few exceptions, most Malaysian academic social scientists have had only minimal roles in these activities. This situation has led to considerable resentment in the academic community (Lim 1974). When the government has used Malaysian social scientists in policy-making, it has employed them generally as civil servants rather than borrowing them from the universities. The Malaysian Centre for Development Studies is an example of a government agency that conducts and publishes sociological studies in the area of development. (See their bi-annual publication, *Developmental Forum*.) Additionally, sociologists (and other social scientists) with masters degrees are employed in a variety of other governmental and semi-governmental agencies. While this strategy is the most efficient from the government's point of view, it precludes the opportunity for Malaysian social scientists to have a significant input into policy-making while retaining their university positions.

**Government Distrust of the University Critics**

A second source of discontent of Malaysian social scientists in academia is the threat and occasional use of governmental power to restrict freedom of expression. From the British period, the government has inherited powers of detention without trial and other restrictive measures. These powers infrequently have been used since Independence against the political opposition in both Malaysia and Singapore. During the 1960s, for the most part, the University (like the rest of the country) maintained a rather conservative atmosphere. There appeared no direct challenge to the freedom of academic inquiry. (One might argue that a policy of self-censorship prevailed.) But the communal violence in Kuala Lumpur following the 1969 elections, and the student demonstrations of 1974, completely changed these policies.

The amendments to the constitution in 1970 prohibited public discussion and debate on "sensitive issues." These issues dealt with the rights of the different ethnic communities, such as Malay privileges and Chinese citizenship. The impact of these restrictions on academic inquiry is difficult to judge. There were articles on ethnic inequality and on the feasibility of the goals of the Second Malaysia Plan published during this period (Lim Lin-Lean 1970; Thilainathan 1970; David Lim 1973, Part III). While there was still freedom to do research and publish articles on government efforts to reduce ethnic inequality, there may have been some reluctance to conduct research on sensitive issues.

The situation worsened after the student demonstrations of 1974 which followed the hunger marches of Malay villagers in Kedah. A number of students and university staff were detained by the authorities, including Dr. Syed Husin Ali (1964; 1972; 1975), the leading sociologist in Malaysia. He has yet to be released although no charges have been brought against him. New laws were passed by parliament that sharply restricted public speech and activities by both faculty and students in the universities. While the laws are silent about private expression or publication, it is clear that academics with radical ideas might easily incur the government's disfavor.

These severe steps took place at a time when it seemed that some sociologists were beginning to express ideas that were critical of the prevailing social order. This is clearly evident in a number of articles published in Malaysian social science journals. Drawing upon theories of underdevelopment and dependency that focus attention on international capitalism as a primary cause of poverty and
inequality, some Malaysian sociologists were openly critical of current policies.

In spite of the government's restrictions on the universities, it is doubtful that there will be a reversal of this recent trend towards a critical social science that questions the conservative assumptions that underpin a capitalist model of development. The overseas postgraduate training of many young social scientists has exposed them to the leading social science theories in the United States and other countries. Within sociology, the emergence of dependency theories (Cockcroft, Frank, and Johnson 1972; Ossal, Barnett, and Booth 1975) and the world system perspective (Wallerstein 1974) is certain to influence Malaysian academics.

The rest of this chapter reviews several currents of sociological research on Malaysia. First, some selected (and neglected) topics in the historical development of Malaysia are discussed. Second, ethnic inequality, and, finally, recent research on policy questions are examined.

Sociological Studies of Historical Development

Malaysian history has not followed a linear course. The rise and fall of various indigenous empires, the waves of European colonial penetration, and the transformation of a subsistence economy into the world's leading producer of rubber and tin all have combined to make for a complicated past that does not lend itself to succinct generalization. There are a number of standard historical works on Malaysia (Ryan 1970; Kennedy 1965), but most tend to be written from a Eurocentric point of view with a focus on political issues and events. (For a more insightful historical survey, see the Malaysia parts of Steinberg, ed. 1972.)

The underlying social and economic processes that have transformed a sparsely settled feudal society into a relatively modern nation over the past 100 years and the impact of these immense changes on the lives of the peoples of Malaysia have been neglected areas of historical scholarship. For example, there is no standard work on the economic history of Malaysia, although Lim Chong-Yah (1967) and David Lim (1973) survey the main outlines of the economic and social structure. Li Dun-Jen (1955) offers one of the few critical appraisals of the economic situation during the colonial era. (For a review of research in this area, see Wong 1965.) Similarly, social history has also been neglected, the most outstanding exception being Roff (1967).

Generally, however, one must search the fugitive literature to locate sociologically relevant research on the historical development of Malaysia. In this section, I review some of the findings and themes of studies on three historical topics: (1) the origins of the plural society; (2) the development of the export economy; and (3) the role of the colonial government. The coverage of these topics and studies is illustrative and not exhaustive.

Origins of the Plural Society

The multi-ethnic diversity of contemporary Malaysia is a product of the substantial immigration from the poorer regions of Asia during the last half of the 19th and early decades of the 20th centuries. The numbers of immigrants as recorded by British colonial authorities have been tabulated and described by Saw Swee Hock (1963). The immigration figures are incomplete and limited so they do not allow resolution of many important questions about the growth and development of the plural society of Malaysia. (For an overview of issues, see Freedman 1960.)

Prior to the advent of British colonial rule, only impressionistic evidence is available on the size and composition of the population. However, it is fairly certain that contacts, traders, and even settlers from India and China came to the Malaysian peninsula over many centuries, dating back at least 1,000 years (Lamb 1964; Purcell 1948). The strong impact of Indian civilization on Malay culture is easily recognized.

But the real plural society was a creation of the 19th century. A crude estimate of the population of the peninsula in 1800 was 250,000. It increased to about 2,000,000 people at the end of the 19th century (Dodder 1968:26). Immigrants from China arrived in significant numbers early in the 19th century, although Blythe (1947; numbers early in the 19th century, although Blythe (1947; 66) dates 1850 as the beginning of large scale immigration of Chinese to Malaysia. Immigrants from India began
to arrive in significant numbers in the last two decades of the 19th century, but the major influx was during the first two decades of the 20th century (Sandhu 1969:312-313). Immigrants from the Dutch East Indies (Indonesia) were less well monitored. (Also see Smith 1952; and Samsul 1960.)

The salient topics for research on immigration to Malaysia include: (1) the impact of immigration and emigration on population growth and composition; (2) the social and economic causes of immigration; (3) the social history of recruitment of immigrants and of the immigrant communities; and (4) the spatial and social segregation of the immigrant communities from one another. On all these issues, there is some literature, although additional research is needed using existing sources, e.g., census data, historical documents, and records.

The link between immigration and population size and composition is complicated by the fact that there was also a sizeable flow of emigrants. In fact, most immigrants probably did return to their homelands after a fairly short stay in the peninsula (Farmer 1960:17). Yet we have little quantitative evidence on the magnitude of return-migration. National census data since 1911 documents well the growth of the relative numbers of Malays, Chinese, and Indians in Malaysia. (See the first table in every issue of the government publication, Monthly Statistical Bulletin and Chander 1977; Fell 1960.) By 1911 Malays were less than 60 percent of the total population of Peninsular Malaysia. Therefore the origins of the plural society had occurred before national census data were collected. Even with the limitations of the available data, there are considerable opportunities for historical demographic investigation on the magnitude and consequences of immigration on population change and composition.

The demand for labor in tin mining and, later, the rubber plantations, provided the stimulus for migration from China, India, and the Dutch East Indies. The mechanisms and processes of the transference of labor--some free and some coerced--across interna-

tional boundaries have been discussed by Plythe (1947), Saw (1963), and Sandhu (1969). As European colonists fanned out across the world in the 18th and 19th centuries, they established extractive industries (agriculture or mining) or enlarged existing ones. In most cases, these efforts required imported labor because indigenous populations correctly observed that the minimal pay and living standards offered in such enterprises were inferior to conditions in the traditional sector. It is suspected that strategies for seeking a captive labor force by British and Chinese capitalists in 19th century Malaysia were not too dissimilar from the situations elsewhere. A comparative analysis of this process in Malaysia and in other colonial situations could be a valuable research project.

While the history of the development of the plantation and tin economy in Malaysia may read exciting or romantic from afar, the lives of the immigrant communities who worked in the mines and estates were not. The wretched conditions of Chinese and Indian laborers in Malaysia have been chronicled by Plythe (1947) and in the much under-cited book by Jackson (1961). Because myths of the nostalgic past are not uncommon in contemporary Malaysia, we need a more detailed and comprehensive social history of the lives of the early immigrants and their families in Malaysia.

How did a fairly small country absorb so many immigrants over the past century, yet until the present has maintained pronounced ethnic segmentation with relatively little assimilation? Most observers of Malaysia accept the profound ethnic divisions as a simple result of differences in cultural beliefs and religious preferences (Edmonds 1968). However, there is far more to this question, especially in the 19th century, when the institutional barriers of the 20th century had not been formed. There was certainly a fair amount of intermarriage between the Indian Muslims and the Malay communities that continues to the present (Nagata 1974b). The Chinese Baba community is another important exception to the rule of ethnic segmentation.
The Baba Chinese, descendants of early Chinese immigrants to Malaysia, intermarried with Malays and adopted their dress, cuisine, and considerable Malay culture. Although the Baba community is still present in Malaysia, it has been suggested that this process of assimilation of the Chinese community was reversed when the huge number of Chinese immigrants arrived in the latter part of the 19th century (Freedman 1955). There has not been, to my knowledge, any detailed examination of this hypothesis, or of the magnitude of the Baba Chinese community.

Another factor that may have encouraged ethnic orientation was the policies and attitudes of the colonial government (Chan 1977). By treating the Chinese and Indians as temporary sojourners, yet encouraging their immigration and settlement, many of the seeds for the basic problems of today were sown. Different policies in education, government employment, access to land, as well as informal practices, led to ethnic isolation (and also some animosity) that could not be indefinitely maintained. These questions and more remain to be more fully researched.

Development of the Export Economy

Coincident with the major wave of immigration to the peninsula, Malaysia's economy was transformed from a subsistence base with some minor trading, to the world's largest producer of tin and natural rubber. These developments not only required adequate cheap labor, but large amounts of capital, fairly complex domestic and international organization, and access to land and freedom of operations in Malaysia. All of these conditions were made possible by the expansion of the world capitalist system and the spread of colonialism to areas of primary production. As the industrial revolution spread in the West, the demand for raw materials grew. In large measure, the growth of production and trade in non-European countries was organized by Europeans. Not only did these developments further the wealth and power of Western interests, but they also transformed the socioeconomic structures of peripheral countries. (For additional background on these themes, see Wallerstein 1974 and Geertz 1961.)

In Malaysia, the physical landscape and social structure were transformed by these events. Capital-intensive tin mines and agricultural plantations dotted the country, especially along the west coast. Political power shifted from the weak feudal power of the Malay sultanate to the colonial bureaucracy. While the bulk of these changes were felt in foreign dominated export enclaves and the towns of the country, the entire society was affected. To some extent, market activities entered all but the most remote areas. Large numbers of Malay peasants entered the export sector as wage laborers or smallholder growers of export crops. These changes have been described only partially in the literature. (For the best general economic survey, see Lin Chong-Yah 1967. Other general references on the Malaysian economy include the International Bank for Reconstruction and Development 1955; Silcock 1961a, 1961b, 1963a; Silcock and Fisk 1963; Sumitro 1969; and Kanapathy 1970a.)

The most comprehensive work to date on the rubber industry has been John H. Drabble's Rubber in Malaya: 1876-1922: The Genesis of the Industry (1973). The major source on the development of the tin industry is Yip Yat-Hoong's encyclopedic book (1969). The rarely cited book by Li Dun-Jen (1955) is one of the few general attempts at economic history. There is also an emerging literature on the reinterpretation of Malaysian economic and political history from a radical perspective (Amin and Caldwell 1977; Bach 1976; Cham 1975, 1977).

The role of foreign enterprise in the transformation of the Malaysian economy, and its continued dominance, is a neglected topic. A largely descriptive account is provided by Allen and Donnithorne (1957). The most critical analysis has been by J. J. Puthucheary (1960) who wrote his book while in prison. There are considerable opportunities for research on the dynamics of economic transformation of colonial Malays and its legacy to the contemporary society.
The Role of the Colonial Government

The role and actions of the state are rarely analyzed in the social science literature, including that of sociology. In any contemporary developing country, this omission is less often encountered. The government is not only the primary mobilizer of resources for development, but its policies are understood to provide the environment that conditions all other social relations. This viewpoint is needed to understand the historical development of Malaysia. Much of the literature on the history of Malaysia focuses upon the government, its formal structures, the changes of personnel, and its overall characteristics. But less attention has been paid to the ways in which colonial policy shaped the nature of society and the differential opportunities accorded various ethnic and social groups of the population.

For instance, it is recognized that the colonial government favored the British colonial capitalists at the expense of any indigenous entrepreneurial class (Drabbel 1973; Yip 1969). However, other policies are thought to have been fair or perhaps protective of disadvantaged groups in society (especially regarding the Malay community). Closer examination of this topic is required to distinguish between myth and reality. For instance, there is a great deal of evidence to argue that British educational policies both inhibited the entry of Malays into the modern sector (Hirschman 1972; Roff 1967; Chang 1973) as well as encouraged ethnic segmentation. A less successful colonial policy, encouraged by the Malay aristocracy, was to prevent the Malay peasantry from engaging in smallholding rubber, a more economically remunerative crop than rice (Drabble 1973; Rudner 1970a). One might conclude that the poorer economic plight of the Malay community was as much a product of colonial policy as their feudal-agrarian origins.

Similarly the fiscal policies of the colonial government are a neglected topic. While one might suppose that the public investments in roads, schools, and hospitals were due to the wealth provided by rubber and tin, it is surprising to note that the leading source of government revenue during the early decades of colonial rule was the tax on opium smoked by Chinese laborers (Li 1955). The colonial government did not discourage opium smoking. In fact, after studying the problem, the government decided that opium was not that harmful and made its distribution and retailing a government monopoly (Li 1955).

Perhaps the most detailed analyses of the colonial government policies and their impact on society have been a series of studies by Martin Rudner (1970b; 1971; 1972; 1975a; 1975b; 1976a; 1976b). Rudner looks at the formulation of policy to see what interests in society favored or opposed it. He then examines the socio-economic consequences for society and for different social and economic groups. Rudner's writings elucidate the inherent dilemma in colonial policy-making, the interest in maintaining the status quo (which favors the dominant social classes, particularly colonial elites and capitalists) versus the need for an energetic public sector which is actively mobilizing resources for development. This dilemma was particularly acute in post-war colonial Malaya when developmental goals were a more serious obligation. The "Emergency" also put the legitimacy of the colonial government into doubt. Portuitously, the boom in rubber prices caused by the Korean War made it possible for the government to achieve several goals at once (Stubbs 1974).

The study of the colonial government's policies is not only of historical interest. The impact of colonial policies and thinking still has marked, though lessening, impact on contemporary Malaysia. To see the past more clearly is essential to understand better the present.

Studies of Ethnic Inequality

Almost every scholarly work on Malaysia, not to mention journalistic reports, discusses ethnic differences of the Malay, Chinese and Indian communities. In many cases, the focus is entirely on ethnic variations in behavior or orientations, or alternatively the focus of the research (politics, bureaucracy, or education) is explained in terms of ethnic factors. While such a preoccupation with ethnicity is unavoidable, given the ethnic segmentation in Malaysia, I am skeptical that the product has led to a cumulative store of knowledge or understanding of ethnic divisions,
their causes, or consequences. The development of a cumulative body of research requires theoretical underpinning as well as observation. For instance, there is a considerable amount of scholarship on Malaysia that repeats popular ethnic stereotypes in academic garb. Usually these sources offer a crude theory that contrasts Chinese enterprise and ambition with Malay attachment to tradition. A certain amount of reality accords with this view, but there is also a great amount of contrary evidence. Moreover, the focus on ethnic contrasts often blinds the investigator to within-ethnic group heterogeneity which is considerable. It also limits the importance of other institutional factors that are crucial to understand ethnic patterns in Malaysia. (For an insightful essay on class divisions within ethnic groups, see Stenson 1976.)

In this section, some of the major social scientific accounts (only partially by sociologists) are reviewed that measure and interpret patterns of ethnic inequality in Malaysia. This survey begins with studies that have examined differential ethnic patterns in a variety of demographic, socio-economic, and institutional areas. The range of theoretical explanations that could account for ethnic inequality follows. Finally, an assessment is made of the state of empirical support for the alternative theories.

Ethnic Differences and Inequality

There are two classic works on ethnic inequality, one more than a decade old, the other soon to be published. K. J. Ratnam's *Communalism and the Political Process in Malaya* (1965) is a thorough survey of the historical background on ethnic politics, including the constitutional issues. It is an essential reference for all students of Malaysian ethnicity. Donald Snodgrass's forthcoming book, *Inequality and Economic Development in Malaysia*, will become the leading work on ethnic inequality in Malaysia. It contains a most thorough survey of the secondary literature as well as original empirical investigations of income inequality and government efforts at redistribution.

The differences between the Malay, Chinese and Indian communities are considerable in terms of residence, occupation, demographic measures, and other social and economic characteristics. A number of studies have documented these differences, although there have been few investigations of changes in the differences over the years.

The basic reference on ethnic variation in fertility and population growth is T. E. Smith (1952), although it is based entirely on the 1947 Census. More recent analyses of family and fertility patterns by ethnic community include Caldwell (1963b), Cho et al. (1968), Palmore and Ariffin (1969), Palmore et al. (1970; 1975) and Saw (1966a; 1967a; 1967b). There have been a few studies of mortality in Malaysia (Saw 1966b; 1967c; Zainal and Kairuddin 1974), although none has examined ethnic differences.


The socio-economic differences between Malays, Chinese, and Indians are substantial. General surveys of these differences are presented in Ma and You's (1960) analysis of 1957 Census data and Arles' (1971) descriptive account based upon the 1967-68 Malaysia Socio-economic Survey of Households. (Also see the review articles by Mokhzani, 1965; Nagata, 1975; Riaz, 1973; and Silcock, 1965.)

Differential educational attainment across ethnic communities is examined in detail in the report based upon the Drop-out Survey conducted by Alan Wilson (Ministry of Education, Malaysia 1973; Hirschman 1972). The question of income inequality (both between and within ethnic communities) has become a sensitive issue of late. Although the available data on this question...
are minimal (more have been collected but not published), there is a growing literature on the topic (Lee 1977; Hirschman 1974; Lim Lin Lean 1970, 1971, 1974; and Snodgrass’s forthcoming book). The differential participation of women in the economy is examined by Jones (1965), Pong (1975), and Hirschman and Aghajanian (1979).

In addition to the literature on differences in socio-economic characteristics between ethnic communities, ethnic factors and interests are examined in most analyses of Malaysian politics (Enloe 1968; 1970; Means 1970; Nash 1974; Ratnam and Milne 1967; Vasil 1971; 1972), political ideology (Scott 1968; Silcock and Aziz 1953; Soenarno 1960), and the governmental bureaucracy (Esman 1972; Ness 1967; and Tilman 1964). Most recently there have been attempts to describe and explain the outbreak of inter-ethnic violence in Kuala Lumpur after the 1969 elections (Cagliano 1970; Goh 1971; National Operations Council 1969; Reid 1962).

These studies of ethnic differences and inequality have contributed to our knowledge, but the real question is how these differences can be explained.

Theories of Ethnic Inequality

Theoretical attempts to explain inequality between ethnic communities are still in a pre-paradigmatic stage in the social sciences. Within the field of sociology, Robert Park, E. Franklin Frazier, Pierre van den Berghe, Michael Hechter, Stanley Lieberson, Donald Noel, and Richard Schermerhorn have formulated general theories that could generate cross-cultural research. I shall not explicate or contrast these different theories in this chapter (see Hirschman, 1978b). Suffice to say, there is no consensus about the key factors that lead to ethnic assimilation or segmentation in different societies. Three middle-range theories ("mini theories") are presented that are useful in reviewing the empirical research on Malaysia. These middle-range theories point to the proximate factors that maintain inequality across generations. The origins of ethnic inequality and causes of changes in social institutions are topics beyond the scope of these middle-range theories. These three theories or hypotheses are labeled: (1) the social origins hypothesis; (2) the cultural values hypothesis; and (3) the discrimination hypothesis.

Social Origins Hypothesis

The social origins hypothesis posits that ethnic inequality in the present generation is a result of differential characteristics of the parents (social origins) of the previous generation. For instance, consider the proportions of each ethnic community in the agricultural sector. One can assume that the son of a farmer in all ethnic communities has an equal chance for leaving the agricultural sector (social mobility), but one ethnic group may have a larger share in agriculture because of their higher proportion of parents in agriculture. Over the long term, equal mobility patterns will result in equal occupational structures across ethnic communities. However, for one or two generations, unequal social origins may result in ethnic inequality even with equal prospects of social mobility. The social origins hypothesis is one not generally discussed in studies of inequality in Malaysia, although it is implicitly recognized that there is a lag between social change and its consequences.

Cultural Values Hypothesis

A leading theory of ethnic inequality in Malaysia is the cultural values hypothesis. This perspective claims that inequality results from differential values toward achievement that are part of the culture of each ethnic group. For instance, the higher levels of economic success among the Chinese in Malaysia are attributed to Chinese values that include thrift, business acumen, and social prestige accorded to the successful individuals. The basics of this perspective are akin to Max Weber’s ideas on the link between the “Protestant ethic and the spirit of capitalism.” Additionally, the social-psychological theories of David McClelland (on the “need for
achievement") and Alex Inkeles (on "modernity") are similar to the basic mechanism in the cultural values theory of ethnic inequality. According to this theory, the lesser socio-economic success of the Malay community would be explained by their traditional culture which lacks values of achievement.

The Discrimination Hypothesis

The third theory is similar to the second in that differential social mobility is the basic mechanism that maintains ethnic inequality across generations. However, the presumed causes are different in the discrimination hypothesis. It is not the differential aspirations and ambitions of ethnic groups that maintain inequality, but their differential treatment by gatekeepers in the social system. While discrimination has the connotations of invidious behavior, it may be a preference of an employer to hire a family member over a stranger whose mother tongue is different. But no matter what the motive, discrimination will result in unequal rewards for equal qualifications and serve to maintain ethnic inequality across generations.

With these alternative theories as a conceptual background, the arguments and evidence that have been considered in research on Malaysia are analyzed.

The Debate Over the Causes of Ethnic Inequality in Malaysia

The most popular theory, in Malaysian public opinion as well as among academic observers of Malaysia, is the cultural values hypothesis. This interpretation can be found in any number of analytical and descriptive studies of Malaysia.

They (Malays) have a great deal of native charm, a simple way of life and a concept of leisure which is likely to be operative through any part of a 24-hour period (Wikkramatileke 1964:38).

Most of the Malays were peasants and fishermen. Their environment was not conducive to education and their culture did not induce them to want it (Silcock 1963a:26).

These statements range from the simplistic to the sophisticated. But the implication is clear that Malays are less successful in the economic sphere because their cultural values are deficient. The reverse is true for Chinese values. The strongest statement of this hypothesis is in an essay by an economist, Brian Parkinson (1967). He credits the origination of his hypothesis to "some anthropologists and European scholars of the Malay Language" which he expresses as,

... a contributory cause of the Malays' economic stagnation is their attitude
toward economic development. Malys have been generally resistant to change and have, in consequence, been unwilling to adapt their lives to modern conditions and techniques (1967:32. Emphasis is in the original).

Parkinson goes on to argue his case and makes a number of specific points: 1) Malay farmers are reluctant to innovate and try double-cropping of rice; 2) Malys have generally opposed cooperatives and prefer traditional methods of raising credit; 3) Malys traditionally were uninterested in formal education, although not today; 4) Malys resist any change that is incompatible with traditional life or their religio-mystic beliefs; 5) Malys are fatalistic; 6) Malys prefer the security of government employment to other vocation; and 7) Malys are reluctant to leave their villages to live in the cities.

In support of these rather strong assertions, Parkinson offers no original data. He cites colonial observers of Malay society such as Wilkinson and the work of social anthropologists such as Raymond Firth, M. G. Swift, and Maurice Freedman. Parkinson's article brought a sharp critique from an anthropologist, William Wilder (1968), which was followed by a reply from Parkinson (1968). The exchange was a vitriolic with no obvious winner. Wilder charged Parkinson with selective use of sources and offered counter-observations based upon his anthropological field work in Pahang. Parkinson retreated a bit, and admitted that contemporary Malay society may be changing from his general observations. Generally, he stuck to his position and charged that Wilder misquoted or misunderstood him.

To evaluate the cultural values hypothesis of Parkinson and others, the empirical literature is reviewed on three relevant topics: 1) the response of the Malay peasantry to economic opportunities; 2) ethnic variations in educational achievement; and 3) recent multivariate studies of occupational and income stratification by ethnic communities. In each case, the relative strengths of the cultural values hypothesis relative to the two alternative theories of differential social origins and discrimination are examined.

Malay Peasantry and Economic Opportunities

There are two aspects to the question of whether Malay farmers are resistant to change (or more resistant to change than other ethnic communities). One is the historical issue: Why did Malys not leave traditional agriculture in the early part of the 20th century to enter wage labor in the plantations, mines and towns? The second aspect is whether Malay farmers of today are reluctant to try new technological methods or are as efficient in their practices as non-Malay agriculturists. We consider first the historical question.

It is true that most Malys did not rush forward to become laborers in the early tin mines and on the rubber plantations of British Malaya. This meant that the British (and Chinese) capitalists had to seek laborers in China, India, and the Dutch East Indies. The reluctance of indigenous peoples to work in export enclaves is a world-wide phenomenon, and has been accorded the title of an economic concept, "the backward bending supply of labor." The assumption of this concept (and the usual colonial interpretation) was that the Malay population preferred leisure to the higher income of wage employment. The assumption of higher real incomes in wage employment (relative to traditional village agriculture) is doubtful. If the accounts of Jackson (1961) and Sylthe (1947) on the living conditions and compensation of Chinese and Indian laborers on estates and mines are true, one wonders why any Malay chose to enter this sector. It seems a reasonable proposition that mortality levels and average levels of real compensation (and personal freedom) were better in Malay villages than in the early European-owned mines and estates. The Malys who did choose to become laborers must have had few alternatives, or were economically irrational. (For a similar argument, see Lim Chong-Yah 1967:115, 122.)
However, there is evidence that the rural Malay peasantry did respond to real economic opportunities, namely in the large-scale innovation of smallholding rubber early in the 20th century (see Rudner 1970a; Drabble 1973). There is no question that rubber always has been a more profitable crop than rice for Malay farmers. Uneducated and isolated Malay farmers were aware of this opportunity. The obstacles to the innovation of rubber production were considerable. New land had to be cleared. After the seeds were planted, it took six to seven years until the trees began to produce latex. (In sociological parlance, it required considerable deferred gratification.) Since rubber is not a consumable product, smallholders had to enter the market to sell their product, not a small step for many peasants.

Moreover, the whole process of acquiring the rubber seeds, learning a new agricultural technology, and opening new lands had to be done in the face of official opposition from both the colonial bureaucracy and the traditional Malay aristocracy. Both groups wished to maintain the Malay community, without exposing it to the commercial world that was transforming the country. Laws were passed to prevent the transference of rice lands to rubber, and the government generally discouraged Malay farmers from planting rubber smallholdings. By 1947, one-quarter of all Malay male farmers said rubber was their primary crop (Del Tufo 1949: 78-87), and a large number may have grown rubber as a minor crop. This is not a sign of a peasantry uninterested in economic improvement.

What about contemporary Malay farmers? Are they inefficient farmers and uninterested in technological changes to improve their livelihood? While most farmers are fairly conservative in the short run, most agricultural economists (e.g. Clifford Wharton) interpret this as the avoidance of risk-taking for subsistence-level farmers. For those who live with little or no margin above subsistence needs, the chance that a new seed variety will not work or the risk of borrowing money for new agricultural inputs are too great to take. However, policies that cover some of the risks for farmers with agricultural extension services, access to credit, and subsidies appear to allow agricultural innovation to take place fairly quickly. The Third Malaysia Plan reports that the area under double-cropping grew by over 60 percent from 1970 to 1975 in Peninsular Malaysia and yields per acre also increased (Malaysia 1976: 295). Of course, the basis for such changes is the tremendous government investment in irrigation facilities. Yet the cooperation and efforts of farmers were also essential ingredients.

A recent article compared the economic performance of Malay and Chinese rice farmers in Malaysia, and found that the latter had yields about 25 percent greater per acre than the former farmers (Huang 1974). Huang offers as a partial explanation "...the greater innovativeness and profit orientation of the immigrant (Chinese) groups" (1974:185). However, a close reading of the author's evidence shows other possible interpretations. One reason for the greater productivity of Chinese farmers was their higher inputs, especially hired labor and tractors, which raised the costs of production. The ethnic difference in net value or profit is only about 12 percent, half of the yield difference (Huang 1974:180). Another factor was that two-thirds of the Malay farmers had second jobs (off their own farms), while less than one-third of the Chinese farmers did. While the differential farm productivity may suggest that Malays were slightly less efficient than the Chinese farmers, their higher proportion with extra jobs may suggest that Malay farmers are even more acquisitive-minded. To conclude, there is little empirical support for the thesis that the Malay peasantry are uninterested in socio-economic change if it offers a realistic prospect for a better life.

Education and Ethnicity

The main points in the relevant literature on educational patterns by ethnicity in Malaysia can be summarized quickly. Chinese and Indian educational attainment traditionally have exceeded those of the Malay community. But is this difference due to lesser
Malay aspiration and interest in education or to the fewer educational opportunities? Until after Independence, most secondary schools were in urban areas where Malays were less likely to live. An additional factor was that English primary schooling was almost a prerequisite for entry into secondary school. Since English primary schools were also concentrated in towns and cities, this was another disadvantage for the predominately rural Malay population.

One way to address this question is to divide the educational attainment ladder into stages that would allow for separate investigation of steps which can be identified as related to accessibility (Hirschman 1972; 1979). For instance, one can label the steps of entry into primary school and the transition from primary to secondary school (Standard 6 to Form 1) as those that are heavily influenced by the nearness of schools (accessibility). The process of continuing from the beginning to the end of primary school and from lower secondary to middle secondary would be stages that are only affected by interest and ability in schooling. When one decomposed the educational process in this manner, almost all of the lower attainment of Malay students during the colonial era can be related to the problem of accessibility of schools (Hirschman 1972). A recent analysis, based upon the same strategy with 1970 Census data, shows that almost all of the Malay-Chinese-Indian differences in educational attainment have been eliminated for the youngest cohorts, whose education was in the post-Independence era when schooling was more freely accessible (Hirschman 1979). Another empirical study controls for differences in rural-urban birthplace and father's occupation (measure of socio-economic status). It finds that the Malay-Chinese gap in educational attainment is reduced by 80 percent (Hirschman 1975a:59-61).

In contrast to the cultural values hypothesis, actual measurement of aspirations has found that Malay students have higher educational and occupational expectations than Chinese youth (Takei, Bock, and Saunders 1973; Wilson 1977).

These statements do not mean that all ethnic differences in education have been eliminated. Malay youth do less well than the Chinese in national exams, and have been traditionally concentrated in the humanistic, rather than the scientific disciplines in the universities (Wang 1977). But these differences do not seem to be explicable in terms of differential cultural values or in terms of the archaic biological theory of genetic differences between ethnic groups (Mahathir 1970). Since discrimination is also an unlikely explanation in educational institutions where merit can be objectively measured, the social origins hypothesis seems most convincing (Hirschman 1972; 1975a).

Ethnic Occupational and Income Variations

The final topic is the ethnic variation in occupational and income attainment. All Malaysian census and survey data show substantial differences in the occupational composition between the ethnic communities. A much higher fraction of Malays is concentrated in the agricultural sector, while Chinese have a much more diversified occupational structure, with substantial fractions in sales and skilled blue collar occupations. Indians are intermediate between Malays and Chinese. Trend analyses of the occupational differences are limited because of methodological problems in comparing different data sources. Yet some studies show only a modest narrowing of ethnic occupational differentials over the last few decades (Hirschman 1975a: Chapter 3). The studies of ethnic differences in income show a wide gap and no sign of narrowing (Lim Lin-Tean 1974; Lee 1977; Snodgrass, forthcoming).

In a direct test of the social origins hypothesis, the magnitude of ethnic inequality in occupational and income attainment was examined among a survey sample of adult married men (Hirschman 1975a; 1976b). Almost two-thirds of the income difference between Malay and Chinese males could be explained by differential social backgrounds, particularly father's occupation and birthplace. This leaves a small income gap that could potentially be explained
The patterns of ethnic inequality in occupations were more complex. For most white collar occupations (professional and clerical) ethnic differences were at negligible levels when social origins were controlled. But in sales and craft occupations, Chinese had a significant advantage over Malays with all relevant social background variables controlled. How can these variations be explained?

It appears that most of the Malay disadvantage in socio-economic characteristics (education, occupation, and income) is because they come disproportionately from rural-agrarian origins. And since a rural-agrarian background is a handicap, Malays are the most disadvantaged. With equivalent social backgrounds Malays do about as well as the Chinese and Indians.

But in two occupational groups, social background seems to be less important than ethnicity. These two occupations are sales and crafts. For these two sectors, we are left with either the cultural values or discrimination hypothesis. I lean towards the discrimination explanation for the following reasons. Sales and craft occupations predominate in what might be called the small shop sector. The small shop sector includes retail enterprises and small-scale manufacturing and repair establishments. These businesses are largely owned and managed by Chinese and Indian entrepreneurs. Employees primarily are members of the owner's extended families. This makes it difficult if not impossible until recently for Malays to enter these occupations, unless they are entrepreneurs themselves.

To reconsider the alternative theories of ethnic inequality in Malaysia, the empirical literature tends to weigh most heavily against the cultural values hypothesis. (This does not mean that there are no cultural differences between ethnic communities, but only that these differences do not explain most of the wide socio-economic variations.) While the social origins hypothesis seems to be the most credible, there is a modest support for the discrimination hypothesis. The final word on the questions raised in this section are yet to be heard. Research needed to test the alternative theories is only beginning, and there will be more to add to these observations in a few years. All of the studies reviewed in this chapter pertain to the pre-1970 period. How the New Economic Policy and its explicit targets have restructured society have not been researched.

Recent Research On Public Policy Questions

Most social science research has relevance, if only implicitly, for policy issues. But the findings of research are rarely translated into the arena of policy-makers, particularly for use in the formulation of policy. The reasons for this situation are beyond the scope of this chapter. Suffice to say that institutional politics not only has its own sources of information, but they are based upon interest group bargaining. This is an area to which disinterested researchers rarely have entry.

This does not mean that research will not be concerned with policy issues. In fact, policy questions may be the single most significant factor in stimulating social science research. This is especially true in developing countries such as Malaysia where the government is seen to be the prime mobilizer of resources and manpower. Much of public policy in Malaysia is formalized in the documents of the five-year plans (and the mid-term reviews) which state national priorities and the designated strategies to achieve them.

Reaction to development plans have often been the focus of social scientists in Malaysia. For a number of years, an annual symposium, The Great Economic Debates, was held at the Faculty of Economics and Administration of the University of Malaya. The papers were later published in Ekonomi. Most recently the annual conventions of the Malaysian Economics Association focus upon a theme related to developmental policy. The proceedings of these con-
ventions are published by the Malaysian Economics Association. (See Chee and Khoo 1975.)

With the publication of the second Malaysia Plan (Malaysia 1971), the government made explicit the two objectives: 1) restructuring society to eliminate the association of economic roles and race (ethnicity) and 2) the elimination of poverty in all communities. These redistributive goals were to be as important as the objective of rapid economic development. These bold policies have also served to focus much of recent social science research in Malaysia.

In the final section of this chapter, a review is offered of some recent studies on two general policy themes: 1) the basic strategy for socio-economic development; and 2) government plans to eradicate poverty and restructure society. Within these broad topics, only selected questions and their presence in the literature are discussed.

Policies for Socio-Economic Development

After Independence in 1957 Malaysia (Malaya) pursued economic development in a basically laissez-faire strategy, albeit with an active public sector (Ness 1964; Silcock 1965b; Rudner 1971; 1975a). The role of the government was to provide physical infrastructure (roads, harbors, and telecommunications), and generally to expand the investment in human resources through educational and health programs. The one area of direct government involvement was in rural development. (For the classic account see Ness 1967.) The government attempted in this area to bring some aspects of modern life to rural villages (water, electricity, and roads) and also to open large tracts of land for agricultural (rubber and oil palm) settlement by landless peasants.

The actual record of economic development during this period (1957-1970) must be judged a success on most traditional measures (Kaspar 1974). Economic growth averaged about six percent per annum, which meant a per-capita growth of about three percent per year (Hirschman 1974). Additionally there was considerable economic diversification during this period with the expansion of agricultural crops other than rubber and fairly rapid growth in the manufacturing sector (David Lin 1973).

Other signs of progress between 1957-1970 include the reductions in mortality and fertility, and rapid population growth began to decline (Cho, Palmore, and Saunders 1968; Palmore, Chander, and Fernandez 1975; Hirschman 1978a). Although the fertility decline began before the national family planning program started in 1967, there is evidence that the program is effective (Johnson, Tan, and Corsa 1973).

But there are signs of slow progress in other areas. Unemployment and the problem of labor underutilization in general remain major issues (David Lim 1973; Chapter 9; Blake 1973; for evidence on rural underemployment, see Purcal 1965; 1971). The basic problems of ethnic inequality and income distribution were unresolved and perhaps worsened (David Lim 1973; Chapter 10; Lim Lin Lean 1974; Hirschman 1974). The pace of urbanization during this period was remarkably slow (Pryor 1973; Narayanan 1975; Hirschman 1976a). Finally, there appears to have been a significant amount of emigration (Hirschman 1975b).

Some have argued that more dynamic policies with a stronger focus on export industrialization would yield higher economic growth rates (Kaspar 1973). There are considerable opportunities for expansion of public spending by Malaysian policy-makers. In contrast to most developing countries, there does not appear to be a shortage of domestic capital for investment in Malaysia (Drake 1969). But the real question of how to best mobilize both private and public resources for development is disputed.

The heavy reliance on foreign investment is one issue that has drawn considerable attention. Through a variety of incentives, the government has encouraged multinational corporations to establish industrial plants in Malaysia. There is little doubt that some
foreign firms have taken more capital out of Malaysia than they have invested (Kanapathy 1970b; Mann 1977). One study shows that the rate of reinvestment was lower for foreign firms than locally owned ones (Hirschman 1971).

These questions assume greater importance with the unequivocal evidence that both the traditional pillars of the economy (rubber and tin) as well as the growing industrial sector are substantially owned (if not dominated) by foreign interests (Puthucheary 1960; Wheelwright 1965). A recent conference on multinational corporations in Malaysia presented a variety of views, but no consensus (Chee and Khoo 1974). There are some academics (and others) in Malaysia who argue for an end of the freedom of foreign investment in Malaysia (Lim Mah Hui 1974). The government's objective is to reduce the share of foreign ownership of the Malaysian corporate sector from 63 percent in 1970 to 30 percent in 1990. It is unclear how this is to be accomplished without a clear break from past policies. (For the government's objective, see Malaysia 1976:88.)

Since 1970 and the New Economic Policy, there has been a greater reliance on the public sector to stimulate economic growth. The objective has been less to disturb the private enterprise system, but to guarantee a stake for Malay interests in its development. So with government financing and support, a large number of public corporations have entered into a variety of sectors. Perhaps it is too soon to judge the effects of these new measures, but it does appear that there are a number of emerging bureaucratic problems of duplication of effort and lack of evaluation of economic returns (Thillainathan 1976).

**The Eradication of Poverty and the Restructuring of Society**

While most governments in developing societies (or developed societies for that matter) are interested in the elimination of poverty and ethnic or regional inequality, these goals are rarely given more than lip-service (excluding socialist societies). The redistributive goals usually are seen to be secondary to, and perhaps somewhat in conflict with, the primary object of rapid economic growth. This is not the case in Malaysia. The facts of political life make it imperative that the government improve the lives of the Malay population who constitute both the majority of the disadvantaged and the electorate. In 1970, in the aftermath of the 1969 ethnic disorders, the government re-evaluated the indirect policies of the 1960's, and put forth the New Economic Policy as part of the Second Malaysia Plan. As noted earlier, the eradication of poverty in all ethnic communities and restructuring of society to eliminate the identification of ethnicity with economic roles were the two key objectives.

There are some basic unresolved questions on the feasibility of the specific objectives of employment and wealth distribution, if all of the new opportunities are supposed to come from growth, not redistribution (Thillainathan 1970; 1974). These possibilities are not considered here. Instead I focus on two other topics that have drawn considerable attention from critics of Malaysian policy: 1) the issue of rural Malay poverty; and 2) the dilemma of whether the creation of a class of Malay capitalists is an adequate substitute for upliftment of the Malay population.

As electoral pressures on the government to ameliorate the conditions of the rural Malay community began to be felt in the late 1950s, public policy shifted to a focus on rural development. But the causes of rural poverty are controversial, and academic critics have described the weaknesses of government rural development policy (Aziz 1958; 1962a; 1962b; 1964; Fisk 1962; 1963a; 1963b; Chee and Khoo 1975, Part III). The basic flaw in government policy, identified by Fisk (1963a), was the assumption that one could create a prosperous Malay community and maintain them in a rural agricultural way of life. The fact is that peasant agriculture, especially in rice production, will only yield a minimal income in comparison to other sectors of the economy. Thus,
any real policy to improve the plight of the Malay peasantry must simultaneously encourage sectoral mobility into non-agricultural jobs.

Other basic factors accounting for rural poverty are landlessness and uneconomic size holdings, low productivity, and exploitation by landlords, middlemen, and the export sector in general (Aziz 1962b; Gamba 1958). The problem of land tenure is critical and has been a recurrent theme in empirical studies of the rural economy (T. B. Wilson 1958; Ho 1967; Husin Ali 1972). Land tenancy is greatest in rice areas where incomes are the lowest. Data from the 1960 Census of Agriculture revealed that 80 percent of all rice farms were less than five acres in size (Abdul Halim Ismail 1975:222). Since a rice farm of 6.3 acres (assuming ownership) was thought to be the size necessary for the minimal family income $200 (M) per month (1971 prices), the magnitude of the problem is overwhelming (Abdul Halim Ismail 1975:221).

The basic government strategy to deal with rural poverty has been resettlement programs, exemplified by the acclaimed Felda program. Landless peasants are given land with newly planted rubber or oil palm, sufficient to ensure a prosperous livelihood. Actually the settlers on Felda schemes are not given anything for they must repay the government the cost of land development and living allowance advanced to them until the rubber or oil palm are harvested. For the most part, settlers on Felda have greatly improved their economic situation, ignoring for the moment, the prospects for the children of the settlers.

But the basic limitation of the resettlement program is that the cost of land development is so great that the number of potential settlers is only a small fraction of the rural peasantry. In a review of land development programs, Hussain Wafa notes that although Felda has opened more than 500,000 acres through 1973, less than 30,000 settler families had benefitted (1975:169). In his inaugural lecture as professor of economics at the University of Malaya, Aziz observes, "Land development and land settlement are excellent devices, but the few thousand that benefit each year make up less than ten percent of the total number who become landless every year" (1964:87).

The policies of land reform in existing agricultural areas, and the expansion of jobs in the non-agricultural sector are yet to be addressed, even in the post-1970 era.

The other issue is the eradication of the ethnic association with economic status. This can be resolved in several ways. For instance, if poverty were to be eliminated in all ethnic communities, most of the assistance would be directed at the Malay community because this is where the need is the greatest. Such a program would minimize inter-ethnic inequality, and also reduce intra-ethnic inequality. But other policies aimed at reducing the Malay economic disadvantage would not necessarily have this effect. Government assistance to help Malay entrepreneurs and to increase the ownership of wealth in the Malay community would certainly minimize some inter-ethnic differences. But it would also serve to widen intra-ethnic inequality in the Malay community. These policies would not ease the plight of the Malay poor.

Although the government policy is aimed at both objectives (the elimination of poverty in all communities and of economic differences between Malays and non-Malays), a number of critics have suggested that the elimination of poverty goal has become secondary to the creation of a Malay business class in the implementation of policy (Thillainathan 1975). Thus, a tremendous effort is being made to insure that the Malays are hired as part of the administrative-managerial elite in the private and public corporations and that Malay interests are well represented in the ownership of corporate wealth. As one political observer put it, the aim seems to be to create 100 wealthy Malay families to rival the few hundred rich Chinese families (Tan Chee-Khoon 1973).

If these observations are true, this issue raises some important questions about the consequences of
such policies. First, can a class of entrepreneurs be created by government initiative? In a trenchant critique of the Second Malaysia Plan, Syed Hussein Alatas (1972) charges that such a plan is impossible. He claims that successful entrepreneurs are only made by personal efforts and that government favoritism (non-competitive contracts, etc.) will only create a dependent bourgeoisie.

The unexpressed assumption of government aid to Malay business is that the benefits will trickle down to the Malay peasantry. Perhaps as role models, such entrepreneurs will expand the ambition of Malay youth. But, as noted earlier, Malay students already have higher educational and occupation aspirations than Chinese and Indian students. Will Malay businessmen provide greater economic opportunities to the majority of the poor rural Malay community? It is doubtful that the benefits will diffuse widely among the Malay community. As Puthucheary pointed out years ago, the presence of a number of rich Chinese capitalists has not in any way alleviated the plight of the poor Chinese (1960:179).

As the direction of government policy and its consequences become manifest in the coming years, it will be possible to address these questions in a more adequate way.

Conclusions

The topics and literature reviewed in this chapter are too numerous and varied to be easily summarized. Instead, some general comments on future directions in the sociology of Malaysia are offered. My views are not a prediction of what the future may bring, but more a subjective judgement of how to best improve the scope of scholarly research. First, I am not a firm believer in disciplinary boundaries. Much of the past social science on Malaysia has been dominated by economists, and for this reason, other social sciences such as sociology may wish to chart out their own unique substantive territory. I believe this would be a serious mistake. The structure and problems of society are not organized for the convenience of disciplinary perspectives. It is incumbent upon all social scientists to draw upon the theories, methods, and data of other disciplines to communicate with other scholars and also to grasp all aspects of society. With the overwhelming attention on the issues of development and equality in Malaysia, I feel that the potential for interdisciplinary communication and research is promising.

Another imperative direction for the development of Malaysian sociology is towards empirical research. Some have argued that society is reluctant to acknowledge problems until they are measured. Of course, the opposite is sometimes true, with various popular interpretations afoot, and little available evidence to distinguish between them. There is a tremendous reservoir of census and survey data in Malaysia that has barely been tapped for research. Part of the problem is the reluctance of the government to release data on a timely basis or in a manner that would make it possible for researchers to process the basic data tapes. But in the long run, these sources will become readily available. The question is whether the scholarly community will be ready to exploit these opportunities. Of course, original data collection would be more fruitful, but the costs of large surveys may be prohibitive for university-based researchers.

Finally, more research with a longitudinal perspective is needed. One needs to ask not only how wide is income inequality at the present, but also how has it widened or narrowed over the years? To study the problems of socio-economic development or the evolution of ethnic relations, one is required to investigate the past as well as the present, and how conditions have changed in the interim. The lingering effects of colonial rule and the changes brought with political independence are yet to be thoroughly researched. The agenda for future sociological research in Malaysia is a full one.
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Chapter Two

ANTHROPOLOGY

Vinson H. Sutlive, Jr.

Introduction

Anthropology's century-old history has been marked by a close relationship with Malaysian Area studies. Although it must be acknowledged that anthropology as a discipline only has been taught in Malaysian institutions since World War II, research integral to the evolution of the discipline began well over 100 years ago in Malaysia. Among the best known but only a sample of the scores of scholars who made early contributions to studies of the peoples and cultures of Malaysia are Law (1848), Maxwell (1884), Ling Roth (1896), Clifford (1897), Skeat and Blagden (1906), Winstedt (1925), Schbersa (1931), Noone (1932), Haddon and Start (1936), and Evans (1937).

More recently, anthropological research in Malaysia has provided important correctives to fundamental misconceptions about human aggression (Dentan 1968; also Paul 1978), social organization (Leach 1950; Brown 1976), stratification (Rousseau 1975), ethnic identity (Bdocock 1974) and ethnic evolution (Sutlive 1978). Other research has expanded considerably our knowledge of the aborigines or Orang Asli (Endicott 1974), the evolution of Malaysian political structures and belief systems (Benjamin 1974), peoples of central Borneo (Rouveau 1974a, 1974b), and urban migration with new patterns of behavior (Nagata 1974a, Provencher 1972).