

## Indigenous Oil Palm Farmers in Peninsular Malaysia: A Collective Enterprise Approach to Socioeconomic Sustainability

### *Petani Kelapa Sawit Orang Asli di Semenanjung Malaysia: Satu Pendekatan Perusahaan Kolektif untuk Kelestarian Sosioekonomi*

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#### ABSTRACT

*Growing oil palm among the indigenous peoples in Peninsular Malaysia is not uncommon. While individuals' success either economically or academically are lauded and ought to be nurtured and supported, previous study by Wirth believes that collective success is the key not only in elevating the socioeconomic status but also serves as a mean to retain them as a cohesive unit culturally and socially. This study aims in promoting a model for collective development in the form of cooperative in oil palm cultivation of the indigenous peoples. Through simple random sampling and snowball techniques, a total of fifteen small-scale oil palm farmers from an indigenous village in the state of Pahang were interviewed periodically during the months of June till September, 2020. The results of the study found that these indigenous oil palm farmers faced both social and economic issues between the household members as well as within the indigenous community arising from inequalities of income level. At the macro level, a competent cooperative will attain far greater achievements and more beneficial to the indigenous community than a few successful farmers due to the concept of inclusiveness and sustainability. It is hope that the cooperative model can be replicated in other indigenous communities and effectively raise the overall living standard of the indigenous community in Peninsular Malaysia.*

**Keywords:** Collective enterprise; environment; indigenous people; Peninsular Malaysia; oil palm

#### ABSTRAK

*Penanaman kelapa sawit dalam kalangan Orang Asli di Semenanjung Malaysia bukanlah sesuatu yang luar biasa. Walaupun kejayaan individu sama ada dari segi ekonomi atau akademik telah dipuji dan harus dipupuk dan disokong, kajian terdahulu oleh Wirth percaya bahawa kejayaan kolektif adalah kunci bukan sahaja dalam meningkatkan status sosioekonomi komuniti Orang Asli tetapi juga berfungsi sebagai cara untuk mengekalkan mereka sebagai unit budaya yang bersatu padu dan secara sosial. Kajian ini bertujuan untuk mempromosikan model pembangunan kolektif koperasi dalam penanaman kelapa sawit Orang Asli. Melalui persampelan rawak mudah dan teknik bola salji, seramai lima belas petani kelapa sawit berskala kecil dari sebuah perkampungan Orang Asli di negeri Pahang telah ditemu bual secara berkala sepanjang bulan Jun hingga September 2020. Hasil kajian mendapati petani kelapa sawit Orang Asli ini menghadapi masalah sosial dan ekonomi antara ahli isi rumah dan juga dalam komuniti Orang Asli yang berpunca daripada ketidaksamaan tahap pendapatan. Di peringkat makro, koperasi yang berwibawa akan mencapai pencapaian yang jauh lebih besar dan lebih bermanfaat kepada komuniti Orang Asli berbanding beberapa petani yang berjaya kerana konsep keterangkuman dan kelestarian. Model koperasi diharapkan dapat ditiru dalam komuniti Orang Asli yang lain dan secara berkesan meningkatkan taraf hidup keseluruhan komuniti Orang Asli di Semenanjung Malaysia.*

**Kata kunci:** Perusahaan kolektif; alam sekitar; Orang Asli; Semenanjung Malaysia; kelapa sawit

#### INTRODUCTION

Indigenous peoples of Peninsular Malaysia, like most indigenous peoples around the world, are

impoverished, marginalized, vulnerable, and lack the resources to improve their socioeconomic situation. The predicaments faced by the indigenous people are further compounded by their relatively

small population. Malaysia's 2010 Population and Housing Census (Department of Statistics Malaysia 2010) revealed a total population of 28.3 million, with indigenous peoples accounting for 0.7 percent of the population in Peninsular Malaysia.

There is a great deal of diversity among them, with 18 sub-ethnic groups divided into three major tribal groups: Senoi, Negrito, and Proto Malay. These tribal groups were divided based on morphology, culture, language, and geographical location for administrative purposes, but each perceives itself as distinct from the others (Bellwood 1997; Nicholas 2000, 2005; JHEOA 2002; Masron et al. 2013). In term of spatial distribution, the indigenous peoples are largely sparsely populated in the remote interior areas and at the jungle fringes (Lim 2003). Thus, being small, fragmented and isolated, they lack political influence and its remoteness, mainly stay out of sight and mind of the mainstream societies.

The indigenous peoples in Peninsular Malaysia are known as "*Orang Asli*", in the Malay language, this is simply implied as the original people or first people that settled in this region. Historically, the indigenous people had lived in the plains, and participated socially in the mainstream society as recorded in the history of the Malacca sultanate era. But, retreated to the interior later on during the British colonization period, cutting off connections with the mainstream society and largely keeping to themselves with minimal contact to the outside world (Masron et al. 2013; Endicott 2016; Nor Azwahanum et al. 2022).

The abject poverty and backwardness of the Orang Asli was not attributed to the neglect or lack of support from the federal government to raise their socioeconomic status. As early as 1939, the British colonial authorities had appointed an anthropologist as the field ethnographer to look into the welfare of the Orang Asli communities in the state of Perak (Holman 1958). This was followed by the Aboriginal Peoples Act, 1954 where the Department of Orang Asli was established with the sole purpose to protect and develop the Orang Asli communities with allocation of funds from the federal government. Ever since 1961, the federal government had devised policy to integrate the Orang Asli into the mainstream societies. In relation to the declaration of this policy, the Department of Orang Asli started to initiate socio-economic development programme, in order to improve amenities, such as in providing water, electricity, schools, better medical and health facilities and carry out development projects to

increase their income levels (Yew et al. 2023), and ultimately raise their standard of living (Tuan Pah Rokiah 2017).

Subsequently, in almost every Malaysian Plans, many development plans were devised to improve the lots of Orang Asli, such as the opening of new land, skills training, public facilities, mobile clinics, improve infrastructure accessibility, model schools to reduce drop-out rate among Orang Asli and others. The resettlement or regroupment programme under the Agriculture Land Development Programme (ALDP) are most significant by being the most comprehensive programme that entailed the provision of housing, basic amenities like water, electricity, schools, clinic, community hall, access roads and most importantly each household was allocated with 10 acres of land planted with commercial crop such as rubber, palm oil or fruit orchard and 2 acres of land for housing and subsistence farming (Halilah Hamid et al. 2013). Thus, benefitting the participants with land ownership, dividends as well as opportunity to work in the plantation (Tuan Pah Rokiah 2017).

The ALDP was initiated by JAKOA (Department of Orang Asli Development, previously known as Department of Orang Asli Affairs, JHEOA (JHEOA 2016), and assisted by credible land development agencies like RISDA (Rubber Industry Smallholder Development Authority) and FELCRA (Federal Land Consolidation and Rehabilitation Authority) (Halilah Hamid et al. 2013). A total of 17 regroupment areas have been developed for 3,006 households and occupying 32,954 hectares in area by 1996 (Lim 1997).

In addition, the Orang Asli households under the regroupment programme (RSP) receive ten acres of land for rubber, oil palm, and fruit orchards and two acres for dwelling and subsistence crops under ALDP in addition to numerous benefits from various amenities owing to ALDP. While JAKOA concentrated on development through commercial crops (oil palm and rubber), household members not only got income from plantation produce but also had the opportunity to become directly involved as plantation labourers (Jimin et al. 1983).

#### INDIVIDUALISTIC ACHIEVEMENT BY THE ORANG ASLI

In 1999, the poverty rate and hardcore poverty rate among the orang Asli were at 50.9% and 15.4% respective as compared to the national average of

7.5% and 1.4% (Ministry of Economy, 2001). In addition, according to Juli Edo (Anonymous, 2019), during an exclusive interview with *The Star*, 99.29 percent of Orang Asli are classified as B40 (bottom 40 percent of Malaysian household income) based on the new poverty line of RM2208 (USD531) or less. If the latest statistics on current socioeconomic status of Orang Asli are used as the yardstick to measure efforts in developing the Orang Asli communities, it is clear that the objective of raising the standard of living is not met.

Nevertheless, in spite of the dismal statistics that implicated failures, there are pockets of success especially among individuals (Mazlina Mahdzar et al. 2021); where a number of Orang Asli have succeeded in acquiring tertiary education and worked in the upper echelon of various professional vocations, such as university lecturer, businessman, state assemblyman, and even as the Director Generals (DG) of JAKOA like Juli Edo (previous DG) and Sapia Mohd Nor (current DG). There are also many more, such as YB Ramli Mohd Nor (Deputy Speaker of the Dewan Rakyat), Amani William-Hunt, commonly known as Bah Tony, a well-known indigenous land lawyer, and others.

While individually, these successful individuals can play useful role to inspire the younger generations of Orang Asli to follow in their footsteps and emulate them and their contributions to the communities cannot be under-estimated. Nevertheless, the results from these individuals' capacities, the influences are limited, by no means assured, and take time to realize. In the meantime, the Orang Asli communities are likely to stay status quo and the goal of elevating the socioeconomic status in tenterhook. High achievers among the Orang Asli have to seek employments far away from their communities.

Conversely, if collective achievement, however small is attained, is a stride forward for the whole community, the impact is far greater and meaningful. Higher average income of Orang Asli community will improve living standard, better nutrition and health, and put emphasis on education of Orang Asli (Cheng et al. 2014). In this manner, the Orang Asli community will gain in self-esteem, more confident and subsequently becoming less dependent on others. Besides, the community will stay cohesive and in harmony. This is in a stark contrast to only pockets of individual success; whereby after decades of funds allocation, there is no positive report cards for the Orang Asli community

as a whole and those individuals who succeed in their personal endeavor will stay outside the community due to the lack of suitable employment (Dhir 2015).

## PROPOSED COLLECTIVE ENTERPRISE BUSINESS MODEL

The authors are advocating for collective enterprise through cooperative, where the ownership and control of the business is through voluntary association of Orang Asli villagers (Wirth, 1943). It is clear that cooperative as a business entity is particularly well suited for vulnerable group such as the indigenous people who are poor and lacking in many aspects of worldly matter in order to succeed in the modern world. In addition, cooperative is mainly geared towards development of local community by increasing business opportunities, improving productivity, professionalism, promote employment locally and living conditions. All of which will attract successful individuals to stay-put in the community (Yuan 2019). In this way, the Orang Asli community will stay cohesive as an ethnic group; with pride and with a promising future too.

The cooperative is envisioned by the authors in Figure 1 as a centre for efficient economic transformation for every village or community of Orang Asli. The cooperative is formed to develop the local economy for the Orang Asli community, it shall be helmed and staffed by Orang Asli for the eventual welfare of the Orang Asli community. All local Orang Asli households shall rally behind the cooperative for its legitimacy as representative for economic development purposes. Reciprocally, the cooperative shall adopt the concept of inclusiveness to accept all Orang Asli households as members of the cooperative (Yuan 2019).

The financial and technical support from the state and federal government are still indispensable to provide the initial impetus to overcome inertia force of inaction of Orang Asli communities; in which decades of isolation, withdrawal from mainstream society, and fast paced modernity had rendered the Orang Asli community impoverished in worldly knowledge, financially feeble, unskilled, and at great disadvantaged in a modern society.

In the proposed business model as shown in Figure 1, JAKOA will remain as an important partner to the Orang Asli communities, assist in the formation of a cooperative by scouring for

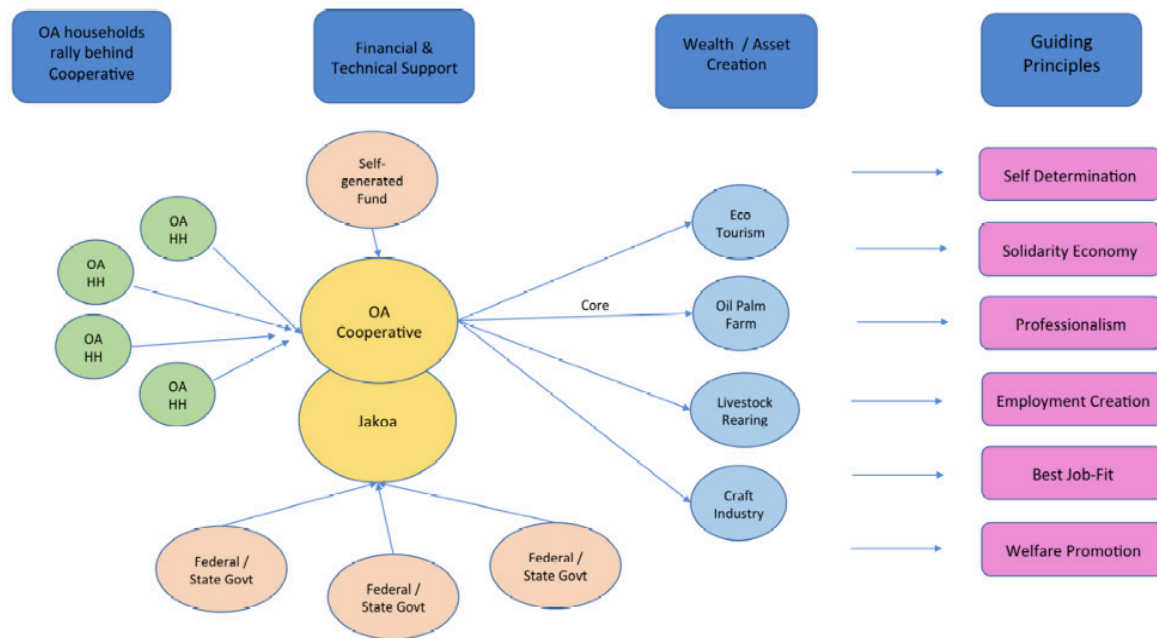


FIGURE 1. Proposed Collective Enterprise Business Model for Indigenous Small-scale Oil Palm Farmers in Peninsular Malaysia

NOTE: OA = Orang Asli; HH = Household

suitable candidate to manage the cooperative and the community's assets. JAKOA shall introduce core economic development project, secure funding and lands either from State or Federal governments, and necessary technical support from relevant agencies, private sector included. Thus, JAKOA will manage the external affairs; whereas the cooperative will make internal arrangements such as manpower, work schedule, etc. JAKOA and the cooperative shall work hand-in-hand to ensure the viability and success of the development projects.

It is abundantly clear that a mere core development project by the cooperative, for example, in oil palm cultivation is insufficient to alleviate poverty among the Orang Asli communities where the current realistic income level stays at around RM1,608 (USD366) as compared to the new poverty income line at RM2,208 (USD531) (Department of Statistics Malaysia, 2020). Thus, in tandem with the operation and management of the core development project by the cooperative, the cooperative must constantly look for other wealth creation assets, in order to raise the income level of Orang Asli community above the new poverty income line and more.

The cooperative shouldn't look far and wide for another wealth creation asset. Instead, it should focus on its ecological environment and natural

resources of the community or village. It could be an extension from the core development project, such as livestock rearing; growing suitable grasses between rows of palm trees will enable goat rearing business. Free range chicken rearing in oil palm farm is possible too. The wastes from goat or chicken may be used as manure to fertilize the oil palm farm. Local produce such as rattan and soft-wood may turn into handicraft for sale to mainstream societies. The possibilities are only limited by our imagination.

Through self-determination, the cooperative shall present new wealth creation proposal for discussion with JAKOA; if the project is viable, implementation should be set in motion. The funding of the new project could be financed partly by self-generated fund from the profit of cooperative's operation; where a portion of the profit is retained for sustainability development purposes. JAKOA may source for further funding, technical support, and training from experts in the relevant field.

Any new wealth creation project will create new employment opportunities for the Orang Asli community. In order to ensure success in any project, the cooperative must base on the best job-fit to select suitable personnel to operate them. By constantly developing new viable and profitable ventures will increase the profitability of the cooperative. The Orang Asli community will gain from the



cooperative's increased dividend payouts as well as income from jobs. From a theoretical standpoint, the design principles framework based on the authors' suggested Collective Enterprise Business Model is utilised to assess how efficient economic transformation for each village or community of Orang Asli can be achieved.

## LITERATURE REVIEW

### OIL PALM CULTIVATION

As mentioned above in the collective enterprise business model, it is important to have a core business asset in the Orang Asli communities, which serves as an anchor with sufficient weight (income level), for the community to believe and hold firm in their path of economic development. The cultivation of oil palm fits the prescribed requirements perfectly.

Palm oil, even acknowledged by its adversary as "the world's most versatile vegetable oil" (Tullis, 2019) is used widely in the food industry (68%), in industrial applications and consumer products (27%) such as detergents, soaps, cosmetics and cleaning agents; as well as biofuels (5%) (Ritchie & Roser 2021).

Beside versatility in its application, the palm oil is relatively cheap too; due to its superior productivity. In 2018, top ranked vegetable oil producer, palm oil contributed 34% of world vegetable oil consumption (Kushairi et al. 2019). Among the major vegetable oils, the oil yield of oil palm is 6 times more than the soybean oil, which ranked second highest in vegetable oil production; and 4 times more than sunflower seed oil (Ritchie & Roser, 2021).

Another advantage in assisting oil palm cultivation among Orang Asli communities is the strong institutional and national support. Malaysia government had established institutions in areas of research and development, production and marketing to ensure strong growth of its agriculture commodity; whereby MPOB (The Malaysian Palm Oil Board) is taking charge of technological developments and innovations (Teoh 2002), FELDA (Federal Land and Development Authority) and FELCRA (Federal Land Consolidation and Rehabilitation Authority) which are responsible for land development (Kusumaningtyas & van Gelder 2017) and MITI (Ministry of International Trade and Industry), a key player in promoting Malaysian

palm oil (Rajah Rasiah & Azmi Shahrin 2005).

According to MPOB's report, the net income of oil palm independent smallholders in 2017 amounted to RM1,608 (USD366) monthly (Rosearnida Senawi et al. 2019). Additionally, oil palm has an economic lifespan of 25 to 30 years (with good seeds or seedlings); although while this income level is still below the poverty line income of RM2,208 (USD499) per month, it bodes well for generating a steady and consistent income and serving as the main source of wealth for the Orang Asli communities (Yew, 2021). In essence, oil palm helps in eradicating poverty as well as in mitigating the out-flow of Orang Asli youths in rural-urban labour migration (Azman Ismail et al. 2015).

However, in deliberating the justification of collective enterprise business model, it would be beneficial to evaluate issues or difficulties faced in the individual enterprise in oil palm cultivation by Orang Asli smallholders. In this way, the strengths and weaknesses of both business models (individual enterprise versus collective enterprise) shall be revealed and made clear. For this purpose, the authors take a look on the study of MPOB initiative, in which five households of Orang Asli in Sungai Mai, Jerantut, State of Pahang, participated in oil palm cultivation. In-depth interviews were carried out to unravel the issues and difficulties faced by the Orang Asli farmers after a decade of oil palm cultivation.

## METHODS

A field study was conducted in an indigenous village (*Kampung Orang Asli Sungai Mai*) for this study to propose collective enterprise for Orang Asli oil palm smallholders. A total of fifteen oil palm farmers from this indigenous village in Malaysia's state of Pahang were interviewed on a regular basis from June to September, 2020, using simple random sampling (Flick 1998) and snowball techniques (Berg, 2001).

The fifteen selected participants came from five households, as shown in Table 1, and additional family members of the farmers, such as their spouses and children, were also interviewed if they were active in oil palm growing. For the sake of confidentiality, all names in the manuscript are pseudonyms. The study's authors used mobile telephones to conduct the interviews, which lasted 20 to 30 minutes per participant and were performed during the months when the country was severely

affected by the Covid-19 outbreak. When the results of the initial phone interviews were insufficient to achieve the goals of the study, new interviews were conducted. The Malay language is used throughout the interview sessions because the majority of Orang Asli are fluent in it.

The Orang Asli households recruited in this study have received assistance from the Malaysian Palm Oil Board (MPOB) initiative scheme in their small-scale oil palm farming endeavours in the indigenous community. The majority of the chosen participants had received training at oil palm farms

in oil palm farming, environmental management, pest and disease management, oil palm replanting, best management practises, and oil palm harvesting procedures.

Following that, qualitative content analysis was used to examine the interview data (Flick, 1998). The fully transcribed data are divided into a few primary categories, which are then divided further into sub-categories. The study's substance was finally determined by a number of major themes that were identified for the discussion portion (Kvale 1996). The following sections describe the study's findings and discussion.

TABLE 1. Demographics of the study informants

Household	Pseudonym	Relationship	Sex	Age
1	Rahim	Father	M	56
	Mina	Mother	F	53
	Man	Son	M	31
	Siti	Daughter	F	23
	Ira	Daughter	F	19
2	Kifli	Husband	M	25
	Ina	Wife	F	22
3	Yusof	Father	M	63
	Nor	Mother	F	60
	Hazman	Son	M	32
4	Aziz	Grand father	M	69
	Azmi	Grand son	M	28
5	Hasan	Father	M	51
	Kasom	Mother	F	46
	Seri	Daughter	F	20

## RESULTS

The results of the study showed that the indigenous community's small-scale oil palm farmers had social and economic issues as a result of the income gaps between farm and nonfarm households. These findings imply that further expansion of the indigenous community's oil palm area by a small number of indigenous oil palm farmers may be advantageous by increasing employment income for nonfarm households. On the other hand, due to additional oil palm area growth, the indigenous community experienced negative environmental and social externalities.

Social conflict occurs within the community due to a few households increased oil palm cultivation by developing new land on their own accord without

assistance from the MPOB. The extra income obtained by the few households drew jealousy and unjust feeling from other villagers. This social conflict resulted in disharmony among the few households and other villagers that over time extended to the entire village. Social interactions among the villagers were much reduced between the two factions. The following transcripts contains excerpts from the interview with the informants about social conflicts among indigenous households. The original transcripts are in Malay because that language was used to conduct the interview.

"My children used to get along well with my nearby neighbours. However, as I work on additional land in the village for oil palm growing, the neighbours become gossipy and unfriendly." (Rahim)

"My very good friends in the village are now keeping their distance from me because they believe my parents made a lot of money by developing the empty land in the village." (Seri)

The venture in the oil palm cultivation had resulted the Orang Asli households that participated in the small-scale oil palm cultivation to obtain increased, sustainable, and stable income, and keeping all household members occupied by working in the venture. As a result, villagers are looking forward either to expand their land for oil palm cultivation or to encourage their adult children to participate in future programmes. However, due to limited or non-allocation of new land from the state government. Further programme is not forthcoming. As Man, a 31-year-old male oil palm farmer expressed,

"I've spent the last few years working on my father's land." And I know that cultivating oil palm is profitable and can provide enough revenue to feed my family. So, I attempted to apply to MPOB for a new plot of land but was unsuccessful. But I'm not one to give up. I'll keep looking for the next opportunity and applying until I have a plot of land for my own family. Then I could work on oil palm cultivation with my wife."

Most households participated in the oil palm cultivation mobilized the whole household members to work in the farm. However, the head of the household only provide salary to adult male members only. Some adult female members are given token pocket money and some household provided none. This practice is common among the indigenous households. Also, while encouraging their male adult members to participate in new programmes, similar encouragement is not given to adult female members. There is a case, whereby a married adult female member, Ina, expressed her desire to participate in the programme. She stated,

"Before I got married to my husband, I worked on the oil palm farms alongside my parents. I was able to observe how oil palm production generated enough income when I was still living with my parents to feed our large family. I therefore ask my father to assist me in applying for a plot of land from MPOB, but he refuses to comply with my request. Because it is customary in our culture to raise sons in the family, I don't hate my father. Daughters are seen as having married off to other families."

Training in all aspects of oil palm cultivation is provided by MPOB. Despite early information of such training schedule was being given, many participating households did not attend the full training programme. As a result, almost half of the indigenous households claimed that they have not received proper training in oil palm cultivation.

Nevertheless, all participating households believed that with proper training, they would be able to increase their productivity and raise their income level.

Oil palm cultivation is very labour intensive particularly in the operation of harvesting and fresh fruit bunch (FFB) collection activity. However, none of the small-scale indigenous oil palm farmers can afford to own such mechanized equipment. Also, some households are unable to harvest from tall palm trees and rely on foreign workers that directly reduces their income (Yew 2021). Due to this, the labour inefficiency is rife among the indigenous households and some of the indigenous youths viewed the oil palm cultivation as 3D job (dirty, dangerous and difficult) and refuse to get involved (Azman Ismail et al. 2015).

The indigenous oil palm farmers are increasingly suffering from skin rashes and chronic headaches due to exposure to pesticides and herbicides. Even though training is provided on the handling of pesticide and herbicides, stringent guidelines like the wearing of PPE (Personal Protective Equipment) is not adhered properly and strictly.

It is discovered that a total of 2 households have temporarily stopped working in the oil palm farm due to old age and illness and unwillingness of their adult children to take over the farm. This is a severe setback in the objective of uplifting the socioeconomic status of Orang Asli communities, in particular for the affected indigenous households, and a waste of fund allocation by the government.

As mentioned earlier, some enterprising households have expanded their acreage in oil palm cultivation on land not tilled before. They collected seedlings at nearby plantation to plant on the new lands. At least two issues are observed; first, is it fair to stake claims in perpetuity on common lands? Second, is it due to ignorant or cost-saving in using seedlings of unknown quality. It is highly suspected those seedlings found in the plantation are cross of *tenera* parents and expected eventual lower yield for the next 25 to 30 years (Woittiez et al. 2016).

## DISCUSSION

### COLLECTIVE ENTERPRISE BUSINESS MODEL OPERATES DIFFERENTLY

The issues or difficulties faced by the indigenous households participating in the oil palm cultivation

mentioned above are only limited to areas that invoked strong feeling and concern only. These issues highlighted their lack of knowledge and practice in oil palm cultivation, capital and future prospects (limitation to expansion). However, there are far more challenges that, either not being anticipated, postponed or with no inkling at all. These areas include effective marketing of their produce, MSPO (Malaysia Sustainable Palm Oil) certification, replanting exercise, latest MPOB clonal palm series and others. Surely, these challenges are insurmountable to independent smallholders like the indigenous households. The likelihood in surviving these challenges are only possible through working together in collective enterprise and with continued assistance from the government agencies.

#### SOCIAL CONFLICTS OCCUR WITHIN THE COMMUNITY AND EXPANDING ACREAGE IN OIL PALM CULTIVATION

Individual enterprise operates for its own benefit only. Whilst collective enterprise, in like manner develop new lands will benefit the entire community or village. As long as this benefit are distributed in a fair and equitable basis, it is unlikely to invoke any social conflict or disharmony. In fact, by developing common land, the benefit can be extended to the land-less villagers, uplifting the whole community socioeconomically.

#### LACK OF LAND FOR NEW OIL PALM FARMING AND EXPANDING

Indeed, lacking of new land for oil palm farming is a common issue to both individual and collective enterprise. But, there is a vast difference between requisition of land through individual and through an entire community. In the later capacity, the state government is likely to respond more favourably and trigger accommodative measures to the request.

#### DISTRIBUTION OF LABOUR

There is no prejudice in the operation of a cooperative, each manpower is employed based on his/her ability to perform task as required by the cooperative. Female members are well suited in task that require less brute force like weeding, clerical and book-keeping, store control, craft and weaving, livestock rearing and so on.

Women from the farmer's household typically work as casual workers in the individual enterprise of indigenous small-scale farmers. They are not paid a minimum wage as casual workers, except for the provision of meals and lodging.

#### LACK OF TRAINING AND SKILLS

It is puzzling that in one hand the indigenous smallholders believed that with sufficient training and skills, they could reap better productivity in oil palm cultivation, but on the other hand, they didn't attend training provided by MPOB. It is probably due to lack of association with people outside the Orang Asli community, not accustomed to formal training, preference to learn from peers, afraid of inability to understand or grasp the knowledge imparted, etc. Also, as an individual enterprise, they have to learn the full spectrum of ABC in oil palm cultivation techniques that may be difficult to master in a short span. Whilst in cooperative with sufficient manpower, there is no need for "jack of all trades". Each manpower can specialize only in their scope of work and be an expert in their specialty. Outside their job scope, they will be normal labour to assist in the overall task. Assignment of tasks is based on each's aptitude and capacity.

#### LACKING OF MECHANIZATION EQUIPMENT AND LABOUR PRODUCTIVITY

Individual enterprises are unable to invest in mechanization equipment due to lack of capital, low income level, the need to fulfill daily necessities and failure to see the merits of mechanization as tasks are currently accomplished by all household members with and without salary. In cooperative approach, labour productivity is crucial in profit maximization. It pays in investing in mechanization equipment to reduce the number of labours and consequently in salary expenses.

#### HEALTH ISSUES

As cooperative practices labour specialization, personnel handling pesticide are familiar with the safe-handling of pesticide, abide to the procedures like correct mix (ratio of water and pesticide volume) and donning of personnel protective equipment (PPE). Also, monitoring is carried out to ensure strict adherence to procedures. Thus, health issues are under controlled.



## FARMS LEFT UNTENDED DUE TO OLD AGE AND ILLNESS

Cooperative operates by employing labours among the Orang Asli community, there is a distinct separation of ownership of land with labour working on the land. When a land owner works for the cooperative, he will receive both dividend and a salary. The land owner in old age or illness is unable to work, will continue to receive dividend from the cooperative and the land is not left idle too.

## PRODUCTIVITY DRIVEN

Cooperative has an important objective to distribute dividend to landowners and pay salary to employees including the manager and clerical staff, and ensure its long-term survival. Thus, it needs to operate professionally in all aspects of its operation. First and foremost, it must adopt Good Agricultural Practices (GAP) to ensure the maximization of productivity or output from oil palm cultivation. There is still a huge gap in improving the productivity as indicated by MPOB report on net income of independent smallholders in 2017 of RM1,608 (USD366) which was obtained from a FFB yield of 17.19 ton/ha/year. A well-run farm can increase yield up-to 30 ton/ha/year which translated to net income of RM2,806 (USD638) (Rosearnida Senawi et al. 2019).

The productivity is also determined by the amount of fresh fruit bunches (FFB) produced and the oil extraction rate (OER) of the bunches. Beside Good Agricultural Practice (GAP), cooperative is willing to invest in good tenera seeds/seedlings from reliable source that will ensure good yield for the next 25 to 30 years of economic life span of oil palm trees. Coordinated harvesting by cooperative, proper adhering of harvesting standards to ensure ripeness and quality of bunches, and large quantities of bunches (comparing to individual enterprise) will also attract middleman or mill to dispatch truck for prompt collection of bunches and fetch better price too (Baudoin et al. 2017).

## REPLANTING

Replanting programme is crucial in obtaining economic yield of oil palm trees and an optimal age profile of oil palm trees will provide consistent production of fresh fruit bunches (Jalani, 2002). Independent smallholders like indigenous households cannot afford the cost of replanting,

and reduced or no income while waiting for newly planted trees to start fruit bearing (30 months after field planting). Thus, independent indigenous smallholders are not sustainable! Cooperative, with proper planning and profit retention is able to afford replanting exercise and stay sustainable.

## LABOUR PRODUCTIVITY

The current practice of enlisting entire household members in oil palm cultivation in indigenous smallholders is counter-productive in labour productivity. According to Azman Ismail (2015), the ideal land-labour ratio for oil palm plantations in Malaysia through calculation in Microsoft Office Excel and SPSS is 10:1 (10 hectares to 1 worker) and the ratio set by Malaysian government is 8:1.

Thus, in the long run basis, cooperative should allocate a portion of profit for mechanization to reduce number of workers especially for harvesting and in-field collection of fresh fruit bunches (FFB). Mechanization can improve profit as well as induce youths to work in the oil palm farm.

Surplus manpower in the community should be deployed elsewhere such as in other ventures of the cooperative or be a wage earner in nearby town. Supplementing or raising the overall socioeconomic status of the Orang Asli household instead.

## MSPO CERTIFICATION

As highlighted by Serina Rahman (2020), only about 25% of independent smallholders have been certified under MSPO by 31<sup>st</sup> May 2020, while 99% of organized smallholders were certified. Clearly, individual enterprises among indigenous smallholders are handicapped in areas of literacy level, understanding of MSPO requirement, finances in keeping proper recording, and even couldn't visualize the benefit of MSPO certification (Lee et al. 2016). A professionally run cooperative is free from such encumbrances.

## CONCLUSION

Much efforts have been invested to raise the living standards of Orang Asli and integrate the Orang Asli communities into the mainstream society without laudable success. According to a popular quote: "doing the same thing over and over again and

expecting different results is insanity". The authors believe that some changes in the current policies are necessary.

At the macro level, a competent cooperative will attain far greater achievements and more beneficial to the Orang Asli community than a few successful farmers due to the concept of inclusiveness and sustainability. Issues at the micro level should be handled by the Orang Asli community itself like "Tok Batin" (village head) on social issues and economic issues handed to the head of cooperative (self-determination).

The JAKOA has an important role in advisory and consultation, where their opinions either socially or economically will be sought after. Upon mutual agreement on major issues, the Orang Asli community and JAKOA will move in unison for the betterment of the Orang Asli. Also, in this way, JAKOA will not be embroiled in microscopic matters which are both tedious and deemed meddling to the OA community. Instead, they will focus on finances, technical and training, and other matters which is beyond the capabilities of the cooperative but extremely important to ensure success of Orang Asli community. With assistance from the Malaysian government, the Ministry of Agriculture (now Ministry of Agriculture and Food Security) has developed and provided numerous agriculture support projects over the years, such as entrepreneurship training and sustainable agriculture courses targeted at the Orang Asli farmers.

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