The Importance of the Indian Muslim Community to the Economic Development of the Malay Society in Malaysia


Institute of West Asian Studies (IKRAB), Universiti Kebangsaan Malaysia, 43600 Bangi, Selangor, Malaysia.

Department of Arabic Studies and Islamic Civilization, Faculty of Islamic Studies, Universiti Kebangsaan Malaysia, 43600 Bangi, Selangor, Malaysia.

Faculty of Social Sciences and Humanities, Universiti Kebangsaan Malaysia, 43600 Bangi, Selangor, Malaysia.

Department of Theology and Philosophy, Faculty of Islamic Studies, Universiti Kebangsaan Malaysia, 43600 Bangi, Selangor, Malaysia.

Faculty of Economy and Management, Universiti Kebangsaan Malaysia, 43600 Bangi, Selangor, Malaysia.

ABSTRACT

Malaysia is a Muslim country, thus studies on the unity of the ‘ummah’ in Malaysia involving multiethnicity needs to be emphasized. The bigger Muslim ethnic groups such as the Indian Muslim, Chinese Muslim and Malays have the potential to form a Muslim middle class and contribute to national development. However, sociological studies regarding them are lacking in Malaysia, particularly in the economic context. For example, studies on the Indian Muslim community are mainly focused on the political scope and not enough on their economic achievement. Thus, discussion in this article focuses on the economic activities generally ventured into by the Indian Muslim community today. The research objective is to generally identify the history of their arrival and the economic activities they are involved in today. The final objective is to evaluate the extent of importance that the Indian Muslim community has to the current economic development of the Malay society. This research uses qualitative methodology with certain methods such as observation, document analysis and interview. The research finds that the Indian Muslim community has contributed largely to economic development and is an important asset to Malaysia in the context of a Muslim nation.

Key words: Indian Muslim, economic development, Malay society, Malaysia.

Introduction

Since young we have been taught the saying ‘berat sama dipikul, ringan sama dijinjing’ (heavy or light, we carry the burden together). It is the equivalent of the concept of mutual cooperation where a heavy workload will become lighter if it is shared. Applied to economics, it is equivalent to economic collaboration of several groups. Islam is also a religion which places importance on good relations and cooperation among humans. The concept of getting to know one other, mutual assistance and peaceful co-existence are among the main concepts of relations among Muslims as well as with non-Muslims.

In the middle of Malaysian society is a community to which is seldom given attention by us, that is the Indian Muslim community. For Malaysia, the Indian Muslim community is also an agent of national development. However, today when we speak of Indian Muslim, what comes to mind is only ‘Mamak’ restaurant which serves delicious food. The grocery store and mini-market which provides fast and easy transaction. In reality, however, the Indian Muslim community in Malaysia had once participated in a variety of trade and commerce and were not absent either in civil service, holding a variety of important positions, directly contributing to building Malaysia even before independence to this day.

Corresponding Author: Wan Kamal Mujani, Institute of West Asian Studies (IKRAB), Universiti Kebangsaan Malaysia, 43600 Bangi, Selangor, Malaysia.
E-mail: inamal@yahoo.com; Tel: +603-89214696; Fax: +60389213452.
This community’s involvement in various economic sectors in Malaysia is sufficiently well-known, even till today they have produced many middleclass professionals. Thus, the business expertise and experience of the Indian Muslims is an asset which should be shared by other Muslim brothers, particularly the Malay community which is less committed in business. This article attempts to analyse the involvement of the Indian Muslim community in economic activities and its importance to the Malay civilization in Malaysia.

From another aspect, studies on the unity of ummah in Malaysia which is multiethnic needs to be emphasised. The importance of Malaysia as a Muslim nation is to safeguard, protect and care for the Muslim ummah in this country regardless of race. However, in reality, Muslim unity in Malaysia is still vague, particularly in terms of economic relations.

**History of Indian Muslim Arrival in Malaysia:**

It is difficult to know for certain the earliest settlement of Indians in the beginning years AD. Most historians are of the opinion that early Indian settlements only appeared in the 15th Century AD and they involved only Indian Muslims. This was because the Islamic arrival in India in the middle centuries paved the way for trade between India and the Malay World, specifically at the end of the middle centuries, and this trade began to be dominated by Indian Muslim traders, particularly from Bengal, Gujarat and Coromandel (Eusoff, 1997). It can therefore be said that trade relations between India and Malaya, particularly after the 17th Century, predominantly involved Indian Muslim traders and Malays. Most historians are more inclined to link these trade relations with the presence of Indian Muslim traders as compared to Indian Hindus, as explained by Arasaratnam (1980): “With the decline of Hindu shipping and mercantile activity and the expansion of Islamic political and economic power in India, the number of Hindu traders coming to Malaya declined, giving place to the more powerful and better equipped equipped Muslim merchants of Bengal, Golconda, Coromandel and Gujerat. These traders intermarried with local Malay population and absorbed much of the Malay Muslim cultural and religious practices.”

Likewise, Eusoff (1997) explained: “The Sejarah Melayu used the term ‘Keling’ to refer to South Indian merchants in general. The Portuguese used the term to refer to both Hindus and Muslims. It was not until the Muslims took over the Hindu trade that the term was used to refer solely to South Indian Muslims.” She explained further: “During this period (first half of the 19th Century), merchandise was carried by local ships belonging to South Indian Muslims, Arabs, Achenese and Chinese. From shipping records it is interesting to note that the transit trade was dominated by South Indian Muslims, with Marakayar group forming the majority. The captains of the ships were mainly Mericans.”

Following this, if we discuss the initial presence of Indians in Malaya (in forming a community), then the Indian Muslim is synonymous with early settlement of Indians in Malaya. This is because in the middle centuries since the Islamic arrival, the Indian Muslims had dominated the trading sector. Thus, most of the Indian traders who arrived in Malaya to trade were Indian Muslim.

In comparison to ancient Malay kingdoms, the effect of Indian settlement, according to historians and archeologists, is difficult to ascertain. But after the Islamic arrival in India and Malaya, particularly when Islam was established in the 15th Century AD in both places, the Indian presence (particularly Indian Muslim) was increasingly recorded. According to historians, assimilation of Indian Muslims to the royalty and aristocracy occurred much at this time.

During the middle centuries and at the time Indian Muslim traders dominated trade, there were a few places frequently visited by them such as Malacca, Kedah, Penang Island and Singapore. Logically, these places were port sites, great and famous at that time. Economic attraction had brought the presence of traders from all over the world including Indian traders and then led to their settlement in these places. Although there are researchers who mention that there were ties between Indian traders and other states such as Perak, Selangor and Johore, nevertheless there is no written record to confirm and explain in detail concerning the settlement of Indian traders in places other than Kedah, Malacca, Penang Island and Singapore.

**Economic Involvement of the Indian Muslim Community in Malaysia:**

It is difficult to see in total the economic involvement of the Indian Muslim community. The government itself has not done a detailed census of it. In fact, earlier census would just categorise any Indian, whether Hindu, Christian or Muslim as Indian regardless of the different religious faiths among Indians (Mujani et al., 2012a).

Generally, earlier researchers have divided the economic sector dominated by the Indian Muslim community since their first arrival in Malaya into different economic activities, among them:
1) Food–based Business:

Food-based business has become an identity of the Indian Muslim well-known to the Malaysians and Roti canai (Indian bread) is part of the food culture of Malaysian society. Besides that, Indian Muslim restaurant are labelled as Mamak restaurants. However, the youth also call them Mapley or Restoran mapley.

Apart from restaurant business, most of them operate small stalls selling Rojak and Cendol. The booming business of Rojak and Cendol by the Indian Muslim started when they adopted the idea from Javanese hawkers who sold Sate by moving from place to place. It is said that the Malabari are still active in restaurant business selling Mee, Roti canai and Rojak. And Ais kacang, Sup kambing, Cendol are still being sold by Tamil Muslim hawkers. However, Indians from Bengal, Uttar Pradesh and Malabar making Capati are less seen in stalls and restaurants nowadays, their place has been taken over by Tamil Muslims. (Sharbudin and Mohamad, 2008).

The development and progress of this retail business led to the formation of The Association of Muslim Restaurant Operators (PRESMA). Today the chain of Mamak restaurants is said to reach 7,500 premises in the whole country and is said to earn the national economy about RM8 billion annually. As stated by the President of PRESMA, Noorul Hassan Saul Hameed: “The Mamak restaurant industry in this country generates for the economy about RM8 billion a year. See how big the contribution is to the country.” He added that at this time, only about 3,500 Indian Muslim restaurants are members of PRESMA, while the rest are still unregistered.

Indian Muslim restaurants which are named as Nasi Kandar and Bistro are well-known and familiar brand names in Malaysia. More interestingly, Indian Muslim restaurants attract the attention of not only Indians, but the attention of Malays, Chinese, Arabs, and others. According to Mohamed Dali (2008) who is a researcher on the Indian Muslim: “The booming mamak restaurant business is an interesting Malaysian phenomenon. The identification with food such as Mee goreng mamak, Roti canai and Teh tarik directly recognises that the Indian Muslim restaurant is an important social historical development in Malaysia.”

2) Retail trade or Grocery:

The Indian Muslim venture into retail trading, both big scale and small. Small retail shops are necessities in residential areas, neighbourhoods, villages, flats and towns (Sharbudin and Mohamad, 2008). It is easy to recognise an Indian Muslim retail shop, they usually hang frames of Quranic verses, doa, Arabic calligraphy and the like on the walls, similar to other Indian Muslim businesses. Retail and wholesale on a small scale are still being operated by Tamil Muslims in the cities and towns. They have also formed an association to represent the Indian Muslim retail sector in Malaysia such as ‘Muslim Mini Market Owners Association’, the office of which is located at Jalan Haji Hussein, Kuala Lumpur.

There are also Indian Muslims who run retail trade on a bigger scale involving big shopping stores of supermarket or wholesale status. Besides that, other types of merchandise such as textile, home accessories like carpets, beauty accessories like gold jewellery, books, newspapers and magazines are placed in the same store. Today in the retail sector, Mydin Mohamed Holdings Berhad is an example of a business company which first began as a small retail store and has expanded to be an elite company in Malaysia. Today, it has 90 branches in the whole of the country.

Syarikat Barkath managed by Haji Abu Backer b. Mohd Hussain is another example of a company which sells a variety of daily necessities and has now become a successful company in Malaysia. Its subsidiary Barkath Foods Sdn. Bhd., sells daily necessities such as rose syrup, caster sugar, sugar powder, sodium carbonate, pasta products, and other food-based products. Another subsidiary such as Barkath Marine Product Sdn. Bhd. is a business for marine-based products such as prawns and sardines. And another subsidiary, Hacks Malaysia Sdn Bhd, is the sole agent for Hacks brand candy sweets and other confectionary.

3) Money changing:

One of the businesses which is still dominated by Indian Muslims is money changing or currency exchange and it is also dominated by Tamil Muslims. These companies are operating in Kuala Lumpur, Klang Port, Penang Island, Johore Bharu and points of entry/exit of Malaysia. Originally, these transactions were monopolised by Indian Muslims in port areas before it spread to city areas. This service of currency exchange operated by Indian Muslim are everywhere. For example, in shopping complexes, it operates under the escalator near the ATM machine and bank (Sharbudin and Mohamad, 2008).

3) Textile Business:

Today, the textile business is no longer dominated by Indian Muslim even though they are said to be involved in this industry. This can be seen in the existence of some Indian Muslim companies in Malaysia, some of which are big and well-known.

According to history, the textile business has been a traditional business of the Indian Muslim and was once an important merchandise in the Malay Archipelago at the end of the middle centuries. Halimi (1998) explained that: “Their (Chulian traders) dominance in this trade was not only visible in Kedah but also in nearly all the main ports of the Nusantara such as Aceh, Johore, Banten, Japara and Makasar. At that time textile was an important merchandise for trade. It was so important that it was frequently used as a medium of exchange replacing the rial (currency).”

This business is dominated by the Sind and Sikh merchants in Singapore and Kuala Lumpur, but in Penang Island and other cities in Malaysia, the Gujeratis and Tamil Muslim are also active. Among the big textile companies are Haniffa Textiles, K.K. Textiles, Mansure Trading Sdn. Bhd., Jakel Trading and many more. They import textile such as sari, kain sarung pelikat, Indian songket and also silk and material from Japan, Korea, Taiwan and Europe as well as batik from Indonesia.

4) Publishing, Printing and Distribution:

Regarding this sector, we are reminded that the Indian Muslim and Jawi Peranakan once played an important role in advancing the printing activity of Malay newspapers and magazines about the mid-19th Century. Looking back at the history of printing in Malaysia, among the first Malay newspapers published in Malaya was Jawi Peranakan between the years 1876 to 1895 in Singapore. In addition to being the pioneer Malay newspaper and the most enduring publication in the 19th Century, Jawi Peranakan newspaper succeeded in enlivening other local Malay publications, for an average of 17 magazines between the years 1876 and 1905 were sponsored or edited by officers of Jawi Peranakan press (Rosdi, 2009). Thus, it can be said that the Indian Muslim community have had vast experience in the field of publication.

To this day, there are other scholars who say that printing and publications activities are still being run by the Tamil Muslim class. Among the main and bigger companies are Rose Paper, M.M. Abdul Rahim, United Malaya Paper, T.M.A. Hassan Rasheed and others active in Kuala Lumpur, Penang Island and also Singapore. And among associations formed in the printing sector is Muslim Paper Merchants Association.

Among the companies formed in the publishing field by the Indian Muslim are Syarikat Percetakan Zafar Sdn. Bhd., Crescent News (K.L.) Sdn., Bhd., International Law Book Services, Dinee Publishers, S.A. Abdul Majeed, Marican and Sons, Hasani Edar Sdn. Bhd. and so on. They also distribute and print as well as publish academic books and religion. The association which protects their business interests is ‘Persatuan Pencetak dan Alat Tulis Muslim Malaysia.’

5) Jewellery (gold, diamonds etc.):

The jewellery business of gold, diamonds and gem stones is also an important economic activity. Established names such as K.M. Oli Mohamad, Razak Jewellers are the better known in Malaysia. The best known is Habib Jewels, a mega company in Malaysia as well as internationally. The managers of Habib Jewels are also of Indian Muslim descent.

In addition, there are also companies of a smaller scale such as Berkat Jewellers Sdn. Bhd., Wahab Jewels Sdn. Bhd., Syarikat Mohamed Mydin Haniffah, Kedai Emas Syarikat S. O. Almashoor and so on., situated in Penang Island. Companies such as the Kopatha Group operated by Ibrahim Kopatha and SMS Deen Jewellers Sdn. Bhd. are among those operating in Kuala Lumpur. Among the associations which are set up to unify these entrepreneurs are FT & Selangor Indian Goldsmith Association.

In telling the secret of success for ‘Bisnes Mamak’ (Indian Muslim business) Sharbudin and Mohamad (2008) explain the strategy of Indian Muslim entrepreneurs in jewellery business: “It is found through survey that the Indian Muslim businessman sets up two shops at the same time with different names in the same premises for the purpose of meeting the demands of the upper class and middle class customers. The demand for jewellery is determined by the prices, design and type of buyers.”

6) Other sectors:

Apart from the companies mentioned above, there are other sectors ventured into by Indian Muslim entrepreneurs such as in supply of medicine, shipping, travel and tourism and stevedoring. Briefly, throughout this century Indian Muslims are seen as involved in various economic activities whether in traditional businesses
such as money-changing, import and export, textile, gold and jewellery and general merchandise to modern businesses such as forwarding, insurance agency, construction and so on.

Logically, however, it is difficult to link the whole of the Indian Muslim community with business and industry. The present generation is seen as increasingly involved in the professions, dakwah (preaching) and civil service. As acknowledged by Tan Sri Nor Mohamed Yakcop, Minister in the Prime Minister’s Department, in an official speech at the new headquarters of Wisma PERMIM organised by the Malaysian Federation of Indian Muslims on the 3rd April 2011: “In a period of only one generation, there are now many successful Indian Muslim entrepreneurs and professionals in many fields, including corporate members, accountants, engineers, specialist doctors, lawyers, lecturers and other professionals. This success has made it possible for them to achieve upward mobility into the higher income bracket” (PERMIM, 2011).

The Importance of the Indian Muslim Community to the Malay Economy:

i) Economic Contribution:

One of the reasons for the importance of the Indian Muslim community is the contribution, particularly economic, which cannot be denied. History shows that their economic contribution existed since even the middle centuries, particularly in the trading sector. According to Abdullah (2001), the appearance of the Indian Muslim traders as the driving force behind the trading activity of the Malay World was meant to be a great blessing from God.

He explained that from the 14th century, the Indian Muslims together with Arab traders played the leading role in the regional trade management. They brought a new life to the regional trade through their various functions from purely economic matters to issues of administration and politics. More importantly, according to Abdullah (2001), their involvement and contribution were all directed towards strengthening the economic power of the Muslim ruling administration and securing the growth of Muslim cities as centres of administration.

Their contribution involving cooperation or collaboration between Indian Muslims and the Malay Ruler was not less important. In order for trade in the Malay World to progress, they were asked by the Sultans to give expert advice and share ideas on matters of trade administration, to the extent of being appointed as ‘Saudagar Raja’ or King’s Merchant. This position was very important for the Malay Empire because the Ruler and his officers themselves did not have extensive understanding of regional trade. Thus, the position of King’s Merchant was frequently held by a foreigner, particularly Chulian Indian (Halimi, 1998).

Towards the 21st Century, the India Muslim community in Malaysia, though no more dominating the trade sector, re-orientated themselves by venturing into local business and focusing on cities. With their inherited experience, this generation finds it easier to succeed in business with some of them owning mega companies in Malaysia. Their involvement in various sectors and the companies discussed above provide visible proof of their progress and capacity to economically compete with non-Bumiputeras in Malaysia.

Among the obvious contributions is giving employment opportunities to the Malays. Mydin Mohamed Holdings Bhd. is one of the companies which does so. Lately, in July 2011, they opened a new branch at Terminal 2 Kompleks Era Baru, Seremban, costing about RM10 million. The Senior Manager, Norman Rajen Abdullah explains: “This supermarket is expected to employ about 400-500 workers.”

ii) The Second Biggest Muslim Ethnic Group after The Malays:

From another aspect, the Indian Muslim community is the second largest Muslim ethnic after the Malays and is active in business compared to other ethnic Muslims. The population of the Indian Muslim and other communities is tabulated as below:

<table>
<thead>
<tr>
<th>Ethnic Group</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bumiputra Malay</td>
<td>14,191,720</td>
</tr>
<tr>
<td>Other Bumiputera</td>
<td>1,347,208</td>
</tr>
<tr>
<td>Indian</td>
<td>78,702</td>
</tr>
<tr>
<td>Chinese</td>
<td>42,048</td>
</tr>
<tr>
<td>Others</td>
<td>102,334</td>
</tr>
<tr>
<td>Non-Malaysian Citizen</td>
<td>1,613,782</td>
</tr>
<tr>
<td>Total</td>
<td>17,375,794</td>
</tr>
</tbody>
</table>

Source: Department of Statistics, Malaysia. 2011.

From the 2011 census, the highest Muslim population is the Bumiputra at 15,538,928 followed by other ethnics at a total of 102,334. Even if the other ethnic groups are added up to be the second highest after the
Bumiputera, it represents a variety of ethnic groups. The other ethnic groups are probably from Pakistan, Arab countries, Europe and other places and who are either permanent resident or citizens of Malaysia.

Thus, the second highest Muslim population is the Indian Muslim community at 78,702. In fact it is said to be increasing because of the increasing number of conversions (Muallaf) among the Indian community based on an interview with officers of The Islamic Welfare Organisation or Pertubuhan Kebajikan Islam Malaysia (PERKIM). In addition, it is the community which most communicates and interacts with the Malays compared to the other communities such as the Chinese Muslim. Most of the Malays do not feel the presence of Chinese Muslims. Maybe this is because many of them are already assimilated in the Malay society. The irony is that most of the Chinese Muslims are not dominant in the field of business (Mujani and Abdul Razak, 2012; Mujani et al., 2012b).

As a Muslim nation, the big population of Indian Muslims should not be ignored and left to live in their own community. They should be treated as an important asset for Malaysia in their supportive role to help strengthen the economic development of the Malays. For this reason and with this advantage, it is in the best interest of the Malay community to interact and be on good terms with the Indian Muslim community.

**iii) Forging an Indian-Muslim-Malay Collaboration:**

According to the Kamus Dewan, ‘kerjasama’ (collaboration) means a close cooperation between two parties or more. It also means each of the groups are jointly involved in giving their information, experience and capabilities in contribution to an enterprise program, for example in product development. Briefly, collaboration is an activity whereby two or more parties or organisations mutually cooperate in contributing knowledge, experience and capabilities to achieve a shared purpose.

Collaboration or cooperation in a team is important because limited resources can be effectively utilised by sharing knowledge, learning and developing an agreement and finally improving team effort in solving a problem. Through cooperation, an issue can be made lighter and easier to resolve. It conforms with what is recommended by Islam that Muslims should help and support each other to strengthen the ummah.

Therefore, the last most essential thing which should be achieved by the Indian Muslim community and Malays is to forge a collaboration or cooperation in a business venture in order to strengthen the Muslim economy in Malaysia. The Malay society should not just depend solely on government aid to develop business, but must take the opportunities to cooperate with those who are more economically experienced and influential such as Indian Muslims.

However, to unite them is no easy task. Moreover the situation now is shrouded with issues of race and racism. Even though their relationship should be forged in the name of Islam, the reality is that racism and perhaps bigotry makes cooperation so difficult to achieve. Thus, mobilization towards Muslim unity should be the focus. The government and NGOs should play a role in being the middlemen to unify the two Muslim communities and the other communities in specific programs (Mujani et al., 2012c).

**Conclusion:**

Even though the Indian Muslim community is one of the minorities, the reality is that the community had and has contributed greatly, particularly in the national economy. However, it can be said that the Indian Muslim is the second biggest Muslim ethnic after the Malays and have contributed to various aspects of the Malay civilization in comparison to other ethnic Muslims. Further, more research needs to be done on them as limited information makes it difficult for the Malays to know and be closer to their community.

More importantly, there is no need for the Muslim Malay majority to feel threatened or envious of their capabilities in being more advanced economically, but the Malay community should take the opportunity to forge a good relationship with them by giving support, by learning and cooperating not only economically but in every aspect. Indeed, the benefits to be gained would be not only mutual, but more importantly, would contribute to the development and unity of the ummah for the Islamic civilization in Malaysia.

Who else would protect and support the Malays if not their brothers of the same faith such as the Indian and Chinese Muslim? Being antagonistic or giving them the cold shoulder would cause the Malays a great loss. This is because the strength of the Muslim ummah can only lie in their unity.

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