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Chambers of Commerce and Chinese Business Enterprise in Malaysia

CHIN Yee Whah* and LEE Yok Fee**

Abstract

The paper deals with the role of the Associated Chinese Chambers of Commerce and Industries (ACCCIM) of Malaysia that represents 17 constituent members located separately in the 13 states of the nation. It will examine how ACCCIM attempts constantly to enhance and create a favourable environment for enterprise development for the Chinese business community. The paper will analyse the intensity of ACCCIM in fostering better domestic business opportunities through joint ventures that involve other ethnic groups in the multiracial and multicultural context of Malaysia and to exert its influence on state economic policies. Its role in assisting the Chinese business community to expand their markets by various means and in weathering the 1997/98 Asian financial crisis and the current global financial crisis will be discussed.

Key words: Chinese Chambers of Commerce, Malaysian Chinese business, and business development

Introduction

The Chinese business community has traditionally established chambers of commerce in towns and cities throughout Malaysia to serve their commercial interests. To date, 17 such chambers have been set up, with one in each state, three towns and a region.1 At the apex of these organizations is the Associated Chinese Chambers of Commerce and Industries of Malaysia (ACCCIM) located in Kuala Lumpur. Much of the materials on which this study is based are derived from published and unpublished sources of ACCCIM, reports in the local press and other relevant published sources.

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The Chinese community in Malaysia has organized several thousand associations to meet the legitimate needs of a variety of groups based on such affinities as clans, dialects, culture, education, religions and occupations. With the Chinese being commonly engaged in commercial and trade activities, associations that are affiliated to different occupations and businesses are also an inseparable component of the social organization of the Chinese. Among them, only the chambers of commerce cater to the specific interests of the general business community. Yet these chambers exert an influence that goes beyond their number. The national chamber of commerce in particular is vested with an influence that ranks high in Chinese society. Its president is invariably a prominent entrepreneur and whose position is equated him with that of an acknowledged community leader of the Chinese. ACCCIM therefore enjoys an exalted place in the hierarchy of Chinese social organizations. How it fulfills its own role in an effective manner to serve the business community and how it is perceived by the Chinese community in general are crucial to its own image as an elite body that is worthy of the name.

The literature on Chinese chambers of commerce in Malaysia is sketchy. The most common source of information is still the occasional publications of the various chambers as they celebrate specific anniversaries. Among the few studies that have been completed on this subject include those by Shinozaki (2006 and 2009) and Yeoh (2007). Shinozaki’s studies delved into the early history while Yeoh dealt with the broader study of nation building in which the role of Chinese chambers of commerce in business corporation was portrayed as a response to a communal dilemma of economic marginalization and an attempt in reasserting ethno-identity.

The primary role of ACCCIM is to work towards enhancing and creating a favourable environment for enterprise development among the Chinese business community. This Chamber too contributes to the task of promoting domestic business opportunities through joint ventures with other ethnic groups in multiracial and multicultural Malaysia. Being a nationwide organization, ACCCIM enjoys sufficient economic clout to nurture close relationships with the State and to have a say in national economic policies. In the wider context of regional and global business, ACCCIM’s role is to promote the interests of the Chinese business overseas and explore ways to expand markets by exploring business opportunities abroad. During times of economic stress the 1997/98 Asian financial crisis and also the current global financial crisis, ACCCIM would seek ways to assist its members. These roles and issues will form the basis of discussion in the paper.
The Associated Chinese Chambers of Commerce and Industry in Brief

ACCCIM is the parent organization of individual Chinese Chambers of Commerce established by the business community at the local level. The first such chamber was established in Penang in 1903. Others followed in quick succession in Kuantan town in Pahang (1903), Selangor (1904), Singapore (1905), Perak (1907), Batu Pahat town in Johor (1908) and Sandakan town in Sabah or British North Borneo (1909). By 1936, eight more chambers of commerce had appeared (Shinozaki/Škoda/Škodák, 2009: 303). ACCCIM is the earliest national level Chinese organization to have a complete regional representation in the country (ACCCIM, 2009: 128). In 2006, ACCCIM represents about 28,355 Malaysian Chinese companies, individuals and trade associations, and the Chinese business community in general (Table 1). In terms of companies, more than nine-tenths of these members comprise of small and medium size enterprises (SME) category.

Table 1. Constituent Members of ACCCIM, 2006

<table>
<thead>
<tr>
<th>State</th>
<th>Membership</th>
<th>Individual</th>
<th>Companie</th>
<th>Trade Association</th>
<th>Associate</th>
<th>Constituent Chamber</th>
<th>Life Member</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Johor</td>
<td>480</td>
<td>816</td>
<td>25</td>
<td>-</td>
<td>17</td>
<td>-</td>
<td>-</td>
<td>1,321</td>
</tr>
<tr>
<td>Batu Pahat</td>
<td>10</td>
<td>624</td>
<td>16</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>760</td>
</tr>
<tr>
<td>Kluang</td>
<td>567</td>
<td>380</td>
<td>6</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>955*</td>
</tr>
<tr>
<td>Kedah</td>
<td>19</td>
<td>476</td>
<td>6</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>588</td>
</tr>
<tr>
<td>Kelantan</td>
<td>120</td>
<td>856</td>
<td>5</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>981</td>
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<tr>
<td>Klang</td>
<td>60</td>
<td>361</td>
<td>36</td>
<td>4</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>461</td>
</tr>
<tr>
<td>Negeri Sembilan</td>
<td>559</td>
<td>277</td>
<td>17</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>855*</td>
</tr>
<tr>
<td>Pahang</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>8</td>
<td>-</td>
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<tr>
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<td>806</td>
<td>56</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,210</td>
</tr>
<tr>
<td>North Perak</td>
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<td>445</td>
<td>15</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>618</td>
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<tr>
<td>Penang</td>
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<tr>
<td>Perlis</td>
<td>218</td>
<td>28</td>
<td>-</td>
<td>-</td>
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<td>-</td>
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<td>246</td>
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<tr>
<td>Sabah</td>
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<td>17</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Sarawak</td>
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<td>-</td>
<td>23</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Terengganu</td>
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<td>479</td>
<td>6</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>572</td>
</tr>
<tr>
<td>Kuala Lumpur</td>
<td>186</td>
<td>1,450</td>
<td>64</td>
<td>23</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,723</td>
</tr>
<tr>
<td>**Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>28,355</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Direct members

** Indirect members

convened its first meeting and changed its name to The Associated Chinese Chambers of Commerce of Malaya in 1947. Its declared objective was to establish close contact between Chinese chambers of commerce in various parts of the country in order to promote and protect commercial interests, to assist the agricultural, mining and manufacturing industries, and to maintain close liaison with chambers of commerce of other ethnic groups with the aim of promoting prosperity and enhancing public welfare. With the birth of Malaysia and subsequent separation of Singapore in 1965, the Singapore Chamber, despite being one of its founder members, had to make an exit. Its official name was amended again to its current one, and its membership was enlarged to include the new states of Sabah and Sarawak. The links with the Singapore Chamber was not completely severed but maintained through a liaison committee set up in early 1970.

**Improving the Domestic Business Environment**

The year 1970 marked a watershed in the economic history of Malaysia. Following the eruption of ethnic clashes in 1969, the government introduced a radical policy in the form of the New Economic Policy (NEP). Launched with the expressed objectives of “restructuring society” and to eradicate poverty, NEP was to restrict the economic space of Chinese enterprise at the same time as it expanded that of the Bumiputera (the Malays and indigenous populations). The introduction of a slew of Bumiputera-biased regulations over the years posed serious questions on the ACCCIM’s role in protecting its members and their interests (Jesudason 1989; Heng 1997; Heng and Sieh 2000). The challenge to ACCCIM was how to come out with a pragmatic response to the official initiatives particularly in respect to the restructuring of Malay/Bumiputera society. In a multi-ethnic society in which ethnic harmony could be fragile and subject to rupture upon minor provocations, ACCCIM would need to opt for non-political approaches in its efforts to increase Chinese economic leverage in the country.

**Lobbying for a Favourable Business Environment**

Malaysia has experienced several phases of economic development since independence in the last five to six decades. The newly-independent Federation of Malaya continued the earlier *laissez faire* policy from 1957 to 1969. The Chinese had integrated well into the economy and Chinese capital was well represented in the modern sectors. In contrast, while the predominantly rural Malays had made some progress, they were nevertheless less well integrated and tended to lag behind those in the modern sectors. It was this unequal development that was blamed for the origins of the ethnic clashes of 13 May 1969 that gave birth to the
NEP. Under this policy, the introduction in 1975 of the controversial Industrial Coordination Act (ICA) and the establishment of the Foreign Investment Committee provided two effective mechanisms for the official regulation of business. One of the high-profile regulations was a quota system that set minimum limits to equity shares of new business undertakings. Enterprises that come under the full impact of this regulation were new companies of Chinese and foreign investors who wished to operate in the Malaysian market.

The Ministry of Trade and Industry that formulated the ICA was vested with the unrestricted powers over licensing, ownership structure, ethnic employment, production distribution quotas, content and the pricing of products, to favour Malay interests (Jesudason 1989: 131-40). Implemented in May 1976, the ICA imposed a licensing system on manufacturing firms with specific terms and conditions. Firms with less than RM100,000 in shareholders’ funds and fewer than 25 workers were exempted from the requirement to employ 30 per cent Malays or to allocate 30 per cent of their equity for Malay interests. The ACCCIM perceived the ICA as an instrument that undermined the basis of the Chinese business system, particularly the family business that formed the majority of Chinese enterprises. In 1971, a survey of manufacturing establishments had confirmed that 65 per cent of the firms were typical family businesses run on a sole proprietorship or partnership basis (Jesudason 1989: 139). It was obvious that almost all Chinese family businesses would come under the jurisdiction of the ICA. Naturally, the Chinese business community felt threatened and questioned why they had to give up a substantial part of their family business that they had built diligently over the years to Malay “partners”. Sensing the long-term implications of the ruling, ACCCIM led the Chinese business community in a campaign, objected to the ICA as it argued that the Act was aimed primarily at the Chinese business community (Jesudason 1989; Hara 1991; Yasuda 1991).

ACCCIM then lobbied for support to persuade the private sector to adopt its position to seek the repeal of the ICA. However, it failed to secure the support of the Malaysian International Chamber of Commerce and Industry, the National Chamber of Commerce and the Malay Chambers of Commerce. The Federation of Malaysian manufacturers took an intermediate position, recommended that the cut-off point for exempting firms from the ICA be raised to RM1 million in shareholders’ funds (Jesudason 1989: 140). Ultimately the government amended the ICA in April 1977 to exempt firms with less than RM250,000 in shareholder funds and RM500,000 in fixed investment from the equity condition. It was only in 1986 that the limit of RM1 million in invested capital received officially sanction.

ACCCIM veers away from politics but insists on safeguarding the economic interests of its members and the business community. To play this role, it has found it necessary to exert its influence on certain government policies. Politically, Chinese-based political parties
such as the Malaysia Chinese Association (MCA) and Gerakan which are coalition partners in the government have lost much of their influence and are not able to act from a position of strength. ACCCIM seeks to minimize the impact of the declining political clout of the Chinese to fill the vacuum by its action. In 1978, during the conference of the Associated Chinese Chambers of Commerce, ACCCIM made known its displeasure with government bureaucrats who were arrogant, inflexible, and uncooperative. It was critical of the many state enterprises for their poor performance and for wasting public funds; and voiced the opinion that the NEP was bringing only transitory gains for some Malays (Jesudason, 1989: 133).

The NEP ended officially in 1990 and was replaced by the more liberal National Development Plan (NDP) that would run from 1991 to 2000. Under the NDP, the government adopted more liberal policies and promoted state-business and inter-ethnic cooperation at the corporate level (Gomez, 2003). It also encouraged joint-ventures among small and medium enterprises (SMEs) (Chin, 2004 and 2007). The three decades of social engineering programmes under the NEP, whose policies were basically continued by the NDP, have successfully restructured the Malaysian society, but especially Malay society. At the same time, there were visible changes in the attitude and stance of the Chinese business community toward their Malay counterparts and in their general acceptance of the extension of the NEP (Chin, 2003 and 2004).

ACCCIM plays a position role in important official bodies such as the National Economic Action Council, the Ministry of International Trade and Industry, and the Central Bank. It contributes professionally to the formulation of policies, in assessing the effects of recent economic crises upon Chinese business; in assisting SMEs to adapt to the new global situation, and in encouraging members to avail themselves of various schemes and incentives provided by government (ACCCIM 1997a; 1997b; 1999; 2001a and 2001b).

**Crossing the Ethnic Divide in Business**

Although the NEP ended officially in 1990, the restructuring of society continues unabated. Several methods of strategy implementation were amended under the NDP to improve Bumiputera capability to create and manage their own wealth (Malaysia, 1991: vi). One of the primary objectives of the NEP that continued into the NDP was the creation of a Bumiputera Commercial and Industrial Community (BCIC). This was to be realized by means of a new strategy in which Bumiputera businessmen would receive official support in the award of contracts for timber logging, licenses and partnerships, and the setting of quotas in a range of economic activities (Malaysia, 1991: 12). It was in the context of such government strategies and changing political scenarios that ACCCIM and the Chinese
business community responded in a rational and pragmatic move to foster partnerships with Bumiputera entrepreneurs. This is articulated by ACCCIM in a working paper on Bumiputera and non-Bumiputera partnerships in the Third Bumiputera Economic Congress in 1992 (*ACCCIM*, 1992: 1).

Beginning from 1995, following the establishment of the Genuine Joint Venture Promotion Council by the Ministry of Entrepreneur Development with the co-operation of the Malay Chamber of Commerce Malaysia (MCCM) and ACCCIM, serious attention was taken to promote “genuine joint ventures” in the late 1990s. The role of the Council is to encourage integration and close cooperation to expand and share experience, knowledge, and expertise between Bumiputera and non-Bumiputera. In late 1997, the Council was enlarged to include the Malaysian Associated Indian Chambers of Commerce and Industry (MAICCI), the Ministry of Entrepreneur Development and representatives from a consortium of 20 commercial banks (Ministry of Entrepreneur Development, 1998: 34-5). This partnership that connects the major ethnic groups, the public and private sectors represented a new approach to accelerate the formation of a BCIC as outlined in the Second Outline Perspective Plan of 1991-2000 (OPP2). This multi-party partnership matches with Searle’s (1999) notion of “capital integration”. In other words, “financial and ownership integration” allows Bumiputera business access to government financial aids, easy bank loan and partnerships with government-linked corporations. Such integration helps to accelerate the formation of the BCIC.

Genuine joint ventures were initiated in three different years in 1995, 1997 and 1998. Under the aegis of the Ministry of Enterprise Development in late 1995, 12 agreements were concluded on genuine joint ventures that involved the integration of capital, ownership, experience and skills between MCCM and ACCCIM (*Dataniaga*, No. 15, January 1996: 12). The estimated project costs for the 12 ventures were about RM30 million. The year 1997 saw the approval of 38 joint venture projects by the Council. These were major projects that cost a total of RM500 million (*ACCCIM* 1997c: 66; Ministry of Enterprise Development, 1998: 35). The Asian financial crisis that erupted in 1997 crippled the financial resources of many governments in East Asia and there were widespread difficulties in securing bank loans. Hence only two joint ventures were formed in 1998. By 2000, the Council had approved 54 joint ventures (Ministry of Enterprise Development, 2000: 36).

The majority of the joint venture companies established between 1995 and 1998 were SMEs. Manufacturing was the primary focus of 61 per cent of the 54 partnerships, while 19 per cent were involved in construction and property development, 13 per cent in services and 7 per cent in other sectors (Ministry of Entrepreneur Development, 2000: 36). Bumiputeras dominated the partnership in the early phase in 1995. Out of the 12 joint ventures, Bumiputeras
held the majority share in ten of the partnerships. In the second phase in 1997, Bumiputera controlled 19 of the 38 joint ventures by holding more than 51 per cent of the share equity, 15 were controlled by non-Bumiputera partners, and four were held in equal shares. These joint ventures included manufacturing concerns in which Chinese entrepreneurs had been reluctant to risk their investments because of the stringent conditions imposed by the ICA ruling. The willingness to invest in the manufacturing sector through partnerships was an indication of the shift in the business strategy of Chinese entrepreneurs. Judging from the equity distribution of these joint ventures it is clear that the Bumiputera partners are no longer inactive “sleeping partners”. Many have become owners and managers and beginning to create an impact in the Malaysian business scene. Hence, attempts to nurture joint ventures have yielded desired results in keeping with government intentions and the elimination of the so-called “Ali-Baba” arrangement by which “Ali” the Bumiputera partner remained inactive and gained little in terms of experience but only easy monetary rewards while “Baba” the Chinese partner was left to run the business. The true joint venture encourages the development of expertise and the sharing of technology between the Bumiputera and non-Bumiputera partners (New Straits Times 26 December 1998: 17).

Bumiputera partners often bring with political connections and access to certain sources of capital. Through the Joint Venture Council, a financial scheme with an allocation of RM700.00 million (as at October 1997) was created to promote Bumiputera joint ventures. Twenty domestic banks have come forward to form a reliable consortium to provide banking facilities. A joint-venture company with at least 30 per cent Bumiputera shareholding is eligible to apply for funds to inject capital into the project (Majlis Galakan Usahasama TulenI, 1997). These and other favourable services and facilities have contributed much to the success of these joint ventures.

**Expanding the Chinese Economic Space**

In the heady days following the launching of the NEP amidst much anxiety among the non-Bumiputera communities, the Chinese political party in the government coalition responded by establishing a vast holding company. The setting up of Multi-Purpose Holdings Bhd (MPH),\(^3\) in 1975 was meant to be a community business concern based on the mobilization of savings of ordinary members of society. This was then looked up as a bold and innovative strategy to cushion the likely damaging effects of NEP policies on Chinese businesses. Many other Chinese organizations such as clan and dialect associations too started their own “community” corporations in an euphoric mood of expectation (see Yeoh, 2007). Joining the band wagon was ACCCIM and several other regional chambers of commerce in an attempt
to increase Chinese economic leverage. Under the leadership of the late Tan Sri Wee Boon Ping, ACCCIM successfully convinced the Chinese business community to pool resources to initiate major enterprises. It was this initiative that led to the establishment of Unico Holdings Bhd. ACCCIM incorporated Unico Holdings Bhd in May 1981 to provide a non-political alternative to the controversial MPH. Indeed, the honour of launching Chinese “community” corporations goes not to ACCCIM but to the Penang Chinese Chamber of Commerce which was the first to set up the Penang Commercial and Industrial Development Bhd in 1973, followed in 1975 by the Chinese Commercial Association of Kuantan, Pahang, which set up Chunghua Holdings Bhd. Soon after ACCCIM’s lead, the Kedah Chinese Chamber of Commerce incorporated the Keat Hua Holdings (Kedah) Bhd in September and a group of companies in Kepong town outside Kuala Lumpur with the Kepong Commercial Holdings (M) Bhd in July (Yeoh, 2007: 207).

Although Unico Holdings was born as one of the many holding companies formed by the Chinese community in the 1980s, ACCCIM looks upon itself as the leader in the corporatization movement by virtue of its status as the highest body for the Chinese business community in the country. Its action was naturally a bold effort to face the economic challenges posed by the onset of the ethnically biased policies of the NEP. It shares the same ideals of MPH to pool the resources of grass-root communities to achieve economic self-reliance by means of holding companies.

Unico Holdings Bhd was formally incorporated on 21st May 1981 with an authorized capital of RM100 million (ACCCIM, 2008c). A month later, the 35th Annual General Meeting of ACCCIM ratified the incorporation of the holding company and delegated to the Standing Committee authority to take charge of the matter. On 28th July 1984, ACCCIM and Unico Holdings formed a special committee to launch a nationwide campaign for the public issue of 49,404,998 ordinary shares of RM1.00 each to members of the public. This committee and ACCCIM issued a joint statement entitled “Striving for Excellence and Creating New Opportunities” in the local Chinese press in conjunction with the public issue. The exercise received overwhelming response from the Chinese community and 25,184 applications for subscription of shares in Unico Holdings were received within a space of two months, the majority was submitted by small shareholders. By 1986, Unico had a paid-up capital of RM50 million and an oil palm in Sabah (see Yeoh, 2007). Unico is one of the major companies founded by the Chinese business community that survived until today. However, in 2007 it was involved in a well-publicized dispute among shareholders regarding its corporate exercise to dispose of its 29 per cent stake in Unico-Desa Plantations Berhad.
Reaching Out Through International Networking

ACCCIM is a major focal point for the local business community as well as government officials to organize delegations to explore commercial and investment opportunities abroad. Similarly, it is also the point of connect for foreign trade delegations and governments.

ACCCIM is assuming an increasingly important role since the outbreak of the 1997 economic crisis. To revive the economic fortunes of local businesses, it is taking initiatives to expand economic opportunities by widening its business networks overseas. The primary objectives of establishing business networks are to promote Malaysia products and services, to import suitable products and expertise, to identify joint-venture partnerships, and to create avenues for business and investment. ACCCIM is targeting its networking efforts beyond Southeast Asia to reach out to the booming economies in East Asia, especially China including Taiwan and Hong Kong, and countries in South Asia or even Africa. Adopting a proactive stance in the global business arena, ACCCIM encouraged the Malaysian Chinese business community to integrate into the global network by hosting the Seventh World Chinese Entrepreneurs’ Convention in Kuala Lumpur in July 2003.

Traditionally, China and its territories of Hong Kong and Taiwan have been the major trade partners of Malaysian Chinese business. Commercial ties go back centuries in time and have been building up in volume and value with accelerating speed in the recent past. Business contacts and transactions were not interrupted even during the Cold War period when trade relations with China and other countries were few and irregular. China is a vast country comprising not one but many markets at the regional and local levels.

As a key business-based, non-governmental organization in Malaysia, ACCCIM has been taking the lead in fostering closer ties with China and its provinces and cities. As ACCCIM realized the business potentials in many other parts of China, it would seek out opportunities by establishing ties in various provinces and cities. In its 2001 visit to the Sixth World Chinese Entrepreneurs Convention in Nanjing, it sought to enhance cooperation and friendly relationships with entrepreneurs in China and other parts of the world, to study the economic development of Jiangsu province particularly the Nanjing region, and to exploit the growing business opportunities make available by the open-door and reform policies of China (ACCCIM, 2001a: 30-32). A similar mission also visited the Sixth International Fruit and Vegetable Exposition in the densely-populated and rich agricultural province of Shandong in North China. Delegates were able to focus on the possibilities of investing in the agricultural business in the province and exchanged views with its Agriculture Department (ACCCIM, 2004d: 25-26).

Regular visits and MOU signed by ACCCIM have opened up new investment avenues
abroad. At the same time, the business community is able to weight the pros and cons in the relocation of production plants in search of the most cost-effective location outside Malaysia. This is particularly important in the era of globalization as more ACCCIM members seek to re-locate their manufacturing sites from Malaysia to other countries to remain competitive. It is a fact that Malaysian investments in China have been pioneered by the Chinese business community. These investors include large conglomerates, small and medium enterprises as well as the private entrepreneurs. In the period from 1985 to 2005, the Malaysian private sector has invested US$3.832 billion in China. The Chinese Embassy in Malaysia states that by the end of June 2002, a total of 2,359 Malaysian companies and individuals have invested in numerous projects in China. The Embassy confirms that about 90 per cent of Malaysian investments in China have come from local Chinese businesses (Lee and Lee 2006: 167).

The economic spillover effects from China and Vietnam’s recent entry into the World Trade Organization has transformed them as new favourable destinations for foreign investment. The surge in labour costs in major cities such as Shanghai, Beijing and Tianjing in recent years has forced Malaysian as well other businesses and investors to seek more cost-effective production sites elsewhere in and outside China. Vietnam has found to be a viable alternative to China and Malaysian investments have escalated accordingly. In the 1988-2006 period, Malaysian businesses have invested US$1.6 billion in 190 projects in Vietnam in construction, oil and gas, banking and tourism. In the last seven years from 2000 to 2006, Malaysian investment in Vietnam had accelerated to reach an amount of RM892 million (Bank Negara Malaysia, www.bnm.gov.my).

ACCCIM also plays a pivotal role in creating opportunities for joint ventures in heavy industry. In June 2004 the ACCCIM put forward a proposal for a Malaysia-China joint venture in the automobile industry. ACCCIM argued that China has proven that its production technology in producing cars, motorcycles and trucks is on par with that of developed countries. China too has an edge in being a lower-cost producer. ACCCIM therefore proposed that Malaysia explored the possibility of automobile technology transfer from China in the form of joint research and development for the industry (The Star 14/6/2004). The ACCCIM suggestion received the favourable response from the Malaysian national carmaker, Proton Holdings Bhd which made known its decision to consider partnering with Chinese automobile companies to capture a share of the large China market.

In May 2006, Proton’s subsidiary Otomobil Nasional Sdn Bhd entered into an understanding with Chery Automobile Co Ltd and Alado Corp Sdn Bhd. At the same time, Proton and Lotus Engineering (M) Sdn Bhd, a company within the Proton group, also entered into an understanding with Jinhua Youngman Automobile Group Co Ltd to undertake a joint feasibility study on designing, developing and selling completely knocked down (CKD)
vehicles in China. The agreement has the potential to let Proton take a step forward, through its subsidiary to manufacture cheaper versions of Lotus cars and to expand its engineering capability to the Asian region.

ACCCIM is also taking the lead to spearhead the search for business and trade partners outside traditional markets from the 1990s. It has dispatched trade missions to such non-traditional trading nations as Mauritius and Bangladesh.

The trade mission to the Mauritius in 1999 was the outcome of the ACCCIM strategy to widen links and contacts in new markets. The main objectives of the mission were to set up business ties and to study the economic situation and prospects of Mauritius, including a better understanding of its business environment and the possibility of tapping potential investment opportunities in the South African region. One of the results of the mission was the conclusion of a Memorandum of Understanding (MOU) with the Chinese Business Chamber of Mauritius. Individual deals among delegates and Mauritius businessmen netted US$7 million in purchase orders for Malaysian products, and an additional US$2 million from other business proposals (ACCCIM, 1999d: 68-71). The Mauritius Chinese Business Chamber paid a return visit to Malaysia in 2005 to further strengthen bilateral ties (ACCCIM, 2005: 28). These business interactions form part and parcel of the process of quanxi or personal ties that have traditionally been depended upon to enhance business transactions among Chinese entrepreneurs.

ACCCIM turned its attention to Bangladesh in 2006 by organizing a trade and investment mission to Dhaka. The delegates were briefed on doing business in Bangladesh and conducted numerous business meetings to build up ties and contacts. ACCCIM gained a foothold in the country by signing MOUs with three the Dhaka Chamber of Commerce and Industry, National Association of Small and Cottage Industries of Bangladesh, and the Bangladesh-Malaysian Chamber of Commerce and Industry (ACCCIM, 2006b: 32-33). This was followed by a trade and investment mission in 2008 to participate in the Showcase Malaysia 2008 in Dhaka and to seek new business opportunities and cooperation (ACCCIM, 2008b: 26).

ACCCIM also cast its attention to other smaller South Asian markets such as Nepal in 2003 and Sri Lanka in 2006 (ACCCIM, 2003b: 49 and 2006d: 49). Its trade mission to Colombo met potential partners in the National Chamber of Commerce of Sri Lanka, Ceylon Chamber of Commerce of Sri Lanka, and Federation of Chamber of Commerce & Industry of Sri Lanka. The outcome was the signing of MOUs with two of the organizations to promote trade relations.
Serving Its Members and the Government

ACCCIM seeks to enhance its own role and functions as well as to improve its service to its members. One of these is to disseminate the latest information through its monthly bulletin and the annual report of its own industrial survey.

ACCCIM conducts annual surveys on the economic situation of Malaysia. These reports are not meant to serve the narrow interests of Chinese business community on basic issues of business development in the country and the national economic outlook, but also as a means to assist the government and the National Economic Action Council (NEAC) to gauge the economic situation faced by Chinese business, to collect feedback and opinion from the business community on various measures taken by the government and NEAC, and for businesses to take steps to adjust to policies or to formulate new ones. The reports also provide the basis for ACCCIM to submit their views to the government. In mid-2009, ACCCIM’s Socio-Economic Research Centre (SERC) established eight key focus groups to organize, deliberate and collate views, inputs and suggestions to the NEAC (ACCCIM 2009a: 12). The latest attempt by ACCCIM is to enhance SERC in specialized areas of research. It has thrown its full weight and influence as the most financially powerful body among the Chinese to strengthen the research centre. The centre would tap the expertise of local and foreign specialists to conduct comprehensive and in-depth studies on issues and problems encountered by Malaysian SMEs, to assist the business community effectively and to prepare proposals addressed to related government departments (ACCCIM 2010).

Official statistics confirm that there were 523,132 SMEs in the manufacturing, services and agriculture sectors in the country in 2005. An estimated 80 per cent or more were established by the Chinese business community. Considering the fact that SMEs play such a crucial role in the national economy, ACCCIM takes upon itself to conduct a survey on these enterprises and to report on the findings. The primary objectives the survey are to gather the latest information and statistics on selected SMEs and to analyse their problems, to ascertain their awareness of special official facilities or services that cater to the needs of SMEs, to form the basis of their submission of views and requests to various government agencies, and to provide the database in the formulation of common action plans and strategies (ACCCIM, 2008a:17-19).

The plethora of official policies and regulations on economic matters is often intimidating to the average business person. The implementation of specific policies or rulings may be poorly understood by a section of the Chinese business community. ACCCIM sees the need to step in to provide assistance to convey and to clarify policies that affect Chinese business. In 2002, in its seminar on the export promotion incentives offered by the government, it sought
to raise the general awareness of relevant businesses on the incentives that were offered, the
conditions for eligibility, and procedures in submitting applications (ACCCIM, 2002a: 35).
Similarly, the business community was briefed on the Third Industrial Master Plan to make
known the importance and implications of the plan (ACCCIM, 2006c: 6).

ACCCIM organizes lectures and talks to raise the awareness the Chinese business community on the latest developments that have a bearing on the businesses of its members. A major subject of concern is that of taxation. ACCCIM has worked towards propagating and disseminating knowledge on individual self-assessment tax system that came into force in 2004. Its work, through seminars and talks, was to enable individuals, companies and partnerships to understand the new tax system and the impact on their businesses (ACCCIM, 2003a: 39-42). Related to the issue of taxation is that of tax audit on which ACCCIM organized nationwide seminars in 2007 and 2008 for the benefit of the business community (ACCCIM, 2007: 24-25). Efforts in information dissemination would also cater to the interests of businesses in specific sectors. A seminar was specifically organized in 2006 to focus on the subject of tax incentives for agricultural enterprises. In its concern over the often exuberant reaction to the local share market, ACCCIM sought to enlighten the average investors by sponsoring talks on the fundamentals of investing in shares and to appreciate the risks, profits and rights involved (ACCCIM, 2004c: 31).

One of the critical factors that determines the fate of SMEs is capital. Most of the SMEs rely on their own internally-generated funds and those sourced from friends and family members. Even though they are viable businesses, they face some common obstacles in their attempts to obtain loans from banks. These obstacles include the lack of collateral, insufficient loan documentation, and lack of financial track record. To help SMEs to improve their access to financial institutions, ACCCIM organized nationwide seminars on SMEs financing and related problems for its members. Many were able to benefit from the lectures and explanations provided by speakers from Bank Negara (Central Bank of Malaysia), Credit Guarantee Corporation, the Association of Banks in Malaysia, and ACCCIM itself (ACCCIM, 2004a: 22).

ACCCIM complements its role in enlightening the business community with a training component in its functions. Business enterprises are subject to constant and dynamic changes in the business environment. Adaptation to such changes is crucial to remain competitive. Training to upgrade skills and knowledge is an integral part of competitive and even more so to cushion the impact of economic downturns. The programme of workshops, talks, and seminars that has become part of ACCCIM’s service to its members and the business community has helped to promote business development, especially for SMEs.

On the need to raise general awareness on the Knowledge Economy (K-Economy) among
SMEs, ACCCIM in 2001 conducted a series of seminars on the K-Economy Master Plan formulated by government and to help SMEs to adopt appropriate actions to accommodate the demands of the K-Economy. These seminars were held in major towns in conjunction with constituent Chambers of Commerce (ACCCIM, 2001b: 33). To prepare the SMEs to face the challenges of globalization, ACCCIM conducted workshops to upgrade skills in the use of information and communication technologies so as to become more competitive in the increasingly globalized world (ACCCIM, 2004b: 23).

The ACCCIM is often alert and sensitive to the development of business environment in the country, especially towards economic policy by the government. In response to the official regulation on the mandatory training for company directors that was introduced in 2001, ACCCIM was able to persuade the government to adapt the ruling to accommodate the needs of different company directors. It suggested that the programme should not be mandatory and that it could conduct in Chinese language to benefit sections of Chinese company directors. A year later, ACCCIM was also granted the training right for the Corporate Directors Training Program by the Companies Commission of Malaysia (ACCCIM, 2002b: 36-38).

**Conclusion**

As an economic-based, non-governmental national organization, ACCCIM wields considerable influence in the eyes of the Chinese community and the government. Its major concern is to foster an economic environment that is conducive to the conduct of business. To attain this objective, it has to assume an effective leadership role and in promoting the general interests of its members and the Chinese community in general. It has to take a proactive stance in meeting new challenges posed by changing political and economic circumstances.

ACCCIM has performed well in the discharge of the mandate to work for the benefit of its members and the business community. It is constantly alert to new situations and to formulate appropriate response strategies. Its role as a lobby for or against specific policies has generally been effective as it builds up the trust of the government. Its range of services and undertakings has expanded with the years to meeting changing needs. To the SME sector whose members are well represented in ACCCIM, the Chamber is like a custodian that casts a safety net for their protection. At the same time as it undertakes the task of creating regional business networks, it is also building up a programme of essential and practical services for the benefit of its members.

In the 1970s when economic activities were organized along ethnic lines, ACCCIM had been critical of the policies of the NEP like many other non-Bumiputera organizations. As the social conditions and economic policies and prospects change with the times, ACCCIM is
shifting to a more accommodating approach by working with government bodies and Malay entrepreneurs to expand business opportunities. The trend towards inter-ethnic businesses augurs well for the future as such partnerships are seen to bring benefits to the Chinese business community as well as to Bumiputera entrepreneurs for the overall success and prosperity of the country.

Notes

1. These are the 13 chambers in the states and four in the towns of Batu Pahat, Kluang, and Klang and the North Perak region (ACCCIM, 2006).

2. New Economic Policy (1971-90) refers to the First Outline Perspective Plan (OPP1). Four of the country’s five-year plans from the Second to the Fifth were implemented under OPP1. OPP2 refers to the National Development Plan (1991-2000), which include the Sixth and Seventh Malaysia Plans. Meanwhile, the Eight Malaysia Plan (2001-05) occupies the first five years of OPP3 or the Vision Plan (2001-10).

3. MPH’s role was to pool Chinese economic resources and compete, in the way small enterprises could not, with large Malay corporate organizations (see Jesudason, 1989: 155-159). “Bhd” stands for “Berhad” or “Limited Company” in Malay.

4. Investments showed in the China Statistical Yearbook are the actual amounts invested. Figures gathered by the Chinese authority could possibly include Chinese Malaysian investment in China. This would include Malaysians who use Hong Kong as a base for their investment and business operation in China. A good case is the business group controlled by Robert Kuok

5. Proton’s target was not only to raise its domestic market share to 45.8 per cent in the 2007 financial year, but also to earn 8.6 per cent of its revenue from exports, compared with 5.2 per cent in its 2006 financial year. According to China Association of Automobile Manufacturers, China’s vehicle sales hit 5.76 million units in 2005, or an increase of 13.5 per cent from the preceding year. In the first quarter of 2006, China sold 1.25 million passenger cars, or 54 per cent more than the previous first quarter (The Star 24 May 2006).

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Wee Kheng Chiang of Sarawak: Entrepreneur Extraordinaire

LAM Chee Kheung*

Abstract

This paper is a study of Wee Kheng Chiang, one of the outstanding Chinese entrepreneurs and philanthropists in Sarawak. A first generation local-born Chinese from a humble family, Kheng Chiang rose to preeminence in business and his community. Known for his wealth and entrepreneurship, his success was attributed to his hard work, foresight and alertness to business opportunities both in Sarawak and Singapore. Luck had smiled on him and so had adversity befell him.

His shining accomplishments in business allowed him to contribute unselfishly to the good cause of Chinese culture, education and social welfare services to Sarawak society as a whole, thus earning him the title of “Father of Philanthropy”.

Unlike many successful entrepreneurs, he was able to chart a smooth transition in passing his various businesses to the next generation before he retired. The wisdom of this decision is well vindicated by the outstanding performance of businesses helmed by his children.

Key words: Business personages, Sarawak Chinese, entrepreneurship, and business performance

Introduction

The life of Wee Kheng Chiang (1890-1978) is a shining example of a rags-to-riches story. He came from an early Sarawak Chinese family whose origins were no different from other families living in humble circumstances. Yet he accomplished much more in life than the vast majority of his fellow men and citizens. The story of his life is best portrayed with the broad sweep of the brush on canvas rather than with a pen on paper. He lived to a ripe old age and his achievements in many different areas of endeavour that spanned across business, community services and charitable work were well beyond the reach of all but the tiny few.

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This paper is based on my book entitled A Biography of Wee Kheng Chiang that was published in Chinese in 2005. Sources of information for the research included published accounts, reports, records and interviews to ensure clarity, truth and fairness in presentation.

Thanks are due to numerous individuals some of whom had passed away when the book was published and to family members who furnished materials, photographs and insights. The comments and suggestions on the draft by Dr. Voon Phin Keong are gratefully acknowledged.
His work and achievements were acknowledged by the state which honoured him with a distinguished title known by the honorific of *Dato Sri*.\(^1\)

Kheng Chiang was not born into wealth but into abject poverty and hardship. He started life facing a future like any other person, with a probability of “making good” in life no better than the next person. Yet he overcame these initial handicaps to build up a business empire with a remarkable spirit of enterprise and foresight. He lived through four “regimes” that had characterized the administration of Sarawak. The first 52 years were spent under the rule of the White Rajahs\(^2\) which began in 1841. He survived the harsh rule of the Japanese Occupation between 1941 and 1945, saw a revival of his business and fortunes during the early post-war period when Sarawak ended the Brooke rule to come under Britain as a colony. This lasted for 17 years until Sarawak opted for independence by joining the Federation of Malaya, Singapore and British North Borneo (Sabah) to form the Federation of Malaysia in 1963.

Many among the younger generations of Chinese settlers would continue to strive to realize the unaccomplished dreams of their parents or grandparents. Wee Kheng Chiang was an outstanding example who achieved fame and wealth that was denied his father. While many people admired his forceful style and qualities, he could not have blossomed forth so brilliantly in Sarawak without various factors coming into play. One may delve into these factors to discover the reasons behind his many successes that others could only dream of. One wonders if he won the confidence of persons who had helped him in his career, or he had special talents to excel in all that he chose to be involved in, or that he possessed the urge to persist in the face of adversity. One may also wish to understand how and why he was motivated by this inner desire to excel and to play a larger than life role in society. These and many other queries may be probed to gain a better insight into the life and accomplishments of one of the leading entrepreneurs and philanthropists of Sarawak.

**Growing Up**

Wee Kheng Chiang, the second of three sons, was born on 22 July 1890 in a simple wooden thatched house not far from Kuching, already the principal township of Sarawak then. His father, Wee Tee Ya, had migrated from China from the Quemoy (Jinmen) district of Fujian province. His ancestral village was located in the remote hinterland where the soils were infertile and agriculture unproductive. He therefore migrated at his prime age with some elders from his home village in search of greener pastures overseas, but had to leave behind his newly married wife. Not long after he settled down in Sarawak, he married a local-born Chinese woman, Choo Kim Kiaw, who was to bear him three sons and one daughter. Tee Ya never saw his first wife again.
Like many immigrants, Tee Ya led a life of struggle and hardship in Sarawak as he engaged in vegetable farming, pig rearing, and poultry keeping. He had to eke out a living and lived under poor and unhygienic conditions. Malnutrition and physical strain took their toll on his health and that of his wife. He suffered from cholera and succumbed to it when he was only in his thirties. His eldest son was eight years old, Kheng Chiang was six, and the youngest was just three.

Wee Tee Ya left nothing except his unfulfilled dream of making good in Sarawak. His life was an unmitigated failure as he left his widowed wife and three young sons facing a bleak and uncertain future. Kheng Chiang was already conscious of his helplessness as he witnessed his mother struggling to fend for the family. The sense of poverty was deeply ingrained in the child as it borne hard on the family with devastating and dreadful effects. Yet, among the Chinese community, Tee Ya’s premature departure and abject failure in life was not an isolated case. It was in fact one of many such tragic cases in the local community. But life went on and the family was undeterred by the misfortune that had befallen it.

A year after her husband’s departure, Madam Choo Kim Kiaw sent Kheng Chiang and his elder brother back to their father’s ancestral village in Quemoy Island (Jinmen). This was to let the children fulfil their father’s last wish to take care of his wife in China. This was a noble gesture on the part of Madam Choo in keeping with the hallowed traditions of filial piety and ancestral worship. Despite the immense pain of separation, she dutifully dispatched the two young boys back to their ancestral village in a junk that sailed via Singapore.

Both the boys were well taken care of by their “first” mother who treated them like her own children. The elder boy was to return to Sarawak four years later, leaving Kheng Chiang remain behind in the village. Fate had it that when an epidemic broke out in Quemoy, Kheng Chiang too was sent back to Sarawak to escape the likely fate of being struck down as a victim. He was fifteen years old then. His “first” mother had begged a relative who happened to travel to Sarawak to bring Kheng Chiang with him. This again was a magnanimous move on the part of Kheng Chiang’s mother in China though she would miss Kheng Chiang in her old age. Despite the emotional strain of parting, she was nevertheless farsighted enough to put the welfare of the boy before her own. Had Kheng Chiang continued to live in China, his own fate and that of his future family would have been radically different from what he was about to chart for himself in Sarawak in the years ahead.

The agony of separation from his “first” mother notwithstanding, Kheng Chiang on his homeward journey was inspired by a few things that he observed and which were to have an impact on his life. First, he noticed that the cabin of the ship was larger and could accommodate more passengers and cargo compared with the junk that he traveled in nine years ago. He was puzzled as to why the owner, the captain and the senior officials of the
ship were Europeans and not Chinese, while all the passengers were Chinese. Already in his young mind, he felt that the shipping business should not be the monopoly of foreigners. His insights were to prompt him eventually to venture into the shipping business. Second, he learned from the many passengers from Quemoy who knew Singapore that it was a bustling city with a flourishing trade in local produce and imported goods as well as a financial sector. As a busy market place of businessmen and companies from different countries, it would be a fascinating place in which to do business. This awareness of the importance of Singapore could have sown the seed of his venture into the banking business there many years later.

Kheng Chiang never saw his “first” mother again. When he went back to his ancestral village about ten years later, already a successful businessman, he could only visit her graveyard. He rebuilt and beautified her tomb in a gesture to show his love and appreciation. He would make an annual trip to the village to perform ancestral worship before Qingming (the Chinese All Souls’ Day) to offer his thanksgiving for several years in succession. He held on to the belief that the annual visit to the grave was essential as the soul of the deceased required offerings of food, clothing, shelter and “money” from the descendents. Through this act of piety, all who knew him looked upon him as a model of a filial son.

Upon his return to Sarawak from Quemoy after an absence of eight years, Kheng Chiang stayed in the same old house with his own mother and siblings. He readily shared the same chores at the pig farm. Each day he would spend much time and efforts to gather wild leaves from the countryside to feed the pigs.

Life was hard but it instilled in Kheng Chiang a resolve to improve his life and that of the family. He was aware of the teachings of the great Chinese philosopher Mencius, that “If heaven wants to give a great mission to a person, his mind must be exerted, his body must be trained, by doing this, it could inspire his spirit, strengthen his mind, and increase his capability” (林鎮國/ Lin Chen Kuok 1983:193). Mencius further stressed that “He who exerts his mind to the utmost knows his nature. He who knows his nature knows Heaven. To preserve one’s mind and to nourish one’s nature is the way to save Heaven”. The intense hardships that Kheng Chiang endured in his teenage years were to motivate him to strive for success later in life.

Kheng Chiang started school at the age of sixteen. This was the price that he paid for his eight years of stay in Quemoy. It was fortunate that there was no age restriction in admission to school then. He enrolled in St Thomas’, a mission school that was known for its strict discipline and excellent academic performance. The teachers were mostly British and European missionaries or teachers. The need to help out in the pig farm and sharing various chores at home deprived him the luxury of spending much time on his lessons. While his results were average, his good conduct won praise from his teachers. He was often nominated
to participate in extracurricular activities and would perform with distinction. The five years spent in St Thomas’ instilled in him certain leadership qualities that were to stand him in good stead later in life.

The years in school taught him the ability to speak and write English. This was a decidedly intellectual strength in a society in which illiteracy was high and in which only a handful of Chinese commanded the skills in English. The English language was an essential communication tool in social and business ventures especially at functions organized by the Rajah and in negotiations with foreign firms. Kheng Chiang readily acknowledged that his career, his business and his social standing could not have been smooth-sailing had it not been his education in the medium of English. In fact, it had had made possible his employment in the Borneo Company, in the Brooke Government Administration, and in the Sarawak Steamship Company. Similarly, it was his ability to communicate in English that he was able to build up his friendship with the Second and Third White Rajahs of Sarawak and to socialize with British senior government officers and dignitaries.

**Employment and Opportunities**

A primary education was considered the highest level of attainment for a child in the 1910s. Kheng Chiang completed Standard Five and was deemed to possess credentials that could land him a job and to secure his future. His first job was that of a clerk in the Borneo Company. This was indeed the ideal employer then as it was the premier British company in Sarawak. Under its control were the monopoly of distribution rights to the imports of the state and hence the dominance of the market. It also possessed the means to manipulate prices to maximize its profits.

Kheng Chiang worked in the Sales Department under British superiors. Among his colleagues were a few Chinese and Malay clerks like him. His junior position did not deter him from observing and learning the ways foreigners managed their business. He was able to gain an understanding of the marketing principles of buying and selling, the setting of profit margins, stock keeping and checking, and related aspects of business to which he was exposed to. These experiences yielded good insights into the operation of business dealings in general. Armed with his observation and analytical skills, this learning process was to help him to start on his own in the near future.

It was his sharp and discerning mind that convinced him to keep clear of the mining industry as a possible business proposition. From his knowledge of the Borneo Company’s investments in the various mining ventures, he noticed that only gold mining brought them a small profit while other ventures were losing concerns. He realized that the mining business was influenced by nature and was beyond the control of man. On the other hand, Borneo
Company raked in good profits from other businesses especially in the export of local products and the import of foreign goods. It was in the export of local produce that Kheng Chiang saw a niche for himself.

In his urge to improve his prospects and as he did not see a future as a junior employee in the Borneo Company, his commitment to his first job was brief and lasted a mere six months. While he realized that the job offered few opportunities for advancement, he was able to benefit from the introduction to the world of business and the insights into its inner workings.

From the sphere of private business, he became a junior government servant in his next job as an office assistant at the Resident’s Office of the Brooke Government. Again, he worked for only three months assisting in the handling of Chinese affairs. Brief as it was, it did expose him to some of the senior expatriate officers in certain departments. It also introduced him to the rudiments of British administration and protocol.

He was back in the private sector when he landed an appointment in the Sarawak Steamship Company as an Office Assistant in the Cargo Forwarding Department. This was a totally different business from the first. The job paid better than his previous ones and he was able to learn new things such as how to deal with recording and collecting bills of landing for merchandise and goods imported from Singapore and other countries. It also widened his vista on the trade and shipping that were going on outside the narrow confines of Sarawak. The Sarawak Steamship Company was founded on 1 July 1875 as the first shipping company with steamships to transport passengers and merchandise between Kuching and Singapore, and operated its own warehouse and wharf in Kuching (Foo and Chai, 2001: 28). As the dominant shipping company in Sarawak, it was in a position to corner a major share of the shipping business to reap handsome profits. Yet, when better prospects beckoned, Kheng Chiang would not be tied down, even if the employer was as dominant as the Sarawak Steamship Company.

After four months, Kheng Chiang resigned to join a Chinese employer for the first time. He was Ong Tiang Swee who was also a shareholder of the Sarawak Steamship Company. The performance of an Asian junior staff working under European superiors was unlikely to attract much attention. But working under a fellow countryman and under the same cultural environment would allow one to be noticed if one were to perform well. This was indeed the case with Kheng Chiang. His diligence and performance did not escape the notice of Ong Tiang Swee. Perhaps Ong could recognize a “gem” when he saw one. Within six months, Kheng Chiang was promoted to the position of Manager. With Kheng Chiang at the helm, the company’s business prospered and net profits were high. The trust of Ong Tiang Swee for Kheng Chiang grew by the day.
Kheng Chiang’s job was to coordinate and manage the sale of commodities and goods. Taking charge of the trading business helped him to lay the foundation of his future career and fortune, and the path to a wealth and high society. For at the outset, armed with experience working in the shipping business and having acquired some knowledge of the trade, Kheng Chiang was convinced that the shipping business would become an important commercial activity and therefore an avenue for making money. With this conviction, he began to take up shares in the company while working for Ong Tiang Swee. He rose from an employee to become a shareholder and, in later years, to assume the chairmanship of the Sarawak Steamship Company. This dramatic transformation of his status was the outcome of his farsightedness and sharp judgment in investments. It was not a case of coincidence.

Kheng Chiang’s first impression of Ong Tiang Swee was that he was very rich and powerful, respected by all, and lived a luxurious and extravagant life. Kheng Chiang was quick to realize the secret formulae of his employer’s success. He was to apply what he learned in his business ventures.

Ong Tiang Swee was a successful entrepreneur and managed a diversified business that included the import of cooking oil and other goods, a pharmaceutical shop, farms to rear pigs, cows and deer, and factories as well as plantations. He was also the major shareholder of Tiong Hua Bank, the first commercial bank in Sarawak.

As one of the earliest millionaires in Sarawak, it was not surprising that Ong Tiang Swee maintained cordial relationships with the Second White Rajah, Charles Brooke, and had his trust. In 1911, he was appointed the President of the Chinese Court, established to settle cases among the Chinese in matters of marriage, division of property, small debts and Chinese customs and traditions (Chew, 1990: 257). As the Kapitan China of Kuching, Ong Tiang Swee was effectively the acknowledged community leader among the Chinese. With his exalted position, it came as no surprise that the Rajah granted him exclusive rights in the trade of many imported goods and ownership of a few pieces of land.

While solid performance in business is crucial for advancement, chance too cannot be discounted entirely. Chance indeed played a decisive part in determining the future of Kheng Chiang. Fate had it that, in 1910, the eldest daughter of Ong Tiang Swee by the name of Ong Siew Eng, was reaching marriageable age. Her parents were eager to find her the most eligible bachelor in town. The custom and tradition of the Chinese then was to match wealth with wealth and the humble among themselves. The prospective son-in-law must then be a man of means and high social standing. The humble origins of Kheng Chiang had disqualified him in the Ong family’s search for the best man in town. Months of match-making search for the right man were spent to no avail. A worried Mrs. Ong had a dream one night in which a match-maker gave the beloved daughter’s hand to a tall, slim and pleasant looking young
man. Her dream told her that this was the right man and he was in the vicinity. The match was literally decided as Mrs. Ong remembered a young man in the person of Kheng Chiang. After some discussions and consultations, Ong Tiang Swee and his wife decided that Kheng Chiang was to be their chosen son-in-law. This was a decidedly defining moment in Kheng Chiang’s life. He was, like the carp that leaps over the rapids, to ascend the “dragon gate” by becoming the son-in-law of one of the wealthiest men in town.

The wedding was held on 10 March 1911, 99 days after the engagement. Conducted in accordance with Chinese traditions, the wedding was attended by a thousand invited guests at a grand dinner. Among the dignitaries who graced the occasion were Rajah Charles Brooke and his wife, the Resident, Financial Chief, high ranking government officers and local eminence. It was said that the occasion was the grandest ever held since the founding of Sarawak.

Life after the marriage for Kheng Chiang, who moved into the Ong residence, was one of comfort and abundance. Surrounded by servants and maids, Kheng Chiang sampled the luxuries of life as son-in-law of Ong Tiang Swee. It also marked a turning point in his life.

One of the visible changes in his life was the frequent contacts with Rajah Charles Brooke. A cordial and firm relationship developed and Kheng Chiang became a regular guest at social functions hosted by the Rajah. The ties also paved the way for Kheng Chiang to establish a profound friendship with the Third Rajah, Vyner Brooke and his wife, Sylvia Brett, in the ensuing years. These personal ties with the highest authority in the land were an important ingredient in building the foundation of Kheng Chiang’s future business ventures. With Rajah Vyner Brooke as a supporting pillar to his ventures, coupled with his own enterprise and foresight, Kheng Chiang’s road to success, wealth and fame was clearly and well-charted.

An Emergent Entrepreneur

In 1921 and at the age of 31, Kheng Chiang established his own trading company, registered as Hiap Chiang Leong, with premises in downtown Kuching. The company was to distill and trade in arrack or liquor, for which the licence was granted exclusively by the Rajah. He set up ten more trading firms in town in the next few years to deal with a variety of businesses, including the sale of crocodile skin, birds’ nests and sharks’ fins. Kheng Ann Company dealt mainly with the import and export of local products such as sago, rubber, pepper, jelutong, mangrove, and illipe nut. Lian Chong Leong Company was involved in the import of rice, sugar, cooking oil and groceries; Lian Hua Company ventured into timber; Kheng Chong Company manufactured soaps and engaged in printing and selling stationeries; Tong Chiang Company, with branches in Kuching, Bintangor and Mukah, manufactured and
processed sago. Chung Chin Farm, situated near a river, raised and bred pigs for the market.

Kheng Chiang’s business soon began to gather financial clout. The scope of his commercial interests was such that his growing army of customers began to request assistance to send cash remittances to relatives in China or elsewhere. Chinese settlers sent their remittances to their families in China by hiring the services of friends or couriers who made regular trips to China. There were therefore opportunities to provide this service as a commercial undertaking. Thus was sown the seed of a bank as an effective means to tap these opportunities. In 1924, with his friend Soo Kok Siang, he founded the Bian Chiang Bank in Kuching. This was a bold venture as it was only the second bank backed up by Chinese capital. The first bank, Tiong Hua Bank, was established by a group of well-established merchants among whom was Ong Tiang Swee as the major shareholder. Management of Bian Chiang Bank was subsequently passed on to his third son Wee Hood Teck. In an exercise in 1978 that involved issues of extra capital and subsequent share restructuring, ownership of the bank was finally transferred out of the hands of the Wee family (林煜堂/Lam, 2005: 60-62).

Another capital-intensive undertaking that Kheng Chiang ventured into was in shipping. Inspired by his personal boyhood experience in traveling to and from China and realizing the potentials of the trade in carrying passengers and cargoes between south China and Southeast Asia, he was keen to corner a share of the local coastal shipping business. The intricate network of waterways in Sarawak and the lack of roads meant that coastal shipping was the best means to connect Kuching and outlying coastal and riverine ports. Kheng Chiang’s initial venture was to acquire a barge to ply regularly between Kuching and Mukah to ferry passengers and goods.

Kheng Chiang looked beyond the confines of Sarawak and saw business opportunities elsewhere. This was none other than Singapore when he founded Lian Hong Company in the year 1926. This company was to serve as a liaison centre to handle agricultural produce from Sarawak. Having built up a stake in Singapore, frequent trips to the city became a part of his life. These visits were to let him to observe and draw insights into the workings of commerce and trade in the biggest and busiest port in Southeast Asia, in particular the export of agricultural produce and import of goods from Europe and America. He was impressed by Singapore’s capacity in handling large quantities of exports and imports and its flourishing trade. Ever alert to business opportunities, he recognized the potentials of Singapore as a place where he could pursue his business plans and to expand his fortune.

The founding of Bian Chiang Bank in 1924 in Kuching had widened his contacts and experience in finance. By 1935, he was sufficiently confident to venture into banking in Singapore when he founded the United Chinese Bank (UCB). By then three Chinese banks were already in existence in the city, yet Kheng Chiang’s reputation convinced many Hokkien
businessmen to subscribe shares in the bank. The bank was re-named United Overseas Bank (UOB) a few years later when it expanded its business overseas. UOB is now the biggest local banking group in terms of deposits and is listed among the world’s top 500 corporations. The entire group, comprising UOB and all its subsidiaries, had total consolidated assets of $2,741 million and a staff of 2,700 in 1974 (UOB, 1985: 81).

Kheng Chiang’s business was gathering momentum and its profits multiplied. The reason behind his success was the ability to put in place a sound management system. Working under him was a corps of trusted, responsible and experienced staff. He devised a hierarchy of command in every line of business. At the apex is an able manager, assisted by a “controller” whose role may be likened to that of a general “housekeeper”. In the purchase of local produce, the job of the “controller” was to inspect and to negotiate prices. Below the controller was the chief storekeeper who was also responsible for taking delivery of and weighing goods and commodities. Further down the line was the supervisor who took charge of the workers.

The division of labour and management command were devised to accommodate differences in skills, experiences and interests among the staff and to meet the demands of job specializations. Kheng Chiang was careful to assign the best persons for the right jobs to maximize efficiency and productivity. Management of his staff was guided by two fundamental principles, namely, to appoint the right person for the job and to give him a free hand to manage as best he could; and to treat his staff well in order to win their loyalty and to retain their service. These guidelines earned him all-round respect from his staff who served him faithfully until they retired. He would refrain from coercion in his treatment of his staff so as not to put pressure on them. He believed firmly in the axiom that the better one treated one’s staff, the harder and more efficiently they would work in return.

In his business dealings, Kheng Chiang was an epitome of honesty and trustworthiness. He regarded these as the core principles in business transactions just as they are basic to good social behaviour as a virtue of daily life. In consequence, dealing honestly and rationally in business transactions won him a great deal of respect from his business associates and staff.

In investing in business ventures, Kheng Chiang opted for businesses for which market demand was assured and which could yield handsome returns in good time. He tended to avoid businesses that required long-term investments, especially in mining and land. He concluded that mining and land development were too speculative and risky.

Kheng Chiang’s business in local produce, import and export trade and banking services all turned in good profits, making him a wealthy man before the Japanese Occupation. At the same time, as the Chinese businessman par excellence in Sarawak, his social stature grew in tandem as he was contributed actively in the service of the Chinese community and society
as a whole. In his various capacities, he also devoted much of his energies to charity and community work.

In 1931, Kheng Chiang was acknowledged as the doyen in the Chinese business community with his election as Chairman of the Sarawak Chinese Chamber of Commerce. He was to serve in this capacity for 15 years until 1946 when he relinquished the position voluntarily. While the Chamber was largely responsible for looking after the commercial interests of Chinese business, it also promoted the social and cultural interests of the community. The Chamber also took the lead in performing other significant functions. Among the major ones were the setting up of the China Relief Fund Committee of Sarawak to raise funds in support of China in the Resistance War against Japan. As the Chairman of the Committee, Kheng Chiang shouldered heavy responsibilities as he laboured to galvanize the community to stand up against Japanese aggression.

**Adversity and Fortitude**

The Japanese invasion of China began on July 7, 1937 aroused strong patriotic feelings among overseas Chinese in support of anti-military aggression movement. Malaya set up a China Relief Fund Committee and recruited hundreds of young men to serve as mechanics and drivers along the China-Burma road. The Chinese in Sarawak too organized themselves to raise funds and recruited volunteers.

In July 1938, a proposal to set up a regional China Relief Fund was put forward by Lee Chin Chuan from the Philippines and Chong Sii Yuan from Indonesia. The inaugural meeting in the assembly hall of the Hwa Khiew Middle School in Singapore on 10 October 1938 attracted 172 delegates from seven countries in Southeast Asia. Kheng Chiang was one of the seven delegates from Sarawak, the others were Wong Yu Chian and Tu Nai Pin from Kuching, Lau Ka Thu and Tan Chong Hu from Sibu, and Chong Yu Seng and Yong Yi Ing from Miri. Two days later, the Federation of China Relief Fund Committees (FCRFC) of Southeast Asian Chinese was formed, and Tan Kah Tee was elected as the Chairman (刘子政/Lau Tzy Cheng, 1997: 68-71; 吕伯奎/Liu Pak Kuei, 1992: 21-29).

Among the many objectives of FCRFC were the setting up of branches in the region, to organize fund-raising activities, to encourage local residents to remit money to their relatives in China, to provide assistance to refugees in Guangdong and Fujian provinces, to support China-made goods and products, to encourage local Chinese youths to join the Chinese army or its medical corps.

Back in Kuching, Kheng Chiang was elected to head the Sarawak China Relief Fund Committee with the assistance of three deputies, namely, Tan Sum Guan, Tan Bak Lin and Lee Yong Thong as respective representatives from the Hokkien, Teochew and
Cantonese communities, and 19 other committee members. The Committee created three sub-committees with functions to raise funds, to solicit support through charity sales, and to recruit manpower. Members worked tirelessly in door-to-door fund-raising campaigns, organized sales of handicrafts made by students and goods donated by local businessmen, and recruited volunteers to serve in the logistic division of the Chinese army (刘伯奎/Liu Pak Kuei, 1983: 10).

The Chinese in Sarawak rallied in support of the anti-Japanese campaign. The Fund-Raising Sub-Committee successfully raised about $900,000 in 1938, of which half the amount was collected in Kuching, $300,000 from Sibu and $60,000 from Miri. A total of 76 young men responded to the call to serve as mechanics and drivers along the China-Burma road.

The Sarawak contingent of mechanics and drivers was among 3,072 volunteers who answered the call for assistance. The Sarawak volunteers embarked on their journey from Singapore via Port Klang, Penang, Rangoon, Lashio (in Burma) to Yunnan. Kheng Chiang was touched by the patriotism of these young men and their courage to sacrifice their lives in the war of resistance. He rendered generous assistance in cash and kind, even when they returned to Sarawak in 1947 and 1948 when the war was over. He sponsored accommodation in hotels and an allowance of $3 per day while they were in transit in Singapore. He paid for their passage from Singapore to Kuching where they received a sum of $50 for living expenses, paid out through Bian Chiang Bank. They were provided with two meal coupons daily until they found a job. For his generous gesture, Kheng Chiang won wide praise in Sarawak. In terms of recognition, he enjoyed almost the same honour that was accorded to Mr. Tan Kah Kee of Singapore whose work to rally the Chinese in aid of China had become legendary (刘伯奎/Liu Pak Kuei, 1983: 11; 1992: 28).

For his part in the anti-Japanese movement, the Japanese occupying forces targeted Kheng Chiang, his brother and many others as dangerous “elements”. Both were arrested by the Japanese on two occasions and tortured and imprisoned by the Kempeitai, the dreaded Japanese secret police. They were forced to perform hard labour in road construction and were made to carry sacks of rice that weighed 150 kilograms each. The brutal treatment took its toll on the physical, mental and emotional health of Kheng Chiang and his brother. Kheng Chiang suffered from hernia that was caused by carrying heavy loads during his imprisonment. He was later to walk with his legs slightly apart, much to the amusement of some ignorant onlookers. He was even picked for execution but was saved by a stroke of luck as the Japanese soon surrendered. But his brother was not so lucky as he succumbed to the severe torture inflicted by the Kempeitai (林煜堂/Lam Chee Kheung, 2005: 106). Upon his release from prison, Kheng Chiang sought urgent medical treatment locally but to no avail. He had to travel to London for surgical operation before his conditions improved.
Wee Kheng Chiang of Sarawak

Business Revival and Consolidation

In the aftermath of the Sino-Japanese war, Kheng Chiang was able to be reunited with his family in Singapore. Except for some damages and losses, his house in Kuching had remained largely intact. His first priority then was to revive his business. Urgent attention was directed at UCB in Singapore. The bank had not suffered much capital losses during the Japanese Occupation, but it had lost many staff members of high caliber. On the list were two Board Directors, Chionh Kee Hu and Khoo Beng Chiang who had passed away, and some had resigned. There was an imminent need to restructure UCB to cope with the increase in demand for capital to fund projects in post-war reconstruction.

Under such circumstances, Kheng Chiang had to personally take over the helm to propel the bank back to its former glory. UCB resumed its operation on 17 September 1945, with a capital of $100,000 raised from a loan from the Controller of Finance and Accounts of the British Military Authority (BMA). All its former staff were recalled to work, and their salaries were retained the same as in their last pay sheet in December 1941. Kheng Chiang remained as Chairman of the bank but, upon the request of the Board, he doubled as the Managing Director as well in April 1946 (UOB, 1985: 27). Experienced senior management members including the bank manager Goh Cheng San and its secretary Kwa Choo Ping were appointed to the Board of Directors to replace the two who had passed away. This decision not only opened a way for the smooth revival of the bank, it also rekindled and motivated the spirit of the staff.

Kheng Chiang now had to look after the day-to-day administration of the bank. The first move by Kheng Chiang to improve the business of the bank was to open a Savings Department in 1948 to cater for savings. This new facility was well-received. The Bank’s gross assets more than doubled from the pre-War amount of $5 million to $11.9 million in 1948.

The Board went through a complete overhaul in 1952 due to resignation or death of three directors. The new Board now consisted of two old members, namely the Chairman, Wee Kheng Chiang and Tan Boon Khah, and eight new members.

Corresponding to the progressive economic development in the world, the bank’s business expanded and grew rapidly. On 18 December 1954, the Board resolved that a one to one bonus share was to be issued to the directors to boost the share and paid-up capital to $2 million (UOB, 1985: 30).

In 1958, Kheng Chiang appointed his fourth son, Cho Yaw to the Board which further strengthened the management team of the bank. When Cho Yaw eventually assumed full management control in 1960, the bank was ready to grow by leaps and bounds. It was finally to join the ranks of the renowned banks of the world (UOB, 1985: 31).
Cho Yaw proved to be as enterprising as his father. He introduced several innovations in banking services almost immediately when he took the helm of the bank. He found that foreign exchange dealings were very lucrative and his first initiative was the creation of a Foreign Exchange Department. However, the new department hit a snag in its effort to participate in the financing of Singapore-Indonesian trade, because only “first class” banks were permitted to issue a shipping guarantee for bilateral trade. To overcome this handicap, Cho Yaw visited and appealed to the Indonesian authorities and succeeded in gaining approval by the Indonesian authorities to recognize shipping guarantees issued by the bank (郑明杉/Zheng Min Chan, 1997: 15-17).

The second project introduced by Cho Yaw was the establishment of the Godown Department in 1963. The new department provided an additional service for customers and also improved the security for overdraft and other credit facilities granted by the Bank (郑明杉/Zheng Min Chan, 1997: 13). Property acquisition and investment in land were also recommended by Cho Yaw, and vigorously carried out with the approval of the Board. The Bank’s premises at Bonham Building were bought over from its landlord in 1963.

A banking licence in Hong Kong was obtained in 1964. The application of the licence was prompted by the formation of the Federation of Malaysia which included Malaysia, Singapore, Sabah and Sarawak. The Indonesian government was hostile towards the Federation and labeled the act as a “neo-colonialist plot” and staged a military confrontation against it. Indonesia severed her trade ties with Malaysia including Singapore. To get over the economic blockade, Cho Yaw found it necessary to trade through Hong Kong. He made several trips to Hong Kong and was told by the authorities that a licence would be issued to UCB if it was registered under a different name because there was already a UCB registered in Hong Kong. The Board had no choice, but changed its name to United Overseas Bank (UOB) on 23 January 1965, but its Chinese name “Tye Hua” (大华) was retained (UOB, 1985: 36; 郑明杉/Zheng Min Chan, 1997: 17-18).

With the anticipated expansion, the Bank’s authorized capital was further increased from $4 million to $20 million, and the paid-up capital was raised to $3 million in 1964. In addition, five more branches were opened to cope with growing demand.

In June 1965, Singapore separated from the Federation of Malaysia. This however, did not affect the operations of the Bank. Instead, it boosted its operations in 1966 by investing in a government owned textile factory with 50 per cent equity in January, incorporated a finance company in August 1966, and financed several major projects in the new Jurong industrial estate, among them the National Iron and Steel Mills and Jurong Shipyards.

In 2001, UOB achieved yet greater glories by outbidding the mighty Development Bank Singapore to take over Overseas Union Bank. By now the biggest bank in Singapore, UOB
transforms itself into a major financial institution that competes in the world of international banking. In retrospect, the achievements of the bank stands as a proud testimony to the foresight of its late founder (*The Straits Times*, 29 March 2002).

Besides spread his wings overseas to curve out a share of the overseas market, Kheng Chiang also saw the need to meet the stiff competition from other companies in the business on local produce and consumer goods in Sarawak in the post-war period. He realized the importance of innovations through the use of modern management techniques and technology. As the small and separate business concerns that were run according to the old management method of the past were no longer viable, he was decisive in restructuring them to form a single private limited liability company registered as Wee Kheng Chiang & Co Ltd on 6 July 1946 with a registered capital of $3,000,000 divided into 30,000 shares. All its component firms were merged and relocated to the same premises at Main Bazaar, the prime trading centre in Kuching. Appointed as directors of the new company were Wee Kheng Chiang himself, his son-in-law, Ong Kee Hui, Chua Sok Jin, Tan Chui Kiaw and Chua Kee Chuan (*林煜堂/Lam Chee Kheung, 2005: 117-118*). This move led to more effective control and management on the one hand and rationalization of operation on the other. He was well aware that this reorganization was the only means to raise the competitiveness of his business and to meet the rising demands of the world market.

The formation of Wee Kheng Chiang & Co Ltd after the end of World War Two was timely. The company was well-positioned to take advantage of an economic upturn during the Korean War in the early 1950s. Prices of local produce soared. The price of pepper, for example, rose to an incredible $1,000 per pikul (60.6kg) during the War. As a major pepper producer, Sarawak reaped large profits from the export of the commodity and many pepper farmers grew rich overnight. It was even said that some even carried cash in “gunny” bags to buy shophouses in Kuching. Wee Kheng Chiang & Co Ltd was a major trader in pepper and it was not unusual for it to stock as many as 5,000 bags weighing a pikul each in its warehouse (*林煜堂/Lam Chee Kheung, 2005: 120*).

Rubber was another major local produce that benefited from the boom in commodity prices during the Korean War. At the height of the boom, the premises of Wee Kheng Chiang & Co Ltd that occupied two shophouses measuring 80 feet by 50 feet were fully stocked with rubber. The rubber was traded with a profit margin of nearly 100 per cent (*林煜堂/Lam Chee Kheung, 2005: 121*).

Wee Kheng Chiang & Co Ltd ran a variety of businesses. All turned in substantial profits that brought in much liquidity to the company. The name of the company was dubbed as “the signboard with golden characters” by the people of Sarawak. Kheng Chiang’s vision, ambition and capability had made him the most successful businessman in Sarawak.
As the prices of pepper and rubber declined sharply in the 1970s, Wee Kheng Chiang & Co Ltd, like many companies dealing with these commodities that were subject to violent price fluctuations, had to scale down its business gradually. When Kheng Chiang’s son, Hood Teck, left the helm of the company to venture into housing and industrial development, the parent company became dormant.

When Kheng Chiang handed over his business to two of his children to manage his separate enterprises in Sarawak and Singapore, they were able to venture into new businesses or to expand existing ones. Unlike many Chinese businesses which decline and disappear after the founder’s death, Kheng Chiang has succeeded in passing on his spirit of entrepreneurship to his sons. The nature of the business in Sarawak has changed but the name of the Wee family in the local business circle remains. Many of his sons rose to positions of eminence in business and society in their own rights. Among the outstanding sons are Wee Hood Teck and Wee Cho Yaw.

Kheng Chiang’s third son, Hood Teck, helmed the trading company for seven years in his father’s trading company before he ventured into property development in 1966. He subsequently also invested in industrial development and became a wealthy man in his own right. Like his father, he involved himself actively in social and community work and was a staunch supporter of educational and charitable projects in aid of the less fortunate. For his contributions to society, he was awarded a Datuk (PNBS) in 1965 and Datuk Amar (DA) in 1978.

Kheng Chiang’s fourth son, Wee Cho Yaw worked for nine years before he joined UOB in 1958 and succeeded his father as Managing Director two years later. In 1974, Kheng Chiang retired from the bank and passed on the chairmanship to Cho Yaw. Like his father, he is hardworking and has excellent leadership qualities. By 1974, UOB had become the biggest Singapore bank group in terms of deposits and was ranked among the world’s major 500 corporations (大华银行/United Overseas Bank, 1985). As a group, its total consolidated assets reached $2,741 million in Singapore dollars and a staff strength of 2,700. Total deposits stood at $1,774 million, and loans and advances at $1,136 million. In 2001, the bank achieved yet greater glories by outbidding the mighty Development Bank Singapore to take over Overseas Union Bank. Through skilful acquisitions and expansion, he eventually steers UOB to become the largest bank in Singapore. For years it has played a major role in the economic life of Singapore and competes with confidence in the world of international banking. It stands as a proud testimony to the foresight of its late founder. In recognition of Cho Yaw’s outstanding performance and achievement in business, he was awarded the much-coveted Businessman of the Year Award in 1990 and again in 2002. The Award was jointly organized by The Business Times and the courier company, DHL Worldwide Express for outstanding businessmen in Singapore (The Strait Times, 29 March 2002).
Community Leadership

However vast his business empire, Kheng Chiang would not have left behind a lasting legacy had he not contributed to the general welfare of society and the state. Neither would he have earned the respect and recognition of the government, nor enjoyed an exalted status among the upper echelon of society, had he been a mere man of fortune. Serving and contributing to society and the state he did with distinction in his role as a prominent community leader and a leading philanthropist.

The successful business person would invariably contribute his part for the public good. The traditional obligations of repaying society from which one obtains one’s benefits remain strong among the Chinese. This is the essence of Confucian ethics by which the Chinese business community in particular and the public in general adhere to as a core virtue.

Nowhere was Kheng Chiang more conscious of his social obligations than in his service to society and state. He responded readily to calls for support and sponsorships from many quarters from organizations affiliated to education, Chinese associations, culture and religions, sports and the less privileged.

The Chinese had a strong tradition to organize themselves according to clan and dialect affinities. As a Hokkien-speaking member of the community, it was expected that Kheng Chiang had to assume a leadership role in his own dialect community. Starting from 1932, he was looked upon as the community leader of the Hokkien when he led the Hokkien Association of Sarawak for fifteen years until after the Japanese Occupation in 1947(Kuching Hokkien Association, 1980).

A deep concern for the welfare of the young was inseparable from his involvement in education. The founding of schools has always been a core function of prominent businessmen and dialect associations. As early as 1912, the Hokkien community in Kuching had established a school to nurture its children. This school, originally known as Sarawak Free School and later on as Hokkien Free School, is the present Chung Hua Primary School No.1. As elsewhere in Southeast Asia, schools founded by the Chinese community drew their support from the business sector and the community at large. A board of governors was organized to ensure that funds were raised to sustain the running of the school. Leadership of the school board would invariably fall on prominent businessmen. Ong Tiang Swee had served the board of the Hokkien school with distinction. Several years later this role fell on the shoulders of Kheng Chiang who served from 1932 to 1947 (Kuching Hokkien Association, 1980: 230). During his tenure as board chairman, student enrollment increased considerably.

After the Japanese Occupation, Kheng Chiang worked hard to revive the Kuching
Chung Hua primary and secondary schools for which he contributed $2,000 annually. In 1947 he had helped to raise funds to purchase the Chinese Consulate Building in Kuching to house the premises of Chung Hua Middle School No. 4, now the property of the Sarawak Chinese Community Trust Management Board. In 1958, he contributed $100,000 towards the building of the school hall of Chung Hua Middle School No. 1. The magnificent building which now bears his name still stands in the school campus as a legacy of his work. In the same year, he similarly sponsored the construction of classrooms at St. Thomas Primary School. The year 1964 saw him donating $10,000 to the building fund of St. Luke Secondary School.

Acute awareness of the plight of the poor and unfortunate, Kheng Chiang contributed generously to ease their needs as well as to other welfare organizations. He was ever conscious of the sufferings of his countrymen in China. On one occasion in 1938 he raised $100,000 in aid flood victims in China. In 1964, he donated a substantial sum to build the Kuching Home for Women. This was to provide training for women in housekeeping and hygiene, in the upbringing of children and also to provide temporary accommodation to rural Iban and Bidayuh women who travelled to Kuching to seek medical treatment. In response to the call by the government to control tuberculosis, Kheng Chiang sponsored the setting up of a special clinic in Kuching in 1953. This clinic was subsequently named after him as a mark of gratitude.

Prominence in business invariably invites respect and admiration by one’s peers. The case of Kheng Chiang was no different. Organizations associated with commerce, the Hokkien community, the Wee clan, education, religion and many others were to elect Kheng Chiang in a leadership role. Among them are the following:

- The Sarawak Chinese Chamber of Commerce (1930-1946)
- The Hokkien Association (1932-1947)
- The Singapore-Sarawak Association (from 1930)
- The Hokkien School Management Board(1932-1947)
- The Sarawak China Relief Fund Committee (1938)
- Kuching Joint Primary and Secondary Schools Management Board (1946)
- Kuching China Consulate Building Committee (1949)
- Anti-Tuberculosis Society
- Sarawak Turf Club (1937)
- Sarawak Buddist Society
- Tse Chia Koh Buddist Association
- Kuching Hung Nam Shieng Thang
- Sarawak Tong Sin Siang Tong Association
- The Federation of Wee Clan Associations, Sarawak

Just prior to the Japanese Occupation, the Brooke administration had recognized Kheng Chiang’s contributions to society by appointing him as one of the two Chinese members of the
Legislation Council for the 1937-1940 term. Soon after independence in 1965, he presented a half-silvered 55-inch long mace, specially made in Britain, to the Legislature Council, as an emblem of the authority and power of the Head of Sarawak State. This mace that had cost a substantial sum to make is still kept by the State Council of Sarawak.

From the 1930s until his death, Kheng Chiang was the doyen among the Sarawak business community and a well-respected personality in social circles in Sarawak and Singapore. His numerous acts of generosity and kindness won praise and admiration by both society and government. It was not without reason that he was known as the ‘Father of Philanthropy’ in the state (林煜堂/Lam Chee Kheung, 2005: 125-128).

Among the many friends of the Ranee Sylvia Brooke, she admired most only three. One of these was Kheng Chiang. She admired him for great courage during the Japanese Occupation when he risked his life to supply cigarettes to the government officers in the Kuching concentration camp. She acknowledged this as “a brave act from a Chinese towards the British captives” (Brooke, 1939: 115). Highly impressed by his remarkable achievements and the spirit that he embodied, she saw him as “a brilliant and ambitious man with the lined face of one who has had to work hard for everything. He amassed great riches, became very powerful, and eventually owned vast properties and a bank”. In her 1939 book entitled The Three White Rajahs, she described Kheng Chiang as “The Uncrowned King of Sarawak”.

Official acknowledgement of his outstanding social and charitable contributions came from both the colonial government and the Malaysian nation. He was conferred the Commander of the Star of Sarawak by the Third White Rajah of Sarawak in 1941, and the Panglima Negara Bintang Sarawak, which carries the title Dato Sri by the first Governor of Sarawak in 1964.

A Life Fulfilled

Kheng Chiang proved to be a successful entrepreneur from the time of his first business venture. He earned his first million within five years of launching into business, at the young age of just over thirty. His residence at Mathies Road facing the Sarawak River, with a splendid garden, was a magnificent building. Its uniqueness and splendor marked it out as a landmark in that area. His two wives borne him five sons and ten daughters. He had three sons and eight daughters by his first wife and another two sons and two daughters by the second.

Kheng Chiang became a Buddhist when he was 83 years of age. Having successfully handed his business over to the next generation and relieved of the burdens and obligations that were part and parcel of life in business, his was a life fulfilled as he began to immerse himself in the tranquility of retirement, to enjoy its rich rewards, and to seek spiritual assurance
in life. The blessings of a good life and family were evident in abundance.

In 1978, he passed away peacefully at a ripe old age. Paying their last respect to this remarkable man who rose to prominence from a humble origin were relatives and friends, business associates, representatives of Chinese associations, students, and state dignitaries including the Chief Minister of Sarawak and his wife. The funeral procession stretched over a mile in a grand send-off for a proud son of Sarawak.

**Conclusion**

His humble origins and untimely death of his father who left nothing behind but a widow and children had not deterred Kheng Chiang to accumulate a fortune that all but the tiny few could only dream of. Brief though his career was as a hired employee in various offices, the experience that he gained stood him in good stead as he broadened his views and skills for his future ventures. His meeting with Ong Tiang Swee, his employer, mentor and father-in-law, was the turning point in his life and career.

Perhaps having an already highly successful entrepreneur as father-in-law, coupled with an uncanny ability to grasp opportunities in promising ventures, Kheng Chiang went on to build up a business enterprise that had exerted a dominant presence in Sarawak and Singapore. He emerged as the wealthiest man in Sarawak and one of its leading community leaders. He presented himself as a self-made man, a public figure, a beloved patriarch to his family, an ambitious entrepreneur, and a philanthropist rarely matched by his peers.

The factors behind Kheng Chiang’s success in business might be complex. Essentially, they were inseparably associated with his analytic mind, his humanistic approach to management, his noble principles of honesty and sincerity, and the right timing in launching into the right types of business. He was ahead of his contemporaries when he ventured into the banking industry. This bold and decisive move into a budding industry came at the right time when there was little competition to contend with at that time. Banking proved to be a highly profitable investment and the business was stable and secure. His entry into the trade in local produce too was well-timed. With his ready cash, he purchased the goods at low cost and sold them at high prices. In the immediate post-war years especially during the Korean War in the early 1950s, the demand for such commodities as pepper and rubber yielded unprecedented profits.

Kheng Chiang’s business ventures might have been blessed with an element of luck. Luck was undeniably on his side when he appeared in the dream of a wealthy future mother-in-law. Luck too had accounted for his escape from execution at the cruel hands of the Japanese and that added decades more to his life in what was to be his golden years in business.

In business and family life, Kheng Chiang enjoyed harmonious social relationships
with people from all walks of life. Numerous social associations and educational, religions and cultural organizations benefited from his leadership role. His capacity for philanthropic causes brought comfort to countless numbers of the less privileged. In short, none could dispute his generous contributions to the general welfare of the community and the state.

The entrepreneurial and community spirit of Kheng Chiang has inspired many in their admiration and emulation. His life and success had etched a deep imprint on the history of Sarawak.

Notes

1 “Dato Sri” is a state-level honorific title conferred by the governor on persons who have made significant contributions to state and society.

2 The Brookes from England were the “White Rajahs” who ruled Sarawak from 1841 to 1946 for 105 years.

3 Ong Tiang Swee (1864-1950) was the eldest son of Ong Ewe Hai, a pioneer and successful Hokkien merchant in Kuching. Tiang Swee inherited his father’s business, and became a close friend and advisor to Rajah Charles Brooke, the second Rajah of Sarawak who also appointed him Kapitan China General. He was Kheng Chiang’s first Chinese employer and father-in-law (黃建淳/Hwang Jiann Chen, 1999: 181 and 214; Lam, 2005: 28, 37-43).

4 A Rajah is a monarch in the Indian subcontinent and Southeast Asia. Rajah Charles Brooke was the second Rajah who ruled Sarawak from 1868 to 1917.

5 A Chinese proverb, it means attaining sudden success normally through passing the imperial examination.

6 Rajah Vyner Brooke was the third white Rajah of Sarawak, who ruled Sarawak from 1917 till 1946. He turned Sarawak to the British as her colony in 1946.

7 The Panglima Negara Bintang Sarawak (PNBS) carries the title of Datuk and the Datuk Amar Bintang Kenyalang (DA) carries the more senior title of Daruk Amar.

References


*The Straits Times* 29 March 2002.


**Internal Migration in the Klang Valley: Issues and Implications**

TEY Nai Peng*

**Abstract**

This paper deals with migration into and out of the Klang Valley, followed by a description of the profile of migrants. The causes and consequences of the influx of population to a region and the important role of migration in national development will also be dealt with.

Internal migration in Malaysia has become more focused, with heavy in-migration to the Klang Valley which is the national administrative, commercial and educational hub. Between 1991 and 2000, the population of Klang Valley increased from about 3.2 million to 5.1 million, at 5 per cent per annum. Migration is induced by opportunities of higher learning and employment in the manufacturing, services and construction sectors. The migrants tend be among the young and the better educated segments of the population.

The influx of Malays to the Klang Valley has contributed to the government's goal to reduce the ethnic identification with employment and geographical locations. Internal migration in turn results in economies of agglomeration and plays a key role in transforming the economy, increasing incomes and propels the nation towards “developed nation” status. Heavy concentrations of population in the Klang Valley, however, have given rise to many social problems and exacerbate the strain on existing social amenities and infrastructures.

**Key words:** Internal migration, migrants, Klang Valley, population concentration, economy, development

**Introduction**

Malaysia covers an area of 333,000 square kilometres, with a population of about 28 million in 2010 of whom almost four-fifths were found in Peninsular Malaysia (DSM, 2010). The population is multi-ethnic in character, comprising Bumiputera communities of Malays and several other indigenous groups in Sabah and Sarawak, and non-Bumiputera communities of Chinese, Indians, and other minor groups. In 2000, the the national population was made up of 61.2 per cent Bumiputera, 24.5 per cent Chinese, 7.2 per cent Indians, and 1.2 per cent “Others”, and 5.9 per cent non-citizens.

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Economically, the employment structure of the major ethnic groups has undergone significant transformation since independence in 1957. Traditionally, Malays lived largely in the rural areas and worked as paddy farmers, fishermen and rubber tappers. The Chinese dominated trade and commerce in the towns and were also involved in tin mining, rubber cultivation and commercial agriculture. The Indians were primarily found in the rubber plantations, with a few involved in trade and commerce and in the professions (Leete, 1996). Following the implementation of the New Economic Policy (NEP) during the period of 1970-1990, aimed at restructuring society to eliminate the identification of race with location and occupation, and the creation of a Bumiputera Commercial and Industrial Community, large numbers of Malays had moved to the urban centres. Between 1970 and 2000, the urbanization level of the Malays increased from 14.9 to 54.2 per cent. During the same period, the urbanization level of the Chinese and Indians increased from 47.4 and 34.7 per cent to 85.9 and 79.7 per cent respectively.

Until the 1960s, the Malaysian economy was based on the production of rubber and tin for export and the growing of rice and minor food crops. In 1970, half the labour force was engaged in agriculture, but was reduced to 13.4 per cent in 2006. On the other hand, the manufacturing sector increased its share of total employment from 8 to 20.3 per cent during the same period. Significant gains were also recorded in the construction, services and financial sectors. Rapid industrialization and economic growth boosted per capita gross domestic product (GDP) from US$3,849 (PPP) in 1987 to US$13,515 (PPP) in 2007 (UN, 2009). At the same time, the supremacy of rubber, which accounted for 55 per cent of the country’s export earnings in 1960, was practically obliterated, being a mere 1.4 per cent in 2007. In contrast, the manufacturing sector rose to primacy by contributing to about 52 per cent of export earnings (DSM, 2007).

Remarkable progress was also made in human development. Life expectancy rose from 54.3 years in 1960 to 74.1 years in 2007. Enrolment in primary and secondary schools stood at about 95 and 58 per cent respectively. The labour force is now more highly trained with 19 per cent possessing tertiary education in 2006, compared with only 3 per cent in 1980. Gender differentials in educational attainment have been narrowed and reversed, with young women outnumbering the men in institutions of higher learning. Female labour force participation rate has remained at around 47 per cent (DSM, 1999, 2002, 2003a and 2007).

These changes have come about through various processes of change. One of the major processes is that of internal migration and its varying social and economic impacts on the different states of the country. Some states have registered net gains in population while others experienced net losses. Yet it is not always true that the more developed states with large urban centres experience net gains at the expense of their less developed counterparts. The
Internal Migration in the Klang Valley of Malaysia

During the inter-censal period of 1991-2000, internal migration resulted in a slow rate of population growth of 1.3 per cent per annum in Kuala Lumpur and an almost phenomenal rate of 6.1 per cent per annum in Selangor. This decade witnessed a 75 per cent increase in the population of Selangor from 2.4 million to 4.2 million, while that of Kuala Lumpur was just 17 per cent from 1.2 million to 1.4 million. The unusual situation in Selangor was largely the result of heavy in-migration from other parts of the country, including Kuala Lumpur. The manufacturing, services and construction sectors of this state also attracted substantial numbers of foreign workers. Between 1996 and 2000, Selangor received a net inflow of 371,000 migrants, of whom 14 per cent were foreigners. On the other hand, Kuala Lumpur received 42,000 in-migrants between 1996 and 2000, but sent almost 100,000 away to Selangor.

This paper deals with issues of internal migration between 1996 and 2000 with reference to the socio-demographic characteristics of migrants into and out of Kuala Lumpur and Selangor. The discussion will focus on the Klang Valley comprising Kuala Lumpur and its adjacent districts in Selangor (Klang, Petaling, Gombak, Ulu Langat, Sepang, Putrajaya, and Multimedia Super Corridor, which together made up 86 per cent of the total population of Selangor), and some of the causes of in-migration to this region. Unabated and heavy migration to the Klang Valley has both positive and negative consequences. The implications of the migratory streams and rapid population growth in the Klang Valley on the restructuring of society, social and economic development, basic infrastructures and services, as well as opportunities, challenges and problems associated with rapid population growth in the Klang Valley will be examined.

Overview of Population Growth and Internal Migration in Malaysia

Published data and the two per cent sample data of the 2000 Population Census of Malaysia form the basis of this study. Unlike previous censuses which used the *de facto* approach (by counting people where they are on Census day irrespective of their usual place of residence), the 2000 Census adopted the *de jure* approach by enumerating all persons according to their place of usual or legal residence on Census day on 5 July 2000. All persons including foreigners who had stayed or intended to stay in Malaysia for six months or more in the year 2000 were enumerated.

The population of Malaysia increased by about 2.6 per cent each year between 1970 and 2000, but declined to 2.2 per cent per annum since then. The population almost trebled in number from 10.4 million in 1970 to more than 28 million in 2010. The rate of growth varies...
considerably in urban and rural areas. In the 1990s, the annual rate of growth ranged from less than 1 per cent in the states of Kelantan, Perak (the most populous state up to 1980) and Perlis to 6.1 per cent in Selangor. While the population in Selangor saw an accelerating rate of growth between 1970 and 2000, that of Kuala Lumpur grew at a slower pace than before (Table 1). Embedded in the markedly contrasting rates of population growth between the Federal capital and Selangor that encloses it are a host of causes arising from diverse origins.

### Table 1. Population and Rate of Population Growth by State, 1970-2000 ('000)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Johor</td>
<td>1,277.2</td>
<td>1,638.2</td>
<td>2,162.4</td>
<td>2,740.6</td>
<td>3,395.1</td>
<td>2.5 2.5 2.6 2.1</td>
</tr>
<tr>
<td>Kedah</td>
<td>954.9</td>
<td>1,116.1</td>
<td>1,364.5</td>
<td>1,649.8</td>
<td>1,984.6</td>
<td>1.6 1.8 2.1 1.8</td>
</tr>
<tr>
<td>Kelantan</td>
<td>684.7</td>
<td>893.8</td>
<td>1,207.7</td>
<td>1,313.0</td>
<td>1,533.0</td>
<td>2.7 2.7 0.9 1.5</td>
</tr>
<tr>
<td>Melaka</td>
<td>404.1</td>
<td>464.8</td>
<td>529.2</td>
<td>635.8</td>
<td>828.141</td>
<td>1.4 1.2 2.0 2.6</td>
</tr>
<tr>
<td>N. Sembilan</td>
<td>481.6</td>
<td>573.6</td>
<td>722.0</td>
<td>859.9</td>
<td>1,046.9</td>
<td>1.7 2.1 1.9 2.0</td>
</tr>
<tr>
<td>Pahang</td>
<td>504.9</td>
<td>798.8</td>
<td>1,081.1</td>
<td>1,288.4</td>
<td>1,515.5</td>
<td>4.6 2.8 1.9 1.6</td>
</tr>
<tr>
<td>Perak</td>
<td>1,569.1</td>
<td>1,805.2</td>
<td>1,974.9</td>
<td>2,051.2</td>
<td>2,371.3</td>
<td>1.4 0.8 0.4 1.5</td>
</tr>
<tr>
<td>Perlis</td>
<td>121.1</td>
<td>148.3</td>
<td>190.2</td>
<td>204.5</td>
<td>238.4</td>
<td>2.0 2.3 0.8 1.5</td>
</tr>
<tr>
<td>Penang</td>
<td>776.1</td>
<td>954.6</td>
<td>1,116.8</td>
<td>1,313.4</td>
<td>1,596.1</td>
<td>2.1 1.4 1.8 1.9</td>
</tr>
<tr>
<td>Sabah</td>
<td>636.4</td>
<td>983.1</td>
<td>1,808.8</td>
<td>2,603.5</td>
<td>3,276.0</td>
<td>4.3 5.5 4.0 2.3</td>
</tr>
<tr>
<td>Sarawak</td>
<td>976.3</td>
<td>1,307.6</td>
<td>1,718.4</td>
<td>2,071.5</td>
<td>2,541.0</td>
<td>2.9 2.5 2.1 2.0</td>
</tr>
<tr>
<td>Selangor</td>
<td>982.1</td>
<td>1,515.5</td>
<td>2,413.6</td>
<td>4,188.9</td>
<td>5,753.3</td>
<td>4.3 4.2 6.1 3.2</td>
</tr>
<tr>
<td>Terengganu</td>
<td>405.4</td>
<td>5,406.0</td>
<td>808.6</td>
<td>898.8</td>
<td>1,066.6</td>
<td>2.9 3.7 1.2 1.7</td>
</tr>
<tr>
<td>Kuala Lumpur</td>
<td>648.3</td>
<td>977.1</td>
<td>1,226.7</td>
<td>1,379.3</td>
<td>1,708.5</td>
<td>4.1 2.1 1.3 2.1</td>
</tr>
<tr>
<td>Labuan</td>
<td>17.2</td>
<td>27.9</td>
<td>54.8</td>
<td>76.1</td>
<td>89.5</td>
<td>4.8 6.1 3.6 1.6</td>
</tr>
<tr>
<td>Malaysia</td>
<td>10,439.4</td>
<td>13,745.2</td>
<td>18,379.7</td>
<td>23,274.7</td>
<td>28,944.1</td>
<td>2.8 2.6 2.6 2.2</td>
</tr>
</tbody>
</table>


Note: the preliminary report of the 2010 Census showed an enumerated population of 27,565,821 in 2010, and this was inflated by a factor of 1.05, to 28,944,112 to take into account under-enumeration, as in the case of the 2000 Population Census, i.e. 23,274,690/ 22,198,275= 1.05.

One of the consequences of the differential rates of population growth is the substantial re-distribution of population. In the 1990s, Selangor boosted its share of the total population from 13.1 to 18.0 per cent, and further to 20 per cent in 2010, while Sabah increased its share from 9.8 to 11.2 per cent in 2000-2010. Except for Johor which contained 11.8 per cent of the total population throughout the 1990s, all other states experienced a relative decline in their share of the national population. Perak, the most populous state in 1970, dropped to fifth place in 2000, behind Selangor, Johor, Sabah and Sarawak.

Data on the place of birth and usual residence of a person five years preceding the census are employed in the study of lifetime and five-year internal migration. All movements
during the intervening period are ignored. The 2000 Population Census shows that 76.2 per cent of the population had not moved between 1996 and 2000, 17.8 per cent were migrants and 6 per cent were of unknown migration status (DSM, 2004). In terms of life time migrants, 4.5 million persons had moved across states since birth, of which 3.3 million did so during the five years preceding the 2000 Census (Table 2).

Table 2. Distribution of Lifetime and Five-year Internal Migration by State, 1996-2000

<table>
<thead>
<tr>
<th>State</th>
<th>Life time migrants</th>
<th>Five-year migrants</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>In</td>
<td>Out</td>
</tr>
<tr>
<td>Johor</td>
<td>372,194</td>
<td>377,789</td>
</tr>
<tr>
<td>Kedah</td>
<td>226,589</td>
<td>388,821</td>
</tr>
<tr>
<td>Kelantan</td>
<td>51,179</td>
<td>358,098</td>
</tr>
<tr>
<td>Melaka</td>
<td>120,852</td>
<td>256,741</td>
</tr>
<tr>
<td>Negeri Sembilan</td>
<td>222,319</td>
<td>267,911</td>
</tr>
<tr>
<td>Pahang</td>
<td>355,812</td>
<td>277,362</td>
</tr>
<tr>
<td>Perak</td>
<td>224,884</td>
<td>793,345</td>
</tr>
<tr>
<td>Perlis</td>
<td>42,122</td>
<td>58,946</td>
</tr>
<tr>
<td>Penang</td>
<td>249,715</td>
<td>251,741</td>
</tr>
<tr>
<td>Sabah</td>
<td>74,380</td>
<td>98,901</td>
</tr>
<tr>
<td>Sarawak</td>
<td>31,523</td>
<td>93,659</td>
</tr>
<tr>
<td>Selangor</td>
<td>1,876,690</td>
<td>254,963</td>
</tr>
<tr>
<td>Terengganu</td>
<td>105,444</td>
<td>152,764</td>
</tr>
<tr>
<td>Kuala Lumpur</td>
<td>558,494</td>
<td>745,049</td>
</tr>
<tr>
<td>Labuan</td>
<td>25,288</td>
<td>4,473</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4,537,485</td>
<td>4,380,572</td>
</tr>
</tbody>
</table>

Source: DSM, 2004

Selangor registered a net gain of 1.6 million lifetime migrants and about a quarter million recent migrants (including external migrants in both cases). On the other hand, Kuala Lumpur experienced one of the largest net losses. However, these losses were apparent rather than real, as most of the out-migrants from Kuala Lumpur moved to new housing areas across the border in Selangor.

A key feature of internal movements during the five years before the 2000 Census was that most migrants moved across adjoining states. This explains why there were more migrants into and out of Kuala Lumpur and Selangor than other states. The populations of these territories contained a higher proportion of migrants than other states. The proportion of residents born outside the state was as high as 50 per cent in Selangor and Kuala Lumpur, in sharp contrast to less than 5 per cent in Kelantan, Sabah and Sarawak.

The 2001 Migration Survey confirms that migration to urban areas is becoming more dominant in inter-state migration, accounting for 77.6 per cent of the movements (65.7 per cent
urban-urban and 11.9 per cent rural-urban). Rural-rural and urban-rural migration made up 4.0 per cent and 18.5 per cent respectively of these total movements. The Survey shows that 85 per cent of the urban migrants in Selangor had come from other urban centres, whether they were from other states or within Selangor itself (DSM, 2003b).

Females were as likely to migrate outside their state of residence as males. This is shown by the fact that the sex ratio of internal migrants is similar to that of the total population. Relatively more females than males have migrated to work in the factories. As expected, migration tends to involve young adults between the ages of 20 and 34 years. These groups accounted for 42.8 per cent of all inter-state migrants in 2000, but only 20.0 per cent of the non-migrants and 31.8 per cent among intra-district migrants.

The better educated, and therefore better equipped, are more likely and to move than the less educated. Migrants are much more likely than non-migrants to have upper secondary or tertiary education. The proportion with upper secondary or tertiary education was 57.8 per cent among inter-state migrants and 42.6 per cent among intra-state migrants. In comparison, only one third among the non-migrants had secondary or higher qualification. In the case of tertiary education, the contrast is 22 per cent among movers against 5.8 per cent among non-movers.

As migration is generally motivated by the search for better job opportunities, it is therefore likely that most migrants seek employment as employees. On the other hand, the self-employed are less likely to move as they may not prefer to work for others.

Migration Into and Out of the Klang Valley

Lifetime Inter-state Migration

Lifetime migration up to the year 2000 refers to the change of residence between the place of birth and the current place, without taking into account intervening movements. The following discussion is concerned with lifetime migrants who were living in Kuala Lumpur and Selangor in 2000 but were born in other states.

In 2000, Selangor was the destination of 1,788,020 lifetime in-migrants and the source of 254,963 lifetime out-migrants. The result was a net gain of about 1.5 million people to the state. The corresponding figures for Kuala Lumpur are 538,831 lifetime in-migrants and 745,049 lifetime out-migrants, resulting in a net loss of 206,218 persons to its population. The contrast between the two territories is marked and clear. As half the population in Selangor and 40 per cent of that in Kuala Lumpur were born in other states, one may dub these two territories as the home of migrant communities.
Table 3. Lifetime Migration Flows To and From Kuala Lumpur and Selangor, 2000

<table>
<thead>
<tr>
<th>State</th>
<th>Kuala Lumpur To</th>
<th>Kuala Lumpur From</th>
<th>Kuala Lumpur Net</th>
<th>Selangor To</th>
<th>Selangor From</th>
<th>Selangor Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>Johor</td>
<td>52,500</td>
<td>20,220</td>
<td>32,280</td>
<td>139,408</td>
<td>22,467</td>
<td>116,941</td>
</tr>
<tr>
<td>Kedah</td>
<td>35,382</td>
<td>10,005</td>
<td>25,377</td>
<td>88,967</td>
<td>8,378</td>
<td>80,589</td>
</tr>
<tr>
<td>Kelantan</td>
<td>36,671</td>
<td>3,452</td>
<td>33,219</td>
<td>104,001</td>
<td>2,695</td>
<td>101,306</td>
</tr>
<tr>
<td>Melaka</td>
<td>38,478</td>
<td>10,215</td>
<td>28,263</td>
<td>91,364</td>
<td>8,672</td>
<td>82,692</td>
</tr>
<tr>
<td>Negeri Sembilan</td>
<td>44,619</td>
<td>19,339</td>
<td>25,280</td>
<td>126,228</td>
<td>27,774</td>
<td>98,454</td>
</tr>
<tr>
<td>Pahang</td>
<td>32,642</td>
<td>20,484</td>
<td>12,158</td>
<td>90,632</td>
<td>32,625</td>
<td>58,007</td>
</tr>
<tr>
<td>Perak</td>
<td>123,435</td>
<td>19,095</td>
<td>104,340</td>
<td>352,176</td>
<td>25,453</td>
<td>326,723</td>
</tr>
<tr>
<td>Perlis</td>
<td>4,345</td>
<td>1,493</td>
<td>2,852</td>
<td>11,277</td>
<td>1,246</td>
<td>10,031</td>
</tr>
<tr>
<td>Penang</td>
<td>27,511</td>
<td>8,250</td>
<td>19,261</td>
<td>67,489</td>
<td>7,165</td>
<td>60,324</td>
</tr>
<tr>
<td>Sabah</td>
<td>9,484</td>
<td>3,906</td>
<td>5,578</td>
<td>29,642</td>
<td>3,698</td>
<td>25,944</td>
</tr>
<tr>
<td>Sarawak</td>
<td>11,335</td>
<td>1,567</td>
<td>9,768</td>
<td>22,039</td>
<td>1,335</td>
<td>20,704</td>
</tr>
<tr>
<td>Selangor</td>
<td>109,113</td>
<td>622,347</td>
<td>-513,234</td>
<td>1,757,373</td>
<td>1,757,373</td>
<td>0</td>
</tr>
<tr>
<td>Terengganu</td>
<td>12,998</td>
<td>4,073</td>
<td>8,925</td>
<td>41,499</td>
<td>3,923</td>
<td>37,576</td>
</tr>
<tr>
<td>Kuala Lumpur</td>
<td>595,483</td>
<td>595,483</td>
<td>0</td>
<td>622,347</td>
<td>109,113</td>
<td>513,234</td>
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<tr>
<td>Labuan</td>
<td>318</td>
<td>603</td>
<td>-285</td>
<td>951</td>
<td>419</td>
<td>532</td>
</tr>
</tbody>
</table>


Kuala Lumpur recorded a net gain of lifetime migrants from all states, except Selangor and Labuan. It was Perak, where depopulation has been a sensitive barometer to its economic decline that contributed the largest number of lifetime migrants to Kuala Lumpur and the second largest number to Selangor. Selangor saw a net gain from all other states, drawing the largest number from adjacent Kuala Lumpur, followed by Perak, Johor and Kelantan. The migratory movements from Kuala Lumpur to Selangor, amounting to a net deficit of half a million people, is illusory as large numbers have moved to the mushrooming housing estates in adjoining Selangor but who may still commute daily to work in the capital city. For the Klang Valley as a whole, the net inflow of Malay lifetime migrants was close to 900,000, while that of the Chinese and Indians exceeded 300,000 and 100,000 respectively (Figure 1).

![Figure 1. Lifetime Migration to and from Kuala Lumpur/Selangor by Ethnic Group, 2000](image)

Five-Year Migration, 1996-2000

Changes in the place of residence five years preceding the 2000 Census provides information for the study of the most recent inter-state migration. As this measure does not take into account intervening moves within the five-year period, all return migrants are classified as non-migrants. The five-year inter-state migration provides a clearer picture of the recent trend and patterns of internal migration that lifetime migration may not reveal.

Again, the cross-over of population from Kuala Lumpur to Selangor represents the major phenomenon of internal migration in Malaysia in recent years. During the 1996-2000 period, Kuala Lumpur had a migration deficit of close to 100,000, mainly to Selangor, and also net losses to several other states.

Selangor continued to attract migrants from other states during the 1996-2000 period, gaining close to a quarter million people. It was this influx that explains its 6 per cent annual population growth in the 1990s. Migrants to Selangor had crossed over mainly from adjacent Kuala Lumpur, but also from Perak, Kelantan, Johor, and Pahang and as far as Sabah and Sarawak (Table 4).

<table>
<thead>
<tr>
<th>State</th>
<th>Kuala Lumpur</th>
<th>Selangor</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>To</td>
<td>From</td>
</tr>
<tr>
<td>Johor</td>
<td>10,213</td>
<td>11,267</td>
</tr>
<tr>
<td>Kedah</td>
<td>6,409</td>
<td>6,462</td>
</tr>
<tr>
<td>Kelantan</td>
<td>7,977</td>
<td>3,358</td>
</tr>
<tr>
<td>Melaka</td>
<td>3,897</td>
<td>5,565</td>
</tr>
<tr>
<td>Negeri Sembilan</td>
<td>5,628</td>
<td>10,291</td>
</tr>
<tr>
<td>Pahang</td>
<td>7,269</td>
<td>7,032</td>
</tr>
<tr>
<td>Perak</td>
<td>14,323</td>
<td>10,881</td>
</tr>
<tr>
<td>Perlis</td>
<td>861</td>
<td>907</td>
</tr>
<tr>
<td>Penang</td>
<td>4,414</td>
<td>4,944</td>
</tr>
<tr>
<td>Sabah</td>
<td>4,103</td>
<td>2,448</td>
</tr>
<tr>
<td>Sarawak</td>
<td>5,264</td>
<td>2,175</td>
</tr>
<tr>
<td>Selangor</td>
<td>32,145</td>
<td>131,423</td>
</tr>
<tr>
<td>Terengganu</td>
<td>3,545</td>
<td>3,411</td>
</tr>
<tr>
<td>Labuan</td>
<td>239</td>
<td>440</td>
</tr>
<tr>
<td>Kuala Lumpur</td>
<td>114,793</td>
<td>114,793</td>
</tr>
<tr>
<td>Total*</td>
<td>106,287</td>
<td>200,604</td>
</tr>
<tr>
<td>Outside Malaysia</td>
<td>22,631</td>
<td>n.a.</td>
</tr>
<tr>
<td>Unknown (migrants)</td>
<td>13,775</td>
<td>n.a.</td>
</tr>
<tr>
<td>Non-migrants</td>
<td>883,811</td>
<td>n.a.</td>
</tr>
<tr>
<td>Unknown</td>
<td>164,495</td>
<td>n.a.</td>
</tr>
</tbody>
</table>

* Excluding intra-state

Since the 1980s, labour shortage has led to an influx of foreign workers from Indonesia, Philippines and Bangladesh to fill the needs of the construction, plantation, manufacturing and services sectors. The 2000 Census enumerated a total of 1.38 million non-citizens. Table 4 shows that 22,631 and 52,284 non-citizens had entered Kuala Lumpur or Selangor five years prior to the Census. This number has since ballooned in recent years.

The published reports of the 2000 Population Census do not provide information on five-year inter-state migration by ethnicity. The 2 per cent sample of the 2000 Census is therefore used to estimate the five-year migratory flow to and from the Klang Valley (Figure 2). There were net inflows of migrants of all the major ethnic groups, led by the Malays (in excess of 75,000), Chinese (about 50,000) and Indians (about 10,000).

![Figure 2. Five-year Inter-state Migration to and from Kuala Lumpur and Selangor, 1996-2000](image)

Source: Based on estimate from the 2% sample

**Characteristics of Five-year Internal Migrants To and From Klang Valley**

Both age and education have a determining effect on migration. To migrate or not to migrate is a major personal decision that tends to favour the young and the better educated segments of the population. They tend to be much more adventurist and motivated than older members of the community. They are also imbued with greater hopes of obtaining good employment than the older persons.

From Table 5, it is clear that the average age of migrants to Selangor and Kuala Lumpur is lower than the national average and that of non-migrants in these two territories. The mean age of the migrants is highest among out-migrants from Kuala Lumpur. Recent migrants to both areas are dominated by the 20-29 age group (46.1 per cent in Kuala Lumpur and 37.5 per
cent in Selangor). One of the reasons for this is the large enrolment of youths in institutions of higher learning, which are mostly concentrated in the Klang Valley. As the industrial, commercial and administrative centre of the country, Kuala Lumpur and major urban centres in the Klang Valley offer ample opportunities for employment to the graduates of colleges and universities and all those in search of employment.

The sex ratio of in-migrants, especially those aged 20-39 years, indicates the predominance of female migrants in Kuala Lumpur, but this is not the case in Selangor. That relatively more males had moved out from Kuala Lumpur during the 1996-2000 period also explains the strong presence of female in-migrants. More males had also moved out of Selangor during this period and had helped to depress the high male to female ratio.

Table 5. Socio-Demographic Characteristics of Five-Year Internal Migrants to and from Kuala Lumpur and Selangor, 1996-2000

<table>
<thead>
<tr>
<th></th>
<th>Malaysia</th>
<th>Kuala Lumpur</th>
<th>Selangor</th>
<th>Kuala Lumpur</th>
<th>Selangor</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>In-migrants</td>
<td>Out-migrants</td>
<td>Total</td>
<td>In-migrants</td>
</tr>
<tr>
<td>Mean age</td>
<td>26.3</td>
<td>29.7</td>
<td>24.5</td>
<td>25.6</td>
<td>26.1</td>
</tr>
<tr>
<td>Sex ratio</td>
<td>1.03</td>
<td>1.02</td>
<td>0.95</td>
<td>1.07</td>
<td>1.05</td>
</tr>
<tr>
<td>Sex ratio (20-39)</td>
<td>1.00</td>
<td>0.98</td>
<td>0.86</td>
<td>1.08</td>
<td>1.03</td>
</tr>
<tr>
<td>Total (per cent)</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Age distribution</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Below 10</td>
<td>23.0</td>
<td>18.9</td>
<td>12.5</td>
<td>21.5</td>
<td>21.3</td>
</tr>
<tr>
<td>10-19</td>
<td>20.8</td>
<td>16.5</td>
<td>13.6</td>
<td>14.2</td>
<td>18.6</td>
</tr>
<tr>
<td>20-29</td>
<td>16.3</td>
<td>21.0</td>
<td>46.1</td>
<td>22.3</td>
<td>20.1</td>
</tr>
<tr>
<td>30-39</td>
<td>15.1</td>
<td>17.7</td>
<td>18.4</td>
<td>24.4</td>
<td>17.2</td>
</tr>
<tr>
<td>40-49</td>
<td>11.8</td>
<td>13.0</td>
<td>6.1</td>
<td>11.9</td>
<td>12.3</td>
</tr>
<tr>
<td>50-59</td>
<td>6.7</td>
<td>7.0</td>
<td>2.1</td>
<td>3.5</td>
<td>5.9</td>
</tr>
<tr>
<td>60+</td>
<td>6.3</td>
<td>5.8</td>
<td>1.3</td>
<td>2.4</td>
<td>4.5</td>
</tr>
<tr>
<td>Ethnicity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Malays</td>
<td>51.0</td>
<td>39.9</td>
<td>57.0</td>
<td>57.0</td>
<td>49.4</td>
</tr>
<tr>
<td>Other Bumiputera</td>
<td>10.9</td>
<td>0.7</td>
<td>1.8</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Chinese</td>
<td>24.4</td>
<td>41.6</td>
<td>32.3</td>
<td>28.1</td>
<td>29.9</td>
</tr>
<tr>
<td>Indians</td>
<td>7.2</td>
<td>10.6</td>
<td>5.3</td>
<td>8.9</td>
<td>14.6</td>
</tr>
<tr>
<td>Others</td>
<td>1.2</td>
<td>1.5</td>
<td>0.5</td>
<td>0.9</td>
<td>1.0</td>
</tr>
<tr>
<td>Non-citizens</td>
<td>5.4</td>
<td>5.7</td>
<td>3.2</td>
<td>4.1</td>
<td>4.2</td>
</tr>
<tr>
<td>Educational level</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No schooling</td>
<td>10.2</td>
<td>4.1</td>
<td>1.6</td>
<td>1.8</td>
<td>5.0</td>
</tr>
<tr>
<td>Primary</td>
<td>25.3</td>
<td>16.9</td>
<td>5.9</td>
<td>8.4</td>
<td>17.6</td>
</tr>
<tr>
<td>Secondary</td>
<td>49.2</td>
<td>52.8</td>
<td>43.9</td>
<td>51.1</td>
<td>51.8</td>
</tr>
<tr>
<td>Tertiary</td>
<td>15.4</td>
<td>26.2</td>
<td>48.5</td>
<td>38.6</td>
<td>25.6</td>
</tr>
</tbody>
</table>

Source: Computed from 2 per cent sample of the 2000 Population Census
Malays were predominant among the in-migrants in Kuala Lumpur and Selangor during the 1996-2000 period. They also dominated the outflows from the Klang Valley. One of the explanations for this was the departure of students to their home states upon completing their higher education. The corresponding shares of Chinese and Indian migrants into and out of Klang Valley are much lower than their respective shares of the population in these territories. This phenomenon again underscores the dominance of Malay migration into and out of the Klang Valley (Table 5).

Table 5 also confirms that recent in-migrants to the Klang Valley have higher educational attainment compared with the general population. Among those aged 20-64 who had recently moved to the Klang Valley, about half in Kuala Lumpur and 44 per cent in Selangor had received tertiary education, compared with only 15 per cent for the country, and 25 per cent for the two territories as a whole. One may acknowledge that higher educational attainment is more likely to be the result rather than the cause of migration, given that most institutions of higher learning are located in the Klang Valley.

**Explaining Migration Flows Into and Out of Klang Valley**

**Government Policies**

The launching of NEP in 1971 marked a watershed in Malaysian history. The policy was to achieve socio-economic goals by pursuing economic growth targets to create harmony and unity among diverse ethnic and religious groups. The overriding goal of national unity was to be met by means of two major strategies. The first was to reduce absolute poverty irrespective of ethnicity through expanding employment opportunities and raising income levels for all. The second was to restructure society to reduce and eventually eliminate economic imbalances arising from the occupational identification with ethnic groups.

The social restructuring programme was by far the more fundamental and at times controversial policy. Its implementation was tied to a series of strategies that were deliberately biased in favour of the Bumiputera communities. Among these strategies were the following (http://www.epu.gov.my/neweconomicpolicy):

1. Direct intervention by Government through the creation of specialized agencies to acquire economic interests and hold in-trust for Bumiputeras until such a time when they are capable of taking over;
2. Introduction of specially designed rules and arrangements, whereby the involvement and participation of Bumiputeras are assisted and facilitated over a period;
3. Provision of concessional fiscal and monetary support as part of the package towards entrepreneurial development;
4. Accelerated programme for education and training;
5. Increasing Bumiputera ownership through privatization projects; and
6. Reduce progressively, through overall economic growth, the imbalances in employment so that employment by sectors and occupational levels would reflect racial composition.

In the Mid-term Review of the Eighth Malaysia Plan (2001-2005) (Malaysia, 2003), it was stated that:

The Government will continue to implement programmes and projects to achieve distributional and regional balance strategies during the remaining Plan period...Strategies to restructure employment will focus on programmes to increase the number of Bumiputera professionals, managers and skilled workers in various occupations and sectors.

A corollary in the implementation of the social restructuring policy has been to urbanize the Malays and other Bumiputera groups. Vastly increased opportunities in higher education and employment in government and business sectors have led to an exodus of Malay youths from the rural to urban areas, in particular to the Klang Valley.

Klang Valley: The National Hub

Given that Kuala Lumpur was formerly a part of Selangor and that they form an inseparable economic zone, the migratory flows between these territories are intra-regional. It is more meaningful then to discuss migratory flows to the region as a whole, particularly with reference to Klang Valley that comprises Kuala Lumpur and the adjacent districts of Selangor.

One of the factors that induce heavy outflows from Kuala Lumpur to Selangor is the rapid housing development in Selangor. Between 1991 and 2000, the number of housing units (including flats, apartments and condominiums) in Selangor increased sharply from 529,198 to about 830,000 units, while those in Kuala Lumpur increased from 257,666 units to 294,400. Relative abundance of land in Selangor and shortage in Kuala Lumpur has pushed the suburbs outwards from the high-density urban core to the adjoining and largely agricultural outskirts. Hence, the cross-over from Kuala Lumpur is residential rather than occupational as many commute to work between the sprawling suburbs and Kuala Lumpur.

Kuala Lumpur is the Federal Territory and the national capital though most of the administrative functions have been shifted to Putrajaya in 2001. Its nodal position as the commercial, industrial and educational hub, together with several major urban centres adjoining it, remains intact if not becoming progressively more important. Between 1991
and 2000, the number of metropolitan centres in Selangor with 150,000 inhabitants and more doubled from four to eight, out of 17 and 26 respectively in Malaysia. In 2010, the nine largest urban centers in the Klang Valley have a combined population of 7.2 million, and this represents one quarter of the national total (Figure 3).

![Figure 3. Population of the Nine Largest Urban Centres in the Klang Valley](http://en.wikipedia.org/wiki/Selangor, retrieved on 7 March 2010)

Rapid population growth in the Klang Valley during the last few decades has been caused by the influx of migrants to its urban centres from all over the country. The majority arrive to pursue higher education and seek employment in the secondary and tertiary sectors. The 2000 Census shows that out of 316,959 persons aged 20-24 who were in school, 105,866 or one-third were in Selangor, 43,223 (13.6 per cent) were in Kuala Lumpur. With the liberalization of higher educational sector, private colleges and universities with overseas twinning programmes and several public universities have mushroomed in the Klang Valley. With employment prospects that were far superior to those in other parts of the country, the Klang Valley was naturally the location of choice for many graduates as a place to development their careers and to settle down.

The economic clout of the Klang Valley has grown over time. The 2000 Census confirms that this region accounted for almost 60 per cent of the total workforce in the financial and real estate sectors, and more than a quarter in other sectors outside agriculture, fishing, and mining (Table 6).

<table>
<thead>
<tr>
<th>Industry</th>
<th>Malaysia Number</th>
<th>Kuala Lumpur Number</th>
<th>Per cent</th>
<th>Selangor Number</th>
<th>Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, Hunting and Forestry</td>
<td>1,129,794</td>
<td>806</td>
<td>0.1</td>
<td>57,608</td>
<td>5.1</td>
</tr>
<tr>
<td>Fishing</td>
<td>102,300</td>
<td>54</td>
<td>0.1</td>
<td>6,824</td>
<td>6.7</td>
</tr>
<tr>
<td>Mining and Quarrying</td>
<td>20,518</td>
<td>594</td>
<td>2.9</td>
<td>3,175</td>
<td>15.5</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>1,761,478</td>
<td>71,037</td>
<td>4.0</td>
<td>426,334</td>
<td>24.2</td>
</tr>
<tr>
<td>Electricity, Gas and Water Supply</td>
<td>58,348</td>
<td>4,213</td>
<td>7.2</td>
<td>13,690</td>
<td>23.5</td>
</tr>
<tr>
<td>Construction</td>
<td>573,226</td>
<td>42,979</td>
<td>7.5</td>
<td>119,213</td>
<td>20.8</td>
</tr>
<tr>
<td>Wholesale and Retail Trade</td>
<td>976,398</td>
<td>111,397</td>
<td>11.4</td>
<td>190,943</td>
<td>19.6</td>
</tr>
<tr>
<td>Hotels and Restaurants</td>
<td>469,176</td>
<td>61,497</td>
<td>13.1</td>
<td>92,695</td>
<td>19.8</td>
</tr>
<tr>
<td>Transport, Storage and Communications</td>
<td>471,349</td>
<td>44,554</td>
<td>9.5</td>
<td>134,320</td>
<td>28.5</td>
</tr>
<tr>
<td>Finance</td>
<td>252,771</td>
<td>51,178</td>
<td>20.2</td>
<td>97,455</td>
<td>38.6</td>
</tr>
<tr>
<td>Real Estate, Renting and Business Activities</td>
<td>270,192</td>
<td>39,424</td>
<td>14.6</td>
<td>130,456</td>
<td>48.3</td>
</tr>
<tr>
<td>Public Administration and Defense</td>
<td>775,034</td>
<td>60,156</td>
<td>7.8</td>
<td>133,307</td>
<td>17.2</td>
</tr>
<tr>
<td>Education</td>
<td>509,191</td>
<td>33,501</td>
<td>6.6</td>
<td>119,470</td>
<td>23.5</td>
</tr>
<tr>
<td>Health and Social Work</td>
<td>179,693</td>
<td>21,051</td>
<td>11.7</td>
<td>37,360</td>
<td>20.8</td>
</tr>
<tr>
<td>Other Community and Personal Service Activities</td>
<td>134,241</td>
<td>21,634</td>
<td>16.1</td>
<td>36,555</td>
<td>27.2</td>
</tr>
<tr>
<td>Private Household with Employed Persons</td>
<td>150,478</td>
<td>29,106</td>
<td>19.3</td>
<td>48,210</td>
<td>32.0</td>
</tr>
<tr>
<td>Extra-territorial Organization and Bodies</td>
<td>3,136</td>
<td>353</td>
<td>11.3</td>
<td>723</td>
<td>23.1</td>
</tr>
</tbody>
</table>

Source: DSM, 2003a

Concentration of employment opportunities is translated into a large GDP share of the country (Table 7). Selangor accounted for the largest number of approved manufacturing projects between 1996 and 2000, and produced more than one fifth of the national GDP in 2000. It’s economic and development index was among the highest in the country and its mean household income was next only to that of Kuala Lumpur.

The high mean household income and economic and development indices of Kuala Lumpur are matched by declining rates of population growth since the 1980s. In 2000, Kuala Lumpur had 5,676 inhabitants to a square kilometer, compared with 526 in Selangor and 71 for the country. This intense overcrowding was a major push factor in the migration to new housing estates in adjacent Selangor.
Table 7. Socio-Economic Development Indicators by State, circa 2000

<table>
<thead>
<tr>
<th>State</th>
<th>Urbanization</th>
<th>GDP (RM million)</th>
<th>Per capita GDP</th>
<th>Mean household income</th>
<th>Approved manufacturing projects 1996-2000</th>
<th>Economic index</th>
<th>Development index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Johor</td>
<td>63.9</td>
<td>23,798</td>
<td>14,058</td>
<td>2,646</td>
<td>857</td>
<td>102.9</td>
<td>100.5</td>
</tr>
<tr>
<td>Kedah</td>
<td>38.7</td>
<td>8,969</td>
<td>8,754</td>
<td>1,612</td>
<td>233</td>
<td>95.5</td>
<td>97.8</td>
</tr>
<tr>
<td>Kelantan</td>
<td>33.5</td>
<td>5,120</td>
<td>6,137</td>
<td>1,314</td>
<td>44</td>
<td>91.9</td>
<td>93.1</td>
</tr>
<tr>
<td>Melaka</td>
<td>67.3</td>
<td>6,040</td>
<td>15,244</td>
<td>2,260</td>
<td>164</td>
<td>106.4</td>
<td>104.2</td>
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<tr>
<td>Negeri</td>
<td>55.0</td>
<td>7,205</td>
<td>13,574</td>
<td>2,335</td>
<td>165</td>
<td>101.8</td>
<td>102.3</td>
</tr>
<tr>
<td>Pahang</td>
<td>42.1</td>
<td>7,826</td>
<td>9,855</td>
<td>1,482</td>
<td>116</td>
<td>96.3</td>
<td>96.3</td>
</tr>
<tr>
<td>Perak</td>
<td>59.5</td>
<td>15,158</td>
<td>11,826</td>
<td>1,743</td>
<td>259</td>
<td>99.7</td>
<td>100.4</td>
</tr>
<tr>
<td>Perlis</td>
<td>33.8</td>
<td>1,239</td>
<td>9,739</td>
<td>1,431</td>
<td>13</td>
<td>95.0</td>
<td>99.9</td>
</tr>
<tr>
<td>P. Pinang</td>
<td>79.5</td>
<td>17,054</td>
<td>20,894</td>
<td>3,128</td>
<td>519</td>
<td>109.0</td>
<td>105.7</td>
</tr>
<tr>
<td>Selangor</td>
<td>88.3</td>
<td>46,609</td>
<td>18,157</td>
<td>3,702</td>
<td>1051</td>
<td>108.4</td>
<td>103.2</td>
</tr>
<tr>
<td>Terengganu</td>
<td>49.4</td>
<td>12,453</td>
<td>22,514</td>
<td>1,599</td>
<td>79</td>
<td>91.5</td>
<td>96.2</td>
</tr>
<tr>
<td>Kuala Lumpur</td>
<td>100.0</td>
<td>25,963</td>
<td>29,919</td>
<td>4,105</td>
<td>97</td>
<td>114.4</td>
<td>109.6</td>
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<tr>
<td>Sabah</td>
<td>48.3</td>
<td>15,698</td>
<td>9,560</td>
<td>1,905</td>
<td>125</td>
<td>82.8</td>
<td>90.0</td>
</tr>
<tr>
<td>Sarawak</td>
<td>47.9</td>
<td>16,817</td>
<td>13,248</td>
<td>2,276</td>
<td>181</td>
<td>94.8</td>
<td>96.6</td>
</tr>
<tr>
<td>Malaysia</td>
<td>61.8</td>
<td>209,959</td>
<td>14,582</td>
<td>2,472</td>
<td>3,903</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>


Implications of Migration

Rapid population growth in the Klang Valley resulting from continuing influx of migrants has led to various consequences and implications and manifested in many different ways.

In-migration to the Klang Valley and Its Implications

Rapid population growth in the Klang Valley has largely been the result of internal migration. Between 1970 and 2010, the population of the region grew by 4.5 times, at a rate of about 3.8 per cent per annum. Even if the rate of growth slows down to 3 per cent per annum over the next decade, the population of the ten largest urban centres in the Klang Valley will most likely reach 10 million by 2020.

The declining population growth of Kuala Lumpur is deceptive as many residents in Selangor commute daily to work in the city. The day-time population of Kuala Lumpur is then much larger than that indicated by the statistics based on place of usual residence.

Rapid growth and concentration of population in the Klang Valley are accompanied by rising crime rates, squatter settlements, traffic congestion and environmental pollution. Following the enforcement of the “Zero Squatter” policy undertaken by both Kuala Lumpur and Selangor since the 1990s, most squatters have been moved to low cost housing.
Residential associations of housing estates have also set up “gated communities” manned by hired security guards. This has consequently led to increased spending among suburban households in their fight against crimes.

Urban traffic congestion has reached critical levels in the entire Klang Valley region, a fact that is acknowledged in the *Eighth Malaysia Plan (2001-2005)*. Despite investments in new highways and traffic relief works, traffic congestion has continued to worsen. A 1997 survey confirmed that increasing traffic volumes have reduced travel speed on most radial roads in urban centres to 10 kilometers per hour or less. (http://unpan1.un.org/intradoc/groups/public/documents/apcity/unpan017511.pdf). It is not possible to estimate the extra cost shoudered by the growing community of motorists but they must be counted in the millions each year. Vehicles were the main sources of air pollution, contributing 74 per cent, followed by factories and thermal-power generation plants (22.0 per cent) and burning of municipal and industrial waste (4.5 per cent) (Government of Malaysia, 2000: 540).

Rapid population increase exacerbates the strains on existing infrastructure and social amenities. One of the worse affected is the average Chinese primary school in the Klang Valley. With the region accounting for a third of the Chinese population but only a tenth of all Chinese primary schools in Peninsular Malaysia, the supply and demand situation for enrolment in many Chinese primary schools in the Klang Valley has been in serious disequilibrium. The region now contains some of the largest primary schools in the country and the shortage of capacity to accommodate the demand for enrolment has reached a critical stage. It is not uncommon to have a class size of 50 or more pupils, compared with the ideal size of 35 or fewer. The rate and volume of migration flows have clearly outpaced the capacity of the government machinery to adjust to the changes in population distribution (Voon, 2008).

With rapid population growth and industrialization, increased demand for water has created a new critical area that affects daily life. This problem surfaced in 1998 when the Klang Valley was hit by water crisis and led to a serious shortage of water. Recurrence of a similar crisis will have far more serious consequences as the region is far more densely populated and concentrated with the economic activities than before.

The continued influx of migrants and population growth has inflated the demand for new housing in areas close to the urban centres. The Klang Valley had experienced a housing boom to accommodate the rising demand by the young workforce. Besides pushing the urban sprawl farther into the outskirts, and the increase in the vehicular traffic in tandem, the high demand for housing, commercial space and factories has resulted in the rapid appreciation in property values. The implication is that as housing becomes increasingly unaffordable, it will persist as a social and economic problem to many.
The exodus to the cities has led to rural depopulation, land abandonment, under-utilization of facilities, and marginalization of many *kampung* (Malay village) and Chinese New Villages. Many primary schools in Chinese New Villages are facing the grim prospects of closing down for lack of pupils. In the social context, rural depopulation is depriving the countryside of the able-bodied and the young and in turn undermines the villages as viable settlements. Depopulation undermines rural production and weakens the economic base of villages.

**Accelerated Urbanization**

Internal migration redistributes the population in favour of urban areas and accelerates the process of urbanization. Between 1970 and 2000, the urban share of the population in the country increased from 28.4 to 61.8 per cent. This development has brought about demands for new services and altered the structure of the economy. The urban population registered a growth rate of 4.2 per cent per annum in the 1970s, 6.2 per cent in the 1980s and 4.8 per cent in the 1990s, much higher than the national average growth of only 2.5 per cent per annum during these periods. In the 1990s, internal migration accounted for 48 per cent of the urban growth in Selangor, while natural increase contributed 33 per cent, and urban reclassification with 19 per cent (Tey, 2005).

Of the 13.6 million urban population in Malaysia, Selangor accounts for more than a quarter, and Kuala Lumpur a tenth. Close to half the urban Indians live in the Klang Valley, compared with about 36 per cent each for the Malays and Chinese. As the Chinese are highly urbanized, this means that a third of the entire Chinese population is concentrated in the Klang Valley. The concentration of Chinese in this region of high growth probably explains part of the ethnic differentials in income in this country.

The presence of large urban centres would foster economies of agglomeration as firms in related industries cluster together to enjoy the benefits of scale and business networking. Clustering cuts down on production costs as more suppliers and customers gravitate around the clusters. This also facilitates government efforts in economic transformation towards high income economy and developed nation status by 2020. On the negative side, however, stiff competition could drive down pricing power and give rise to diseconomies of agglomeration. Moreover, large cities are also prone to problems of overcrowding, congestion and environmental degradation.

**Internal Migration and the Restructuring of Society**

Internal migration in general and in-migration to the Klang Valley in particular has played a crucial role in restructuring the Malaysian society in line with the objectives of NEP, the National Development Policy and the National Vision Policy that followed. Urban in-
migration and high rates of urbanization among the Malays have reduced their preponderance in rural areas. In 1970, when only 14.9 per cent of the Malays were living in urban areas compared with 47 per cent of the Chinese and 35 per cent of the Indians, these rates had changed to 54.2, 85.9 and 79.7 per cent respectively.

Consequent upon the higher rate of rural-urban migration among the Malays, the ethnic composition of urban areas has changed significantly. Half the urban population comprised the Bumiputera (Malays 43.9 per cent and other Bumiputera 6.1 per cent) in 2000. This was in sharp contrast with only 28 per cent in 1970. Proportionately, the Chinese presence in urban areas has fallen rather sharply from about 59 to 34 per cent between 1970 and 2000. Many urban centres are becoming more heterogenous in terms of ethnic composition, and in some cases Malays have become the majority. The Indian presence has also been decreasing from 12.8 to 9.3 per cent during the same period, though less rapidly than that of the Chinese. Hence internal migration is making the Klang Valley a cosmopolitan region where people from different ethnic groups living, working and studying alongside one another. The opportunities for close ethnic ties are more obvious than in many other localities in the country.

Following the rapid urbanization of the Malays, the nature of their economic base has undergone visible transformation. Two-thirds of the Malays and other Bumiputera were engaged in agriculture in 1970, but only 18 per cent in 2000. At the same time, the proportion engaged in manufacturing had increased from 5 to 26 per cent, while social services accounted for another 25 per cent and wholesale, retail, hotel and restaurant 13 per cent.

Besides acting as a catalyst in the process of restructuring society, internal migration provided access to economic opportunities that raised individual and household income as a direct attack on the incidence of poverty. Between 1970 and 2002, the incidence of poverty declined from 21.3 to 2.0 per cent in urban areas and from 58.7 to 11.4 per cent in the rural areas. If the urbanization level had stagnated at 30 per cent, the weighted incidence of poverty of the country as a whole would be about 8.6 per cent (0.7*11.4+0.3*2.0), instead of 5.8 per cent (0.38*11.4+0.62*2). The number of poor households would be around 411,000 in 2002, instead of 267,000 as officially reported (Government of Malaysia, 2003: 60).

**Urban In-migration and Education and Employment**

Internal migration leading to population concentration in the Klang Valley has fuelled the demand for education and human resource development. The region is now the centre of higher learning and research as clusters of universities and colleges emerge to take advantage of the demand for tertiary education. Just as the better educated are more likely to migrate, opportunities for education are just as likely to attract large numbers of young migrants. Expectedly, a high proportion of migrants to Kuala Lumpur and Selangor possess tertiary
qualifications. Half the Chinese in-migrants to the Klang Valley have received tertiary education, while the figures for the Malays and Indians are 45 and 30 per cent respectively (Table 8).

Migration to Kuala Lumpur and Selangor increases the employment opportunities, especially among recent Malay migrants. Rural out-migration has also led to changes in the economic structure by siphoning off excess labour from agriculture into the secondary and tertiary sectors. The influx into the Klang Valley has not resulted in unemployment. In fact, the unemployment rates of 1.5 and 1.6 per cent for Selangor and Kuala Lumpur are lower than the nation average.

<table>
<thead>
<tr>
<th>Educational and Employment Status</th>
<th>Total population</th>
<th>Recent migrants to Kuala Lumpur and Selangor</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Malays</td>
<td>Chinese</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Educational level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>None</td>
<td>4.4</td>
<td>3.9</td>
</tr>
<tr>
<td>Primary</td>
<td>20.3</td>
<td>22.4</td>
</tr>
<tr>
<td>Secondary</td>
<td>56.7</td>
<td>54.3</td>
</tr>
<tr>
<td>Tertiary</td>
<td>18.7</td>
<td>19.4</td>
</tr>
<tr>
<td>Industry</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture</td>
<td>7.9</td>
<td>3.9</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>14.5</td>
<td>14.1</td>
</tr>
<tr>
<td>Services</td>
<td>44.6</td>
<td>51.9</td>
</tr>
<tr>
<td>Not working</td>
<td>33.0</td>
<td>30.1</td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>2.7</td>
<td>2.1</td>
</tr>
</tbody>
</table>

Source: Computed from 2 per cent sample of the 2000 Population Census

**Conclusion**

Recent trends in internal migration in Malaysia have become more selective in terms of destinations. The Klang Valley is by far the most popular destination, and with the fastest growing population. Selangor that has benefited most from the large outflows of people from Kuala Lumpur is in fact a “demographic hinterland” that develops a range of facilities to meet the demands of the latter. In the process, as out-migrants shift their place of residence to Selangor but keeping their jobs in Kuala Lumpur, daily traffic congestions tend to worsen with time. Government policies have been effective in encouraging Malays to migrate to the Klang Valley to study and to work and eventually to settle down. As the national hub of administration, commerce, industries and education, the Klang Valley provides ample
opportunities for further education and employment. Despite the heavy influx of migrants, the labour absorptive capacity of the region is demonstrated by the very low level of unemployment rate. Urban in-migration has contributed positively to economic development and restructuring of society. On the flip side, the influx to the Klang Valley has also created social problems and exacerbated the strains on existing infrastructure and worsened the pollution problem. As the population in the Klang Valley is approaching 8 million, there is an urgent need for the government to devise plans to cope with the increased population, especially in the provision of social amenities and economic infrastructure.

References


Interethnic Relations in Malaysian Campuses: 
A Historical Review

Helen TING*

Abstract

This paper attempts to reconstruct the dynamics of interethnic relations of university students in Malaysian public campuses from the 1960s to 2005. Based on a synthesis and review of existing literature, the subject is examined at two levels. The first is the evolution of interethnic relations among student leaders in the context of campus student activism and politics, and the other is a synthesis of the state of day-to-day interethnic interaction in the student milieu over the decades.

Ethnic dynamics in campus politics could be broadly divided into two phases. Between 1967 and the early 1970s, the two key protagonists were the multiethnic Socialist Club and the Malay-based Malay Language Society in the University of Malaya. From 1974 onwards, it was Islamist activism and intra-Malay rivalry that defined the campus dynamics. Selective interethnic cooperation persisted in campus politics till today, especially when non-Malay students constitute a significant proportion of the student population, but it was carried out in varied forms under different circumstances.

Discussions of interethnic relations often refer to the “golden age” of ethnic relations in the past. This paper contends that if the university campus is seen as the contemporary, microcosmic reflection of the wider society, then it is clear that such historical memory is at best partial if not inaccurate. The tendency of university students to confine their social interaction within their own ethnic groups had been observed at least since the 1960s, and was even prevalent among those who had gone through English-medium education. In effect, it appears that the pattern of interethnic interaction had not really evolved in any substantial way since at least the mid-1960s. There were arguably even more incidents of serious interethnic tension during the sixties than in current situation.

Key words: Interethnic relations, interethnic interaction, campus politics, student activism, racial polarization

Introduction

Media reports on the “seriousness” of interethnic polarization in Malaysian public campuses are commonplace. Frequently, the observation that campus students interact mainly along ethnic line is highlighted as the basis to substantiate such an evaluation. While the factual observation is seldom disputed, normative evaluation and the interpretation of the phenomenon of ethnic segregation is more contentious.

In 2003, the assessment of an ongoing survey conducted in Universiti Sains Malaysia

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(USM) on interethnic relations stimulated polemical discussions among some academics. The survey interpreted the formation of ethnic cliques in studying, socializing and eating out as a transient phenomenon and as manifestation of a coping mechanism to facilitate settling into a new social setting for first year students. This had led to energetic rebuttal from a USM lecturer, Rohana Ariffin, who asserted that the problem of racial polarization in the university was serious. Attributing the problem to entrenched mutual prejudice, she chided Chinese students for being insensitive and exclusive when they converse in their mother tongue. Perceiving Indian students as the most alienated and discriminated, she claimed that some of them resorted to gangsterism to gain a sense of belonging. Rohana also alleged that race-based biases of government policies had contributed to the problems (*Malaysiakini*, 7 July 2003).

On the other hand, the alarmist conclusions drawn from a survey on ethnic relations conducted in 1999 by Sheela J. Abraham of the Faculty of Education, University of Malaya (UM), also stirred up a flurry of reactions and concern in the media. Based on the 200 responses to her questionnaires, supplemented with the discussions and selective interviews done by her, she concluded that even though she found some positive features favouring national unity, “ethnic divisions and linguistic loyalties based on primordial ties were strongly felt, which manifests itself in highly visible ethnic polarisation” (Abraham, 1999: 10).

The conclusion of Sheela Abraham that ethnic polarization was serious was based on three arguments. Firstly, she found that the majority of the respondents identified themselves first by ethnicity before nationality. Secondly, through her findings on the pattern of language use by respondents in campus, she concluded that despite the fact that the majority of the respondents were fluent in Malay and used it in formal situations, the Chinese and Indian communities “hold on to their own languages and are very sensitive to any attempts, perceived or real, to curb their development and use” (Abraham, 1999: 7). Noting that “great emphasis has been placed by the policy-makers on the Malay language as an instrument of unity”, she deduced that this attachment to respective ethnic language was “interfering” with the formation of national identity (Abraham, 1999: 7). Lastly, she found that in informal settings, her respondents interacted almost exclusively within their own ethnic groups. She concluded that, “this is definitely a worrying trend and needs to be addressed immediately” (Abraham, 1999: 8).

The doom-seer conclusions reached in the paper of Sheela Abraham did not convince everybody, including the Vice-Chancellor of the university, Professor Ungku Aziz, who cautioned that her research was methodologically flawed on several accounts. Another critic questioned the representativeness of her sample and the objectivity of her research questions. She also pointed out that when Abraham concluded that “the sense of ethnicity was strongest
among the Chinese students, and lowest among the Indians”, she did it based on a numerical difference of only two respondents between the Chinese and Indian respondents (out of a total of 50 of each of them) (Chia, 2002: 58-9). Another lecturer, Hou Kok Chung, felt that there was no latent problem of racial polarization among the students. It was more because racial issues had been raised repeatedly, and over time, it became a problem (Nanyang Siang Pau, 6 January 2001).

The two examples cited above illustrate, besides the challenge of adopting a more universally acceptable methodological approach in researching the issue, the difficulties involved in the interpretation of a social phenomenon, and the lack of an academic consensus over what constitutes the “problem of racial polarization”. The root causes of ethnic tension are in fact complex and multi-dimensional: structural, historical, and political. The fluid and multi-dimensional nature of ethnic relations is also notoriously difficult to ascertain and apprehend. Commonsensical assumptions about interethnic interaction and ethnic polarization are often not empirically verified. Theoretically informed studies of ethnic relations would contribute to a more nuanced and out-of-the-box perspective in assessing interethnic dynamics than commonly made.

This paper does not intend to examine interethnic relations based on an interpretation of interethnic interaction per se. As we have seen, assessment of the same phenomenon may arrive at different conclusions, simply because people do not talk at the same wavelength and share the same premises. The aim of this paper is more fundamental: to reconstruct as best as the availability of documentation allows, the interethnic dynamics of students in campus, from the 1960s till around 2005. We have often come across as-a-matter-of-fact and casual references to the “golden age” of ethnic relations in the past when discussing interethnic relations. This paper contends that if we take university campus as the contemporary, microcosmic reflection of the wider society, then it is clear that such historical memory is at best partial if not inaccurate. It will also be shown that the tendency of university students to confine their social interaction within their own ethnic groups had been observed at least since the 1960s, and was even prevalent among those who had gone through English-medium education.

The Setting

In order to get some historical perspectives on the evolving ethnic dynamics on campus, we will examine the issue from two complementary angles. We will first examine the historical evolution of interethnic interaction at the level of student leaders in the context of campus student activism and politics. This overview of the situation among the more politicized and socially conscious student activist minority will be followed by a description of the
undercurrent dynamics of day-to-day interethnic relations on campus in the student milieu.

To begin with, it is necessary to take note of the changing ethnic composition of the university student body and the mutation of the overall socio-academic background of the students.

Prior to 1969, UM was the only public university in Malaysia. The student population then was predominantly non-Malay but declined progressively to around 60 per cent in 1970. Most of the undergraduates, Malays and non-Malays, were from English-medium, urban educational background.3

The first batch of students educated fully in Malay-medium entered the university in 1965.4 From then on, their proportion continued to increase, though concentrating initially in the Arts faculty. By 1970, about 1,050 out of the 7,777 undergraduates in UM were from the Malay-medium stream (Abdul Majid, 1971: 48). Lacking English proficiency, many of them gravitated towards the Malay Language Society (Persatuan Bahasa Malaysia Universiti Malaya, PBMUM) and the UM Muslim Undergraduate Society (Persatuan Mahasiswa Islam Universiti Malaya, PMIUM). For two decades or so till the 1980s, a sizeable proportion of the Malay students were mature students who were teachers, college lecturers and Islamic scholars (Muhammad, 1973: 45, Khoo, K. K., 2009: 97). The 1970s also saw more and more Malay-medium Malay students from the rural areas joining the public universities and began to dominate the residential colleges and some of the student organizations.

**Ethnic Dynamics in Campus Politics**

Ethnic dynamics in campus politics could be broadly divided into two distinct phases. Until early 1970s, the two key protagonists were the multiethnic UM Socialist Club (whose leaders helmed the UM Student Union, UMSU) and the Malay-based PBMUM. From 1974 onwards, it was Islamist activism and intra-Malay rivalry which defined the nature of the campus dynamics.

**Multiethnic Socialist Club versus Malay-based PBMUM (1967-1974)**

The emergence of issues on campus viewed by one group or another as “ethnic cause” dated as far back as the 1960s. Certain issues were seen to be communalist due to its inherently divisive nature along ethnic line. Chandra Muzaffar (1984: 371) described UMSU as exhibiting, “once in a while”, “non-Malay orientation on national affairs” in particular during the controversies against the constitutional Malay special position. In 1968, the UMSU elections were decried by the Chinese-based Democratic Action Party as being stalked by “racialism”, “as it stalks in the Malaysian society” (Weiss, 2005: 323).

During the 1960s, even though non-Malay representation in the UMSU council was
sizeable, they maintained, as a whole, a non-partisan and non-communal approach in their perspective and the cause they fought for (Silcock, 1964: 193; Chandra, 1984: 371; Hassan, 1984: 16). It was also noted that the university hostels which accommodated 40 per cent of the students were “racially integrated” and provided “an important means for students to learn at first hand about their peers from other racial communities” (Silverstein, 1970: 14).

The thriving of the multiethnic UM Socialist Club leadership from 1967 until its disbandment in 1974 provided an important non-communalist platform for university student activism and had a far-reaching influence on the UMSU council leadership during this period. These leaders managed to maintain a cordial interethnic partnership and foster a non-communalist perspective on the ongoing social dynamics and national politics (Junaidi, 1993: 22; Muhammad, 1973: 101). Many of these Malay undergraduate leaders during the 1960s were supporters of the socialist-inclined Parti Rakyat in political issues (Silverstein, 1976: 200). These Malay leaders from the Socialist Club occupied influential positions in the UMSU council. Syed Hamid Ali, for instance, was the general secretary of UMSU in 1967 and its president in 1969. The multiethnic orientation and the dynamism of its leaders during this period articulated an ethnically reconciliatory and socially progressive voice in campus politics.

The PBMUM, on the other hand, was regarded as the de facto spokesperson for the Malay university students, playing the role as a “Malay student union” in the face of UMSU. The latter was perceived by the former as a “non-Malay student union”, articulating “non-Malay views” (Bass, 1971: 980), notwithstanding the fact that some Malay students held key positions on the UMSU executive committee then. The Majid Report described PBMUM as “more a Malay society than a language society, …a Malay quasi-political group… representing Malay interests which it regards as national interests. The society in fact reflects Malay political consciousness of a particular kind” (Abdul Majid, 1971: 50).

In effect, some leaders of the Socialist Club attempted to introduce leftist orientation into PBMUM when Sanusi Osman became the president of PBMUM in 1967. A symposium was organized on the problems faced by rural communities, a departure from its previous narrow focus on Malay language and culture. Together with UMSU, the PBMUM was also directly involved in highlighting the Teluk Gong landless squatter struggle in 1967. Solidarity with Teluk Gong landless squatters was the first time a public stand on a current issue in favour of the poor and marginalized was taken by the university students (Hassan, 1984: 2-3). This had incurred suspicion among some members of PBMUM as to whether they were “infiltrated” and manipulated for political purposes. An Extraordinary General Assembly was called to discuss a motion of no confidence towards its president and his working committee members. Sanusi survived the no confidence vote (Muhammad, 1973: 63-4).
A central issue which was the source of sustained bitter contention and interethnic hostility was the use of the Malay language in UM. Initially raised in 1966, the PBMUM leaders came to a serious clash over the issue with those of the UMSU council in 1970. The status of the Malay language as the national language was never questioned. The point of contention was rather the extent to which and the speed with which its usage should be generalized and reinforced in the university. The official position adopted by the National Union of Malaysian Students (Persatuan Kebangsaan Pelajar-pelajar Malaysia or PKPM) was to affirm its support of the Malay language and demanded the student unions help all students to study it so that it might become “an essential instrument for promoting inter-racial harmony” (Silverstein, 1970: 15). The PBMUM, on the other hand, made a vigorous push for a speedy and the fullest implementation of the use of Malay language throughout the national education system (Nagata, 1980: 407). Confronted with acute language problem in the pursuit of their university studies, the Malay-educated students were suspicious of the sincerity of the governing elites to do so (Muhammad 1973:45, 49).

In the aftermath of the racial riots in 1969, a campaign was launched by the university students, particularly the Malay students, calling for the resignation of Tunku Abdul Rahman, the Malaysian Prime Minister. A letter criticizing the Tunku penned by Dr Mahathir, a radical young Turk in the Tunku’s Malay party, the United Malay National Organisation (UMNO) then, was widely distributed by the Malay students, who hand-copied as well as duplicated it for distribution. In his letter, Dr Mahathir accused the Tunku of giving the Chinese “everything they ask for” in the name of “give and take” policy, a reason for which “the Chinese and the Indians behaved outrageously toward the Malays”, causing the latter to run amok (von Vorys, 1976: 373). Mass demonstrations were organized with the participation of students from UM, MARA and Islamic College as well as the militant faction of UMNO in defense of “Malay sovereignty” (Munro-Kua, 1996: 56).

Funston (1980: 225) noted that May 13 incident “both represented and contributed to heightened communal consciousness among Malays”. At the campus level, fault lines of differences in political orientation between UMSU Council and PBMUM leaderships were discernible in the differing perspectives carried by two key student leaders who spearheaded the anti-Tunku campaign. Syed Hamid Ali who was the president of UMSU then and representative of the perspective of the Socialist Club wanted the Tunku to resign because he was critical of Tunku’s political, economic and social policies which were deemed excessively pro-capitalist, hence impotent in solving the problems of poverty and redressing interethnic economic gap (Hassan, 1984: 5; Muhammad, 1973: 102-3). The critique of Anwar Ibrahim who was leading the PBMUM, on the contrary, was from an ethnic perspective rather than structural. He felt that Tunku did not try hard enough to overcome the problems of the Malay community and
advance the status of the Malay language in the implementation of the National Education Policy. Echoing the position of Mahathir, Anwar claimed that the Tunku had conceded too much to the Chinese community (Hassan, 1984: 5; Muhammad, 1973: 88).

The subsequent retirement from politics of the Tunku in September 1970 was preceded by the hasty launch of the progressive conversion of English-medium primary schools into Malay-medium primary schools. The establishment of a full fledged Malay-medium National University, Universiti Kebangsaan Malaysia (UKM) was regarded largely as a gesture affirming the sovereignty of the Malay language. It was also the fulfillment of one of the key demands on the PBMUM wish list (Muhammad, 1973: 74-6).

Determined to set the language policy in UM “in order”, the PBMUM asserted its position on national language even more forcefully through organizing demonstrations, symposia and dialogue session with the Vice-Chancellor. On 5 October 1970, about 500 PBMUM members, during a demonstration against the delay in using Malay as the medium of instruction in university, tore down and burnt English-medium posters at the Speaker’s Corner, and went on to splash red and black paint over signs and notices in English on campus. Disapproving the unruly approach, the UMSU council members issued statement condemning the incident. The clash between UMSU and PBMUM\textsuperscript{10} led to the latter initiating a vote of no confidence against the 13th UMSU Council leadership (Weiss 2005: 303, Hassan 1984: 6, Bass 1971: 980-81).\textsuperscript{11} The situation in the campus was said to “come close to a racial (sic) riot” (Chai, 1977: 54; Muhammad, 1973: 118-120). This tension between the UMSU and PBMUM exposed the fault line between those English-educated students on the one hand and the Malay-educated Malay students on the other. The incidents led the National Operations Council to appoint a committee chaired by Dr. Haji Abdul Majid bin Ismail to investigate campus life of students in UM. The Majid Report described the national language policy as carrying with it “the ominous prospect of racial violence erupting for the first time in the Campus” (Abdul Majid, 1971: 97).\textsuperscript{12}

The tension put enormous pressure on the university authorities to hasten the implementation of the Malay language as the medium of teaching in the university. Though it was recognized that drastic change was not possible, each faculty and department was required to draw up a language policy implementation programme for approval by the university Senate and the University Council (Chai, 1977: 54). The PBMUM successfully lobbied the university administration to adopt a new rule in 1974 that required science students, who were mostly Chinese, to pass their Malay language examination in the first year and not at a year of the student’s choice, as was previously the case (Silverstein, 1976: 200). This triggered a boycott of lectures launched by the Science Society calling for a more systematic language programme (Hassan, 1984: 36-7).
In effect, from the point of view of the non-Malay students, they felt unfairly victimized given the fact that the majority of them had gone through their entire schooling in the English language. The Malay language course was not even offered during the two years of their sixth form prior to university entry due to the lack of qualified teachers (Abdul Majid, 1971: 100). Many lecturers also shared the sentiment of the non-Malay undergraduates that hasty implementation of the Malay language in the universities through various measures posed a major discriminatory burden on non-Malay students, especially at a time when all lectures were still conducted in English.

The way in which the use of Malay language was implemented in public universities created a backlash among the non-Malay students towards the language. Rather than seeing the Malay language as a tool for national unity, the prevalent sentiment among the non-Malays was that “they were trying to impose their language so that they could do better than us”. As a consequence, the Chinese students perceived the Malay language as a burden and an instrument of discrimination which imposes unfair and unnecessary disadvantage on them. The reaction of the Malay students was generally unsympathetic. One commonly held attitude was illustrated by this response, “When I failed English I didn’t complain. Why should the Chinese always complain when they do poorly in Malay?” (Basham, 1983: 71-3).

In June 1972, the UMSU student council under the leadership of a Chinese student, Sim Kim Chiew, was toppled following conflicts between the council and the editorial board of the UMSU newspaper (Muhammad, 1973: 174-6). This was regarded by Hassan Karim, a contemporary student leader who later became the secretary-general of the Socialist Party, PSRM (Parti Sosialis Rakyat Malaysia; which was previously called Parti Rakyat), as a defeat of the student Left as many of the council members were from the Socialist Club. Those who were opposed to the council managed to garner support through the use of communalist discourse (Hassan, 1984: 8). In his evaluation of the weaknesses of the pre-1975 student movement, Hassan noted that the “race problem”, among others, had been an important factor which weakened the student movement. This dynamic was particularly visible in the more multiethnic student population of UM (Hassan, 1984: 16). Muhammad Abu Bakar who examined student politics during this period commented that communal polarization among the university students was just a reflection and extension of what was happening in the larger society (Muhammad, 1973: 124).

Hassan (1984) also noted how the government and university authorities resorted to communalist approach to weaken the cohesiveness of the multiethnic front of the student leaders. This tactic was especially salient in the way government and university administrations handled a series of massive student protests in 1974 which marked the peak of university student activism.
The agitation began with the Tasik Utara incident which occurred in September 1974. A group of 134 predominantly Malay squatter families in Tasik Utara outside Johor Bahru solicited the assistance of the university student leaders when their appeal to the government to annul their eviction order was ignored. They were especially indignant that the ruling coalition, the National Front, had reneged on their electoral pledge to protect their homes. The students collected financial donations in solidarity with the squatters. Massive demonstrations were organized by the students which were met with brutal police confrontation. In the face of police repression, the UMSU student council subsequently decided to occupy the UM administrative premises so as to put pressure on the government to accede to the demands of the squatters.

Non-Malay student leaders were supportive of these student actions under the leadership of UMSU. Hassan (1984: 12) noted that besides student unions of all the five universities (as well as the student union of the University of Singapore), the Socialist Club and the Chinese Language Society (CLS) of UM also released press statements in support of the Malay squatters in Tasik Utara. The majority of the UM student population, including non-Malay students, were also firmly behind UMSU when the latter’s attempt to take over the university administration was sabotaged by a rival group of Malay students who called themselves “nationalists”. A joint statement in support of UMSU and the squatters were issued in the name of various student bodies representing the residents in the hostels and outside, the Chinese and Tamil language societies, as well as the academic societies of various faculties. The students on campus also responded to the call by UMSU to boycott lectures except those from the Arts Faculty (Hassan, 1984: 36), who presumably were under the influence of the “nationalist” group. Hassan alleged that the Special Branch infiltrated the top leadership of the PBMUM and PMIUM (which were behind the “nationalist” group) to counteract the influence of UMSU by carrying out sabotage work with a racist and religious discourse (Hassan, 1984: 41, 43-4). He also criticized the Vice-Chancellor of UM for playing up racial issues against UMSU during the crisis of the occupation of the UM administration (Hassan, 1984: 13). A few days after the event, UMSU was suspended.

Another wave of student agitation occurred in December of the same year in solidarity with poor peasants in Baling. These peasants had demonstrated in late November against falling rubber prices and rising inflation. The government responded by another round of arrests. At one point, more than 1,000 students were arrested (Hassan 1984:15). Subsequently, the government released a White Paper accusing the CLS of UM as the instigator of the series of social actions by the university students, ranging from their support for the Tasik Utara landless Malay squatters, the takeover of the UM administration building in September, as well as the student demonstrations urging the government to look into the plight of Malay peasants
in Baling. The government alleged that the Malayan Communist Party had succeeded in infiltrating the leadership of the CLS, which in turn exerted its influence over the Socialist Club members in the student council to create social disruptions and campus unrest (Government of Malaysia, 1974). The allegations of the government appeared to contemporary observers as an attempt to use the racial card to distract the people from the real problems highlighted by the students. It was noted that the Tasik Utara and Baling issues concerned principally the Malay community and that it was especially the Malay students, not only from UM but also from other universities who had turned up massively in the demonstrations (Silverstein, 1976: 201). As noted by a journalist, “protest about Baling was…a gut reaction from the (rural Malay) students’ own experience of rural misery” (Peiris, 1984). It was generally agreed that the main thrust behind the student agitation on the plight of the Baling peasants were actually Angkatan Belia Islam Malaysia (ABIM) or the Islamic Youth Movement), Persatuan Kebangsaan Pelajar-pelajar Islam Malaysia (PKPIM) or National Union of Muslim Students of Malaysia, and the left-wing Parti Rakyat (Peiris, 1984; Silverstein, 1976: 202). 1974 marked the ascendant influence of ABIM on campus, as well as the Islamic revivalist programmes spearheaded by it. Its plausible competitor as embodied in the Socialist Club was banned and decimated in 1974 following the arrest and forced exile of its key student leaders. At least four lecturers, one of whom was an active member of Parti Rakyat, were also arrested. In May 1975, drastic amendments were introduced by Dr. Mahathir, the Education Minister then, to the 1971 Universities and University Colleges Act (UUCA) which further downgraded the rights and status of university student council and prohibited the students from getting involved in politics or being associated with any “unauthorized” group. Provisions which empower the university board to suspend or dissolve the student union or the representative council deemed “detrimental or prejudicial to the well-being or reputation of the University” were also incorporated into the university constitution (LRB, 2002: 50).

Islamist Activism

The vacuum left by the disintegration of political activism was replaced by religious activism by different groups of Islamic missionary (dakwah) movements which flourished from the 1970s. Dakwah groups on campus differed in orientation from those focusing exclusively on the spiritual aspect to others who tried to link Islam with social concerns. Regardless of their differences in theological positions or organizational approach, there was a general emphasis towards Islamic orthodoxy, the infallibility of the Syariah and Islam as a comprehensive system of life (ad deen) (Mohamad, 1981: 1044). Its ideal was to work towards the total Islamization of the entire Malaysian society. It was estimated that by 1980, about 15 per cent of the undergraduates and graduates of local universities “worked for the
purification of Islam” through their respective Muslim student societies or Persatuan Islam (Mohamad, 1981: 1041). Those who took to this idea of the reconstruction of Malaysian society along religious fundamentalist lines, though limited in number, formed the hardcore of the various Islamist organizations. By mid-1980s, Zainah Anwar (1987: 33) estimated that “at least 60 to 70%” of the Malay students were involved in Islamist movements.

In comparison with the pre-NEP period, it is obvious that non-Malay students became increasingly marginalized from the campus-level student leadership from the mid-1970s. The Malay-dominated campus politics evolved into intra-Malay rivalry among various dakwah groups centered on Islam and campus issues, as well as between the so-called “Malay nationalists” linked to the UMNO-controlled Gabungan Pelajar Mahasiswa Semenanjung (GPMS) or Federation of Peninsular Malay Students and the more anti-establishment Islamic elements affiliated to PKPI and influenced by ABIM (Jomo and Ahmad, 1992: 88). Mohd. Shuhaimi (1995: 50) noted that political pattern of campus student politics during the 1980s was a reflection of the dynamics among various Malay (Islamist and non-Islamist) groups in the society, as the latter covertly and overtly extended their influence on university students. On the other hand, he also noted that in UM, UKM and USM where the Chinese students were more sizeable, the latter would form their own platform and cooperate with a group which was deemed friendly or more accommodative to their interests. From time to time, they were able to influence the winning chance of one group or another and play the role of “king-maker” (Mohd. Shuhaimi, 1995: 60-1, 89, 101).

Zainah (1987) distinguished the dakwah movement on campus into two different phases. She described the first period under the dominant influence of ABIM as a moderate phase. The “nationalist” group, despite overt blessings from the government, steadily lost student support in the late 1970s and early 1982 to the Islamic group supported by ABIM who provided ideological guidance and leadership. The influence of ABIM in campus politics declined when Anwar Ibrahim, the president of ABIM, joined UMNO in 1982, which rendered ABIM much less critical of the government and less vocal on social issues.

In UM, the anti-establishment role of ABIM was taken over by an Islamist group known to the university authorities as the Islamic Republic Group, which took control of the most influential Islamic organization on campus, the PMIUM. The Islamic Republic group propagated an ultra-conservative perspective of the Islamic Representative Council which originated in the United Kingdom, which tended to “relate narrowly to Islam and campus issues, occasionally overlapping with Malay concerns” (Jomo, Hassan and Ahmad, 1989: 154; Weiss, 2005: 314; Zainah, 1987). This heralded the apogee of the second wave of Islamic resurgence on campus for Zainah (1987). She noted that the group believed in establishing an Islamic Republic in Malaysia after Iran. Arguing that the existing secular government
in Malaysia is “illegitimate” and “infidel” as it is based on a man-made constitution, their struggle was to replace the system with an Islamic Republic with the Quran and *sunnah* as its Constitution (Zainah, 1987: 35). On cultural issues, echoing the contemporary public discourse of PAS (Parti Islam Semalaysia), they were preoccupied with condemning behaviour deemed “morally decadent” such as women wearing immodest clothing, public display of affections or the staging of campus activities purely for entertainment purposes (Weiss, 2005: 315; Zainah, 1990: 34). The administrations in various public universities made a concerted effort to rein in the influence of the pro-PAS Islamist groups of Malay students by imposing academic conditions for electoral candidates or modify electoral regulations to curb the hegemonic influence of Islamist activists in student hostel committees (Zainah, 1990: 32-4).

During the 1980s, Sanusi (1989: 247) lamented that campus elections at times turned into interethnic rivalry. According to his observation, election campaigns often turned racial and at times created tensions among the students. Many of the issues raised by the students also appeared to him to be “communal issues”.

Chinese-Malay tension flared up in UKM in 1986 during the *Tanglung* (lantern) Festival held by the UKM Chinese students. During the gathering, two Chinese student leaders spoke publicly against the speech of UMNO president delivered at the UMNO General Assembly and a procession was held as a gesture of protest against the speech. Feeling upset, Malay student leaders of the “nationalist” leaning or pro-government group asked the gathering to be dispersed. When their wishes were not granted, they started tearing up the lanterns and both sides were up in arms. The incident led to a massive boycott of the following campus election by Chinese students. Others voted for the rival Islamic student group, and feelings of anger lingered on for some time (Mohd. Shuhaimi, 1995: 102-3).

In UM towards late 1980s, the pro-UMNO nationalist group co-opted Chinese students to form a multiethnic front to contest against the anti-establishment coalition of Islamic groups led by pro-PAS faction. The victorious multiethnic Barisan Mahasiswa Bersatu (BMB) or Students United Front projected themselves as “liberal, multi-racial and nationalist”. That this projection is more for the ears of non-Malays could be gauged by the fact that the multiethnic front still claimed Islam as “the basis of its struggle”. The competing PMIUM who lost the leadership control of the Student Council dismissed the victory as the rejection of the Malay students of their orientation, but merely “a victory for the Chinese and Indian students” (Zainah, 1990: 32-4).

An incident that occurred during the 1989/90 academic session illustrates the communalist mentality of the UM student representatives affiliated with BMB. Che Mohammad Che Dollah, the Secretary-General of the UM student council, formed a working committee to impeach the Vice-Chancellor, accusing him of appointing his non-Malay friendly colleagues
to strategic positions in the university. The issue was raised in the Malaysian parliament. Nonetheless, his deputy secretary, Tan Ah Kaw, took an opposing stand. Crisis arose when Che Mohammad was unable to continue his studies and his position was vacated. Tan Ah Kaw as his deputy laid claim to succeed him but it was resisted by his Malay colleagues in BMB. The latter only managed to appoint a new Malay Secretary-General after several unsuccessful attempts due to lack of quorum (Mohd Shuhaimi, 1995: 86).

In the aftermath of the Anwar crisis and in the face of the increased rebellious streak among the Malay students, pro-establishment factions in a few universities made big efforts to persuade more Chinese students into standing as candidates (《东方日报》/Oriental Daily, 31 August 2003). In UM, the pro-establishment camps tried to project a multiethnic image by having two Chinese Lions dancing to the Malay drum beat and Indian flute music in leading their candidate nomination procession (《东方日报》/Oriental Daily, 31 August 2003). In UKM where the newly established CLS sided with the pro-establishment faction, they resorted to distributing 2,000 mooncakes to woo the goodwill of potential voters on campus, taking advantage of the conjunction with the Chinese Mooncake Festival (《南洋商报》/Nanyang Siang Pau, 5 September 2003). As during the previous decades, from time to time, the rival pro-PAS group also collaborated with non-Malay students dissatisfied with the university establishment to form a multiethnic electoral front.

Despite the projection of this façade of “interethnic cooperation”, interethnic barriers remained. In effect, the need to artificially constitute a multiethnic front was based on the pragmatic necessity of mobilizing support from an ethnic group with a candidate from the same group. The extent of ethnic segmentation in student associative dynamic was strikingly illustrated by the fact that the student activism following the Reformasi movement after the arrest of Anwar Ibrahim in 1998 was organized based on coalition and collaboration of student bodies organized along ethnic lines. The Malaysian Youth and Student Democratic Movement established in 1998, for instance, though intending to be multiethnic and to rally students around the issue of student rights, democracy and human rights, ended up organizing mainly Chinese students. Another national level organization which was active during this period, GAMIS (Gabungan Mahasiswa Islam Semenanjung or Peninsular Muslim Undergraduates Coalition), regroups the PMIs in various campuses and hence was evidently an exclusively Muslim organization. Members of the “Universiti Bangsar Utama” (UBU) group initiated by a veteran student activist, Hishamuddin Rais, in 1998 and organized on a non-religious basis were predominantly Malay. Indian students were organized under a group called Jawatankuasa Mahasiswa Ladang (JKML) or Working Committee of Plantation Undergraduates).
Situation of Interethnic Interaction in Campus

The earliest campus survey on interethnic relations was carried out around 1966/67 by Alvin Rabushka using mailed questionnaires sent to a random sample of around 200 undergraduates in UM. It was found that only about a third of the Malay and Chinese undergraduates mixed with students from other ethnic groups. Other ethnic groups, being in the minority (altogether less than 15 per cent) on campus, were largely “mixers”, to use Rabushka’s term (1969: 59-60). Hence he concluded that the majority of the Chinese and Malay students were “clearly ‘communal’ or ethnically inclined in their interaction patterns”. He also found that 3 per cent among the Chinese mixer respondents and 11 per cent of Chinese non-mixers thought that their own cultural way of life was the best. This rate was comparatively higher among the Malay respondents: 13 per cent of the mixers and 28 per cent of the non-mixers. These rates of “ethnocentricity” were probably lower than the later generations of undergraduates. However, when it came to the issue of intermarriage, he found that only a third of the Chinese mixer respondents were willing to marry with Malays though almost half of them did not mind marrying with Indians. Curiously, despite the higher proportion of Malay respondents who preferred their own culture, 73 per cent of the Malay mixers professed that they were willing to marry Chinese while 60 per cent of them were willing to marry Indians. These rates were correspondingly lower for the non-mixer respondents for both ethnic groups (Rabushka, 1969: 62).

It should be noted that this generation of undergraduates was quite different from the subsequent ones as the majority of them would have received their education in English-medium schools. It is likely that most of them were from the more anglophilic background (perhaps also correspondingly, more “de-culturalized” from the students’ respective cultural origins) of their respective community. This might explain the relatively low rate of ethnocentricity as mentioned above, unless they were just giving what they perceived to be the “politically correct” answers. What appears to be striking was that even though many of them were probably rather exposed to interethnic interaction throughout their school days, only a third of them mixed around with other ethnic groups.

A study done by John C. Bock in the late 1960s among more than 7,000 secondary school students shed an interesting light on the attitude of this generation of students. He found that students studying in English-medium schools with a heterogeneous ethnic mix, particularly those studying in the Arts Stream, had the greatest sense of ethnic distrust (Chai, 1977: 60). This sentiment of anxiety and alienation was especially due to the intensity of the sense of competition in the face of the impending public O-level Malaysian Certificate of Education examinations which would determine their educational mobility. That this anxiety and alienation was translated into ethnic terms was due to the heightened awareness in these
schools of the ongoing government efforts to nurture academically bright Malay students for further studies (Bock, 1978). In fact, almost every Malay student who was admitted into the pre-university class (Form Six) was automatically given a scholarship irrespective of family income (Takei et al., 1973: 12).

The communalist tone of campus politics became more and more salient from the late 1960s onwards. The context of May 13 racial riots and the unresolved frustration and alienation confronted by the Malay-educated university students in a predominantly English-speaking campus environment had led to their radicalization as a pressure group for immediate redress to their grievances (Abdul Majid, 1971: 97), and in doing so, exacerbated interethnic antagonism. The Majid Committee that was mandated in 1970 to investigate the state of “race relations” in UM, noted that:

In general, it appears to us that race relations in the campus are as normal and, in ordinary day-to-day dealings, as cordial as they are outside. Beyond these social and superficial levels, however, we detect a mutual indifference on the part of one racial group to the feelings, concerns and problems of the other. We believe a mutual lack of comprehension and understanding exists between the different racial groups leading to polarization on serious political issues and even to hostility in times of student crises.

(Abdul Majid, 1971: 29)

As the last significant multiethnic front forged by the student movement was collapsing in 1974, ethnic estrangement and discontentment among non-Malay university students in the face of the policy impacts of the government’s race-based affirmative action were already widespread and simmering. Richard Basham, an anthropologist who was lecturing during the academic year of 1973-74 in USM provided a vivid ethnographic record of the campus situation. Besides the hasty imposition of the Malay language requirements, he noted that the issue of scholarships was one subject which frequently engendered bitterness among the non-Malay students, especially those from a lower socio-economic background. They questioned why scholarships were given to wealthy or middle-class Malays whose academic performance was lower than theirs (Basham, 1983: 65). In addition, many bright non-Malays became resentful especially as they began their job search towards the final year of their studies and found that they were being passed over for the positions they were interviewed due to the race factor (Basham, 1983: 67-8). Not only was there explicit racial quota in the hiring of people in the public service, there was also constant government pressure on big companies to hire Malays in executive positions (Basham, 1983: 63).

Such sentiment of Malay versus non-Malay antipathy appeared to be mutually reinforcing. A student of Chinese descent who was adopted by a Malay family claimed that
Malay acquaintances only warmed up to him when they realized that he was a “Malay”. Similarly, the initial acceptance of Chinese strangers turned hostile when he answered their questions posed in Chinese in Malay (Basham, 1983: 69). Malay students found the non-Malay students on the campus unfriendly and “too serious” and did not like to share room with them (p. 73). Malay lecturers who had just returned from overseas studies and took over the teaching positions also felt themselves alienated from non-Malay students and unable to establish trust with them. One Malay lecturer expressed his indignation of being perceived as racially biased when he gave a Chinese student a low grade (Basham, 1983: 66).

Malay students, on the other hand, generally expressed support for the government’s racial preferential policy. Nagata (1984: 96) noted that comments and opinions voiced at seminars on campuses revealed a “strong support for the direction of government policies and Malay rights, sometimes combined with unabashed anti-Chinese sentiments”. If there were any complaints, it was more in the line that the government did not do enough in implementing the “quota”, or that the government was not genuinely helping the poor Malays but just creating a minority of rich Malays. Many of them brushed aside the criticisms of the non-Malays as exaggerating the reality of the implementation of Malay preferences. They also tended to defend the policy as aiming to help the rural poor, the majority of whom were incidentally Malays. They appeared to ignore instances which indicated that race rather than poverty or area of residence was the principal criteria of discrimination (Basham, 1983: 68-9).

This difference in perception could be due to the fact that government attribution of scholarships had generally favoured far more students from higher socio-economic background than those from a lower social status. One socio-economic survey of 1983 batch of university graduates found that more than 80 per cent of all state and federal government scholarships and bursaries were accorded to Bumiputera students. While it was found that these awards benefited rich households far more than the poorer households regardless of ethnicity, intra-Malay inequality of opportunity was comparatively greater than intra-Chinese/Indian inequality of opportunity. For every chance a poor Chinese or Indian household has of being awarded a scholarship, a rich Chinese or Indian household had 13 and 10 chances respectively. The disparity between poor and rich Malay households was found to be one to 21 chances (Selvaratnam, 1988: 192). Seen in this light, the sentiments of both the Malay and Chinese students mentioned above, probably mostly from poorer family background, were quite justified. In addition, the expensive science boarding secondary schools and MARA junior science colleges set up purportedly to help prepare Bumiputera students from low socio-economic and rural backgrounds in studying science-based discipline at home and overseas were in fact found to have recruited more than 60 per cent of its students from the middle and professional classes (Selvaratnam, 1988: 191). It is precisely in this way that the
NEP had failed to live up to its own promises.

In his survey of 693 students in the five public universities in 1978, Thangavelu Marimuthu concluded that “in universities where there were greater racial and social mix in the student population…there was also a strong tendency for students to group together on the basis of ethnicity…the situation of social interaction does not seem to have improved over the decade” (Marimuthu, 1984: 49).

Abdullah Taib (1984) and Agoes Salim (1986) apparently made similar observations and remarks. Agoes was quoted by Mansor (2000/1: 101-02) when referring to the campus situation as saying that,

the children who were too young to know or understand the racial clashes of 1969 are now the young men and women in the colleges and universities. These same people were brought up with very heavy doses of Rukunegara. They were imbued with a sense of justice and fair play; they were taught (sic) about the need of racial tolerance and understanding; they were exhorted to work together for the good of the nation. Yet these are the very people among whom there is great suspicion and cleavage. There is very little inter-racial mixing among the students in these institutions and the situation seems to get worse rather than better.

According to Mansor, both authors noted that different ethnic groups settled into their own groups when attending lectures; tended to patronize canteens operated by their respective ethnic members; that one ethnic group tended to gravitate to one particular campus activity while another preferred a different one; that Chinese students could not identify with the programmes organized by the Malay-dominated unions; that Malay students frequently made requests to transfer rooms in order to be with students from the same ethnic group (Mansor, 2000/1: 102).

The early years of 1980s were also a time when universities in the United Kingdom, Australia and New Zealand, raised their tuition fees for foreign students, which rendered it even less affordable for the middle class non-Malay parents to send their children overseas for further studies. This situation rendered admission into local universities among the non-Malays even more competitive (Loh, 2005). From the point of view of the non-Malays, there was no lack of issues which stirred discontentment. In 1981, for instance, it was learnt that despite the acute problems of shortage of doctors in the country, UM had over the past decade limited its annual student intake of medical undergraduates to 128 even though it could train a maximum of 160 students. Among the 128 students, one third of the places were allocated to the non-Malays. The reason given for the limitation of admission was that there were not enough Malay students to fulfill the quota (Lim, 1982: 418-19).
By the end of 1980s, the situation of campus racial segregation not only did not improve, observers were raising alarm on the situation of ethnic relations in the entire national education system. In 1986, Kua (1990: 259) had noted that “the phenomenon of communal polarization has become alarming in the National School System itself, right from primary level to the institutions of higher learning”. This situation in fact had been detected in secondary schools even during the 1970s. A survey of several high schools around 1974 indicated that friendship between Chinese and Malay pupils was mainly intra-ethnic in nature regardless of school environment (Basham, 1983: 69). A similar trend was noted by Sanusi (1989: 246-47) for the decade of the 1980s. He noted that it was not uncommon for the undergraduates to be confronted for the first time with the need to deal with interethnic interaction in the university.

To complete this brief overview of interethnic relations in campus, we will compare the different approaches taken by two surveys which arrived at a non-alarmist interpretation of the situation. The first is a comprehensive random survey on ethnic interaction conducted by Centre for Economic Development and Ethnic Relations (CEDER) of UM in 2002.

The CEDER survey confirmed the general perception that most students speak their mother tongue with friends from the same ethnic group. Malay respondents tended to be monolingual, speaking the Malay language to all and were the least likely to speak English. Communication between Chinese and Indian students was conducted mainly in English (Jahara et al., 2004: 18). The feedback from discussions with student leaders in focus groups also confirmed that most of the students tended to mix with those from the same ethnic group. A student stated that he socialized less with students from other ethnic groups than he used to in secondary school. In one residential college, the attempt to implement interethnic room sharing was scrapped due to strong opposition on religious grounds. Nevertheless, the majority of students did not think that there were any serious problems pertaining to ethnic relations on campus (Jahara et al., 2004: 66-9).

However, contrary to the position of Sheela Abraham, the CEDER survey concluded that interethnic interaction among undergraduates was “satisfactory”. The survey considered having five or more friends from other ethnic groups as “indicative of high level of interethnic interactions” (Jahara et al., 2004: 10). It was found that 61 per cent of the Chinese respondents had five or more Malay friends, 54 per cent of Malay respondents affirmed having five or more Chinese friends, while between 60 to 90 per cent of Indian and other Bumiputera respondents reported having five or more Chinese or Malay friends (Jahara et al., 2004: 11).

The findings of the survey confirm limited or moderate interethnic interaction among university students. While it may be a priori desirable for a population not to be ethnically segregated in their interaction, it seems to be unwarranted to describe such a situation as
“hostile ethnic relations” or threatening racial harmony without more serious substantiation.

Another academic who defied the prevalent negative outlook and made optimistic assessment of campus ethnic relations was Mansor Mohd Noor. As a student under the supervision of Michael Banton, Mansor developed a research technique called ethnic alignment (Banton and Mansor, 1992), which investigates the responses of university students on hypothetical situations involving day-to-day practical issues such as renting out houses, child minding, shopping choices or seeking business partners. Four similar surveys were carried out consecutively from 1996 to 1999 among an accumulated 1,880 respondents in USM (Mansor, 2000/1). He concluded that there is an increasing convergence among students in USM in terms of sharing universalistic values and that students tended less and less to behave based on communal reasoning. He argued from his survey that in terms of everyday dealings, self interests in terms of pragmatic gains outweighed ethnic preference; and personal obligation overrode ethnic considerations (Mansor, 2000/1: 94-96). This new trend, for him, is a cause for optimism regarding ethnic relations in the country.

Commenting on the diametrically opposite assessment of campus situation in the 1980s by Abdullah Taib and Agoes Salim in his article, Mansor reasoned that they were looking at interethnic relations solely from the point of view of competition over educational resources and the distribution of the benefits of economic growth. He argued that while defence of ethnic privileges at the political level inevitably led to interethnic hostility, one should not overlook a parallel, emerging trend whereby the educated elite from various ethnic groups increasingly shared common universalistic norms (Mansor, 2000/1: 101-3).

Mansor’s work is interesting in pointing out that there is more to ethnic relations than just interethnic interaction. His results seemed to indicate that to a greater or lesser extent, both Malay and Chinese respondents generally expected pragmatism to override ethnic considerations in finding practical solutions to their day-to-day situations. Although in the minority, there was nevertheless a greater tendency among the Malay respondents to manifest ethnic preference (Mansor, 2000/1: 95). It is unfortunate that Mansor did not attempt to explore further other social indicators (such as the extent of the prior interethnic experience of individual respondents) which might have a bearing on these attitudes.

What appears to be missing in the innovative and interesting research of Mansor (2000/1) is a lack of examination of his assumption on the different levels of causes of ethnic polarization. In the formulation of research questions to study ethnic alignment, three sources of potential conflict were identified, namely ethnic loyalty, individual self-interest and personal obligation. Research questions were formulated in such a way as to test the relative strength of ethnic loyalty when the situation set it against self-interest or personal obligation (Banton and Mansor, 1992). However, the way the question was set overlooks the situation when ethnic
loyalty goes hand in hand with self-interest and/or personal obligation, which is the classic setting of the problem in the Malaysian context of ethnic preferential treatment. In addition, his argument appeared to assume that it was the cultural heterogeneity and ethnicism which were the causes of racial polarization. Once everybody shared the same universal values, he reasoned, then consensus and harmony would prevail, political tension arising from disputes over special privileges notwithstanding. Yet the political factors and the institutional effects that he did not measure, as we have seen, were arguably the main contributory causes to interethnic animosity and mistrust. The interethnic division caused by dispute over rights and privileges is not the expression of some form of primordialist, irrational thinking but could also be seen as a rational reaction based on pragmatic considerations of self-interest which coincide with and reinforces ethnic loyalty.

Conclusions

Is the phenomenon of ethnic polarization reaching a worrying stage in the Malaysian campus? With the caveat on the non-comparability of some of the empirical findings, it appears that the pattern of interethnic interaction had not really evolved in any substantial way since at least the mid-1960s. There were arguably even more incidents of serious interethnic tension during the sixties than in the current situation. This brings to light the selective and partial way the older generation of Malaysians remember their past. The findings of Alvin Rabushka and John Bock, as well as our examination of campus politics, also challenge the common argument that English-medium education was able to foster a greater interethnic integration by bringing together students from different ethnic groups under a common roof. As noted by the Abdul Majid in his Report (1971: 120):

> Even if the student comes from a background of multi-racialism such as an integrated school, there is a possibility that once alone in the University, he may tend to seek out the company solely of students belonging to his own race and gradually lose those values based on integration and multi-racialism.

While there was definitely a great divide between the English-educated and Malay-educated university students, it was arguably more a class difference rather than an ethnic schism. Whether it was the national language issue or the affirmative action policy, the ultimate issue of contention was arguably social and economic mobility. The division was also ideological as it could be seen that the UMSU leadership was actually multiethnic.

During the subsequent phase, as Islamist activism took hold, the much reduced number of non-Malay students effectively participated as a minority, adopting the strategy of securing a better bargain between the political options offered to them by competing Malay groups.
Selective interethnic cooperation persisted in campus politics, especially when non-Malay students constitute a significant minority, but it was carried out in different forms under modified circumstances.

Notes

1  The ethnic composition of the sample was 50 per cent Malay, 25 per cent Chinese and 25 per cent Indian.
2  Elements listed were the fact that majority of the respondents spoke Malay, the national language, fluently; supported national leaders and expressed their sense of loyalty by choosing Malaysia as their preferred country of residence.
3  A macro-statistical calculation revealed that a student who studied in a government-assisted English-medium school has one chance in nine of entering the pre-university sixth form classes in 1967 while the ratio was one in 176 for the Malay-medium students (Takei et al., 1973: 25-6). A survey done in 1973 among almost 600 students in USM indicated that 63.3 per cent of the respondents received primary education in English (Basham, 1983: 71).
4  By then, a small proportion of Chinese students who received primary education in Mandarin while continuing their secondary schooling in English had also appeared. However, even in 1973, the survey done in USM only found 22.4 per cent of its student sample as coming from Chinese primary schools while 52.2 per cent of its respondents were ethnic Chinese (Basham, 1983: 72).
5  Prior to this, it had gone through numerous stages of initiation and re-naming from its foundation as Socialist Club in 1959. Attempts to resurrect it took the names of Pantai Forum (1964), Progressive Club (1965) and Forum Mahasiswa (1966) before it was re-launched successfully as the Socialist Club in 1967 (Muhammad, 1973: 46). One of the obstacles to its formation was the reticence of the government and the administration in approving its formation (Sanusi, 1968: 53). Non-Malay students’ lukewarm reception was also said to be a contributory factor (Junaidi, 1993: 21).
6  The PKPM which was formed in 1958 was composed of student organizations at the teachers’ training college and other specialized institutions of higher learning besides that of UM. The students from UM made up more than half of PKPM members and its headquarters was also located in the UMSU building. UMSU called the tune in the early PKPM. In fact, at least a quarter of the office-bearers of PKPM were also senior office-bearers in UMSU (Silverstein, 1970: 14). It was only from the 1970s, with the establishment of more public universities, that this monopoly of UMSU over PKPM was broken.
7  A resolution to that effect was passed by the fifth annual conference of PKPM held in March 1963 (Silverstein, 1970: 15).
8  A note was added to Dr. Mahathir’s letter, stating that, “Those who say they are descendants of Malays are requested to copy this letter and circulate it widely so that it may open their eyes and know what kind of man our leader is, the man who is known as ‘THE HAPPY PRIME MINISTER’” (von V orys, 1976: 375).
9  Funston (1980: 224) noted that Dr. Mahathir “gained even stronger support from Malay academics and tertiary students” than UMNO party members. It was during this time that Anwar Ibrahim as a student activist established contacts with Mahathir (Khoo, B. T., 1995).
10 PBMUM demanded a withdrawal of the statement by UMSU which denounced the former as “perpetuating acts of vandalism and destruction”. In a heated public debate on the issue between the two camps attended by more than three thousand students, three quarters of which were supporters of the PBMUM, the UMSU president subsequently agreed to withdraw the statement in its entirety “to avoid any unpleasant situation”. Even then, PBMUM was not satisfied and
called for the resignation of the UMSU leadership as having lost the confidence of the student body (Bass, 1971: 980-1, Muhammad, 1973: 116-122).

11 The UMSU leadership was retained after the no-confidence motion was rejected by the student council by a three to one margin on 18 October (Bass, 1971: 981).

12 During the UMSU-PBMUM dialogue session, Anwar Ibrahim, a former PBMUM president, warned that if UMSU president, Zainal Abidin Yusuf, did not withdraw his description of the acts of PBMUM as “acts of destructions and vandalism”, PBMUM “would not leave the venue peacefully” (Muhammad, 1971: 120).

13 In fact, from 1970, students were required to get a minimum of a “pass” for their Malay language tests besides other previous academic requirements for them to obtain the O-level Malaysian Certificate of Education (MCE). It was reported that in 1972, for instance, half of the total candidates from English-medium schools failed to get their MCE because they failed their Bahasa Malaysia (Malay language) paper (Chai, 1977: 44).

14 Among the common responses of non-Malay students concerning the implementation of the Malay language were: “What good is Malay when there are almost no textbooks in it and all scientific and technical words are borrowed from English” and “The Malays only want to force us to learn Malay so they can pass us in [their command of] English” (Basham, 1983: 71).

15 Nagata (1984: 96) mentioned that in UM, “one of the two principal student bodies, the Gabungan Mahasiswa, is openly and militantly anti-Chinese, as opposed to the more ethnically neutral Barisan Mahasiswa, whose members the former accuse of ‘socialism’”.

16 Apparently, the leaders of PBMUM, PMIUM and the Silat Gayong (a Malay martial art) groups were behind the “nationalists” (Hassan, 1984: 38, 43-44; Silverstein, 1976: 200-201). The group stood for the 1974 UMSU election but won only one seat (Hassan, 1984: 40).

17 The “nationalist” student activists claimed that the UMSU action in the name of the squatters was merely a façade to slow down the switch from English to Malay as the medium of instruction in the university’s science faculty, in which the majority of the students were Chinese.

18 According to one estimate, 90 per cent of UKM and Mara Institute of Technology (ITM) students and 60 per cent of UM students took part. In UKM and ITM, an overwhelming majority of the students were Malay (Nagata, 1980: 408).

19 They were Syed Husin Ali, Tengku Shamsul Bahrain, Lim Mah Hui and Gurdial Nijar (Munro-Kua, 1996: 82).

20 The replacement of the 1961 University Act by 1971 UUCA based on the recommendations of the Majid Report was already decried previously as seeking to control and weaken the various student organizations (Hassan, 1984: 7).

21 Alternatively, Nagata (1984: 177) in her detailed study of the phenomenon gave her estimation as follows: approximately 20 per cent of UM students, 40 per cent of UKM students, 10 per cent of UTM and UPM students and “barely 10%” of USM students.

22 According to the argument of Zainah (1987: 24), the ABIM-dominated phase “was progressive in its appeal. It did not see Islam in the black and white manner that the later dakwah adherents did. While it was critical of the government and of government policies that it considered unjust and oppressive, it never vociferously called for the creation of an Islamic state. It believed in Islamizing the ummah first along a gradual, moderate and progressive path”.

23 Malay students were discouraged even from watching the television which purportedly would distract them into neglecting God. Male students who talked to girls, wore shoes or dressed up in tie and coat were reprimanded as exhibiting behaviour associated with infidels (Zainah, 1990: 32).

24 A small number of Malay undergraduates in the Arts faculty would have gone through their entire schooling in Malay. By then, Malay students of such background had just begun to join UM in small numbers. Comparatively, those Malay students who received their schooling in English-medium still stood a much better chance of passing their examinations and being successful in getting enrolled into the university. A study made in 1972 found that only 2.6 cent of the Malay
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students attending the better equipped English-medium primary schools failed to continue with their secondary education while the corresponding proportion of dropouts from Malay-medium primary schools were 34.7 cent. The trend was the same for Chinese and Tamil primary school pupils compared with their English-medium counterparts (Chai, 1977: 37).

For instance, a final year Chinese student whose father was a farmer shared her indignation that despite the fact that she was poor and excelled academically, she was not offered a state scholarship, while another Malay girl from middle class background who performed less well did (Basham, 1983: 65).

Each of them absorbed five times more than the financial allocation given to a normal day school. Students in these schools were provided with free board and lodging and given stipends as pocket money plus free transportation to and from home during the three slots of school holidays every year (Takei et al., 1973: 13).

In effect, the rapid increase in the demand for local university education just could not be met fully by the number of places offered, despite continued annual augmentation of the latter. While 67 per cent of the applicants were assured of a place in the university in 1970, only 18 per cent of them could be admitted in 1986 (Selvaratnam, 1988: 187-8).

Among Indian respondents, 79 per cent reported having spoken English to Chinese friends either frequently or very frequently (Jahara et al., 2004: 19).

This was also the current experience of the daughters of one lecturer interviewed by the author.

We could of course take issue with the definition of “satisfaction” of interethnic interaction in the survey, which could have been defined in a variety of other ways. The definition is no doubt an arbitrary one, and having five “friends” from other ethnic groups does not say much about the nature or depth of such friendships. Nevertheless, given the subjective nature of the concept of “satisfactory interethnic relations”, this is a commendable attempt to introduce some kind of indicator which could be compared, verified or disputed.

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Anti-Opium Movement, Chinese Nationalism and the Straits Chinese in the Early Twentieth Century

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Abstract

This paper is a study of the anti-opium movement organized by the Straits Chinese leaders in Malaya in the early twentieth century. As the Chinese were the largest group of opium smokers, they were seen as a primary source of government revenue. The leading Chinese medical practitioners in the movement aimed not only the prohibition of the opium trade but also the cure for opium smoking by medical treatment. As there was no effective cure for the addiction, the idea was radical but unrealistic. The movement leaders believed that if they could treat opium smokers, they could also help China to rid itself of the curse of opium that was forced upon it by Western powers. The rationale behind the anti-opium movement was more than for social or economic reasons but was an indirect show of support for Chinese nationalism in China.

Key words: anti-opium movement, anti-American boycott movement, Chinese nationalism

Introduction

The movement against opium smoking was initiated by the Chinese community in British Malaya in 1906. In the days before World War Two, opium smoking was not generally looked upon as a social problem, even in the Straits Settlements of Singapore, Penang and Malacca where the Chinese were more urbanized and enlightened than their counterparts in the Malay States. The revenue derived from opium was an important, if not the most important, item for the colonial administrations from the early nineteenth century. In the Straits Settlements, it was as high as 55.6 per cent in 1841-42 and a significant 31.8 per cent in 1926-27 (Trocki, 1990: 96-97). In the period between 1820 and 1882, the Straits government earned an average of 44.3 per cent of its total revenue from opium. That this substance was such a major income generator was due to the fact that the government “farmed out” the distribution and sale of opium to Chinese individuals or syndicates on a competitive basis. The colonial government

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monopolized the supply of raw opium and leased the right of preparing and distributing cooked opium (locally known as *chandu*) to the Chinese. This was an arrangement that was mutually beneficial to both parties. The “revenue farmers” were owners of capital who were invariably merchants, tin miners or planters. They were free to distribute and sell *chandu* to all adults in the Chinese community and to a captive market in the form of their own labour force. The colonial government, on the other hand, had an easy and assured source of revenue as the market for opium consumption expanded in tandem with increased inflows of Chinese immigrants (Swettenham, 1948: 253-256; Yen, 1995: 147-74). The revenue farm system was therefore a means of consumption tax collection that was primarily borne by the Chinese. This meant that opium smoking was virtually unregulated. Furthermore, it was generally perceived that to look upon opium smoking as a problem was in itself considered to be an anti-government act. All problems connected with opium were essentially regarded as those of opium smokers only, and had little to do with the colonial authorities.

This paper examines the process by which the opium issue, viewed officially as the private problem of the Chinese community, was turned into a colonial or public problem in British Malaya. This issue also surfaced at a time when two new empires that advocated an anti-opium policy appeared on the scene. One was Japan which colonized Formosa or Taiwan island in 1895 and the other was the United States of America (US) which occupied the Philippines in 1898. Both played prominent roles in raising the level of awareness of the opium problem at the international stage. At the same time, they undermined the position of the British government from a humanitarian standpoint. In addition to this, China’s anti-opium movement also started sometime in 1906 following a series of “New Policy” reform movements at the closing stages of the Qing dynasty. The anti-opium movement promoted by the Straits Chinese leaders surfaced rather suddenly in British Malaya. Under the pressure of international anti-opium criticisms and the demand of the local Chinese community, the Opium Commission was set up in July 1907 to make a study of the opium problem and to put forward its recommendations (*SS and FMS Opium Commission*, 1908 and 1909).1

The reports of the Commission that contained more than 1,300 pages form the primary source of reference of this paper. Previously published works that relied heavily on this source include those by Cheng U Wen (1961) and Margaret Lim (1969). They were concerned with the findings of the Commission rather than with the anti-opium movement. This movement was seen as a mere reflection of the disputes between Britain and China. In another study, Yen Ching Hwang (1995) discusses the anti-opium movement from the perspective of Chinese nationalism. These studies did not deny the influence of China in the opposition to opium. It is therefore of interest to examine how Chinese leaders in British Malaya related to Chinese national influence and how they internalized it in their campaign against opium smoking. In
this respect, it is relevant to take into account the US Exclusion Act of the Chinese. In 1904, the US had renewed and amended the Chinese Exclusion Act to disregard the difference between the contract coolie and the people of commerce, the leisure traveller or the student. This act was already in enforcement in the Philippines and Hawaii. This had aroused an anti-American boycott movement in China in a patriotic response that left an impact on the Chinese community in British Malaya. At the same time, the US stance on opium also lent much international support to the anti-opium policy. It is thus necessary to consider how Chinese leaders perceived this seemingly contradictory US behaviour. The discussion here will take into account the US in the tripartite relationships among China, Britain and Malaya, and to examine the anti-opium movement from different perspectives.

Another aspect of the anti-opium movement in British Malaya was its promotion as an attempt by the Straits Chinese to transform society, culture and education from traditional to modern ways (see 李元瑾/Lee, 1990). Lim Boon Keng, Yin Suat Chuan2 and Wu Lien Teh (Goh Lean Tuck), who organized the anti-opium societies, were medical practitioners as well as Western-educated leaders of the Chinese community. They were not merely targeting opium smoking as an all-round social evil to be banished, but also understood the anti-opium movement as a patriotic movement in support of China. This paper will also discuss the idea of nationalism as a force behind the anti-opium movement in a British colony. The origins of this movement and the unique situation of the Straits Chinese will be discussed in the historical context.

**Recognition of the Opium Problem as a National Issue**

A statement by Lim Boon Keng (1898: 47) regarding the opium problem in the Straits Settlements appeared in *The Straits Chinese Magazine*:

> The Government of every civilized country recognizes its duty the repression of all sources of vice and crime...In the United Kingdom and America, steps have been taken to control and check the spread of the drinking habit and in many quarters these have been followed by good results...we wish to call the attention of the Straits Government to its position in regard to the baneful habit of opium smoking, to the revenue which it derives form this luxury and to the duties which it morally owes to the poor and helpless victims of the opium habit.

He insisted that the government should look upon the opium problem as an issue of a civilized nation and to change the laws on opium. He argued that the opium issue was not to be viewed as a problem of the Chinese, but as the responsibility of the government. The
general and deep-rooted attitude then was to ascribe opium smoking to the inborn habit of the Chinese (Lim, B.K., 1898: 48). Europeans would argue that “the opium use is good for a Chinaman” to defend the legal distribution and sale of opium (West, 1903: 91). It was apparent that this Western attitude was not without basis as a form of racial discrimination of the colonial authorities. The government of the Straits Settlements similarly considered opium as a Chinese “necessity” and its problem was the sole responsibility of Chinese society. Meanwhile, it continued to justify and derive significant sums of revenue from this Chinese “necessity”. A prevalent opinion that was circulating among Europeans and Americans then was that opium affected different races of people in different ways. The logical argument was that what might be harmful to an American might be good for a Chinese (West, 1903: 88). In the US, the stereotypical image of Chinese workers was that of an opium smoker. Although a great number of opium smokers were Chinese, this “ethnic profiling” was reinforced by racial discrimination and the fear was that opium might pervade American society as a whole (Choy, 1995; Goto-Shibata, 2005: 16).

Opium had surfaced as a national issue in England since the first Opium War of 1840-42. In 1874, the Anglo-Oriental Society for the Suppression of Opium Trade (SSOT) was established by Quakers of the Society of Friends and started the movement under the humanistic idea to “oppose the opium monopoly by the Indian Government and suppress opium traffic with China” (Muraoka, 1996: 159). In the 1890s, with the support of sympathetic members in the British House of Commons, SSOT was able to persuade Parliament to tackle the opium problem. These efforts eventually led to the appointment of the Royal Opium Commission in 1894 to enquire into the opium trade in India and Burma. However, the British still regarded opium as a kind of cigarette or a social habit. As such, England did not feel obliged to agree to any form of suppression of opium.

In contrast, Japan and the US took the lead in the opposition to opium in the late nineteenth century. Having learned from China’s mistakes in the Opium Wars of the 1840s, Japan chose to prohibit the trade in opium. When Japan opened itself to the world, T. Harris, a diplomat of the US, gave concrete advice on the evils of the British opium policy. Ever since then, Japan had consistently included the principle to prohibit importing opium in all its treaties with other countries (Ryu, 1983: 15-24). Japan realized that it could modernize according to Western ways without having to depend on opium. This policy was also to sharpen the contrasts in the subsequent fate of Japan and China. After the Sino-Japanese War of 1895, Japan occupied Taiwan and recognized that one of the major difficulties in its rule was the opium problem. Japan was reportedly making attempts to prohibit the sale of opium in Taiwan but won little support from the local people and did not bring an end to resistance against Japanese occupation. Japan shifted towards a policy of “gradual prohibition” to
reconcile the reality in Taiwan with its own anti-opium stance. On the basis of this policy, the colonial authorities monopolized the selling of opium with the aim of reducing overall usage, and channelled part of the revenues towards health care. Registration of all opium smokers was introduced to reduce the number of smokers gradually in 30 to 50 years. The intention was to control existing smokers and to prevent non-smokers to take up the habit. These efforts were overseen by Goto Shinpei, a medical practitioner and the secretary of the civilian department. As Japan regarded opium for non-medical use as contraband, it also classified it as an illegal substance under its “territorial expansion” ideology.

The US occupation of the Philippines from 1898 similarly encountered the opium problem. Under American rule, the Spanish policy of confining opium smoking only to the Chinese was abolished. Unfortunately, it led to a dramatic increase in opium smoking among Filipinos (Foster, 2000: 257). The government subsequently appointed the Philippine Opium Commission in 1903 to investigate the situation in opium-consuming countries and colonies including Japan, Taiwan, Shanghai, Hong Kong, Saigon, Burma, Java and the Straits Settlements (Alexander, 1906: 187). It investigated the workings of various government-monopoly systems, first introduced in French Indochina and later adopted in Java by the Dutch. In both cases, the primary purpose was to secure a source of revenue. On the other hand, the Commission appreciated Japan’s policy in Taiwan, and this was to influence American policy in the Philippines. The Commission’s findings that were published in 1905 were reported in The Straits Times in detail on 17 June. Except for medical purposes, the Commission called for the elimination of opium smoking within three years. In contrast to the Japanese policy in Taiwan, the Commission seemed optimistic. This might be because new Chinese immigrants were disallowed under the Chinese Exclusion Act and that the new policy included a severe measure to deport Chinese offenders from the Philippines (The Straits Times, 17 June 1905).

The advocacy of Japan and the US on the suppression of opium had a decided influence on the international stage. In British Malaya, this fact was received with great publicity in The Straits Times and The Straits Chinese Magazine. Views expressed in these publications reflected growing anti-opium sentiments in local society (see West, 1903; Alexander, 1906). Being forced into an awkward position, Great Britain was subsequently obliged to examine the India-China opium traffic more closely. Being remote from its Asian colonies, Great Britain was unlike Japan, which regarded newly-occupied Taiwan as its domestic territory. The number of Chinese immigrants in Great Britain itself was insignificant even in comparison with the US. These contrasting backgrounds were not entirely unrelated to its indifference towards the social problems caused by the opium trade.
Opium and Anglo-China Relations

The 1895 Royal Opium Commission that investigated into the opium issue in India and Burma had published voluminous reports covering over 2,500 pages. To the great relief of British officials, who did not take kindly to the criticisms relating to the revenue derived from opium, the Straits Settlements was dismissed in no more than 40 pages (Foster, 2003: 102). This Commission went as far as to examine the possibility of the government taking over the collection of the opium revenue, but found this attempt impracticable due to the inadequacy of staff and large initial loss of revenue. The Commission had consulted the revenue farmers in Singapore in its enquiries and seemed quite obvious that its conclusions attached great importance to maintaining the opium farm system (Lim, M., 1969: 41). However, British officials soon began to recognize the problems of the system and the need to introduce change. According to Swettenham (1948: 254), “this system is objectionable principally because of the enormous power it places in the hands of the farmer for a period of three years, during which he holds the monopoly.” The opium farmer employed their own police, called “chinting” to protect himself and to check smuggling activities, but the arrogant attitude of the chinting did little to promote public order. Some opium farmers themselves could also be directly involved in smuggling. In 1903, Swettenham sent the Secretary of Chinese Affairs of the Malay States, G. T. Hare, an acknowledged expert on the Chinese, to Singapore to survey the actual conditions of the opium farm system (Leong, 1906: 40). The opium ordinance was subsequently amended to allow the appointment of additional staff to the Chinese Protectorate as superintendents and inspectors of opium farms, and the manufacture of all cooked opium or chandu, in the colony in a special factory to be approved by the Governor. A significant feature of the amendment was to raise the maximum fixed retail price of chandu from $2.15 to $3.15 per tahil (about 37.8gm). This price hike saw a dramatic increase in the revenue of the Straits Settlements in 1904, as expected by British officials well in advance. Undoubtedly, the colonial authorities, besides taking into consideration the extra running costs ensuing from amending the ordinance, were acting in their self-interest. Hence, the official intention was to tighten control of the opium farms but not to reform the farm system itself.

In view of the reality of the situation, it was unlikely that the authorities would even attempt to alleviate what was considered as a Chinese problem. But a speech made by John Morley on 30 May 1906, then Secretary of State of India, marked a turning point. In reply to a motion laid on the table of the House of Commons by Theodore Taylor, Morley declared that “if China wanted to seriously and in good faith to restrict the consumption of this drug in China, the Government of India and His Majesty’s Government would agree to it, even though it might cost them some sacrifice” (Wen, 1907: 3) It was this remark, according to Wu Lien...
Toda, that “the [Straits anti-opium] movement first originated on account of the speech made in the House of Commons by Mr. Morley” (*SS and FMS Opium Commission*, 1909: 649). China was closely watched on how it would respond to the remark in the British Parliament (see *The Straits Times*, 16 June 1906; 23 June 1906; 26 June 1906; 2 July 1906).

On 20 September 1906, the Qing government issued an imperial decree to eliminate opium smoking and the cultivation of poppy throughout the country within ten years (*The Straits Times*, 9 October 1906). While the British were not surprised by China’s decision, they were not hopeful of drastic changes as they knew that China had found it difficult to regulate the use of opium.³ Lim Boon Keng (1906: 149) noted with relief that “the Chinese as a nation are convinced of the injury which opium has caused to the individual and to the State”, and the recognition of the opium issue as the best opportunity for “the East and the West” to understand each other (Lim, B.K., 1906: 149). In 1907, China and Great Britain concluded the Anglo-China Agreement to eliminate opium in ten years. On the basis of this Agreement, Lim Boon Keng expressed the hope that the mutual approach towards the opium problem would commit the British government to suppress the India-China opium trade in ten years.

With the beginning of discussions between Britain and China, the opium problem would suddenly escalate to become an international issue, though not unrelated to the US position on opium. It was at this time that anti-opium societies were established in quick succession in British Malaya. The first one appeared in Singapore in August 1906, followed by the next in Selangor in the following month, and in Penang, Perak and Malacca in October. In view of the mounting criticisms on opium smoking and the trade in opium from various quarters, the British Foreign Office instructed the Straits government to establish a special Commission to investigate the opium problem in British Malaya. This Commission was duly set up in July 1907.

The anti-opium movement in the Straits Settlements and two Malay States became more formally organized at the time when “the East and the West” began discussions of the opium trade. One might wonder if the anti-opium movement in Malaya was a by-product of external forces or whether it was driven by internal events. It is necessary to examine this question from the perspective of the Straits Chinese community which led this movement.

**Anti-American Boycott Movement and Anti-Opium Awareness**

The US occupied the Philippines in 1898 and one of its colonial mandates was to deal with the opium problem “under the slogan of the anti-opium policy”. The American policy indeed had an impact on East Asian diplomacy concerning the opium question, it was essentially targeted against Chinese immigrants on the basis of their image as opium smokers.
It is in this context that the American policy was linked to the issue of Chinese immigration into the US and its administered territories. In reaction, Chinese businessmen and students in Shanghai began to boycott American goods as an expression of patriotism in May 1905 (The Straits Times, 29 November 1906). In the same month, the Philippine Opium Commission also reaffirmed the exclusive policy against Chinese immigrants (The Straits Times, 17 June 1905).

The US exclusion policy exerted a profound impact on the Chinese community in British Malaya as merchants and traders in Singapore joined in the boycott movement. In a meeting at Tong Chay Hospital on 20 June 1905 chaired by Lim Boon Keng, it was resolved that “the traders in Singapore stop all trading in American goods”. The result of the meeting was cabled to the government of China (The Straits Times, 22 June 1905). A similar meeting was chaired by Lim Kek Chuan, president of the Penang Chinese Chamber of Commerce, at the Chinese Town Hall in Penang. Wu Lien Teh, in an address in English, called for the boycott of the American goods as a protest against the amendment to the Exclusion Act (The Straits Times, 3 July 1905). Except for tobacco and oil, trade between the Straits Settlements and the US was not strong and it is difficult to estimate the actual damage of the boycott movement on US trade. However, the boycott movement was able to mobilize Chinese opinion through the Chinese media and theatrical performances, and hence to build a sense of Chinese solidarity (Wong, 1997: 17-32). The appeal of the idea of patriotism, aided by the common origins of the Chinese from southern China, quickly galvanized the Chinese community into a movement of considerable social significance.

At the time of the amendment of the Exclusion Act, Yin Suat Chuan, who had studied medicine in the US, was rehabilitating two opium smokers with the support of Lim Boon Keng (SS and FMS Opium Commission, 1909). His successful treatment convinced him to open an opium refuge. He put forward his concept in a public lecture on the method of managing an opium refuge with the support of the Chinese community at the Chinese Reading Room in Singapore in early 1906 (Murray, 1906: 133). There was no immediate response to the lecture. It was several months later, when he had an opportunity to explain his scheme to the Chinese Counsel in Singapore, that the Counsel offered to sponsor the expenses for the initial month and a location for the proposed institution. After hasty preparations the opium refuge was opened on 23 May 1906. Indeed, Lim Boon Keng had put forward the proposal to set up an experimental opium refuge as early as 1898. In other words, Straits Chinese leaders had been aware of the need for making available remedial treatment for opium smoking well before Morley’s speech in the British Parliament on 30 May 1906. It was probable that this Straits Chinese attempt was not unrelated to the US exclusion policies. According to The Straits Chinese Magazine, the opium issue was in fact part of the Chinese patriotic movement that was inspired by the boycott of American goods. It declared in an article (SCM, 1906: 209)
The awakening national spirit suddenly burst forth as if aroused from the stupor of centuries. National unity was achieved for the first time without bloodshed. A common sentiment of kinship with all yellow men – a feeling which Confucius vainly strove to instill into the China of his day – miraculously pervades all classes. It was this that made the American boycott a success. It is this which enables the nation now to combat the attractions of the narcotic which has done the Chinese nation such harm…In consequence of the new national aspiration, a strong feeling exists against the indulgence in opium. Societies sprang up in no time throughout China and all Chinese communities for the preservation of national vigour and the repression of the opium vice.

While the Chinese expressed their objection through the boycott movement in China, there was a feeling it should not become “a second coming of the Boxer Rebellion”, or not to show that China was incapable of joining “the progressive and universal civilized current” of the world (Yoshizawa, 2003: 86). Thus, the anti-opium movement began in British Malaya precisely also as a reflection of this patriotism movement “without bloodshed”. Yin Suat Chuan was particularly aware of the ugly face of racial discrimination behind the US Exclusion Act. On the occasion of the devastating earthquake in San Francisco on 18 April 1906, the shops of Chinese victims in Chinatown were shamelessly looted in the presence of US troops and police (Yin, 1906: 48). In a biting criticism of this incidence, Yin Suat Chuan described the looting as occurring “in the great civilized city of a great civilized country, by a great and civilized people, in the presence of troops, in the enlightened twentieth century” (Yin, 1906: 48). Noting that US government had decided to return to China a large part of the Boxer Uprising indemnity money, he lamented that “had the American people shared this benevolent action of their Government and condescended to treat the Chinese on more liberal terms, the boycott movement would never have started” (Yin, 1906: 49). Like many Straits Chinese, Yin did not allow his intense disappointment with the inhuman racial discrimination of “civilized” Americans to go unrecorded.

While the Chinese sense of patriotism was aroused by the racial prejudice of the exclusion policy of the US, they also realized the need to tackle the crippling impact of opium on the Chinese community. However, this awareness alone, while it motivated the anti-opium movement, had a negative side to it. The move to register opium smokers as a step towards the control of the drug, already adopted as an effective means by Japan and the US, were objected to by Yin Suat Chuan and Lim Boon Keng on the grounds that it was an infringement on the privacy of the individual (SS and FMS Opium Commission, 1908-09: 42 and. 420-422). At the Anti-Opium Conference held at Ipoh on March 1907, Yin Suat Chuan’s opposition to the registration policy in the name of protecting liberty and individual rights had
caused much debate (*The Straits Times*, 14 March 1907). When Lim Choo Boon, the secretary of the Perak Anti-Opium Society, referred to the successful opium regulation of Japan and the US at the interview of the Opium Commission, a member of the Commission claimed that this was because the “Americans do not want Chinese in the Philippines islands” and suggested a similar exclusion act in Perak (*SS and FMS Opium Commission*, 1908-09: 750). This member had justified opium smoking only because Chinese immigrants were necessary for the development of Perak.

The influence of the US exclusion policy was to make the Straits Chinese wary of government intervention, lest the Chinese were subjected to discriminating legislations. It was therefore impossible to trust the government to solve the opium problem. In other words, the anti-opium movement had to be promoted within the limited capacity of the Chinese themselves. Lim Boon Keng clearly showed this sentiment when he asserted that China must be free from opium. He saw the issue as fundamentally “entirely a Chinese problem”. He believed that, despite European indifference, “the duty of the Chinese is to do their utmost to destroy this incubus upon the Chinese race” (Lim, B.K., 1906: 151): He recognized the importance of coordinating their action with that of China. The Straits Chinese had embarked on the anti-opium movement even ahead of China. They were thus staunch supporters of China’s anti-opium efforts as a matter of duty to the Chinese.5

The Straits Anti-Opium Movement

Support for the anti-opium movement came not only from patriotic Straits Chinese leaders, but also from Christian missionaries. J. G. Alexander, the secretary of SSOT, was one of the prominent and vigorous campaigners. When visiting Penang and Ipoh on October 1906, he attended meetings and sought to establish anti-opium societies (Wen, 1907: 5-7). Soon after that, he was in Singapore and participated in two meetings. The first was at the Prinsep Street Church with Revs. J. A. B. Cook and W. Murray, and both had been working closely with the Straits anti-opium movement (*The Straits Times*, 6 November 1906). The second meeting was at the SCCC where he briefed the audience on the stringent regulations on opium in Japan and the US, and criticized J. Morley for doing nothing after his speech (*The Straits Times*, 7 November 1906; Alexander, 1906: 186-190).6

In addition to lending their support to the Straits anti-opium movement, Christians and missionaries appealed to the British government to resolve the opium issue. When R. Laidlaw, a member of the House of Commons, visited Malaya with J. G. Alexander, he joined an anti-opium meeting with at least 3,000 attendees and realized the gravity of the opium problem (*SS and FMS Opium Commission*, 1908-09: 650). It was realized that the anti-opium leaders
had to submit their opinions directly to the British Parliament, as their efforts with the Straits government had always been ignored (SS and FMS Opium Commission, 1908-09: 650). There was a great difference between the British government and that of the Straits Settlements. When Wu Lien Teh, who was associated with both Alexander and Laidlaw, attended the Anti-Opium Conference held in London, he took the opportunity to make an appeal on behalf of the Straits anti-opium cause to Theodore Taylor, one of the anti-opium leaders, and Edward Grey in the Ministry of Foreign Affairs. These Straits Chinese connections with the Christians shielded their activities from being cast as anti-foreign sentiments, and rendered the movement more effective. Leaders of the anti-opium movement Wu Lien Teh, Lim Boon Keng, Yin Suat Chuan and Tay Sek Tin were all Christians.

The primary objective of SSOT was to suppress the opium trade. The purpose of the Straits anti-opium movement was to work towards the suppression of opium smoking (SS and FMS Opium Commission, 1908-09: 650). What Yin and Lim were primarily focused on was to seek an “opium cure” as the solution. Although the use of opium was shifting from being a substance of self-indulgence to a narcotic drug, the lack of scientific knowledge concerning opium militated against effective treatment of addicted smokers. There were doctors who denied that opium was harmful. The opium refuge, which Yin had opened under the support of the Chinese Counsel-General, was unique in itself and attracted widespread attention in various quarters (Murray, 1906: 133). In the refuge, patients were admitted for two weeks and provided with free food, medicine and other necessities, in what was called an “isolation policy”. As the patients submitted themselves to the voluntary treatment, anyone who insisted on leaving before his term was completed or resumed smoking would have to pay a fine. With all 39 in his first batch of patients succeeding in banishing the addiction, Yin felt even more convinced that the refuge must become a permanent project (SS and FMS Opium Commission, 1908-09: 410). Subsequently, with donations from some wealthy Chinese leaders (see 许苏吾/Xu Su Wu, 1973: 26-33),7 Yin established his original opium home at Tank Road that also housed the Singapore Anti-Opium Society. This refuge accommodated 30 patients at a time for a compulsory stay of 15 days. A year later, when the refuge was closed temporarily for lack of funds, more than 400 patients had benefited from the treatment.

In the search for a cure for opium smoking, two plants were believed to provide hopes for medical treatment. These plants were associated with what became known as the Selangor cure (Combretum Sundaicum) and Shanghai cure (a raw plant). The “Selangor cure” was a drink that was distributed freely at major towns in Malaya. Many opium addicts earnestly believed that it offered a cure for their craving for opium. However, through their own experiments, Lim Boon Keng, Yin Suat Chuan and Wu Lien Teh concluded that both forms of “treatment” were merely placebos and had no real medical effect. Instead, some Straits Chinese doctors
conducted their own laboratory experiments in pursuit of an effective treatment for the opium addicts. A morphine injection was also used as an effective treatment. Lim Boon Keng cautioned against its use lest it led to morphine addiction (SS and FMS Opium Commission, 1908-09: 50). Although it was immensely difficult to cure opium smokers of their addiction, Lim Boon Keng and his colleagues realized that it was more important than to confront the larger and complex issue of banning the opium trade.

In his approach to tackle the vice of opium smoking, Lim Boon Keng emphasized the need for more practical social reforms rather than the holding of lectures and distributing literature (Lim, B.K., 1898: 52). He attributed opium smoking by the poorly-paid labourers to social conditions of living and the lack of alternative recreation. Ultimately, the “real remedy lies in education, and in forbidding the use of it (opium) to the young” (Lim, B.K., 1906). But attaining this objective would involve nothing less than practical social reforms. To the leaders of the anti-opium movement, the challenge was more than suppressing opium smoking, but to foster the rebirth of “civilized” Chinese in order to restore their faith and pride which had been undermined by the addiction to opium.

As for the anti-American Boycott movement, support came mainly from a section of merchants and traders while those with vested economic interests were opposed to it. Leaders of the anti-opium movement who were respectable members of the middle class were also subjected to harassment by some opium farmers (see Wu, 1959: 241-244). While there was agreement on certain aspects of the opium problem, there were some fundamental differences between the anti-opium movement and the boycott movement. The former focused on curing the vast number of opium smokers rather than the control of the opium trade. Therefore, there were also differences of opinion within the Chinese community itself. One of the most influential groups that did not support the anti-opium movement included wealthy Chinese leaders who were opium smokers. It is even difficult to ascertain if the SCCC supported the anti-movement. Tan Tek Soon, vice-president of the Chamber, asserted that half of the committee members were opium smokers including the president and himself, and some of them were opium farmers and had vested interests in opium farms (SS and FMS Opium Commission, 1908-09: 295). This was probably why SCCC declined to offer support for Yin Suat Chuan’s opium refuge project. It was not until SCCC submitted its ten-point anti-opium suggestions to the Opium Commission on August 1907 that it officially adopted an anti-opium stance. Yin’s opium refuge was on the verge of closing down then, yet SCCC failed to come out with concrete support or participated actively in the anti-opium movement (SS and FMS Opium Commission, 1908-09: 411, 418). Thus, the clear lack of consensus and cooperation in the Chinese community frustrated the initiatives of the anti-opium movement. This could be because the idea of seeking an ultimate cure for opium addiction was a radical
social and educational reform movement or that a section of the community was indifferent or not supportive at all.

Despite indifferent results, the significance of the anti-opium movement goes beyond the mere fact of a campaign against opium smoking. Opium was a major vice that had brought about widespread social malaise and problems in China as well as its humiliation by foreigners as the “sick man” of Asia. More importantly, many felt it was a direct cause of the moral as well as political “collapse” of China. To leaders of the anti-opium movement such as Lim Boon Keng and his colleagues, the most appropriate way to seek a way out was to provide opium smokers with proper medical treatment. He was exposed to ideas associated with “Social Darwinism” during his stay in Britain (see 李元瑾/Lee Kin Guan, 2001: 12-17). Darwinism was generally accepted as the theory of the “struggle for existence”, and also the idea of social evolution including the concept of “the survival of the fittest”. The challenge of seeking ways to cure opium smokers was therefore likened to an ideological struggle to cure China of its social and political malaise.

As a student in Britain, Lim Boon Keng became more conscious of his identity as a Chinese. Back in Singapore, he sought through reform movements to restore his own identity and to reconcile the roles of the Straits Chinese between “the East and the West” and as a “new race” in the form of a local-born “baba” community (see Lim, B. K., 1899: 102-105 and 1903: 94-100). In early twentieth century Singapore, he and his fellow professionals represented a new generation with more enlightened ideas than those held by the Chinese community in general. He and others like Yin Suat Chuan and Wu Lien Teh underwent a social “transformation” as a result of their Western and professional medical education. They lived in an age when the vice of opium smoking was the common problem of China and the Chinese community in British Malaya. It was also this problem that presented an opportunity for them to reconcile “the East and the West” and to help China out of its crisis. To borrow A. D. Smith’s phrase, his reform was an expression of “vicarious nationalism” from someone trying to compensate for the partial loss of his own ethnic heritage for being born in Singapore and raised according to non-traditional Chinese ways (Smith, 1986: 152). At the same time, the Straits Chinese established the Straits Chinese British Association to protect their interests and “British” nationality in 1900. This was the attempt by the Straits Chinese to maintain a healthy balance between their status as British subjects on the one hand and as Chinese on the other.

He and his anti-opium companions bravely took up the challenge of curing the vast sea of addicted smokers as the most appropriate and radical way to achieve these aims. Lim Boon Keng, for example, with the energy of his youthful vigour and his pessimism towards the “old customs and traditions” and “ancient prejudice”, was confidently seeing “the possibilities of the future” like his fellow professionals (The Straits Times, 27 November 1906).
Conclusion

In the early twentieth century, the problems associated with opium smoking were regarded as the private affairs of the Chinese rather than that of the colonial government. The Straits government, citing the US exclusion policies on the Chinese, attempted to justify opium usage as a necessary condition to attract Chinese immigrants as a source of labour supply. In other words, the policy associated with opium was tied to that of Chinese immigration.

Lim Boon Keng and Yin Suat Chuan launched the anti-opium movement in the early twentieth century before the US amended its Exclusion Act. They did this for the larger purpose of getting the Chinese back on their feet and to reclaim their proud civilization. The focus of their endeavour was placed on the more radical objective of seeking a cure for opium addiction rather than on suppressing the opium trade. They worked closely with SSOT and appealed to the British Parliament which had first made the idea of an anti-opium movement viable. In the pursuit of their objectives, the Straits Chinese assumed a “double identity” as British subjects and as Chinese in order to perform effectively their roles as local-born residents and subjects of Britain. Thus, this “hybrid identity” served not only to protect their Chinese legacy but also to compensate for their partial loss of Chinese identity. While the anti-opium movement allowed them to show their patriotism through “vicarious nationalism”, they were careful not to express their anti-opium stance as an anti-governmental act. Through the movement, the Straits Chinese were able to show their sense of nationalism and patriotism and at the same time able to push the limits of colonial rule and yet not to overstep the limit as as being anti-government or anti-colonial. The Straits Chinese played this dual role to their full advantage.

In 1907, The Straits Chinese Magazine, published under the support of the Straits Chinese British Association was forced to cease publication for lack of funds and subscribers (see SCM, 1901: 38; SCM, 1907: 125-26). This seemingly happened in parallel with the decline of the Straits anti-opium movement. Although, the Straits government ultimately dissolved the opium farm system, it was to take over the opium monopoly in 1910 and thus assumed complete control and authority over the Chinese community. Since then, until opium was finally prohibited after the Japanese Occupation, the Straits Chinese were deprived of the initiative to move freely between the two territories of Chinese nationalism and British colonialism. The anti-opium movement failed to have any significant effects on either opium smoking or its trade. It seemed to have served as a means by which Straits Chinese showed their “vicarious nationalism” in the interest of curing China of its major social ills but without jeopardizing their legitimate place in the colonial state.
Notes

1 The Commission composed of six members, chaired by J. Anderson (merchant), W. R. C. Middleton (doctor), D. J. Galloway (doctor), E. F. H. Edlin (attorney), W. F. Oldham (Reverend) and Tan Jiak Kim (merchant). There were three major purposes to enquire how the opium habit spread, whether it was excessive or moderate, and what the government should do. From these points, 33 Europeans and 53 Chinese were interviewed at Singapore, Penang, Perak and Selangor.

2 Yin was born in Amoy in 1877. At the age of 21 he came to Singapore as interpreter in the police courts. In 1899, he went to the US and studied medicine at Michigan University and then proceeded to Toronto University. After studying in London, he returned to Singapore and worked with Lim Boon Keng as a private practitioner (see Song, 1923: 422-423).

3 The Guardian gauged China’s progress by its imperial edict. On the other hand, The Straits Times says “we are by no means sure that it possesses any importance. The Chinese Government is the most accomplished poseur in the universe” (The Straits Times, 25 and 29 October 1906).

4 According to Tay Sek Tin, Suen Tze Ting, the then Chinese Counsel, had close tie with Zeng Zhu, the then president of Shanghai Chinese Chamber of Commerce. Zeng Zhu was known to be the key person not only in the boycott movement but also in the anti-opium movement in Shanghai. This fact indicates that Shanghai was a major city where various Chinese patriotic movements took place. However, Yin Suat Chuan denied the relationship with any movement in Shanghai.

5 For example, Foo Choo Choon, the first president of the Penang Anti-Opium Society, had never employed opium smokers at his tin mines in the states of Perak and Selangor. He mentioned this decision arose “from a patriotic feeling that the use of opium was hurtful to my nation” (SS and FMS Opium Commission, 1909: 563). Yen mentioned Wu Lien Teh was the first president of the Penang Anti-Opium Society (see Yen, 1995: 158), but actually Foo Choo Choon was the first president.

6 Tan Cho Nam, Teo Eng Hock, Lim Nee Soon and Tan Boo Liat participated in this meeting. Yin Suat Chuan chaired the meeting and acted as interpreter as well.

7 Tay Sek Tin addressed 12 wealthy leaders including Tan Boo Liat, Wong Pang Chieh, Tan Hun Chhiu and Shen Lien Fang.

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Bold Entrepreneurs and Uncommon Enterprises: The Malaysian Chinese Experience

VOON Phin Keong*

Abstract

The Chinese are well known for their hard work and enterprise. Self-reliant and resourceful, the Chinese in Malaysia have always pursued their interests in what they perceive as financially rewarding and personally fulfilling enterprises. This paper discusses two new enterprises that are distinctive for their uniqueness and boldness. These are the breeding of the Asian Arowana and the keeping of swiftlets for their edible nests. These products are high-value items that have their respective niche markets. The history of both is of recent origin. Yet each is, in its own way and from the very beginning, a bold and innovative enterprise in its specialization and in the exploitation of local resources.

The foresight and innovative spirit of the pioneer entrepreneurs in these enterprises have exploited business opportunities that are, to the average person, generally beyond the range of commercial possibilities. More significant is that these entrepreneurs have shown that, with their unyielding spirit of enterprise and resourcefulness, it is possible to transform the unthinkable into thriving businesses.

Key words: Chinese entrepreneurs, swiftlet nest farming, arowana fish breeding, business insights

Introduction

The swiftlet or bird’s nest is a high-value project that may be worked by Malay and other Bumiputera entrepreneurs. Another enterprise is the growing of seaweeds for export. Another industry is the Arowana fish that has been listed in the Stock Exchange.

(Datuk Seri Najib Razak, 29 March 2009)

The Chinese overseas determine their own future by trying endlessly to improve themselves, be self-reliant and resourceful in the spirit of xiqiang buxi or seeking self-advancement through remitting efforts. In their desire to improve their livelihood, they would attempt what they perceive as financially rewarding and personally fulfilling endeavours. They have indeed accomplished much success in a variety of activities at different times and in different places. In the arena of commerce and trade, they have pioneered many traditional as well as totally new enterprises. In all these cases, the underlying factor has been the readiness

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to seize opportunities wherever and whenever they present themselves.

This paper discusses two types of unusual enterprises that have recently been pioneered by enterprising individuals in Malaysia. These are concerned with fish and birds that are found in Malaysia, one that is too exotic and the other too commonplace to be conceived as candidates for viable businesses. Yet the entrepreneurs have the foresight and conviction to turn them into uncommon products to stand as pioneers of new and thriving enterprises. The paper will examine the special circumstances surrounding the development of these enterprises and the factors that lead to their subsequent transformation into new business undertakings. It will then discuss some general features concerning these new activities in order to gain a better understanding of the nature of business enterprise in general and that of the Chinese in particular.

The Chinese Overseas and Their Participation in Business

The Chinese give the impression of possessing a natural flair for doing business and Chinese communities overseas are often seen as the epitome of entrepreneurship. As merchants and businessmen, they have often been criticised for their “domination” of local economies and thus aroused resentment from quarters ranging from the local communities to international organizations. Yet their role as founders of new enterprises has often been overlooked as put their initiatives and resourcefulness to advantage in creating businesses out of unlikely “raw materials”.

In the unfamiliar situations in different territories in which the average Chinese immigrant has settled down, often under difficult circumstances, the struggle for survival has indeed been a game of pitting self against the environment and competitors. Many early immigrants were forced into jobs pre-determined by their contracts as indentured labourers. Away from China, they were deprived of access to bureaucratic appointments and their most immediate task was to overcome various situational circumstances in the struggle for survival and to seize upon any opportunity that could secure their survival. Sociological factors and cultural background may ease the entry into business. The sociological factors include past experiences of the Chinese in commerce and trade and the handling of money. The positive traits of the Chinese such as being hardworking, resourceful and thrifty would come into play whenever new opportunities arise. Culture as a motivational force is manifested by such traits as the indomitable spirit and unremitting efforts of the average Chinese for self-improvement (see Voon, 2001).

Other than hired employment in the ports, mines and plantations, trade and commerce, and in the services, many early Chinese arrivals sought ways for self-employment of which the most common was in petty trade. Then as now, a simple way to earn a living was to
prepare food and various other edible items for sale. Southeast Asian cities abound with hawkers and peddlers who ply their wares in busy town centres, the streets and verandas of shop-houses, or by the many side lanes. Hawkers work from their ubiquitous stalls in coffee shop-houses offering an array of noodle, rice and other edible dishes. Their ranks are further swelled by itinerant peddlers of food or other goods and services. One writer (McGee, 1976) called this army of petty traders the “proto-proletariat”. They form a bloated “informal” sector comprising the self-employed and under-employed.

More specialized and capital-intensive than petty trade, but still with a relatively low barrier to entry, are the retail shops and stores. Retailing is simply the resale of new and used goods for personal and household consumption. This takes place in shops, department stores, stalls, auction and mail-order houses and co-operatives (DSM, 2003). In 2001, there were 153,660 retail establishments in Malaysia. Among them were 491 major stores owned by foreigners and 35 were Malaysian-foreigner ventures. All except the major ones are small family businesses. A quarter was run as a “one-man” show, while a third involved two persons and 17 per cent were worked by three persons. These small establishments provided employment to 76 per cent of the workforce in retail trade, involving 512,185 persons altogether or an average of 3.3 persons per establishment (DSM, 2003: 127). Total revenue of the entire sector amounted to RM71,651 million in 2001. After deducting the cost of goods sold and other expenditures of RM63,676 million, and RM3,149 million in salaries and wages, a balance of only RM4,826 million was left, which worked out as RM31,407 per establishment or RM2,617 per month (DSM, 2003: 130).²

The Genesis of Uncommon Enterprises

Besides ubiquitous businesses such as petty trade, there are a few less common ones. Among them are the breeding of the rare Asian arowana (Scleropages formosus) and the keeping of swiftlets (A. Fuciphagus and related species). Both are attempts to commercialize biological processes, one concerning the breeding of fish in captivity and the other in attracting swiftlets to nest in built structures.

In the Eighth Malaysian Plan 2000-2005, ornamental fish, seaweed, tuna and floriculture were identified as “new sources of growth” in the agricultural sector. This attention has been reiterated in the Ninth Malaysia Plan 2006-2010 which encourages the private sector to participate in these new businesses. The government is to provide extension service, incentives, basic infrastructure, marketing facilities, downstream processing, and to strengthen “marketing and global networking” (Malaysia, 2006: 86, 89-92). Strangely, edible birds’ nests did not feature in the radar screen of the broad official purview then.
The breeding and supply of ornamental fish and the production of birds’ nests are unusual enterprises that fall outside the vision and consciousness of all but the bold and discerning entrepreneurs. Those who dare are individuals who realize the commercial possibilities and the market potential of these enterprises. Through perseverance and the belief in themselves, many have built up viable businesses to occupy special niches in the economy. Both are therefore the fruits of efforts that are independent of official assistance.

Significantly, the entrepreneurs regard these undertakings as the commercial production of highly-priced “commodities” for the local and export markets rather than new forms of farming. Yet, in having to deal with “wild” and endangered species found in nature, these enterprises involve “domestication” processes that differ radically from the manufacturing or the retailing of finished goods.

**Ornamental Fish Breeding: A Success Story**

Malaysia’s trade in ornamental fish began in the 1950s with the marketing to Singapore of fish caught in the wild. This relatively new sector has experienced a healthy trend of growth since then. During the Eighth Malaysian Plan period, the sector produced 438 million tails with a market value of RM103 million (Malaysia, 2006: 86). With up to 600 varieties of ornamental fish to satisfy the interests of hobbyists worldwide, this is a trade that will grow in tandem with rising affluence. Malaysia is now the world’s largest producer and second largest exporter of ornamental fish for which the major markets are the United States, Japan and the European Union. At the global level, the Food and Agricultural Organization has estimated that the trade is worth US$15 billion (Loh, 2007).

The Malaysian ornamental fish trade has become a fast-growing business sector. In the 20 years to 2006, the industry enjoyed an annual rate of growth of 24 per cent (*Fish Farmer*, 2006). There are now about 500 aquarium shops in the country (San Sui, 2006). About 550 local and exotic varieties of ornamental fish comprising more than 250 species are bred in Malaysia. In 2006, more than 70 per cent of the production were exported to over 30 countries and was worth RM140 million (*Fish Farmer*, 2006). The world trade in ornamental fish is estimated at about RM8.06 billion, of which 96 per cent are tropical fish. Malaysia was ranked next to Singapore in global exports in 2006 (*Fish Farmer*, 2006).

Among the most highly-priced ornamental fish is the Asian arowana, also fondly known as the Dragon Fish by the Chinese. The arowana is a living “fossil” that is known for its elegance and beauty. It is found only in a few localities but especially in Southeast Asia. In Malaysia, its sole natural habitat is the Bukit Merah lake in the northern part of Perak state.

The outstanding ornamental fish breeding and export enterprise of Malaysia is of recent origin. Its success story reveals an enterprise whose beginning owes as much to serendipitous
circumstances as its subsequent growth is due to the sheer drive and foresight of an unassuming man and a company called Xiang Leng that he founded in 1983. This company is now listed in the Malaysian stock exchange with the Asian arowana as its flagship product (XLH, 2003).

The origin of this enterprise may be traced to the founder’s love for ornamental fish during his boyhood. Back in 1978, he had begun breeding ornamental fish as a hobby. In 1980 he converted a 0.4ha lot of vacant land in his village in the state of Johor into a fish pond and in the process transformed a hobby into a commercial undertaking. The increase in his fish stock from his breeding programme soon compelled the search for a market among local shops and dealers. In 1983 the establishment of an aquarium in a shop-house registered as Xiang Leng marked a milestone in his business career. The need to support the new business called for serious efforts in fish breeding. The company pursued this objective with undivided attention and at the same time built up a reputation as a reliable supplier.

The 1970s and 1980s coincided with the craze for keeping of the Asian arowana as a household hobby. Fondly referred to as the “feng shui” (geomancy) fish among the Chinese, it was reputed to be a harbinger of good luck and fortune. It was this symbolic connotation that catapulted the fish into a hot favourite in the Chinese business community. Found only in a solitary location in the country, the Malaysian arowana is consequently a rare and almost priceless possession valued in the thousands of dollars each. Xiang Leng and its founder saw in this special fish very enticing potentials and began to seek supplies from Bukit Merah fishermen to add to its aquarium catalogue.

A number of arowana that Xiang Leng purchased at Bukit Merah lake had showed certain defects and were placed in the pond, in the hope that these defects might disappear as the fish grew in size. This well-intentioned move turned out to be a momentous event in the subsequent history of the company. Within 6-12 months it was noted that the arowana had spawned a brood of fry. Hitherto, all the arowana sold had been captured in the wild and the idea of breeding this rare fish had never entered the realm of reality. It was this amazing discovery that led to the idea of breeding the arowana in captivity.

Xiang Leng’s farm was extended to 2ha by 1986, and it was soon followed by a much larger second farm covering 40ha (in Parit Sulong, Batu Pahat) for the specific purpose of breeding the Asian arowana. It soon became clear that the breakthrough in breeding arowana would have limited benefit as the fish could only be supplied to a limited local market. It was the market outside Malaysia that would give real meaning to the breakthrough. Yet the arowana is an endangered species that comes under the watchful eye of the Convention on International Trade in Endangered Species (CITES).

The first obstacle to attempts in exporting to foreign markets was the need to obtain the approval of the Malaysian Fisheries Department. The Department has to be satisfied that
the fish has indeed been successfully bred rather than captured. In the early 1990s, fisheries officials were invited to the farm to scrutinize the breeding programme and to confirm the scientific claims of the company. Winning the support of the Fisheries Department was crucial in preparing the next move to obtain the approval of CITES to export the fish to the world market. In 1994 the company founder was the first Malaysian, and one of only two persons in the world then, to receive recognition of CITES and the green light to trade in Asian arowana raised from captive commercial breeding (Xiang Leng Holdings Berhad website: www.xianleng.com.my, retrieved on 3 June 2009).

Obtaining the CITES permit was a ground-breaking achievement for the company. The permit comes with two highly significant implications. The first is that the breeding and sale of the arowana is transformed from being an “illegal” operation into a legal export enterprise of immense potential. The second is that the company’s business is transformed from being a local supplier into a global player in a growing market.

The award of the CITES permit opened the way for Xiang Leng to embark on the next phase of expansion. In 1998, it became the first company in the fisheries industry in Malaysia to be listed in the Malaysian Stock Exchange under the name of Xiang Leng Holdings (XLH) (XLH, 2003). Under its control in 2007 were four fully-owned subsidiaries specializing in the commercial breeding of the Asian arowana and other ornamental fishes, trading of aquarium accessories as well as in property holdings (XLH, 2008a). It maintains its leading position through a vigorous research and development (R&D) programme and in by focusing on the arowana niche market. Japan is its major destination where the fish can fetch up to US$17,000 each (XLH, 2008b). In 2001, Japan accounted for 65 per cent of worldwide sales of the fish (Loo, 2002).

Guided by its mission to be a first-class breeder and supplier of high value Asian arowana, XLH has since achieved a number of “firsts”. It was the first in the world to produce the Albino Malaysian Golden Arowana, the first to be given an additional Special Innovations Award by the Small and Medium Industries Development Corporation of Malaysia for pioneering the commercial breeding of Asian arowana on a commercial basis, and the first in the Malaysian fisheries sector to use microchips in tagging fish for permanent identification (XLH, 2003).

What began as a hobby a quarter of a century ago has blossomed into a thriving enterprise. Xiang Leng has since embarked on a path of expansion and technical excellence based on a business model driven by continuous research and development to maintain its leading position as a breeder and supplier of the Asian arowana and other ornamental fishes of unmatched quality (XLH, 2003). Its business now comprises two ornamental fish trading centres and four farms (XLH, 2008a and b). The third farm covers 15.4ha in area and the fourth extends over 100ha. This large farm is situated in a modern integrated agricultural
park covering 400ha in central Johor state. This park was developed in 2005 as a government initiative to showcase 20 outstanding enterprises in the breeding and production of poultry, livestock, vegetables, fish and other agricultural products. It is to serve as a one-stop centre to facilitate contact between producers and foreign importers (XLH, 2008b).

Since its listing, XLH has undergone impressive growth. Its annual turnover of RM16 million in 1998 has trebled to RM49.5 million in 2003 (XLH, 2003 and 2008a). In 2006, its turnover of RM45.43 million accounted for 44 per cent of the country’s total of RM103 million (Malaysia, 2006: 86). However, turnover has been declining since and stood at RM32.89 million in 2008. Profit after taxation had dropped correspondingly from RM17.33 million in 2005 to RM1.73 million in 2008 (XLH, 2008a). The decline is attributed to reduced sales brought about by the “persistent aggressive price competition” mounted by a number of new entrants into the trade, and the company’s high depreciation charges arising from investments in the new but still unproductive farm (The Star Online, 31 March 2008). In a business that XLH has pioneered, it now finds itself facing the inevitable competition of many other breeders and suppliers. As always, the reality of business can be harsh and the innovative entrepreneur has to keep a step ahead of his competitors with more innovations.

**Swiftlet Nest Farming: A Dream Come True**

Edible birds’ nests had been an item of trade between China and Southeast since ancient time. A late Tang dynasty record mentioned this and other items such as ivory, spices and gems that were bought by Chinese traders in Santubong at the mouth of Sarawak river (周伟民、唐玲玲/Zhou Weiming and Tang Lingling, 2004: 87). Birds' nests also featured in the ancient trade between China and Brunei, Sulu and the Moluccas (Purcell, 1951:421, 451 and 612). An Englishman who visited Kedah in 1783 noted, among other things, birds’ nests and sharks' fins in the trade with China (Purcell, 1951: 314). The birds’ nests are therefore a highly-priced delicacy beloved of the Chinese up to the present. These nests were deemed to be a worthy gift to kings. In 1907, the Sultan of Sambas in West Kalimantan offered bird’s nests as a gift to the King of England. This gesture had incurred the displeasure of the Dutch colonial masters who feared that it could be construed as a form of vassalage (Tagliacozzo, 1999: 70). Almost all the supplies of birds’ nests have come from the work of skilful harvesters in the limestone caves of Southeast Asia. According to Warren (2001: 28), the demand for birds’ nests from the late eighteenth century “shaped the destinies of thousands” in Southeast Asia. This was a time when radical economic changes were taking place globally and altered the course of cross-cultural trade and promoted economic development in the region.

Birds’ nests are the strands of saliva of the swiftlets. They are wound into half cup nests that bond to the cave wall. These swiftlets belong to the *Apodidae* family of which 24 species are recorded worldwide. In Malaysia, three of these species are known to build edible
nests in caves. The most valuable nests are those of *A. Fuciphagus*. It is claimed that the *A. Fuciphagus* is found only in Malaysia, Indonesia (Sumatra, Kalimantan, and Java), Thailand, Cambodia, Vietnam, Laos and Hainan Island (Lim, C., 2006: iii).

The Malaysian swiftlet nests business began more than a century ago. Traditionally, the business has consisted of two clearly defined components, namely, the work of harvesting by indigenous collectors of swiftlet nests in limestone caves, and the purchase of the nests by Chinese dealers. After years of the *status quo*, new avenues for business have since emerged. In the early 1980s it was observed that swiftlets were nesting in abandoned houses in some coastal areas in Peninsular Malaysia. The idea of “keeping” these swiftlets on a commercial basis, similar to the concept of bee-keeping, arose when it was found that swiftlets began to build nests in the vacant buildings of the lucky few. As swiftlets show strong nesting place fidelity, even after their nest is harvested, attempts to retain them to rebuild more nests became a distinct possibility (Lim, C., 2006: 6).

Swiftlet nest farming received a boost during the Asian financial crisis of 1997-98 as owners of abandoned buildings looked for ways to cushion losses incurred on their bad purchases (Hameed, 2007). The success of the early swiftlet farmers had a strong demonstration effect on neighbours and friends who also possessed unoccupied houses or shop buildings that were on the verge of bank foreclosure. As swiftlet nest farming became an attractive business proposition, the more enterprising investors even travelled to Indonesia, the leader in the business, to learn the “tricks” of the trade.

There were also other circumstances that worked in favour of swiftlet nest farming. It was found that the over-harvesting of swiftlet nests in caves had become unsustainable and the species was under threat. A working trip to Indonesia in 1996 organized by CITES provided the Malaysian Wildlife and National Park Department a clue in protecting the swiftlets through commercial farming (Lim, C., 2006: 7). “Domestication” of the bird was therefore treated as a viable alternative to natural conservation.

The diffusion of swiftlet nest farming for profit has since made rapid progress. Up to 1998, there was an estimated 900 odd swiftlet houses in Malaysia. By 2006, the number reached almost 36,000 (Hameed, 2007). The growth has been exponential since then. In 2008, one source put the number of swiftlet houses at 100,000 (Lim, D., 2002). It is estimated that four-fifths of the farmers are Chinese (*Sunday Star*, 31 October 2010).

Despite the “boom” in the new business venture in recent years, the entire enterprise has been likened to backyard poultry farms run by individuals trying to earn an extra income (Lim, D., 2002). Nevertheless, progress made so far has been entirely independent of any form of official assistance (Hameed, 2007). That this enterprise is able to thrive, and has spawned related services such as accessories and consultancies, points to the resourcefulness
of a community of individuals with the courage to challenge the odds in turning an untested business model into a success.

As swiftlet nests are a culinary delight of the Chinese, the business of swiftlet nest farming is firmly anchored on its potential for lucrative returns. The growing demand is derived especially from the rising affluence of Mainland Chinese and the world-wide trend of pharmaceutical and herbal products companies in using swiftlet nests as base materials for producing natural and organic extracts and products (Hameed, 2007). On the basis of 2-4kg of swiftlet nests from a standard shoplot (6.1m by 21.3m/20ft by 70ft) per month, the yield would translate into a gross revenue of RM10,000 to RM20,000 (Lim, C., 2006: ii).

Realizing the prospects of swiftlet nest farming, the Malaysian government in 2010 has designated it as a high-growth sub-sector in the agriculture National Key Economic Area (NKEA). This activity has been earmarked as an “entry point project” under the Economic Transformation Programme announced in late 2010 with the aim to turn it into an agro-business to serve the export market and to create a viable form of livelihood. The government envisages the growth potential of the global market for swiftlet nests and their derivative products to reach RM29 billion by 2020, or almost three times the 2010 value (Pemandu, 2010: 528-529). The Veterinary Services Department is to allocate RM5 million to encourage 500 hardcore poor families to take up swiftlet nest farming. The official estimate is that Malaysia is expected to “capture” 30 per cent of the global market and to generate revenue amounting to RM4.5 billion by 2020 (Pemandu, 2010: 529; Sunday Star, 31 October 2010).

The attractive returns notwithstanding, swiftlet nest farming contains its fair share of risks to investment. Experience shows that there are several stages of growth and the initial hurdle to “success” is to attract the first pair of swiftlet to build a new nest in the birdhouse. If the swiftlet population increases to a sufficient number to yield a profit, the enterprise is considered viable. To imitate “natural” conditions to attract the swiftlets, an elaborate system of recorded swiftlet voice has been devised to “notify” and “invite” the birds to the new birdhouse. Under normal circumstances, the “gestation” period of trial and error may take three to five years. Upon achieving this initial success, the farm may take a couple of years or so to reach maturity to repay the relatively large investments that are required (Lim, D., 2002; Hameed, 2007).

However, many birdhouses have failed to attract any swiftlets at all. It is estimated that only 30 to 50 per cent of swiftlet farms are regarded as successful and most of these belong to the pioneers and early investors in the business. Late-comers have to contend with many birdhouses vying for a given colony of swiftlets and many are forced to abort their operation. As in other businesses, only the fittest will survive (Lim, D., 2002).
Some Insights

These case studies yield some insights into the nature of Chinese business enterprises. Although both are minor players compared with more established enterprises, they are nevertheless significant in their own way. They have contributed to exports and created a fair amount of employment. More significantly, they symbolize the human spirit of making possible what are normally considered impossible. At the same time, both have contributed positively to the conservation of endangered species of wildlife.

The Family Business Model

Like many enterprises pioneered by the Chinese, the ornamental fish and swiftlet nests businesses are generally family operations that may be managed with available family resources. The degree of technical complexity and hence the investment in R&D involved in ornamental fish breeding will easily allow it to grow beyond the traditional family business model. Fish breeding for export requires a larger scale of operation that integrates breeding, the sale of fish and accessories, and exports to take advantage of the economies of scale. For leading breeding companies, the business may attain a scale that allows listing in the stock exchange.

The breeding of and research on arowana and other ornamental fish, for example, are scientifically specialized areas of endeavour that are generally beyond the competence of the average family. Breeding and research go through a long drawn-out process from trial and error, to initial success, scientific breakthroughs, and even listing in the stock exchange. Both the leading arowana-breeding companies in Malaysia and Singapore are leaders in R&D and have achieved significant scientific advancements to stay ahead of their competitors (XLH, 2003; Fock, 2009).

Swiftlet nest farming is limited by its size and length of operation. The size of a swiftlet farm is dependent on the bird population and its fidelity to an extent that is beyond the operator’s control. Given the size of the swiftlet colony in a locality, the larger the number of individual birdhouses, the greater the likelihood of a decrease in the number of “visitors” available for each. Also, swiftlets may abandon the birdhouse when its nesting spaces are fully occupied. This may take place within a few years.

The small operator accounts for an estimated two-thirds of all swiftlet farms. This is a typically trial-and-error attempt by enterprising individuals who rely on self-learning and exchange of experiences among peers. However, among those who enter the business without adequate knowledge, experience, capital or appropriate equipment, nine out of ten may meet with disappointment (Hameed, 2007). A small group comprising less than 30 per cent of swiftlet-keepers enjoys a fair degree of success. These have sought the advice of consultants
and advisors for a substantial fee. For their trouble, 70 per cent have established commercially viable farms. There is also a very select group, making up 5 per cent of the operators, that are large companies seeking to diversify their business. Backed by capital and with access to expert advice and superior equipment, they are known to enjoy a 95 per cent success rate (Hameed, 2007).

It is difficult to operate a single large farm because its swiftlet “stock” is made up of free-roaming swiflets that cannot be “tamed” in captivity. In addition, when a birdhouse is saturated within three to five years, the swiftlets would seek out new nesting places elsewhere (Lim, C., 2006: 39; Hameed, 2007). One way to overcome these problems, however, is to operate several “subsidiary” farms in localities with known swiftlet colonies.

Swiftlet nest farming requires investments in the basic infrastructure to accommodate a sizeable colony of swiftlets, the installation of essential electrical and electronic gadgets, and the labour to clean the birdhouse, to harvest the nests, and to undertake preliminary processing of the nests. The farm itself is cost-free in terms of feedstock and any research that is deemed necessary deals with aspects other than those concerning the swiftlets themselves. The successful operators are those who are able to lure swiftlets into their birdhouses. The harvest of nests may occur four to six times a year, and consequently capable of generating a “massive amount of passive income” (Lim, C., 2006: v). In such instances, the business model of swiftlet nest farming is the nearest to the Chinese saying of “one unit of cost yielding 10,000 units of profits”.

The growth path of a swiftlet nest business is different from that of fish breeding. The time from initial establishment to success may be as short as a few months. The growth path is determined largely by the rate of increase in the swiftlet population. It is this factor that eventually decides whether a farm is a resounding success or a dismal failure. But failure may more often than not be the bitter reward for efforts. In all, 70 per cent of all swiftlet farms in 2006 were uninhabited by swiftlets or yielded fewer than 20 nests in a month after five years of operation. These are considered clear cases of failure (Hameed, 2007).

Production for Niche Markets

The arowana and swiftlet nests are highly-priced products demanded by the urban middle class and the rich. Targeting their respective niche markets is the essential strategy of all arowana breeders and swiftlet nest farmers. The arowana is a fish of great antiquity, and the harvesting of swiftlet nests in caves goes back many centuries. The former has been likened to a living “fossil” but associated, especially among the Chinese business community, with auspicious connotations. The swiftlet nest has been a culinary delicacy of the Chinese for at least a thousand years. Both products cater to the expensive tastes of their clients: the arowana among hobbyists and business people who consider the fish as a prized possession
and consumption of swiftlet nests as a desirable culinary habit that boosts the “feel good” factor especially among a growing number of health-conscious and age-shy women. Both are ideal items to satisfy the extra-biological needs of their clients for their personal well-being and self-esteem and to enhance their lifestyle.

The arowana is kept as a symbol of elegance and beauty. Among the Chinese and the business community, its association with positive geomancy influence is even more meaningful. In addition, the trend towards apartment and condominium living makes the fish a suitable candidate for the small indoor aquariums. While it adds colour to modern living, it also doubles as a symbol of wealth in today's highly competitive and status-conscious society.

The swiftlet nest is traditionally believed to have rejuvenating and anti-ageing value (Lim, C., 2006: 23). Chemical analysis of swiftlet nest soup at the Chinese University of Hong Kong confirms the presence of a water-soluble glyco-protein. But the cleaning process destroys the protein and much of the nutritive value of swiftlet nests (Mackay, n.d.). Nevertheless, as an up-market consumer item, its demand will rise in tandem with the growing prosperity and affluence especially among Chinese communities. The people in China, Taiwan, Hong Kong and Macao consume two-thirds of the world supply of 160 tons of swiftlet nests in 2006, with the affluent society of Hong Kong alone accounting for half the amount (Hameed, 2007). With rising income, the vast potential pool of demand in China is particularly enticing.

The strategy to expand the market for the arowana is through export. The global demand is large and expanding. Much of the Malaysian supplies are exported through Singapore which has traditionally acted as an air transport hub. Its excellent facilities and handling skills are essential in delivering supplies into the hands of foreign importers with a high degree of success and reliability. In the case of swiftlet nests, the concern of individual producers is to meet the demand of local collectors whose market outlets span across international borders. A major collector is Eu Yan Sang, a long-established Chinese medicinal shop of Malaysian origin that maintains a chain of outlets locally and in Singapore and Hong Kong (see Singapore: The Encyclopedia, 2006: 183; Fock, 2009). In both cases too, the commercialization process accords with, and is in turn encouraged by, the need for species protection. Both enterprises demonstrate the benefits of commercial development and its contribution to local and global conservation efforts.

**The Element of Serendipity**

Adding to the enterprise of the people behind the growth of arowana breeding and swiftlet nest farming as thriving businesses is the presence of fortuitous circumstances. Serendipity, or what Deepak Chopra (2003) would term as “sychro-destiny”, is inseparable from the spontaneous development of the trade in arowana and swiftlet nests in Malaysia. The
keeping of arowana had begun as a hobby that supported a small-time aquarium business. The first swiftlet nests were harvested outside the natural setting of caves only because swiftlets visited some abandoned structures to build their nests.

That arowana breeding has evolved into a thriving business that put Malaysian on the world map is due to a chance encounter with the spawning of the fish in captivity. The encounter was experienced by a hobbyist rather than someone armed with a prepared plan of a business model. It is this particular hobbyist's acumen to seize upon this ground-breaking “discovery” as a commercial possibility that initially helped to build up the foundation of a viable business (XLH, 2008b). In the case of swiftlet nest production, commercial farming is further justified by the general need to protect the endangered swiftlets from the over-harvesting of their nests and the potential threat to their survival. In the trade in arowana, commercial breeding has now assumed significance as a conservation practice. In both instances, commercialization has enhanced the links between man and nature.

**The Supremacy of Private Initiatives**

In the development of arowana breeding and swiftlet nest farming, private initiatives have overshadowed those of the bureaucracy. Despite signs of an emerging trade in ornamental fish from the 1960s, no sign of official encouragement was evident. It was in the Eighth Malaysian Plan that reference to the ornamental fish trade was made. As for swiftlet nest farming, it was the demonstration of the potentials of this activity by ordinary folks that subsequently aroused official response in 2005 in the publication of *Good Animal Husbandry Practice for Edible-nest: Swiftlets Aerodermus Species Ranching and Its Premise* (Department of Veterinary Service, 2005). By early 2009, both businesses have achieved such significance that the Prime Minister designate drew special attention to them in an important address (see the opening quotation).

That the private sector has been more alert to the commercial possibilities in exotic species of fish and swiftlets speak volumes about the keen business sense of discerning individuals. This has much to do with their boldness to embark on new and unproven ventures and to back them up with an indomitable spirit until the first glimpse of success appears. These are pioneer innovators whose foresight, perseverance and convictions have helped to open up completely new business opportunities for the benefit of the country.

The leading ornamental fish breeder and supplier in the country originated from the individual efforts of a private citizen. A remarkable instance of “taming” a rare and ancient fish species that has survived in Malaysia has provided the immediate impetus to the transition from keeping to breeding the fish. That this is the work of a hobbyist rather than that of the long-established and large fisheries and research bureaucracy of the state has given added significance to the supremacy of private initiatives.
The development of swiftlet nest farming has not been a smooth process. Private sector efforts have to encounter initial official indifference and even objections. Until today, Sarawak state is still vehemently opposed to swiftlet nest farming (*The Star Online*, 15 February 2009 and 21 February, 2009a and b). The potential investor is dependent on his own resourcefulness in learning and experimenting with ways of keeping the swiftlets. The private sector has undertaken some amount of R&D and dissemination of basic information concerning swiftlet nest farming in the form of books (see Lim, C., 2006 and Hai and Lee, 2009), reports (see Lim, D., 2002 and Hameed, 2007), and by conducting special courses, lectures and seminars. Christopher Lim is a medical specialist who, by adopting a scientific approach to swiftlet nest farming, has become a fine example of success entirely on his own efforts (Lim, C., 2006). David Lim is another “industry-insider” who has been prompted by the lack of reference materials to share his experience in a report. Hameed's report was commissioned by the Association of Small and Medium Enterprises of Penang.

Swiftlet nest farming is very much a “do-it-yourself” business. Any person with the urge for profits within a reasonable period of time may venture into swiftlet nest farming. Diffusion of the enterprise is effected by word of mouth, personal observation, and through learning. A popular channel of acquiring information about swiftlet nest farming is by attending specialized seminars and workshops. Some of these are costly, especially in Indonesia which is the leading producer of home-bred swiftlet nests. Charges may approach RM3,600 for a two-day course covering theory and field practice (Lim, C., 2006: 46). Another method of entry is to engage a swiftlet farm consultant from a growing list of practitioners. Consultation services may cost up to RM25,000, or a portion of the revenue up to as much as 75 per cent.

Other than the successful individual swiftlet farmers, various companies have ventured into related activities. One of the earliest is an importer and distributor of edible swiftlet nests that is based in Penang and incorporated in 1975 (Crystal Swiftlets website). It has grown into an integrated swiftlet nest specialist dealing with the manufacturing, packaging, marketing and exporting of products and consultancy service in swiftlet-keeping in Southeast Asia. In 2009, two of its board members published an introductory guide to swiftlet nest farming in digital format (Hai and Lee, 2009).

**Reward for the Enterprising**

Like all business undertakings, rewards are reaped by the bold entrepreneurs who succeed in guiding their business to meet production and marketing requirements. These are more demanding in arowana breeding than in swiftlet nest farming. The former is much more knowledge-intensive and requires large investments in R&D. The latter too is knowledge-based but more in the nature of a “do-it-yourself” application of a set of ready-made packages (see Lim, C., 2006).
Arowana breeding has developed beyond the trial-and-error stage and is a highly scientific enterprise in which R&D is a key capital-intensive operation. Competition is growing in intensity and is contested through efforts in in-house as well as collaborative research. XLH has set its corporate mission to become a first-class breeder and supplier of high-value and high-quality Asian arowana and other ornamental fish, to be achieved through commitments in R&D (XLH, 2008). Scientific research is concerned with more than the rates of success in breeding but also in pioneering hybrid breeding, raising productivity, improving resistance to diseases, or overcoming transport and packaging problems.

XLH has to date achieved some impressive successes. It was the first to breed the Albino Malaysian Golden arowana and the first in the fisheries sector in Malaysia to use microchips in tagging fish for identification (XLH, 2003). Recent successes include improving the quality of the Malaysian Golden variety ranking it as the best among Asian arowana species; breeding “new” variants of the major varieties through genetic selective breeding; enhancing the colour of fish scales with intense hues and brilliance; improving the physical appearance and robustness of fish through proper priming and careful nurturing of the fry; perfecting environmental and fish management practices; and improving feed quality and culture systems (XLH, 2008: 3).

The scope for improvement through research is vast. In Singapore, this is demonstrated by research through active collaboration between fish breeders and the government. The leading ornamental fish breeder, Qian Hu, has consolidated its status with recent successes that include in vitro fertilization and selective breeding of arowana in its attempts to produce “tailor-made arowana”, and the development of an oral vaccine to prevent common diseases; the development of a method to screen for a killer disease which eats away at the bodies of koi; the use of DNA testing to double the rate of production; and the improvement in packing techniques that raises the survival rate of exported gruppies to a near-perfect level (Chua, 2009; Fish Matrix, 2009; Fock, 2009).

Swiftlet nest farming has emerged as a sustainable business with a phenomenal rate of diffusion in recent years. Despite the relatively standardized guidelines and procedures, the risks to new-comers, however, are ever present (Lim, C., 2006: iv). Those who adopt the more “professional” approach have been amply rewarded with “windfall” returns. Yet the business prospects of each farm are determined by the quantity and quality of its harvest and the market price. The bright side is the demand that is fuelled by rising affluence. The market in China and advanced countries is still small but its potentials are immense.

In its attempt to transform its economy, Malaysia is waking up to the possibility of exploiting the immense potentials of the trade in swiftlet nests. The latest call for Malaysians, especially targeting the non-Chinese, to take advantage of the growing market worldwide
comes from the Associated Chinese Chamber of Commerce and Industry Malaysia (ACCCIM), a body that comprises the captains of “mainstream” business. Swiftlet nest farming has finally been seen as a viable small-scale enterprise that is capable of yielding attractive returns. In 2010, ACCCIM had organized a seminar to encourage Malays and Indians to take up swiftlet nest farming (*The Star*, 24 September 2010).

**Conclusion**

The success in the commercial breeding of arowana and swiftlet nest farming amply demonstrates that business opportunities are present even in the least likely quarters. Both have been pioneered by the select few who are armed with the foresight to tap the latent prospects in commercial operations. Through years of single-minded and painstaking efforts, these pioneers have been able to nurture and to realize the potentials of these enterprises and hence to create new sources of wealth.

The emergence of these new businesses shows that the efforts of the private sector are well ahead of those of the bureaucracy. Despite the solid backing of advanced infrastructures and personnel, the bureaucracy can be bogged down by the deadweight of administration or routine research to give sufficient thought to issues that might well lead to breakthroughs to commercial possibilities.

Commercial arowana breeding and swiftlet nest farming stand as successful enterprises that open the way to the effective exploitation of unlikely environmental resources. More important, they are the result of the initiatives of individuals bold enough to take the road less travelled. This is a boldness anchored on a sharp perception of the immense opportunities that are hidden from the purview of the larger society as well as the bureaucracy. In a matter of a few decades, the foresight and perseverance of these individuals have collectively nurtured entirely new business enterprises that have brought considerable economic benefits that may increase many times yet in the near future.

**Notes**

1 The latest involves the looting of Chinese businesses and other anti-Chinese acts in Papua New Guinea. Academics such as Amy Chua (2004) blame immigrant minorities for the poverty of local communities. International groups such as Greenpeace have launched scathing criticisms on timber logging companies and have singled out Malaysian Chinese as the target of their wrath (see Greenpeace, 2004 and 2005).

2 The family store is under the constant threat of competition from foreign-owned mega-stores that are sprouting in suburban areas of major cities. The family stores have always relied on a captive market of local households, but few are able to withstand the intense competition. The appearance of a large supermarket is known to divert 20-30 per cent of the business away from
the neighbourhood retail shops, mini-markets as well as the fish-monger and vegetable sellers (《星洲日报》/Sin Chew Daily, 29 May 2009). The viability of the traditional provision shops is increasingly tenuous and many have ceased operation. According to the estimate of the Chinese Retail Trade Association of Malaysia, there were about 50,000 traditional retail shops, chain stores, and mini- and super-markets in the country in the 1950s. By the 1970s, the number had declined to around 40,000 outlets. Today only about 20,000 outlets or so still survive of which the traditional retail outlets might number only a few thousand (《星洲日报》/Sin Chew Daily, 24 May 2009). Only a handful have been able to “re-invent” themselves by setting up their own network of outlets in new suburban neighbourhoods.

3 The Niah Caves of Sarawak house the largest complex of caves for black-nest swiftlets. But excessive collection has led to a sharp decline in their population from an estimated 1.7 million in 1935, to 200,000 in 1996 and 65,000 in 2002 (Lim, C., 2006: 6).

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Yao Tuo: 
A First Generation Malaysian Chinese Writer

WAN Lei*

Abstract

This is a study of Yao Tuo and his literary works and an overview of some of his major creations. He was born in war-time China and experienced many difficulties in his youth. He later became a writer and, at the age of thirty-six, settled down in Malaysia and gradually earned a name as a Malaysian Chinese (Mahua) writer. This article discusses his literary works on war-time topics and life in rural China, his representative works on Malaysia and the influence of his life in Malaysia on his literary works. The paper will also explore important factors that have an influence on the man and his works as well as racial and political issues in relation to his life in the Malaysian context. As a writer who gained fame among Chinese readers throughout the Chinese world including Mainland China, Taiwan and Southeast Asia, Yao Tuo’s literary works have left an enduring legacy as they continue to win a wide audience of readers.

Key words: Yao Tuo, literary works, Mahua literature

Introduction

Yao Tuo, born in 1922 as Yao Tianping and also known as Yao Kuang, came from a village in Henan province in North China. He settled in Malaysia at the age of 36, and stayed there until his death at the ripe old age of 88 in 2009. He has become known as a Malaysian Chinese (Mahua) writer in the Chinese world. The term Mahua is abbreviated from “Malaysia” and “Huaren” (Chinese) and Mahua literature has become a recognized field of study in its own right. A study of Yao Tuo’s life and experiences and literary creations will be of interest to many as they will be able to appreciate better the significance of the contributions of a first generation Malaysian Chinese writer from northern China, as opposed

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This paper is based on the materials provided by Mr. Yao Fuwei, one of Yao’s grandsons, sources from the website of the Malaysia-Chinese Writers’ House: http://www.sc.edu.my/Mahua/exhibition/yatuo/biographical.htm, as well as the author’s personal background knowledge of Yao Tao and his home village in China.
to those from the south. His readers would understand in greater depth the process of change of a Mainland Chinese to a Malaysian Chinese.

From the mid-1950s to the early 1990s, Yao Tuo published many collections of short stories, essays and plays, most of which were published in Malaysia, mainly by the Jiaofeng Press, and others in Hong Kong and China. He gradually earned a name for himself as a Mahua writer and gathering a growing readership.

Some amount of research has been done on Yao Tuo and his works produced in Malaysia and China. The research is only available in Chinese and English-speaking readers may be unaware of the writer and his works. This study will present a general introduction to the writer and to provide an overview on some of his representative works as well as to examine certain issues affecting his life in Malaysia.

**Yao Tuo’s Life and Literary Works**

Southeast Asia was a popular destination for large numbers of Chinese immigrants since the time of the Ming dynasty (1364-1644). The earliest groups of Chinese who settled in the Malay Peninsula arrived during the Malacca Sultanate in the fifteenth century. But it was not until the nineteenth and early twentieth centuries that the inflows gathered momentum. By far the majority of the Chinese migrants to Malaya came from the southern Chinese provinces of Fujian, Guangdong and Hainan. The Chinese revolution in 1911, the civil wars between the Kuomintang and the Communist Party in 1927-36 and 1946-49, and the subsequent establishment of the People’s Republic of China drove many economic and political refugees overseas. Yao Tuo may be described as an economic as well as a political refugee because his decision to settle down in Malaya was directly due to the civil war that erupted immediately upon the surrender of the Japanese in 1946.

Yao Tuo was born into a prosperous farm family just ten years after the Republic of China was founded. He was the youngest among his three brothers and a sister. His hometown, Gongxian, is situated near Luoyang, one of the five ancient capitals of China and known for its many imperial tomb complexes of the Song dynasty (960-1127 AD). He studied in a traditional and private school, learning primarily the Confucian classics. It was during this period that he began to read classical Chinese novels and stories, and developed an interest in literature. He believed that if China was not torn by wars and destruction, he might have become a writer even earlier. Like almost every Chinese teenager, he soon became familiar with popular classical Chinese literature. One can easily detect the weight of influence of the classics on his writings in such titles as *Jing Ke Assassinating Emperor Qin* (1969) and *Heroic Sons and Daughters* (1984).
In 1936, he studied in the County Teachers’ School, but only for half a year. His marriage in 1939, at the tender age of 17, did not stop his education career. Following the outbreak of the Sino-Japanese War, he enrolled in the Central Army Military Academy in Hanzhong, Shaanxi province in 1940, and graduated at the end of 1941. China’s War of Resistance against Japanese aggression was raging in north China then. He was commissioned as a second lieutenant and assigned to the Nujiang River area in Yunnan province to participate in the well-known West Yunnan Anti-Japanese warfront. Injury to his left foot in a battle left a mark that would constantly remind him of his glorious contributions to his motherland. By the end of the war, his rank in the Chinese army was that of deputy company commander.

Yao Tuo left the army at the end of War of Resistance in 1945. Poverty forced him to seek help from a cousin in Hebei province. He soon rejoined the Nationalist Army in Shandong to fall back on the only “profession” for which he had trained. The civil war between the Kuomintang and Communists broke out in the second half of 1946. He moved with the Nationalist army to Kaifeng, Henan province, in the second year of the civil war. In the scramble for control of the industrial Northeast (Manchuria) between the rival parties, the Kuomintang undertook a massive transfer of troops to the region. Yao Tuo, now a major and a deputy regimental commander, was ordered to battlefront in the winter of 1948. The Nationalist army was badly out-maneuvered during the entire civil war and withdrew to Taiwan in 1949. He was captured shortly after he arrived at the battlefield, but was released in June 1949. His years of wartime engagements had led him to many provinces such as Henan and Shandong in North China, Liaoning in the Northeast, and Yunnan in the Southwest. These places were to form the locational backdrop of many of his literary creations.

After his release by the Peoples’ Liberation Army, he returned home for a brief stay before leaving again, this time for Nanjing where he worked in a tobacco factory managed by one of his brothers. The factory went into bankruptcy in 1950 and he was thrown on of job. He made his way to Hong Kong and did odd jobs to support himself. In 1952, he changed his name to Yao Tuo. As “Tuo” (拓) indicates opening new areas of endeavour, the man was symbolically reborn with a fresh resolution in life. He soon secured an appointment in a magazine-publishing house called Chinese Students Weekly in 1953 as a proofreader. Within four months, he had become its general editor. It was a calling that was to shape his destiny in the world of Chinese literary writings. His earliest creations were inspired by the vast repertoire of ancient Chinese stories. By 1954, he had to his credit a succession of short titles based on famous historical episodes. As China was fast becoming a “closed” society with little contact with the outside world, Yao Tuo found himself externally separated from his family. In 1955, he remarried in Hong Kong.
In early 1956, he brought out his inaugural collection of short stories called *My Cousin*, published by the Chinese Student Weekly Press of Hong Kong. In 1957, he moved to Singapore to take charge of the same publishing house. At the same time, he took on the editorship of another popular publication called *Jiaofeng Monthly Magazine*. His relation with this magazine was a lifelong association that helped him to launch into a serious literary career. The year 1957 coincided with the independence of the Federation of Malaya. In the exuberance of new-found political freedom, the Chinese community saw opportunities in publications to cater for a growing population of students in Chinese schools. In 1958, Jiaofeng Press was shifted to Kuala Lumpur, the capital of the Federation, where Yao Tuo found himself for the first time. His engagement with this publishing house had become part of his life. In the same year, his *Meandering River Bank* was published in Hong Kong by Youlian Press.

Yao Tuo’s literary creativity reached its apogee in the 1960s as he brought out in quick succession *Four Marriage Stories* in 1961 (Hong Kong International Book Press), *Fond Memories of My Childhood* in 1962 (Hong Kong Zhengwen Press), and *Flowers Blossomed in Wuliwa* in 1965 (Kuala Lumpur Jiaofeng Press). It was not until 1981 that his next title appeared as *Selected Short Stories of Yao Tuo* (Jiaofeng Press). The 1980s was a decade of literary dormancy until the 1990s when several titles were issued. The first was *Pink-Flowers on the Wall* in 1992 and *Collection of Yao Tuo’s Plays* in two volumes in 1993 (both by Jiaofeng Press), and a third title on *Croaking of Frogs* in 1997 (Changchun Jilin Educational Press). His last book was an autobiography in more than half a million Chinese characters in length, entitled *A Bird of Passage with Footprints on Sand* and published in 2005 in Kuala Lumpur by a new publication house called Red Dragonfly Press. Apart from the above titles, he published several hundred short stories, essays, sketches, folklores, memoirs, criticisms, forewords and many other pieces. These were mainly published in the local *Students Weekly*, the *Jiaofeng Magazine*, and in the local Chinese press.

Yao Tuo also occupied the post of the general-editor of *Jiaofeng Magazine* and various other positions, including the editorship of textbooks for local Chinese primary schools and high schools. He was also a founding member of “The Writers’ Association of Chinese Medium of Malaysia”. Yao Tuo never acquired Malaysian citizenship and remained a permanent resident of the country all his life. Malay language proficiency as a condition for citizenship was a handicap that was beyond him (see 光华日报》/Kwong Wah Daily, 9 September 2009). The fact that he spent the greater part of his life in Malaysia and had contributed considerably to Mahua literature was sufficient to earn him the status as a well-known “Mahua writer”.

Literary Writings on War-Torn Topics and Countryside Lives in China

A review of the Sino-Japanese War in 1937 to 1945 and the subsequent civil war was until the formation of the Republic of China in 1949 will place the works of Yao Tuo in a proper historical context. A general survey of the period is available in Jin Dexing/靳德行 (1987). Prior to Japan’s intention on North China, Japanese troops had already occupied Northeast China since 1931 and had established the puppet state of Manchukuo through political machinations. On 7 July 1937, Japanese troops faked a plan to avenge provocations by Chinese troops near the Marco Polo Bridge just south of Beijing. Thus began an eight-year war of aggression of the Japanese against which the Chinese masses resisted valiantly and suffered bitterly. The national crisis forced the Nationalist Party or Guomintang and the Communist Party to ally with each other for the second time. This first was in the early 1920s as both parties set aside their differences to confront regional warlords who had usurped power after the downfall of the Qing dynasty in 1911. Yet the undercurrent of inter-party rivalry and struggles was intense, and in 1927 Chiang Kai-shek, supreme commander of Nationalists, conducted a large-scale massacre of suspected Communist members in Shanghai.2

Following the surrender of Japan in August 1945, a peace negotiation was held between the two rivals and a temporary truce was engineered. However, as the two parties failed to establish a “coalition government”, the hard-gained peace lasted no more than a year before a civil war broke out for the control of China. This war consumed the energies of both parties between 1946 and 1949 which saw the final withdrawal of the Nationalists to Taiwan and the declaration of the People’s Republic of China in October 1949. By then a new international political and military order pitting the Soviet Union and the United States had emerged at the end of World War Two. This state of affairs would endure for several decades as international relations were shaped by the forces of the Cold War into which both the Communists in China and the Nationalists in Taiwan were engulfed.

Yao Tuo’s personal life too was affected by rapidly changing events in China and the world. He confessed that his short stories were primarily inspired by his own experiences and those of persons whom he was personally acquainted with. The storyline and plots were varied for literary impact. The main reason for the creation of these short stories was to put on record the lives and thoughts of the common people of his generation, so that future generations would know something about the real lives of their forefathers (姚拓/Yao Tuo, 1992c: 5).

Yao Tuo’s penetrating portrayal of many different characters dealt with the lower class of Chinese society. Many of these characters shared a common fate in being victims of circumstances in one way or another as he revealed the agonies of poverty, separation,
sufferings and sorrow, and the helpless struggles against the harsh reality of disillusionment, oppression and social injustice. He was an artist in skillfully painting touching scenes and putting across messages that are hauntingly distressing. His accounts of conditions of life in war-torn China shocked as well as gripped the sympathies of all his readers.

A selection of the themes and messages portrayed by the short stories reflect the moral repugnance for war and the intense celebration of the human spirit for peace and love. In “The Most Unforgettable Face” included in Meandering River Bank, Yao Tuo relates a true story between the narrator and a dying Japanese soldier in the battlefield. The soldier was a young man freshly recruited into the Japanese army and was badly wounded in battle. Unable to bear the pain, he asked the narrator to shoot him with one more bullet and to let him die. In dead soldier’s notebook was a note which read: “second lieutenant, Miyabo Saburo, soldier from registered students, twenty-years old”. Like the soldier, too many young students had become unwilling victims of the militaristic and aggressive policy of wartime Japan. In “Miracle”, a short story in Flowers Blossomed in Wuliwa, Yao Tuo recollects a true miracle that linked two events spanning over forty years. A Chinese soldier fighting in Yunnan province had once saved a dying Japanese soldier in a battle. Forty years later, the Japanese soldier donated his blood in a Kuala Lumpur hospital and saved the Chinese soldier’s wife who had lost much blood in childbirth. Nothing seemed impossible in this unseen world. As the ex-Chinese soldier left the hospital for home, he gave thanks to the kindness of the human spirit as he bathed in warm sunshine that brightened up the peaceful and quiet land.

In yet another story entitled “A Yang-Surnamed Couple”, the message is one of despair arising from the cruelty of political dogmas. The story is based on the Chinese army’s counter-attacks against the Japanese army in the remote Nujiang River battlefield of Yunnan in 1944. Yao Tuo had served as a deputy company commander of a division and witnessed the brutality of battles that killed more than 30,000 Chinese soldiers. Yang Zhe, a soldier in the story and whose real name was Yang Zhaoqin, was one of the author’s military schoolmates from Henan province. He had risked punishment by marrying a woman whom he met by chance during the war. The couple had a child but was soon separated by the civil war that followed. Half a century later, Yang Zhe, who had remained in the Mainland, learned that his wife had re-married and was the grandmother of a big family. His son, now a government official in Taiwan, refuses to acknowledge his father as his current position is determined by his testimony that his father “was killed in battle for the country”. The years of hope for a reunion with his family left Yang Zhe a hugely disillusioned man as he accepted his fate as a victim of political differences. Among the surviving soldiers, this true story of Yang Zhaoqin and his love was especially touching as they dreamed to live a peaceful life with their beloved ones after fighting their “final” war. But it was not to be as their dreams were shattered by more.
Similarly, *Four Marriage Stories* is a collection of short stories with the primary theme on war-torn tragedies. One of the stories, also entitled “Four Marriage Stories”, tells the love stories of his fellow-soldiers who endured unimaginable hardships during the civil war only to eventually meet with disappointments and disillusionment. For example, Zhao Mingde, a hero in the story, was dispatched to the battlefront in Northeast China during the civil war just a month after his marriage to his fiancée who had waited for him for ten years. He was killed in battle and his wife was so traumatized that she went mad. She painted a pathetic figure and would grasp whoever she met to plead for the return of her husband. Zhao Chenglu, the hero of a story in the *Meandering River Bank*, was a cook in the army and a fellow countryman from Yao Tuo’s native province. A loveable and cheerful person, he was afflicted with mental rather than physical injuries in battle. He would develop a habit of scribbling his name all over the place, thinking that it was amusing to onlookers. Instead it added to his helplessness and the sympathies of those around him.

A “Half Piece of Baked Cake” in *Meandering River Bank* tells of the plight of “one of my aunts”, probably during the chaotic warlord period in the 1920s. This is probably the only war-time theme by Yao Tuo that is outside the period of Anti-Japanese War and the civil war. This “aunt” and her husband were driven by the force of circumstance to beg for a living. Their miseries worsened when she had to sell herself to a buyer in exchange for thirty jin (equal to 15kg) of wheat in order to save her husband. She immediately used one jin to exchange for two pieces of baked cakes and gave them to her husband from whom she would soon be separated forever. She pleaded, “Just eat it, please. You have not eaten a grain of rice in the past two days.” Soon after, the buyer came to take the “aunt” away. They never met or heard from each other ever since.

Another category of Yao Tuo’s works is about memories of his past as well as those close to him. He admitted that “the backgrounds of the majority of my stories collected in the *Meandering River Bank* came from China and Hong Kong. Among these stories one can find the figure of my mother as well as many figures of my native neighbours and their daily quibbling” (姚拓/Yao Tuo, 1992b: Preface). Appearing in the story also entitled the “Meandering River Bank”, “the figure of my mother” was more than fifty years old and so thin that “she would be blown away by a wind”. Yet she valiantly led her youngest son and two grandsons to pick blocks of stones to reinforce her land by the meandering river in a struggle against the rushing waters that eroded and reduced the land each autumn. This tale is a throwback to the well-known tale of “The foolish old man who moved the mountains”, and displays the Chinese peasants’ love for their land and a demonstration of their indomitable spirit.

All the stories compiled in *Fond Memories of My Childhood* (published in 1962) and
some in *Small Pink-Flowers Blossoming on the Wall* (1991) illustrate the author’s delightful and mischievous boyhood. His stories entitled “In the Hot Cotton Field”, “Watching Local Operas”, “Wheat Harvest Season”, “Stealing Pea Sprouts”, “Kites in February”, and “Visiting Relatives” are familiar to children in North China even today. The “Return of the Native” is a series of essays, telling an old wanderer’s visits to his native town, recalling memories of his boyhood and youth, obviously drawn from Yao Tuo’s own experience. The traditional Chinese literary melancholy theme over changes was repeated by Yao Tuo, but he crafted his stories with new content. Under his pen, the vast and monotonous North China Plain becomes alluringly appealing; the way of life is so profound in the cultural sense that, in spite of the diversities of the Chinese people, readers today can still find them refreshingly nostalgic.

**Yao Tuo’s Selected Mahua Literary Works**

The *Selected Short Stories of Yao Tuo* published in 1992 is a collection of short stories from Malaysia. It is regarded as an outstanding contribution to Malaysian Chinese literature. The underlying theme of the stories is centred on common characters and the ordinary people in Malaysian society. The stories portray simple and realistic daily occurrences among Malaysian Chinese, and shone of political or historical undertones and imaginary idealism. Together, the stories reflect the author’s deep perception of and concern with the life of the common people of his adopted country.

Yao Tuo portrays many facets of typically Malaysian life. The story in “A Nine-Character Love Letter” (1965) is about a young man and a girl who always take the same bus when they travel to work in the city. In time, the boy falls secretly in love with the girl but does not have the courage to greet her. When he finally drums up his resolve to dash a letter to her, he manages only to write nine words: “To my dear girl whom I do not know.” Even then, he is too nervous to hand over the one-sentence letter to the girl. When he does so in the bus, he is shaking. When the girl calls out for him as he leaves the bus, he is so confused that he snatches the letter back from her. To his astonishment, he finds that it a note from her, which reads: “To the gentleman whom I do not know,” but without the word “dear.” He is delighted and whistles as he walks to his office. This romantic encounter is probably repeated many times among ordinary young men and women of Kuala Lumpur who travelled by public buses to work in the 1950s and 1960s. The writer saw these seemingly trivial encounters as the stuff of romance that spiced up the drudgery of daily life then.

Malaysian Chinese have retained some traditional and regional rites and rituals that are now forgotten in China. Some superstitious practices are illustrated in such stories as “Catching a Ghost” and “The Magic Spell”. The former tells of a story of a “ghost” who
frightens and drives away the audience in a cinema. The narrator, who works in the cinema, discovers that that the “ghost” is just an eccentric man who lives near a cemetery. As he is always chewing a betel nut, he appears to have a “bloody” mouth. The plot is intriguing and full of suspense not unlike a detective story. Description of how this “ghost catching” tale is rendered in a witty and humorous manner to advocate the author’s anti-superstitious attitude.

“The Magic Spell” deals with the theme that Malaysian Chinese are familiar with. The story tells of “my cousin” who keeps a mistress. His worried wife and mother have to “drag” him back. Having failed to persuade him to come to his senses, they consult a medium and paid two hundred dollars for a magic potion. The medium is certain that the man will return to his wife if the potion is rubbed onto his clothes. Ridiculous as it may sound, the method works and the man leaves his mistress. The family is happy again and heaps praise on the medium. The story in fact ridicules the blind belief in superstitions. The moral of the story is that the family ignores the real cause of the man’s infidelity and instead falls back on an irrational and laughable approach to their problem.

Yao Tuo began writing plays in the 1980s. These plays are generally considered successful in terms of their genre-transformation as they were based on the novels or short stories by other writers. For example, he transformed The Garden of Repose by the famous modern Chinese writer, Ba Jin, into a three-act play called Return to Life. This original adaptation by Yao Tuo is popularly regarded as his representative play and is included in Collection of Yao Tuo’s Plays (1993). The play touches on moral issues through the agency of a superstitious act. Readers may consider the plot as bizarre and exotic if they are not familiar with Chinese beliefs. The play is about a Dato Ding Jinbao, an elderly and prosperous politician and curio-collector, who suddenly dies while attending an important ceremony. His family and close associates immediately begin a heated argument over who will be the appropriate legal heir to his fortune. Disturbed by what his departing spirit sees (according to Chinese beliefs), he entreats the God of the Underworld to return him to life for a mere twenty minutes so that he may sort out his problems. He then “returns to life” and is furious with his family and close associates and declares that his property will be donated to charity except a part which goes to his mistress and two illegal children. Unlike other relatives, his mistress and her children are truly devoted to him. In a dramatic change of event, the God of the Underworld, overwhelmed by the Dato’s act of generosity, decides to prolong his life for an additional thirty years. Although furious with his young wife who is the mistress of his lawyer, he does not want to lose her. As he calls his wife back to him, his wife walks away with his lawyer as the curtain falls. The play is a reminder of mankind’s greet in the pursuit of wealth and pleasure without a care for morality and kindness.
It may surprise many that Yao Tuo, having experienced so many hardships and difficulties in his life, demonstrates a writing style that is light-hearted and humorous. The *Small Pink-Flowers Blossoming on the Wall* (1991) is a representative collection of essays with such a basic theme. Originally published in local Chinese newspapers, the stories are set in Malaysia and told, with sharp perception and revealing accounts, in witty and attractive prose.

His work is a mirror of himself and reflecting Confucian tolerance, Taoist harmony and Buddhist flexibility to which Yao Tuo is exposed throughout his life and that provides the key to his philosophy in life. He does not stoop to religious preaching though he employs some religious forms familiar to Chinese readers to convey messages through his literary works. He confesses that

> My stories are full of trifles which have no so-called persuasive religious preaching or other great purposes. I just record down the daily quibbles, which may be my own experiences, for my readers to appreciate....I just show the absurd and incredible side of life; although I am not to preach, I teach readers after all.

(姚拓/Yao Tuo, 1992c: 5)

**Contributions to Mahua Literature**

Yao Tuo represents many characteristics of the first generation Malaysian Chinese in his literary writings. Among these are the shift in mindset and political orientation. By examining his life and literary works, one discerns several distinctive features of Yao Yuo’s position as a literary figure among early Mahua writers.

The first concerns the language. Yao Tuo’s technique of narration employs a style of “plain description” inherited from the great tradition of Lu Xun and his peers in modern Chinese literature. Realistic characters are crafted with the use of simple and concise sentence structures adopted by modern Chinese novelists in China. Additionally, he has an advantage over contemporary Mahua writers in his skillful use of the Northern Chinese dialect and its rich vocabulary and distinctive nuances of meaning. On the other hand, he is not familiar with variations of the language derived from the many Southern Chinese dialects spoken by local-born Chinese writers.

The second feature is the different backgrounds in which Yao Tuo’s works are based. His works are divided according to the background in China and in Malaysia. The works with China as the background include *My Cousin* (1956), *Meandering River Bank* (1958), *Four Marriage Stories* (1961), *Fond Memories of My Childhood* (1962) and *Flowers Blossomed in Wuliwa* (1965). Those with a Malaysian background include *Selected Stories of Yao Tuo* (1981), *Pink-Flowers on the Wall* (1992), and *Collection of Yao Tuo’s Plays* (two volumes, 1993). His style is essentially realistic, or an approach that describes life without idealization
or romantic subjectivity. A realistic way is by employing common characters in typical circumstances in everyday life, no matter how grotesque or absurd the characters appear to be (宛磊、张华/Wan Lei and Zhang Hua, 2004). His China-background works belong to this genre. However, the Malaysia-background short stories are imbued with a rich romantic tint. Exoticism is one of the most prominent characteristics of romanticism, along with another characteristic that is associated with the supernatural.

The third feature refers to the different themes of his literary works. The China-background works possess two basic themes, war-torn tragedies and nostalgia. The former are represented by short stories, the latter by his collective essays mainly in *Fond Memories of My Childhood* (1962) and *Flowers Blossomed in Wulwia* (1965). The short stories include many figures that the author met in his youth, during the periods of war and while residing in Hong Kong. Although literary creations are different from true stories, his short stories are intimately connected with his autobiographical experiences. The China-background works are concerned with the tragedies of war and the sufferings of common Chinese people living under chaotic circumstances.

Of the stories inspired by the war, Yao Tuo’s purpose is to send a message that declares wars as “battles between one people and another” and as an “evil legacy of the past”. Wars produce nothing but innocent victims who taste the bitterness of the evils of war (姚拓/Yao Tuo, 1992c: 5). However, he does not explore the causes of the wars in modern China, or their consequences and meanings. Yao Tuo came from a family of well-to-do peasants who longed for nothing more strongly than a life of peace and sufficiency. His own bitter experience in a prolong period of continuous wars had exposed him to the tragic sufferings of humanity. These were put into sharper spiritual focus when he finally converted to Christianity. On a more practical level, Buddhist influence has allowed him to view the tragedies of war as a keen “observer” and to craft his writings in a role to awaken society to the evils of war.

That Yao Tuo had chosen to settle in Malaysia was significant in the history of Mahua literature, in that he was free to narrate his stories from the perspective of a “spectator”. Had he continued to live in Mainland China or Taiwan, it would have been impossible for him to create his stories without being influenced by political or ideological dogmas in a “spectator’s” perspective.

Another theme of the China-background works concerns memories of his childhood and appears mainly in *Fond Memories of My Childhood, Flowers Blossomed in Wuliwa*, and some stories in *Meandering River Bank*. He writes in a light tone that is removed from the war and social turmoil to portray his youthful days with nostalgic fondness. Nostalgic tales by the first generation migrants are a throwback to the delightful “good old days” and their personalities and events, and recounted with a tint of happiness or sorrow.
The yearning for the past, often in an idealized form, may be triggered by one’s desire to recall an event or item of the past. Nostalgia is associated with “home sickness” sentiments; in which the “home” is a place, specifically a country, inhabited by people who are born there and sharing the same culture and tastes. For one who cannot has no homeland to return to, one’s writing may be characteristically nostalgic as one invariably looks homeward while residing in a foreign land. Yao Tuo is a representative of such “homeless wanderers” and applies his creative energies in producing many literary writings dealing with the theme of nostalgia for his “homeland”.

It is difficult to place Yao Tuo’s Malaysia-background works neatly into the general categories of Mahua literature. As many of his works deal with “alien” themes, one may categorize Yao Tuo’s writings as belonging to the realistic genre and at the same time showing a romantic style that is absent in his China-background stories. Many of his characters have certain eccentric and absurd streaks and behaviours. The caricature of the ordinary is the focused embodiment of his observations and thoughtful reflections through a skillful display of his craft. In his victim-themed stories, the victimization never goes too far as to lead to tragic endings, and wit and humour are injected to maintain a comic streak in these stories. Descriptions of lyrical romanticism are never over-used but employed in a practical manner.

Generally, the “alien stories” by a first generation writer are based on the writer’s experience in a foreign country and an attempt to identify with the local community. Evidence of this process is discernible in three stages as the writer immerses in the life of the local society. The first stage shows a “detached” attitude as the writer, consciously or unconsciously, displays his discrimination against or indifference to local society in his literary creations; the second stage is one of “re-consideration”, in which the writer revises his views on local society; and the third is the “tolerating” stage, when the writer begins to seep into local life to write about the “eccentricities” of the people around him (王列耀/Wang Lieyao, 2006). His “Catching a Ghost” is a representative work of the first generation writer with a disinterested attitude in dealing with a “foreign” character. The “ghost” figure is a watchman, often viewed as a distant figure who has no interests in anyone. His interests were in drinking and sleeping (姚托/Yao Tuo, 1992c). As a fresh immigrant, Yao Tuo found this type of behaviour unusual and “funny”.

In dealing with issues of the local Chinese community, Yao Tuo similarly treats them as “alien” themes. In “The Magic Spell”, he explores the topic of a common superstition. Coming from North China, Yao Tuo is a stranger to many traditions and customs of the local Chinese whose forefathers had come from South China. Superstitious practices are one of these. Although Yao Tuo died as a Christian (光明日报/Guang Ming Daily, 11 October 2009; and梁放/Liang Fang, 2010), one can hardly detect any trace of Christian influence in his
works. Instead, he delves into his knowledge of Chinese beliefs and Buddhism for snippets of wisdom. He did this in *The Return to Life*, a play that discusses a theme on the awakening to the true nature of life. This theme is easy enough for his readers and audience to mull over. He looks upon the role of literature as having a lasting impact of a philosophical or religious nature on his readers.

**Issues of Identity and Social Commitments**

Yao Tuo experienced the many twists and turns of political and social events during several decades of residence in Malaysia. Although these events hardly featured in his works, two issues particular will help us to acquire the better understanding of the man. These are issues that concern his identity and Chinese education in Malaysia.

The Chinese became conscious of issues of identity during the Japanese Occupation during which they were the primary victims of military oppression. While they were unreservedly anti-Japanese in common with their compatriots in China, their allegiance was divided between the two Chinese governments of the Kuomintang and the Communists. When the Federation of Malaya gained independence in 1957, the undercurrent of ethnic tensions persisted as newly-awakening political awareness among Chinese, Malays, and Indians contested for resources and rights through the hasty formation of ethnic-based political parties. The “Bargain of 1957” was basically an agreement for Malay special rights and privileges in return for citizenship for and business interests of the Chinese and Indians.

At the time of independence, there were large numbers of settlers who were non-citizens. Even in 2008, statistics confirm that there were nearly 200,000 Chinese who carried “red identity cards” that certify their status as permanent residents. The majority of them are, legally speaking, stateless because their passports are originally authorized by the “Republic of China”. As early as 1912, with the permit of the British government, the Kuomintang established its Singapore and Malaya branches. Their activities were prohibited in 1925 until 1930 when the Chinese government persuaded the British authorities not to brand these Kuomintang branches as illegal organizations so long as they refrained from involvement in local politics. In 1949, the Kuomintang closed these branches and the Communists spread their influence through the activities of social clubs. Many who were loyal to the Kuomintang continued to retain passports of the Republic of China. This group of Chinese and their descendents could only stay in Malaysia as permanent residents. As Taiwan declined in political influence in Malaysia, the issue of allegiance has gradually lost its relevance.

While Yao Tuo occupied himself with writings to expose the tragedies of wars inflicted on the common people, the Chinese “civil war” seemed far from over as the Kuomintang and the Communists wrangled across the Taiwan Straits. As a non-citizen, Yao Tuo carried a “red
identity card” as a reminder that he was an “Overseas Chinese” rather than of a Malaysian, despite his declaration of allegiance in a song entitled “I Love Malaysia” (星洲日报/Sin Chew Daily, 2009). At the time of his funeral, local Chinese politicians had appealed to the Malaysian government to re-examine his stateless status (光华日报/Kwong Wah Daily, 2009).

Yao Tuo ended his literary creations with the publication of his autobiography, A Bird of Passage with Footprints on Sand comprising five sections. The first concerns his childhood days, the second about his teenage years, the third on his difficult and challenging times of his family, the fourth on his sojourn in Hong Kong, which was the turning point in his life, and the final one on life in Malaysia. As to why he devotes so little to his life in Malaysia which he claims to be his homeland, Yao Tuo explains that:

Most of my life has been in Malaysia, and until today in 1998, my major work is still in Malaysia. ... But I feel the most difficult in writing the fifth section [of my autobiography]. Because the time is long, thus the friends I have relation with are many. I feel it difficult to choose putting them into my writings....so I decide not to compose this section; or maybe even the in future I will not write about this.

(recounted by李锦宗/Li Jinzong, 2009)

Even then, the last section was added almost for the sake of completeness (李锦宗/Li Jinzong, 2009). Although Yao Tuo does not touch on the political and racial issues in Malaysia in his autobiography, one may discern that, in his subconscious mind, he feels alienated by his status as a “red identity card” holder and looks upon himself as an “Overseas Chinese”. Despite having spent years of living in Malaysia until his final days, his was a case of the fate of many first generation settlers in an “alien country”.

A political aspect of life in Malaysia that Yao Tuo does not detach himself is that which concerns Chinese education. Many Chinese children study in Chinese primary schools that are recognized as an integral part of the national education system. They then continue to study in government-run secondary schools or in independent Chinese high schools. The former uses the national language (Malay) as the medium of instruction and the latter insists on teaching some subjects in Chinese. These independent high schools are completely funded by the Chinese community. The British colonial administration (1786–1957) had allowed the different ethnic groups to run vernacular schools. Despite the harsh fact that students of Chinese schools are shut out of the civil service and that funding is a perpetual problem, Chinese education has managed to thrive. The primary rationale for the maintenance of Chinese schools relates intimately to the issue of cultural and ethnic identity. The Chinese community is also wary of the government’s intention to convert all primary schools into
“national schools” as its “final goal” in which the national language would be used as the sole medium of instruction (Kuek, not dated).

Yao Tuo’s contributions to Chinese education in Malaysia have been immense. He jointly compiled many Chinese textbooks for primary and independent Chinese high schools, and published Chinese textbooks through his Youlian Press (星洲日报/Sin Chew Daily 2009). These textbooks include Chinese Language (Grades 1-6, 1970-80), Mathematics, Ethics, and Humanity and Environment (Grades 1-6, 1980-1996), Literary Readings (4 volumes, for Teachers’ Training, 1985-87), Chinese Language for Mara College (1985 to the present) and national schools (Grades 3-6, published in 1983), Selected Loose-Leaf Works from the Youlian Press with 640 essays (Mahua Literature Centre, http://www.sc.edu.my/Mahua/exhibition/yaotuo/biographical.htm).

In addition, Yao Tuo published the popular Chinese Students Weekly for thirty years between 1955 and 1984. The Jiaofeng Magazine appeared in November 1955 and continued until February 1999, lasting four decades and a half and spanning 488 issues. This magazine has become a lasting legacy to Mahua literature. It is also the most durable periodical in the history of Chinese publication in Malaysia. Many contemporary Mahua writers have been influenced and inspired by these two publications.

An idea of the influence of Yao Tuo and his publishing house on the Chinese society in Malaysia may be gauged from the comment of a local Chinese writer: “if there were no Yao Tuo and his Youlian Press that provoked the democratic thought in the chaotic years of 1960s, what the Chinese political and cultural conditions would be like in today’s Malaysia is beyond one’s imagination” (庄若/Zhuang Ruo, 2009). This is because his publications and magazines nurtured countless number of children and teenagers in a literary fairyland. It is this generation of readers who have created the present-day social milieu of the Chinese community in Malaysia (庄若/Zhuang Ruo, 2009).

Yao Tuo also participated in and contributed to cultural events that enrich the cultural life of Malaysia. He was a convener and general supervisor of the opera “Han Li Bao” in 1967. Han Li Bao was a legendary Chinese princess who was married to the Sultan of Malacca during the Ming dynasty. The legend has special meaning to the traditional friendship and relations between China and Malaysia. He also founded the Malaysian Chinese Calligraphy Society in an attempt to promote this art in Malaysia. Through his own company that dealt with the arts, he made efforts in various ways to sustain the continuity and heritage of Chinese culture in Malaysia.

Yao Tuo was duly recognized and richly rewarded for his literary achievements, contributions to Chinese education and the propagation of Chinese culture in Malaysia. He won the third “Malaysian Chinese Literature Prize” and the thirty-fifth “Literature Prize of
China Literary Association” of Taiwan in 1994. In the following year, he was awarded the prize for “Memorable Years for Senior Writers” by the Writers’ Association of Chinese Medium of Malaysia. In 1996 and 1997, he was twice awarded with prizes in Taiwan again, namely, the “Literature Prize and Literature Meddle” from the Literature Foundation of the Asian Chinese Writers’ Association and the “The Second-Degree Prize of the Education Ministry”.

Conclusion

To discuss Yao Tuo, the outstanding first generation Mahua writer, requires an appreciation of modern Chinese politics and history, Chinese cultural traditions in China and its heritage in Malaysia, and issues concerning ethnicity, politics and education in Malaysia. He passed away recently but left behind a rich legacy as an accomplished writer and a social activist with a special background and extensive experience in times of war and peace in three different countries and territories. Research work on Yao Tuo and what he stands for is just at its initial stage and rather limited in both language and scope. His unique life history and his remarkable achievements and contributions to Mahua literature, education and cultural life constitute an immensely attractive area of academic exploration. It is hoped that future research efforts will lead to the publication of in-depth studies on this literary pioneer of Mahua literature.

Notes

1 For a list of Yao Tuo’s books and date of publication, see the Biographies of One Hundred Malaysian Chinese Writers” in http://www.worldchinesewriters.com/my/index.php?option=com_content&task=view&id=106&Itemid=2
2 The anti-Communists raids and executions were carried out on a large scale in 1927 and 1928. See an example in “Communists in Liang Hu Provinces” in North-China Herald, Shanghai: March 17 1928.
3 “Dato” is a title awarded by the Sultan or Governor of individual states in Malaysia to persons who are deemed to have contributed their service to society and country.
4 Modern Mahua literature has been categorized into five periods. These are the Initial Period beginning with China’s New Literature Movement in 1919 until the breakout of the Anti-Japanese War in 1937; the War Literature Period between 1937 and the immediate post-war years to 1948; the Post-war Period from 1949 when New China was established to 1964 when Malaysia tightened its internal security laws; the “Low-tide Period” from 1964 till 1974 when China and Malaysia normalized diplomatic relations, and the Contemporary Period from 1974 till the present. For details, see Meng Sha, 1986, also Fang Beifang, 1987.
5 The People’s Republic of China divides the Overseas Chinese into two categories. The first are “Chinese nationals” who are permanent residents in foreign countries but bear the passports of the People’s Republic of China. The second category refers to “Hua ren”, or people of Chinese stock who have become citizens of foreign countries. The “Republic of China” in Taiwan, however, consider Chinese people living outside Chinese territory as “Overseas Chinese”.
This educational system is supported and coordinated by the United Chinese School Teachers’ Associations of the Federation of Malaysia (Jiaozong) and the United Chinese School Committees’ Association of the Federation of Malaysia (Dongzong), commonly known as Dong Jiao Zong.

Mara College is a government-funded college exclusively to train Malay and other Bumiputera students in academic and vocational subjects.

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马华文学馆网站/Website of Malaysia-Chinese Literature Centre. http://mahua.sc.edu.my/

----- http://www.sc.edu.my/Mahua/exhibition/yaotuo/biographical.htm


《星洲日报》2009。〈本地文坛耆老姚拓病逝〉 (Sin Chew Daily 2009. Local famed writer Yao Tuo passed away), 7 October.

庄若 2009。〈如果没有姚拓〉，载《星洲日报》(ZHUANG Ruo 2009. If there were no Yao, Sin Chew Daily), 14 October.
Book Reviews


The work and contributions of Malaysian Chinese to the progress of the nation are generally acknowledged. Yet claims of community are not always backed up by reliable documented “evidence”. This is despite the fact that the Chinese have resided in Malacca from the fifteenth century and permanent Chinese settlements were scattered in parts of the Malay Peninsula from the time of Francis Light. Some of the oldest clans in Penang trace their settlement back to 13 generations.

Sadly, despite more than 200 years of settlement, the Chinese have little to show in terms of documented history or historical records. The community is not known for its appreciation of old records, be they in the form of genealogies, personal papers and biographies, or files on Chinese associations, schools, temples, and other organizations. In view of the paucity of written documents and the absence of community archives, the appearance of biographies and autobiographies by or on Chinese entrepreneurs is indeed a welcome sign of change of attitude among Malaysian Chinese.

In general, the Chinese tend to keep a low profile and are loath to make public their life histories. Many too are unwilling to share their experiences with private researchers who are looked upon more with suspicion than understanding. Biographical research to date has been sporadic and include those on Khaw Soo Cheang (1797-1882), Yap Ah Loy (1837-1885), Wong Ah Fook (1837-1918), Chan Wing (1873-1947), Tan Kak Kee (1874-1961) and a number of others who are still active in public life. Some are serious studies by academics and others by their descendants or the biographers themselves. This is a healthy trend of development that contributes positively towards the documentation of the history of Malaysia.

The tradition of biographical writing in Malaysia, especially on Chinese personalities, has yet to take root as a recognized field of academic research. For one, the early pioneers and personalities are no longer around, others are unwilling to commit their experiences and achievements to paper or permit others to do so. Again, academics who have a “vested”
interest in writing about the lives of past personalities are restricted to the historians or freelancers. Research by the trained historians has led to excellent studies, such as those by Yong Chin Fatt on Tan Kak Kee (1989) and Jennifer Cushman on Khaw Soo Cheang (1991). A select few outside the confines of history have made valiant efforts in biographical studies. These include Lim Pui Huen on Wong Ah Fook (2002) and Lam Chee Kheung on Wee Kheng Chiang (2005). There are also those who try their hands in producing biographies of their illustrious ancestors, while a few “high achievers” have taken steps to record their autobiographies.

Two welcome publications that have appeared recently are those on Wee Kheng Chiang (黄庆昌 1890-1978) and Lim Goh Tong (林梧桐 1918-2007). The former, by Sarawakian academic Dr Lam Chee Kheung, is written in Chinese, and the latter is an autobiographical account drafted in Chinese by Chew Sau Loong and in English by Ms Cheong Mei Sui. Born a generation apart, these two pioneer entrepreneurs shared many similarities in their background and experiences. Wee was born in Kuching, Sarawak, and Lim in Anxi village, Fujian province. Both were Hokkiens and came from poor families. They grew up under difficult and demanding circumstances that helped them to build up their resolve to succeed in life. They learned many lessons from their early lives that enabled them to venture into businesses ahead of their peers. Through their strict upbringing, hard work and foresight, they charted their own rags-to-riches careers with remarkable enterprise. Wee became known as “The Uncrowned King of Sarawak” and Lim reigned over one of the largest business corporations in Malaysia and the East Asian region.

Written by an academic, *Wee Kheng Chiang* is more generous with details as the author has the full cooperation of the family. The account provides insights not only into the family life and business operations of Wee, but also his active involvement in community work and philanthropy. *Lim Goh Tong* is a straightforward account by the autobiographer himself and without the slightest hint of self-aggrandizement. Major business deals and transactions are mentioned almost in passing without revealing the secrets of how crucial decisions and judgements are arrived at.

The two books take the readers on a visit to the different stages of the remarkable lives of their subjects. Both survived a harsh and early adulthood to lay the foundations of their enterprises, escaped death at the hands of Japanese invaders through sheer luck, and navigated through the vicissitudes of policy changes after independence.

In business, both Wee and Lim started small, building up their ventures block by block through years of honest hard work, patience and unflinching resolve. They left behind lasting legacies that are now thriving and expanding transnational businesses. Wee founded the United Overseas Bank (UOB), now a leading financial institution in Singapore, and Lim
built a sprawling business empire from his base in the highlands of Genting. They also saw the decline of some of their ventures, for example, Wee’s Sarawak business now remains in dormancy and Lim’s joint-venture in banking has fizzled out. A comparison of these two giants among Malaysian entrepreneurs reveals some interesting insights.

The first is the lessons that their youthful days and early careers brought to their business ventures. Their keen minds and rational thinking led them to ventures that offered attractive prospects. These early ventures led to expansion into new ones. They had confidence in what they did and seized opportunities when their peers saw nothing but risks.

The second is their family background and strict upbringing that instilled in them strong traditional values that helped to strengthen their determination to excel. Both were imbued with a strong sense of filial piety and gave their children an excellent education. They answered readily the needs of society through generous acts of charity and in support of education.

Next is the recognition of their peers, society and country. Both were rewarded by the government and scaled social heights that were beyond all but the select few. Wee’s contributions to education and charities are documented. Lim remained largely quiet on this issue but his contributions too were well-known to all. The Chinese believe that the benevolent are well-rewarded with a good life and longevity. Both were abundantly blessed on this count.

Another important insight is that Wee and Lim successfully passed on their baton of control to the next generation. This is particularly pertinent as Chinese businesses are commonly afflicted by a “curse” that wealth does not last three generations. Instead, the second generation of the Wee and Lim families has more than justified the trust of the founders by diversifying the original portfolios of the family enterprises.

Another element that may have escaped notice is that “luck” had smiled on Wee and Lim in the early stages of their business careers. The former married the daughter of his employer and eventually surpassed the fortunes of his father-in-law. The latter’s plan to develop Genting into a family retreat in the mountains turned into a casino through a suggestion from an official source. But one must not attribute business success to luck as it works only on those who are enterprising, farsighted, and perceptive.

In all, one is impressed by the force of the spirit of ziqiang buxi, or unremitting efforts towards self-advancement, that is manifested in the lives of Wee and Lim. By their bold action, keen foresight and unwavering efforts, they were destined to be truly remarkable entrepreneurs who became iconic figures during their lifetime.

For obvious reasons, both accounts are meant to be informative rather than interpretative or analytical. These books are not to be judged on their academic merits or demerits but essentially in throwing insights into the supremacy of the human spirit and the personal
challenge to rise above one’s circumstances in the spirit of *xiqiang buxi*. Both books are non-academic but this fact does not in anyway detract from the lessons that may be learned from two distinguished entrepreneurs in different areas of business endeavours. The broad strokes of the brush in both cases are tantalizingly sketchy in painting panoramic scenarios that reveal enough details only to whet one’s appetite for more. Without doubt, both may easily be filled with more details and penetrating observations to enhance their presentation and authority as sources of reference.

From a reading of both the books, one may be tempted to ask if the success stories of Wee and Lim are repeatable. The answer is obviously negative as each offers a unique business model circumscribed by the special conditions of the time. The readers come face to face with two outstanding personalities who embody the quintessential qualities of the successful entrepreneurs. Their success is the epitome of the self-made entrepreneurs guided by a belief in themselves and a set of age-old moral and cultural values in the conduct of business and their demeanour in the public and private spheres.

Just as these remarkable entrepreneurs have contributed immensely to development of the country in the past, many are similarly carrying out the tradition in the contemporary period. Yet their lives would have counted for little if the stories behind their enterprise and contributions remain undocumented. In this context, the need for more biographical studies of distinguished personalities will certainly help to fill the immense gap that exists in the literature on the entrepreneurial spirit of Chinese business people. These two modest publications may yet inspire others to undertake biographical studies to add to the collective memory of the nation.
The theme of nation building is a difficult one as central ideas surrounding the theme are popular subjects of debate. Yet the theme has its appeal and durability that academics from many diverse areas of specializations are tempted to explore. Studies on national building in Malaysia have generally focused on party and communal politics and Malay nationalism. This current study is focused on the role of the Chinese in Malaysia and undertaken by a team of local academics who are non-specialists in political science.

The study is a major project of the Centre for Malaysian Chinese Studies to commemorate the fiftieth anniversary of independence and an attempt to place on record the often forgotten roles and contributions of the Chinese community in the making of Malaysia as a sovereign nation-state. With contributors coming from very different backgrounds, the variety of topics is expected. These are grouped into five parts to produce a coherent structure.

In the introductory chapter, Voon Phin Keong attempts to address the basic ideas of “state” and “nation” and examines the formation of the various political units that eventually merged to become the Malaysian nation-state. He then links the ideas embedded in Chinese culture in the promotion of such values as ethnic harmony and tolerance that are basic to nation building in a pluralistic setting.

The four chapters in Part 2 take up topics that follow each other in sequence. Voon (chapter 2) deals with the work of the Chinese in their various capacities to transform large parts of Malaysia over a period of more than 200 years before independence. As pioneers, entrepreneurs, or mere labourers, they contributed significantly to lay the foundation of the future state by opening mines and agricultural areas, building towns, organizing communities, contributing towards government revenue, and playing many other positive roles. Khor Teik Huat (chapter 3) looks at the role of the Chinese in the independence movement. They clearly recognized the need to control their own destiny in an independent country and decided, wisely, that their future was tied to their rights to citizenship of the new nation. Their response was complicated by the rise of Malay nationalism and the chapter provides an account of how the leaders of the Chinese and Malay communities had to negotiate such crucial issues as the official language, Malay privileges and non-Malay rights. Khor affirms that, in order to
meet the terms set by the British prior to independence, the Chinese had agreed to set aside certain crucial issues for the larger interests of gaining national sovereignty. Khoo Kay Kim (chapter 4) continues the theme with a discussion on the background of forging interethnic consensus for the sake of gaining independence. Independence that was eventually granted was consequently the result of interethnic cooperation and understanding. Six years after the formation of the Federation of Malaya in 1957, the idea of a “grand design” to merge the young federation, Singapore and the Borneo states of Brunei, Sabah and Sarawak was mooted by Tunku Abdul Rahman in 1961. The events that led to the formation of Malaysia were examined by Danny Wong (chapter 5). He concludes that nationalism was the driving force behind the continued fight for independence of all the remaining British territories in Southeast Asia. It was a wake-up call to the communities in the Borneo territories as they hastily formed their own political parties. In Brunei, the planned “merger” led to a nasty rebellion and the eventual rejection of “merger”.

The seven chapters in Part 3 examine the nation-building process from the perspectives of selected economic considerations. Three deal with Chinese business, two with the Chinese population, and one each on the special cases of Sarawak and Sabah.

Emile Yeoh (chapter 6) examines the Chinese response, at the community level, to new economic realities after the introduction of the New Economic Policy (NEP). Chinese associations and chambers of commerce took the lead to organize cooperatives and enterprises in attempts to cope with the changing rules of the game. Chin Yee Whah (chapter 8) discusses Chinese participation in various economic sectors and in the development of small and medium-sized industries. With the NEP, they are forced to seek appropriate business strategies to survive or to gain access to new opportunities. One of the strategies is to work with Malay partners. Beh Loo See (chapter 7) examines Chinese capitalism as practised by major corporations. These largely family-based and market-oriented concerns have spread their wings overseas and have developed multi-national links and investments. They are fairly well organized to achieve desired levels of efficiency but remain under the personal control of the founders. Many maintain close relationships with the government and the indigenous business elite and technocrats.

The Chinese population comes under scrutiny by Tey Nai Peng (chapter 9) and Tan Ai Boay (chapter 10). Tey probes the demographic trends and touches on declining birth rates, ageing and emigration. He demonstrates that the community is making important contributions to the development of human resources to meet the demands of national development. Tan’s study is a rare attempt to look at Chinese women and the manner of their involvement in the nation-building process. She focuses on three specific areas in economic participation, education and politics. In all these areas, Chinese women are moving from being a passive
and tradition-bound class into one that is playing many new and increasingly active and important roles in society.

As always in studies on Malaysia, the Borneo components have often been overlooked. Conscious of this oversight, the study contains two separate chapters on Sarawak and Sabah. Wee Chong Hui (chapter 11) highlights the abundance of natural resources of Sarawak while reminding readers of the state’s high incidence of poverty and its economy that is lagging behind Peninsular Malaysia. She finds that the Chinese are basically dependent on the primary sector, with some involved in small- and medium-sized timber and wood industries and the service sectors such as retail and wholesale business, light transportation, tourism, catering. Very few are able to gain access to the civil service.

Voon (chapter 12) emphasizes the permanence of the Chinese as a settled and mature community and their role in the development of Sabah during the colonial period. Following independence, the fortune of the community has suffered an irreversible decline as it is fast becoming a minority in the face of mass foreign immigration. Economically, the community is on the verge of being sidelined. It has yet to be seen if this trend is to be a precursor to the future fate of the Chinese in Malaysia as a whole.

Of the ten chapters in volume 2, five are related to the political and four to the cultural perspectives, and a concluding chapter. Wong Wun Bin (chapter 13) attempts to draw lessons from Confucian political ideals in the nation-building process. His efforts are commendable but do not seem to pin down the connection in a more convincing manner. Confucian teachings are seen to be reflected in the running of Chinese associations and business enterprises. In politics, he touches on the rule by virtue and the pursuit of the Grand Communality. To the average Malaysian Chinese, however, Confucian teachings have more relevance in everyday life rather than in political governance. This explains why the Chinese are generally indifferent to politics.

On Chinese politics, Lee Kam Hing (chapter 14) argues that Chinese involvement in the independence movement would require a Chinese political party to safeguard and to fight for their interests. The diverse groups based on dialects, educational backgrounds, political beliefs and ideas were to prove divisive. Several Chinese-based parties such as the MCA, Democratic Action Party and Gerakan all seek to represent the Chinese and therefore compete fiercely among themselves. With the implementation of the NEP in 1971, the *raison d’etre* of Chinese politics seems to be the safeguarding of Chinese commercial interests, Chinese-language education, and in power sharing. Danny Wong and Ho Hui Ling (chapter 15) next examine Chinese politics in Sabah and Sarawak. The primary purpose of Chinese political parties is to safeguard Chinese interests. Over the years Chinese political influence in Sabah has waned and the community is losing its clout as “king makers”. The Chinese in Sarawak
have fared better as they are able to maintain their share of power in the state coalition.

The next two chapters delve into the issue of identity and civil society. Using the language of diaspora studies, Yow Cheun Hoe (chapter 16) argues that as the Chinese transform themselves from being immigrants to citizens, they are confronted by the Bumiputera and non-Bumiputera divide to play their full role as Malaysians. In the age of globalization, the options for transnational mobility offer alternative choices. Thock Ker Pong (chapter 17) discusses the role of civil society in nation building from the perspective of Chinese community leadership. He argues that Chinese communal associations are “small governments” which existing under the control of the state’s “big government”. In the past they contributed to the maintenance of a stable social order but many now realize the need to fight for the rights and benefits of the Chinese, with mother-tongue education as a major concern.

The chapters in Part 4 deal with education, culture, language and art. Lim Chooi Kwa (chapter 18) gives an account of the history of Chinese education but lacks a serious attempt to link the role of Chinese education and nation building. Voon (chapter 19) views Chinese culture and education as elements of “soft power” that may contribute towards creating a vibrant, mature and more progressive Malaysia. Chinese schools are part of the nation’s social infrastructure that has nurtured a pool of talents. He particularly emphasizes the role of culture as the moral basis of nation building and draws on the core teachings of Confucianism as props in promoting progress and stability, good governance, and working towards the common good.

Chinese efforts in popularizing the use of the national language and the evolution of Malaysian art forms are final themes in the study. Chong Fah Hing (chapter 20) argues that Chinese writers in the national language have worked hard to promote the language. This tradition has led to literary works that affirm the Malaysian identity of the Chinese. Chung Yi (chapter 21) produces a comprehensive piece on Chinese art to demonstrate its transformation to enrich Malaysian art. The objective is to reaffirm, through artistic creations, an identity that is typically Malaysian.

The concluding account by Voon (chapter 22) poses the question of “whither the Malaysian nation-state?” It sees “Vision 2020” as a blueprint for nationhood. Evolution of the Malaysian nation will eventually boil down to the ability to meet the challenges in the areas of ethnic relations, economic competitiveness, the rule of morality, and the people’s “mindset”.

Tackling as complex a subject as nation building is itself a huge challenge, but restricting the discussion to a particular group is even more so. At best, it will present an unbalanced view on the subject as nation building involves all sections of the people. But then one must accept the study’s stated objective to focus only on the Chinese and deepen understanding of their multi-faceted contributions to nation building. The study does not in any way detract
from the contributions made by other ethnic groups especially the Malays.

Clearly the papers vary in quality. Some have clearly failed to link their discussions with the central theme of nation building. In terms of organization, Part 3 on politics should come after the historical background. However, bearing the mind the limitation of the study, the study is commendable in several ways.

The writing style is clear and the approach is objective. It will enable Malaysians, particularly the Chinese, to appreciate the situation they are in and contributions that they have made.

All chapters are written from the Malaysian perspective and by local academics. The result is a piece of work that adds to the scanty literature on nation building.

The study will help other ethnic groups to understand the Chinese community and thus to promote harmony and mutual understanding.

The images of Chinese participation in the construction of Malaysia are very clearly painted. The study demonstrates the ways in which the Malaysian nation-state evolves and how the Chinese community has helped to shape present-day Malaysia into a progressive country where different ethnic groups live in harmony.

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