

# The Ownership and Use of New Human Capital among Orang Kuala in Malaysia and its Relation with Economic Empowerment

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**Abstract.** Orang Kuala is the sub tribe of Orang Asli or basically known as aboriginal people in Malaysia. A new cultural trend of Orang Kuala shows that, they are now participating in business-base economic activities and left the traditional economic activities as fishermen. This is transitional changes of an ownership and use of traditional human capital in order to adopt a new human capital. This occurs due to assumption made by Orang Kuala that engaging in business activities can help them to achieve economic empowerment. To examine the extent of relationship between new human capital and economic empowerment, this study lists out two objectives; to identify the ownership and use of new human capital and to identify whether the new human capital is a contributing factor to economic empowerment. To examine the reality, this study used a quantitative approach which has been conducted on 267 Orang Kuala in Johor, Malaysia. The study showed that the ownership and use of new human capital are greater among businessmen compare to a fishermen. The study also showed that the ownership of new human capital serves as the factor of economic empowerment among Orang Kuala.

**Keywords:** Involvement of New Economic Activity, the Ownership and Use New Human Capital, New Human Capital as Factor of Economic Empowerment.

## 1. Introduction

Orang Kuala are the sub tribe of Proto-Malay and represented a quarter of the large group of Malaysia's Orang Asli (JHEOA, 2008). In respect of economic empowerment by most Orang Asli, the scholars refuse to discuss them directly because the concept of economic empowerment is still new in the researches of Orang Asli. Instead, the discussion on Orang Asli's economies tend to focus on the economic exploitation by rural community (Amir Zal & Ma'Rof Redzuan, 2010), poverty and consumerism (Ma'Rof Redzuan & Mohd Taufiq, 2008) and their failures to join the mainstream economic (Ramle, 2008). Nevertheless, their research findings indicated that there is an element of economic empowerment. Findings obtained from the study by Gianni and Bayr (2009) which applying Orang Asli Semelai as the sample, shows that the economic activity is similar to the economic empowerment. The impacts of Orang Asli's involvement in agricultural activities enable the communities of Orang Asli to no longer depending on exterior to obtain incomes. Similarly, the findings of the study by Amir Zal and Ma'Rof Redzuan (2010), proves that Orang Asli unable to explore the forest just by their own efforts. The findings of both studies similarly summarize that there is a relationship between human capital and economic empowerment. However it is not being discussed from the perspective specifically on economic empowerment.

## 2. Problem statement

Orang Kuala, similarly like any other Orang Asli, own human capital. Their human capital is based on the sea, as most of their economic activities are related to the sea (Polunin & Sneah, 1953; Skeat & Blagden, 1966; Carey, 1976; Andaya, 2008). Those marine activities are enabling them to engage in economic activities of trading (Yuszaidy & Mohamad Nazri, 2008). One of the human capital is the knowledge of catching fishes, crabs (Andaya, 2008), aquatic plants and turtle's shells (Yuszaidy & Mohamad Nazri, 2008). However, in the 18th century, economic activity was threatened by Bugis Sulawesi and large-scale migration of Malays from Indonesia in the mid-19th century (Harper, 1997); they tried to be involved in the current economic activity. This threat increases when the Malay community of Singapore and the Chinese from the West was trying to penetrate the same market too (Harper, 1997). At last, Orang Kuala was no longer being able to compete with their competitors in the economic activities related to the sea.

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In the 20th century, Orang Kuala was back in trading economy. The term of trading economy used by Gomes (2004) was to describe the reality of the economic changes in a lot of Orang Asli communities. Orang Kuala's economic activity is no longer being aimed just to meet the daily needs of their needs; it is to meet the demands of the rural community market and gain profits from the activity. Involvement with the trading economy led to changes in their economic activities. They are now importing and selling second-hand goods from Singapore, exporting vegetables to Singapore, selling used clothing, making a *belacan* and so on. This shows the changes in economic activities of Orang Kuala from the traditional activities to the commercial economy. The changes may also resulted in the changes of ownership and usages of human capital among Orang Kuala. To examine the reality, this article lists two objectives, namely to identify the ownership and use of new human capital and to identify whether the new human capital serves as a factor to economic empowerment.

### **3. Discourse of human capital**

According to Emery and Flora (2006), human capital refers to skills, talents and knowledge possessed by members of the community. Orang Asli own human capital, which is in high demand from mainstream society because it is considered as an invaluable benefit. Knowledge is directly related to the environment in which the one they lived in (Gomes, 2004; Amir Zal & Ma'Rof Redzuan, 2010); therefore their human capital is unique and was owned by them alone. Meanwhile, Orang Kuala's human capital is directly related to the sea.

Nevertheless, the human capital of Orang Kuala is dealing with revolution. According to a survey conducted by Yuszaidy and Mohamad Nazri (2008), the changes can be seen by young people who are no longer interested in traditional human capital. Therefore, the older generation unable to past down the traditional human capital. The reality happens because Orang Kuala has been involved in self-employment activities that require less traditional human capital. Instead, they need more of new human capital. This reality is soon being realized by Mustafa Omar (2008) and later examined the changes among Orang Asli in general when they involved in the relocation plan. Orang Asli began to engage in new economic activity, including new agriculture and eco-tourism activities. Reality also has been studied by Gomes and William-Hunts (1993) who found the involvement of indigenous peoples (especially seedlings) in the economy, causing some of them can no longer accept traditional human capital.

Similarly, the involvement of Orang Kuala in business caused them to own new human capital. On the other hand, they start to ignore the traditional version. However, this matter has not been studied directly by other researchers. Instead, they only focused on the loss of traditional human capital due to their involvements in development; whereas such studies were done by Dentan, Endicott, Gomes and Hooker (1997) and Gomes (2004). Instead, new human capital as a substitution of traditional human capital is being ignored. Meanwhile, the findings from the study done by Gomes and William-Hunts (1993) prove that Orang Asli capable to have new knowledge in accordance of the changes. Therefore, this study focuses on these aspects to explore deeper in the changes of human capital which take place in Orang Kuala community.

### **4. Human capital and economic empowerment**

The study directly links between human capital and economic empowerment amongst Orang Kuala which has never been implemented by other scholars before. However, the relationship between human capital and economic empowerment can be seen through the effects of ownership and use of human capital on economic growth in a community. Dynamic nature of human capital provides many advantages to the community, especially for their economies. For example, a study conducted by Turner et al. (2000) on indigenous communities in Colombia shows that there is connectivity between the human capital and economic. Connectivity is observed through the increasing income obtained when they took advantage of its human capital. Reality is also realized by Mauro and Hardison (2000), Cardamone and Rentschler (2006), Briggs et al. (2007), and Zula and Chermack (2007), who found the use of human capital allows the community to feel confident to participate in economic activity and thus causes an increasing income. Furthermore, according to the analysis of Fernando (2003), the human capital is proven able to reduce poverty in rural areas.

Reality showed that human capital cannot be separated from economic empowerment shown through the acquisition of income and access to sources. In addition, economic empowerment also can be observed indirectly from the Briggs et al. (2007) finding; the existence of independent behavior in the community to

organize the economy themselves without relying on the rural community. It happens because they do have relevant knowledge. On the other hand, the findings by Fernando (2003) found out that communities tend to be poor because they have less human capital.

## **5. Methodology of study**

Researchers applied survey research design on 267 respondents from the several villages; Kampung Bumiputera Dalam Rengit, Kampung Seri Pantai Senggarang and Kampung Benut. The selection of these three villages is made by researchers based on three considerations; the total of Orang Kuala resided in a village, Orang Kuala's occupations, and the cooperation given by Orang Kuala. These three considerations were made after the conducted exploration survey on the total of five Orang Kuala villages. Researchers have been using the convenience sampling in which they were selected only among fishermen and businessmen. Researchers used the interview method based on a questionnaire. Survey data was then being analyzed by SPSS software, through descriptive statistical tests, the percentage and mean; and statistical inference, t-test.

## **6. Finding and discussion**

### **6.1. Ownership and use of new human capital**

Table 1 shows the mean score of new ownership with indication scale in human capital, 1: Do not know; 2: less know; 3: know; and 4: well know. The study proves that the mean score decreased with the order, starting with ownership calculated with new human capital; its mean score was 3.19 and in business, which is 3.17. The scales of mean scores for the ownership of both approaches means score were at the scale of 'know' while the mean scores for knowledge of writing and reading were 2.72 and 2.64 respectively. Ownership of Orang Kuala human capital is at a scale in between 'know and less know'. A lower ownership of human capital is the knowledge to create new products from the sea, provides an account or balance sheet and managing employees. Mean scores of the three newest human capitals are 1.96, 1.90 and 1.84. Ownership of the three newest human capital are at a scale that 'do not know', and 'know less', but it approaches the scale of 'less know'. Meanwhile, the lowest ownership of human capital is to speak in English with a mean score of 1.52. The ownership of new human capital is important to Orang Kuala human in order to change their economic situation, because they can improve and enhance their economic recovery. The reality is similar to findings of the study conducted by Cardamone and Rentschler (2006) who found out that the use of new knowledge has caused incensement of income among communities in rural areas.

Orang Kuala also believed that the way to get out of poverty is to learn new knowledge, especially the ones which related to economic interests. Zula and Chermack (2007) have studied indigenous human capital's strength as an effort to overcome poverty. Additionally, researcher does found the use of human capital which serves as an important factor to the positive changes in productivity and income of the community. The ownership of new human capital amongst Orang Kuala acquired through informal learning processes. They do not participate in formal courses or classes organized by the outside society. Instead, they learn about the new human capital all by themselves through the observations and their own experiences. The reality of this study parallel the findings by Briggs et al. (2007); reflected the indigenous community in learning new knowledge through observation, experiment and experience that took place when they interact with the community and new events.

With regard to the level of the use of new human capital, Table 1 shows the mean score for the usage of new human capital. According to the decreasing order, the use of new human capital which related to business has the mean score of 3:56, followed by 3.50. This illustrates that these respondents were having the usage level of human capital on a scale in between 'sometimes' and 'always'. Meanwhile, the use of new human capital in arranging the stock of goods has a mean score of 3.21, i.e. on the level of 'sometimes'. Similarly, driving a car or van, reading and writing were resulted in mean scores of 3:05 and 3:04. It shows that the level of utilization of new human capital is mostly at the level of 'sometimes'. Human capital in which has the lowest mean score was speaking in English; 2:10 as considered as rare. The findings of this study prove the different levels of usages of new human capital amongst Orang Kuala, depending on the type of new human capital. Orang Kuala routines are dealing with business and they rely solely on the business activities to earn their livelihoods. Therefore they need a new human capital because it is needed in business activities.

Table 1. The mean score the ownership and use of new human capital

<b>New human capital</b>	<b>Ownership*</b>	<b>Use**</b>
Calculating	3.19	3.50
Business	3.17	3.56
Writing	2.72	3.04
Reading	2.64	3.04
Managing products	2.38	3.21
Drive car	2.08	3.05
Repair used product	2.05	2.74
Create new products from the sea	1.96	2.68
Provides an account or balance sheet	1.90	2.54
Managing employees	1.84	2.61
Speak in English	1.52	2.10

Note: Mean score based on scale

\*1: Do not know

2: Less know

3: Know

4: Well know

\*\* 1: Never

2: Rare

3: sometimes

4: always

## 6.2. The relationship between ownership and use of new human capital to economic empowerment

Bases on multivariate statistical tests done by Pillai's Trace (table 2), the ownership and use of new human capital demonstrated the effects of ownership of new human capital is significant [ $F(58, 154) = 1.6, p \leq .05$ ] on economic empowerment. In contrast, there was no significant effect of the use of new human capital [ $F(72, 154) = .97, p > .05$ ]. Based on these results, researcher concluded that the ownership of new human capital is a factor to economic empowerment. The study also proves that there is no effect on the jobs as the control dependent variable [ $F(2, 67) = 1.7, p > .05$ ]. These results indicate, although the main occupation is not controlled, ownership of new human capital is a factor to economic empowerment.

Table 2. Relation between ownership and use of new human capital towards economic empowerment

<b>Effect</b>	<b>Value</b>	<b>F</b>	<b>Hypothesis df</b>	<b>Sig.</b>
Occupation	.018	.693	2.000	.503
Ownership of new human capital	.762	1.635	58.000	.009
Use of new human capital	.622	.966	72.000	.558

The finding is compatible with the views of Mauro and Hardison (2000), Rainey, Robinson, Allen and Christy (2003), Cardamone and Rentschler (2006), Emery and Flora (2006) and Callaghan and Colton (2008), which relating the new human capital with the acquisition of economic benefits. Even Orang Kuala's ownership of human capital is an important element to overcome poverty in the community (Fernando, 2003). The reality of the jobs across Orang Kuala's community, or in other words, the ownership of new human capital, is essential to achieve economic empowerment in all types of employment.

## 7. Conclusion and suggestion

The study shows that participation in business led Orang Kuala to ownership and usage of new human capital. On the other hand, Orang Kuala who became fishermen has lower level of owning and using a new human capital as compare to the dealers. This is due to their daily activities whereas as dealers, they tend to own and use Orang Kuala's human capital in regards to the knowledge and skills related to business activities. In addition, the findings also show the relationship between ownership of a new human capital to economic empowerment. However, Orang Kuala's jobs do not affect it at all. It means that the ownerships of human capital amongst Orang Kuala, whether in the fishing or business, are both affected to economic empowerment. Therefore, to change the life of Orang Kuala, they should be supplied with new human capital because even the way they able to achieve economic empowerment will soon benefit them for such a long term.

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