

LIVELIHOOD STRATEGIES AND FORMATION OF ECONOMIC AND SOCIAL STRATIFICATION: EXPRIENCE FROM MALAYSIA

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-Abstract-

This paper focuses on the livelihood subsistence strategies used by group of Research object who moved from Brunei to Malaysia in the early 19th century. This study seeks to answer two key questions. First, what type of livelihood subsistence strategies that are used by this group to survive? Second, how the livelihood subsistence strategies influenced and form new type of social and economic stratifications in the group that are considered as 'egalitarians'. Using ethnographic techniques, data in this study were collected from in-depth interviews and participation observation which took 18 months to complete. The study found that there is a slight change in the aspect of subsistence strategy which is due to market forces and the virtues of capitalism. This community has diversified subsistence to balance the pressure of market forces. The study also revealed that factors such as income and property ownership have developed social and economic stratification into several classes based on source of income and ownership of production. Objective criteria such as income, and sources of primary production such as land, make it critical value in this society. Competition for means of production has created conflict of ownership and thus sparks competition in other aspects such as the position and power. This explains that in a small community social and economic stratification exists and their competition for limited resources make them diversifies their livelihood systems.

Key Words: *Livelihood strategy, Social stratification, Peasant economics*

JEL Classification: A14, D19, Z13

1. INTRODUCTION

This study focuses on livelihood strategies occupied by the farmers to sustain their survival in the changing environment. Taking the Research object community as the focus of study, it is a Muslim minority group living in the rural areas in the northern part of Sarawak, Sabah, the Federal Territory of Labuan and Brunei Darussalam. Its population is relatively small; totalling 16,000 out of 28 million inhabitants in Malaysia (Shariffuddin 1969, Harrison 1970, 1972; Sather & Solhee 1974, Julayhi Tani 1991; Maxwell 1980; Mohamad Suhaidi 1995; Malaysia Census Report 2000). The early study of social stratification in the context of the society in Borneo has been carried out by Rousseau (1990) and Brown (1984). Rousseau argued that 'heredity' is a major factor that leads to the formation of social stratification in small society. While Brown (1984) discussed the strata of ethnics in the feudal system, with special reference to Brunei, both studies did not touch specifically on the economic aspect. In the Malaysian context, Syed Husin Ali (1964), Wan Hashim Wan Teh (1976), and Abdul Rahman (1999) bring different perspective on the study of social stratification. While Syed Husin (1964) focused on the rural area, Abdul Rahman (1999), for instance, has developed beyond the ordinary type of stratification study by looking at new middle class in Malaysia. Due to that, research on minority groups - in the case of this research which is the Islamic minorities in Sarawak - will provide a variety of orientation in social stratification studies within its own corpus.

2. THE CONCEPT OF LIVELIHOOD STRATEGIES, ECONOMIC AND SOCIAL STRATIFICATION

2.1 Livelihood Strategies

Livelihood strategies refer to the concept developed by Ellis (1998) as 'the process by which rural families construct a diverse portfolio of activities and social support capabilities in their struggle for survival and in order to improve their standards of living'. Ellis (1998) claims that livelihood strategy not just compromise of income alone, but it is also from the social support and access to the benefits derived from social and public services. This concept also includes

support through institutions - social institutions - such as family, environment, village, gender, and the right to have the items needed to support and maintain the standard of living. Ellis (1989) gives an impression that the diversity of living systems that are used by households comes from more than one source. Thus, in the context of this study, the concept of livelihood strategies refers to 'the diversity of methods used by families or individuals within a household to support the family for survival'.

The method used to earn income is called 'strategy' and the income system consists of two forms, i.e. cash and in-kind. Cash is a direct reference to the income received by individuals through (1) the proceeds of sale of cultivated crops, (2) the salary or wages earned revenue from selling labour, (3) income from self-employment outcome; (4) money acquired through gifts / remittances of relatives working outside the area. In-kind involves social support system which is as a collaborative, brother-in-kind giving (daily needs) and daily necessities for their own use.

2.2 Economic and Social Stratifications

The term 'social stratification' which is used in this study refers to the stratum of individual and group in the society. Social stratification is a metaphor which is pegged to the geological knowledge (Inglis and Bone 2006) with reference to the geological formation of stratification in the earth's crust brick. This analogy was brought to the field of sociology to analyze the stratification of individuals and group in the larger community. Similarities and differences in some of the criteria will determine an individual's position in a social stratum scheme. In theory, individual and group are opposite to each other to control the resources offered by market power.

Jackson (1968) stated strata in society as '... the result of individual recognitions and responses, acts of deference and superiority'. Tumin (1967) relates the social stratification to 'social inequality' which refers to individual differences to get the opportunity of living in the community. Hence, survival of human toward resources and the competition for resources through control and domination, formed 'caste, estate and class' that are affected by several factors, such as culture, economy and system of government (Owen 1968). The formation of caste in society is influenced by belief systems. Estate represents stratification pledged

to work. Just like caste, inherited the 'estate' based on the family occupation. Compared with caste and estate, class has significant differences. Class generally has a very close relationship with the economy. Class also refers to a group of individual that have control over the means of production (Owen 1968).

In most studies of social stratification, the theory developed by two early scholars, namely Karl Marx and Max Weber (Tumin 1967; Jackson 1968; Owen 1968; Kelsall & Kelsall 1978) is often used to understand the phenomenon of social stratification. In short, Marx and Weber agree that social stratification in society is influenced by factors such as economic and political conditions, including in it the power, prestige and status. After that, several other researchers also adopted this theory in their study to investigate the stratification that occurs in society. Therefore, most of the modifications made to the theory of social stratification as presented by Marx and Weber. This modification is intended to match with phenomena, the environment and the effort was made. It can be found on the study made by Warner, who made a study of stratification in American society, as well as by the functionalist which make modifications on the initial theory such as Davis & Moore (Tumin 1967, Owen 1968, Kelsall & Kelsall 1978).

Class, which will be used in this study, refers to individual positions or groups that have similarities or differences based on control, ownership of resources and the various modes of production and the proceeds arising from the relations of production. Status refers to the hierarchy of individuals or groups in the community that is determined by the members of the validation status based on employment factors and social values. For the purposes of this paper, the notion of class is used to divide individuals and groups in accordance with the factors affecting the situation.

3. METHODOLOGY

This paper is part of wider research results for a period of about 12 months. This study encompasses two important approaches in the discipline of anthropology to get data from the field. In-depth interview (**Glaser & Strauss, 1980 (Juliet & Anselm, 2008)**) and participant observation by involved in people's activities. As it is a combination of anthropology technique and economic perspective, this study adopts a new dimension in the sociological study. Through interviews and

observations, the livelihood strategies that used by the key informants are highlighted in the next section.

4. SOCIO-ECONOMIC ACTIVITIES

The economic activities in Malaysia are considered as ‘dualistic economy’, by which people practising modern and traditional agriculture. In the research area, people obtained income by selling crop and product from the orchard. The research objects sell agricultural produce in the ‘the socio-economic institutions’ which is called ‘*tamu*’. These institutions presenting the notion of ‘plural society’ which had been coined by Furnivall.

In addition to agriculture activities, there are also fishing activities carried out by the villagers. Collected were to be sold in town. They carry out their fishing activities between March and October and stop the activities between November and February because of the monsoon season. The fishing activities are not carried out in a large scale. Catches obtained by the people are sold at the wet markets in town. There are three groups based on racial division selling catches in the Fish Market. They are the Malay, Chinese and Research object.

Further, Malaysia has become one of the major producers of oil palm. There are two oil palm plantation systems in Malaysia, i.e. the estate and small holding system (Malaysian Palm Oil Berhad 2010).. Palm oil is relatively new economic activity to the residents in Sibuti District. The hilly terrain and sloping land to the sea provides vacant lands to be cultivated with oil palm. Later, the activity has become a new source of income for the population.. In the last four to five years when sufficient maturity, the proceeds will be divided into the population in a particular ratio.

Table 1: Agriculture’s Changing Role in the Malaysian Economy, 1960-2011

	1960	1970	1980	1990	2000	2011
GDP	200	390	1,810	2,470	4,030	9,977
Agriculture share in GDP (%) in USD	47.0	30.8	22.8	19.4	9.3	12.0

Agricultural worker (%)	63.5	52.6	40.6	27.8	16.0	13.2
Total population	8.2	10.4	13.7	17.8	23.2	29.0

Source: Malaysia. Department of Statistics (2011)

The majority of people in Bekenu are small holders, while the estates are owned by multi-national companies. For small-holder farmer, they plant the oil palm on their own land. Through this system, the people will produce their own expense from land clearing, planting and harvest. In the process, landlords may hire the people as employees. In the opinion of private operators, the system is considered more profitable compare to the estate scheme. The estate system, on the other hand, is a system that palm oil plantation operated by large companies The people provide the land for cultivate, while the company manage and keep the ownership of land through lease. These approaches assume as a smart partnership between land owner and multi national companies. Profit from the produce are calculated on annual basis based on the agreed ratio.

The above description is a brief overview of the environmental and socio-economic conditions of the study area. With socio-economic patterns, that reflect important types of jobs and economic activities that exist in the village of job lot. A further discussion will highlight three individual experiences with sourcing of income, changes in the cost of living and views on the transition from the traditional economic system to a market economic system.

4.1 Ahmed: A Farmer

Ahmed is a farmer. His main occupation is planting yam and some vegetables on his four acres land. Yam is planted in dry monsoon season. He uses family labour consist of his son and wife to work on the land. The yam take at least month to be matured. The matured yam are plough and divide into grade and sizes. Ahmed sells yam using two methods: (1) weighed at RM2.00 to RM2.50 per kilogram, depending on the size, (2) sold in a heap (in four to five seed yams), especially the smaller size - costing RM2.00 per heap, and the weight in the range of one kilo. In one day, depending on the maturity of the cultivated yams, for four acres of land planted with yams, Ahmed can reap up to 15 kilos. He is assisted by his four children, from the process of digging, cleaning, carrying and categorising yams before selling to the middlemen at wholesale prices. Yam that are not taken

by traders, or not convene to the category, Ahmed's wife will sell yam within the village the following day. She start selling in the village as early as 6 am and up to 530 hours in the evening.

Besides working on yams, Ahmed's family also raise oil palm, but still in its infancy stage. Oil palm grown on land that belongs to the family based 'shared ownership' between his siblings. Ahmad believes revenue he get by plant oil palm is better than work on yam. Because of the size of his oil palm is relatively small compare to other, the income he receives from selling the oil palm seed are less than those who have a big land size. As a small-holder of oil palm, he cannot rely on oil palm as a source of income alone. To him, by diversified source of income, he may get more cash from different source. With the cash, he manages to care for his family. He mentions the survival as small-holder oil palm is more challenging compare to those who have more money. By considering himself as 'poor', Ahmed try to get away from the poverty circle by seeking more cash. To him, by diversifying his livelihood strategy, it will bring more affluence for his children and climb the higher social mobility.

4.2 Malekh: From Industrial Worker Turn to Farmer

Malek, was a former off-shore workers of oil exploration company Petronas for 12 years. In the last three years, he has stopped working with the company and started working by his 200 palm trees on his land which he inherited from his parent. According to Malekh, work as an off-shore worker employ most of his time. He planted oil palm for two reasons. First, stay close with his family; and second it gives better returns in term of monetary value. In fact, he turned into oil palm small-holders because during the period he worked in exploration companies, his salary increases very slowly, whereas for new employees who have better qualifications, earn good pay. While working as industrial worker spend more time - up to 3 months at the platform. Once you're on the platform, he did not know the news that happened on the ground. He jokingly said 'let have a little money, as long as the heart delight'. Income earned by him approximately RM500 to RM600 a month and enough to support a family of four (two children still in primary school). He also felt that, planting oil palm gives better results even in terms of revenue compare to work in the company. Psychologically, he feels happier because he can take care of his family.

As a former worker in the oil company, he considered as 'mechanic' by his fellow. Support with some basic knowledge on machine, Malekh seeks some cash by repairing motorcycle in his small workshop while not working on his smallholding. The cash he received from the workshop is to support the income he received by selling oil palm. To him, by engaging in more than one job in one time will increase his family income. Malekh also joined the village community organisation because of his knowledge and relationship with other in the village. Malekh, in the wider contexts, representing 'the middle class' in his village.

4.3 Tayyib: Salariat Cum Farmer

Tayyib is an assistant agriculture officer who prefers to introduce himself as a farmer. He has been living in the village through marriage. His salary as a government officer approximately RM2200 per month. From oil palm yields he manages to collect in the range of RM2400 per month. He has about 2,000 palm trees cultivated on five acres of land. Like most other oil palm smallholders, land cultivated by him does not have a grant.

He thought that palm cultivation more profitable and give better returns compared to working with the government. Even so, he said, many young people would rather find a job in the private and public sectors because the work environment is more conducive. Despite having extensive estate, he did not hire an outsider to work on his small-holding. However, to overcome this labour shortage, he employs his children and his wife to work with him. Only when he needs more labourer, then he will seek help from local people to work on contractual basis. The worker will be pay on hourly basis, i.e RM12.00 per hour for 8 hours of jobs.

Furthermore, according to Tayyib, in the early stage planting oil palm was tough and pain, especially on the first 3 years, before the palm bear fruit for oil. Pain was meant by Tayyib involves many things, such as cost, labour and machine. It is at an early stage, particularly for land clearing and cleaning. He was renting the equipment at a rate of RM80 per hour. Bulldozers are used for levelling the land and making bounds and canals for water flow to flow across his land. With his position as an Assistant Agriculture Officer in the Department of Agriculture it is easy for him to deal with bulldozer operator. A good network of relationships with the proprietor (Chinese) gives him the ability to use the machine easily. Some says because of his position as government servant gives him an easy access to get

the machine at lower price. He deny the allegation and says he also pay as same rate as others to clear the land.

Tayyib feels he is lucky because he managed to get a job with the government (Drain and Irrigation Department) since 1979. Although he received small amounts of salary at that time, but he feel grateful. He also agreed that the Research object considered as rice farmers, but now no more. Furthermore, most of the second and third generation is no longer the rice growers. These things he said are caused by the expansion of palm oil and the government policy toward agriculture activities of the people. The other factor is the land itself. If the land is no longer suitable to grow paddy, then better cultivate palm oil. According to Tayyib, demands for oil palm at international market persuade the rise in supply which indirectly increases the price of crude oil palm at local market. He says palm oil pay twice a month compare to work as a government servant where he received salary once a month. Tayyib represent a higher class of people in the village because of his income and position in the public sector.

5. DISCUSSION AND CONCLUSION

Based on three micro-study that highlighted above, there are several conclusion can be made. Engaging in more than one occupation is a strategy for village people to maintain their livelihood survival. The strategy they engaged is influence by their capabilities, knowledge and means of production they owned, on the respective ground. Hence, most of people live in rural area in Malaysia are not rely on single jobs to sustain their livelihood. This is due to the expansion of market forces and penetration of capitalist value into the society.

Formations of social stratification are derived from two mains factors: namely income which represents economy; and occupation which will reflect their social status. Consequently, the more cash a person earn, it will mean the higher class he will be. People in the same range of income with control and owned the means of production such as land, are considered in the upper class group. This can be found in Tayyib case. First, the income they received from their economic activity. Tayyib are fall under higher class group with high status, derived from his position as a government servant. On the other hand, Ahmed is abandon at the lower class in the society. Since he is poor and among the lower income group, has made him at the base of social structure. Ahmed represents the lowest class in the society. With small income and working as farmer, his condition is less than

the other two. Malekh are considered in the middle class of individual which earn less. However, in term of status, he also honours by the member of society because he previously work with the one of major oil company in the world, Petronas.

Statistically, in term of percentage, there are less than 10 percents of Tayyib's group in the society compare to Ahmed which is approximately 55 percents. The rest of the percentage are in the middle class To sum up, there are different class of people existed in the small society. As been discussed widely, the economic and social factor determines the social stratification.

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