

# The Effect of the Ownership and Usage of New Human Capital Change on the Economic Empowerment Amongst Orang Kuala in Malaysia

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**Abstract**—Orang Kuala as the sub tribe of Orang Asli (indigenous people in Malaysia) cannot avoid the changes in which occurs around them. For the indigenous people, the change is always perceived as a threat which endangering their traditional human capital. It is rarely that the change is observed from a positive view in which it give them a chance to change their life and compete with the other community. In case of Orang Kuala, they are now participating in business-base economic activities and left the former traditional economic activities as fishermen. Their participation in business activities will alter their traditional human capital and push them to use a new human capital. The positive side of their involvement is that their economic activities will be empowered. This occurs due to the assumption that their engagement in business activities can help them to achieve economic empowerment. To scrutinize the truth, this article has two objectives; to identify the ownership and use of new human capital and to identify whether the new human capital is a factor to economic empowerment. This paper used a quantitative approach which has been conducted on 267 Orang Kuala in Johor, Malaysia. The study showed, the ownership and the use of new human capital are greater amongst businessmen as compared to fishermen. The study also showed that the ownership of new human capital is the factor of economic empowerment without differential amongst the difference of Orang Kuala's occupations.

**Index Terms**—Malaysia orang Asli, new human capital, human capital change, the ownership and use new human capital, new human capital and economic empowerment.

## I. INTRODUCTION

Orang Kuala is the sub tribe of Proto-Malay and represented a quarter of the large group of Malaysia's Orang Asli [1]. Orang Kuala is a categorization of Orang Asli made during Malaysia's ruling by the British for the purpose of facilitating the administration at that time [2]. In respect of economic empowerment by Orang Asli, the scholars refuse to discuss the issue directly because the concept of economic empowerment is still new in the researches of the Orang Asli. Instead, the discussion on Orang Asli's economies tend to focus on the economic exploitation by rural community [3], poverty and consumerism [4] and their failures to join the mainstream economic [5].

Nevertheless, their research findings indicated that there is an element of economic empowerment. The research findings obtained which applying Orang Asli Semelai as the

sample, shows their economic activities are similar to the economic empowerment [6]. The impacts of Orang Asli's involvement in agricultural activities were enabling them to no longer depending on outsider to gain incomes. Similarly, the findings of the study by [3], proves that Orang Asli have capacities to explore the forest by their own efforts. The findings of both studies similarly summarize there is a relationship between human capital and economic empowerment. However it is not being discussed from the perspective specifically on economic empowerment.

## II. THE ISSUE OF HUMAN CAPITAL CHANGE AND RELATIONSHIP TO ECONOMIC EMPOWERMENT

Orang Kuala have human capitals difference with the other Orang Asli tribes. Their human capital is based on the sea and most of their economic activities are related to the sea [7]. Those marine activities are enabling them to engage in economic activities of trading [8]. Their human capital is the knowledge of fishing, catch crabs [9], collecting aquatic plants and turtle shells [8].

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 [10], 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 were penetrated the same market [10]. At last, Orang Kuala were no longer be able to compete with their competitors in the sea base economic activities.

In the 20th century, Orang Kuala went back to trading economy. The term of a trading economy used by Gomes [11] was to describe the milieu of the economic changes in most of Orang Asli communities. Orang Kuala's economic activity was left to just trying to meet the daily needs, instead of fulfilling the demands of the outside community market and gain profits from them. The involvement of trading economies led them to change their economic activities. They are now importing and selling second-hand goods from Singapore, exporting vegetables to Singapore, selling used clothes, making belacan and so on.

This shows the changes of Orang Kuala in economic activities from the traditional to the commercial economies. The changes may also result in the changes of ownership and usages of human capital. To examine the Orang Kuala's milieu, this article lists two objectives, to identify the ownership and use of new human capital and to identify whether the new human capital is a factor to economic empowerment.

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### III. DISCUSSION OF HUMAN CAPITAL

Human capital refers to the skills, talents and knowledge possessed by community members [12]. Orang Asli have their own human capital, which is in high demand from mainstream society because it is considered as invaluable products. Their knowledge is directly related to the environment where they lived, 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 changes. The changes that can be seen by young people is that they are no longer interested in the traditional human capital [8]. Therefore, the older generation is unable to pass down the traditional human capital. The reality happens because the existing Orang Kuala is been involving in business activities and requires less traditional human capital. Instead, they need more of new human capital. With regard of Orang Asli being in a big picture, Orang Asli were changed when they involved in the relocation plan [13]. Orang Asli were engaged in new economic activity, including new agriculture and eco-tourism activities. The scholars finding showed the involvement of Orang Asli in an economic activity has caused some of them to no longer accept the traditional human capital [14].

Similarly, the involvement of Orang Kuala in business has caused them to own new human capital. On the other hand, they start to ignore the traditional human capital. 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 [15]. 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 [14] prove that Orang Asli is capable to have a new knowledge in accordance with the changes.

### IV. CORRELATION OF HUMAN CAPITAL AND ECONOMIC EMPOWERMENT

The study directly correlates a human capital and economic empowerment amongst Orang Kuala has never been implemented by the other scholars before. However, the correlation can be seen through the effects of ownership and use of human capital on economic growth in a community. A dynamic nature of human capital provides many advantages to the community, especially for their economic interest. For example, the indigenous communities in Colombia shows that there is a connection between the human capital and economic activity [16]. The connectivity is observed through the increasing income obtained when they took advantage of their human capital. The fact showed that the use of human capital allows the community to feel confident to participate in economic activity and thus causes growth of income [17]. Furthermore, human capital is proven as the potential capacity to reduce poverty in rural areas [18].

In fact, human capital cannot be separated from economic empowerment as it's been shown through the acquisition of income and access to sources. The economic empowerment also can be observed indirectly from Briggs et al. (2007)

finding which imply the existence of independent behavior in the community to organize the economy with them without relying to the other community. It happens because they have a relevant knowledge. On the other hand, a community tends to be poor because they have less a human capital [18].

### V. METHODOLOGY OF STUDY

Researchers applied survey research design on 267 respondents from the Kampung Bumiputera Dalam Rengit, Kampung Seri Pantai Senggarang and Kampung Benut. The selection of 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 exploratory survey 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 mean score- and statistical inference, MANCOVA.

### VI. THE FINDING

#### A. Ownership and Use of New Human Capital

The Table 1 shows the mean score of ownership of new human capital with indication scale, 1: Do not know; 2: know less; 3: know; and 4: well know. The study proves to decrease the order of mean score, starting with ownership in calculating, its mean score was 3.19 and in business, which is 3.17. The scales of mean scores for the both of ownership mean score were on the scale of 'know', while the mean scores for knowledge of writing and reading were 2.72 and 2.64; and clustered them at a scale in between 'know and know less'.

TABLE I: THE MEAN SCORES THE OWNERSHIP AND USE OF NEW HUMAN CAPITAL

New human capital	Ownership*	Use**
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 a scale

\*1: Do not know                      2: Know less  
3: Know                                      4: Well know

\*\* 1: Never                                      2: Rare  
3: Sometimes                                      4: Always

The lower cluster of human capital ownership is the knowledge to create a new product from the sea resources, provides an account or balance sheet and managing employees. Mean scores of the three new human capitals are

1.96, 1.90 and 1.84; and clustered them between at the scale of 'do not know' and 'know less' with approaches to the scale of 'know less'. Meanwhile, the lowest ownership of new 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 in order to change their economic situation, because they can improve and enhance their economic recovery. The reality is similar to the findings of the study conducted by Cardamone and Rentschler [17], new knowledge has caused enhancement of communities incomes in rural areas. Orang Kuala also believed the way to get out of poverty is learning a new knowledge, especially related to economic interests. The indigenous human capital's strength as an effort to overcome poverty and found that the human capital serves as an important factor to the positive changes in productivity and income of a community [20].

Regard to the level of the use of new human capital, the Table 1 also 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 for calculating. This illustrates that, respondents used of new 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 was 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'. The lowest mean score of new human capital usage was speaking in English, with 2.10 mean scores and clustered as rare.

The findings 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 a business and they rely solely on the business to earn their livelihoods. Therefore they need a new human capital because it is needed in conducting successful business activities.

#### B. The Relationship Between Ownership and Use of New Human Capital to Economic Empowerment

Bases on multivariate statistical tests by Pillai's Trace (Table 2), the 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 this result, the researchers concluded that the ownership of new human capital is a factor to economic empowerment. The study also proves that there is no effect on occupation as the control dependent variable [ $F(2, 67) = 1.7, p > .05$ ]. These results indicate, although the occupation is not controlled, the ownership of new human capital is a factor to economic empowerment.

TABLE II: RELATIONSHIP BETWEEN OWNERSHIP AND USE OF NEW HUMAN CAPITAL TOWARDS ECONOMIC EMPOWERMENT

Effect	Value	F	Hypothesis	df	Sig.
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 [21], Rainey, Robinson, Allen and Christy [22], Cardamone and Rentschler [17], Emery and Flora [23] and Callaghan and Colton [24], 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. The reality showed that the ownership of new human capital is essential to achieve economic empowerment in all types of Orang Kuala's occupations.

## VII. CONCLUSION AND SUGGESTION

The study shows that participation in business led Orang Kuala to own and use the new human capital. On the other hand, fishermen have low indication of owning and using a new human capital as compared to the businessmen. This is due to their daily activities whereas for businessmen, they tend to own and use a new 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 occupations do not affect it at all. It means that the ownerships of human capital amongst Orang Kuala, whether as businessmen or fishermen are both affected to economic empowerment. Therefore, to change the life of Orang Kuala, they should be supplied with a new human capital because it is the way for them to be able to achieve economic empowerment which will soon benefit them in a long term.

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