

## The perceptions of poverty among small-scale fisher-folks in Terengganu, Malaysia

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*In Malaysia, tremendous success has been reported in eradicating poverty. However, various poverty eradication programmes continue to be carried out for this coastal community where poverty continues to persist. This paper discusses their perception and experience of poverty based on a case study carried out in Setiu, Terengganu. It argues firstly that instead of being poor, the small-scale fisher-folks of this coastal region of the South China Sea consider their households to be divided into three socio-economic categories. While being poor is found to be a status that is rigorously denounced when defining one's place in society, it is openly claimed when it provides access to various livelihood-making benefits reserved for the "official poor". A review of these benefits is provided, and their shortcomings suggest that a broader perspective on poverty could contribute towards developing better schemes for improving the socio-economic wellbeing of this dynamic community.*

### Introduction

Ungku Aziz, the most prominent rural development theorists in Malaysia defines poverty as "a vicious cycle of low productivity, malnutrition, lack of infrastructures, low incomes and unemployment embedded in structural defects, reinforced by imperfect competition (middlemen monopoly-monopsony) and the relative neglect of the rural economy" (Ungku Aziz, 1964). According to Bradshaw (2007) this structural view is one of the five theories on poverty causes that influence poverty eradication efforts in the world<sup>1</sup>. In Malaysia for example, this theory resonates in the country's poverty eradication policies that have been set in its national development policies since the early 1970s where great focus is given to providing (economic) adjustment instruments to the poor (Daud and Othman, 2005), such as in the Malaysian poverty eradication strategies that were launched under the New Economic Policy (1970 to 1990) with the objective of eradicating poverty among Malaysians<sup>2</sup>. In the National Development Plan (1991

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1 The other four causes are i) individual deficiency; ii) culture of poverty; iii) geography; and finally iv) cumulative and cyclical independencies.

2 There has however been an emphasis on eradicating poverty among *Bumiputra* (a special category that consist of the Malay majority and indigenous peoples of Malaysia) since the 1969 political and social

to 2000), further emphasis was made on the hardcore poor, while in the current National Vision Policy (2001 to 2020), the target is to fully eradicate the incidence of poverty by the year 2020 with strategies that focus on improving the quality of life of the bottom 30% of the Malaysians households (Malaysia, 2006). According to recent reports and papers on poverty in Malaysia (Nair, 2010; Hatta *et al*, 2013) the country is winning the battle against poverty where the occurrence of poverty which is identified using a Poverty Line Income (PLI) has dropped from 49.3 % in 1970 to only 3.8 % in 2009.

In the policies mentioned above, a household is considered poor if its monthly income is below the PLI. This refers to the minimum level of income required by a household of five individuals to enjoy a decent standard of living that covers basic needs such as shelter, food, clothing, fuel, transport, education, health and recreation. If its income is less than half the PLI, then it is considered a hard-core poor household (Prime Minister's Department, 2005). This income-based approach that first appeared in Seebohm Rowntree's famous publication in 1901 has been proven to fail in fully capturing the wide spectrum of poverty (Hagenaars and de Vos, 1988). Indeed, such measurement of poverty does not really explain what it means to be poor. It is through people's experience and perception of poverty that complex realities can be investigated beyond the consumption and income-based definitions of poverty that ignore the trade-offs that communities are willing to make to have a more meaningful life (Bernstein, 1992), which ultimately is the reason for making a livelihood (Bebbington, 1999). Hence, Sen (1999) demonstrated – with empirical evidence – the need for a shift from looking at the (economic) means that people have to the ends that are being pursued in their livelihood making. However, this paper is not about revindicating the use of PLI. Although the many shortcomings of the former approach has been convincingly demonstrated, for example by Saith in her seminal paper in 2005, they do not make it redundant, only insufficient. To effectively combat poverty, its multi-dimensional and inherently local nature must be taken into full account (Thomas *et al*, 2009). Hence, the objective of this paper is to provide a better understanding on the meaning of poverty among fisherfolks, who are among the most targeted population for poverty eradication programmes in Malaysia.

According to the Head of Household and Poor Household Profile Registry from the Ministry of Rural and Regional Development's Poverty Eradication Unit, in 2006, Terengganu recorded the highest incidence of poverty among fishermen in Peninsular Malaysia, and Setiu is one of the districts with the highest poverty rate, with almost a third of the fishermen households identified as poor. In this paper, the often-assumed homogeneity of rural societies is challenged, by

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upheaval, which was reportedly caused by the grave ethnic-based socio-economic disparity (between the Malays and Chinese and rural and urban area).

addressing the questions on what it means to be poor to fisher-folks from this area. Based on lessons learned from a research that was conducted in the villages of Gong Batu and Rhu Sepuluh between 2007 and 2011, this paper argues for the multi-dimensional nature of poverty for the studied small-scale fishing community. Here, locally perceived meanings of poverty were revealed, and provide important insights on the communities' agency in their livelihood making. I begin this paper by examining the complexity of the poverty concept and the Setiu "disclaimer" perspectives on poverty. I then consider the three categories of household wealth that were (self) identified among households of Setiu small-scale fishermen; and the factors that contribute towards wealth differentiation between surveyed households. I then move to discuss the "official" poverty classification that is claimed by all members of the community regardless of their wealth status. These discussions lead me to discuss the opportunistic – albeit schizophrenic – way that poverty is viewed in these communities before ending with my conclusions.

### **Perceptions of poverty**

Developmental studies on people's perceptions of poverty often reveal how rural societies are not as homogenous as they often would seem to outside observers but are in fact differentiated in income and levels of wealth (Crehan, 1992). In researching the economy of a Malay fishing community in the North-East coast of Peninsular Malaysia, Firth (1975: 294) had noted that "even in this comparatively simple peasant organization resources and income are sufficiently varied to allow one to speak of poverty and wealth". In the fishing villages he studied, the wealth categories were found to be based on one's material deprivation on the one hand, and on one's material surplus on the other. Firth thus identified three categories, which mainly grouped those with great material deficit at one extreme, those with material surplus on the other extreme, and those "who have enough" in between the two. This three-tiered model of wealth classification was often found in livelihoods wealth ranking exercises (Ellis and Freeman, 2004). In Setiu, perceptions of wealth is linked to their past experiences and future aspirations, and although there are similarities, poverty interestingly emerges as a contested status – one that is refused but also reclaimed – independent of the three wealth categories discovered by Firth.

### *Refusing poverty*

Firth (1975) had noted that among Malay fishermen, to be *sesak* (suffocating) was the most common way to describe a poor man. In Setiu, the incidence of poverty is reported to be among the highest in the country. A close analysis of the research data however suggests that for the predominantly Malay Setiu small-scale fishermen' households, though being *sesak* is often used to describe hardships, it does not make them *orang miskin*, literally translated to mean "poor people". None of the households surveyed was identified as a poor household, and participants did not consider the other households to be poor either. Some even vehemently rejected the poor status, which they believe do not apply to them, at least not anymore. These interviews – during which the question on their wealth status was asked in the contemporary Setiu context – revealed that the participating households considered themselves to be better off materially than before. For many participants (representing 48 % of surveyed households), although they may not be poor now, they had been in the past. This experience of having "been" poor influences the way they self evaluate their current wealth status. More specifically, participants tended to speak about poverty as linked to an era existing prior to their relocation to Gong Batu and Rhu Sepuluh.

For research participants, being poor is to suffer true hardship, which they had experienced in the past. However because they no longer face such hardships and enjoy a better life today, poverty is a category that no longer applied to them. To be more precise, the fact that they did "have" albeit little, what poor people do not, was the disqualifying factor for being classified in the poor status. The explanation alludes to a poverty threshold that is set by two conditions: the ability to fulfil basic livelihoods needs such as food and shelter, and the fulfilment of other needs through ownership of various livelihood capitals. It suggests that the fulfilment of both conditions renders them capable to make a living, which in turn frees them from the "true hardship" of the poor. Indeed, these criteria that they – a Muslim community – set for poverty are not unsimilar to those used to identify the *fakir* and *miskin* among the *Zakat*<sup>3</sup> beneficiaries. Their negation may also be due to the high value that Malays put on resourcefulness (Scott, 1985), which they view to be the most important quality that a person requires to escape poverty.

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<sup>3</sup> *Zakat* is a tithe that is paid by eligible Muslims to provide for the most vulnerable groups of society. The contribution is only compulsory for Muslims who fulfill the specific criteria set for paying *Zakat*. The beneficiaries are categorised into eight groups of *Zakat* recipients or *Asnaf* and the categories of *fakir* and *miskin* are two groups which correspond to the needy and the poor respectively. The *fakir* are those who may have some material possessions but still require assistance to meet their basic needs while the *miskin* are people who are in an even dire situation than the *fakir* because they possess much less or nothing at all to make a living with.

Thus, due to their adherence to this individual deficiency view of poverty, these Setiu fisherfolks are loath to admit to being poor. Instead, they see themselves belonging to a set of wealth categories as discussed in the next subsection.

### *The wealth categories of Setiu small-scale fishermen' households*

In the one hand, the label of poverty is rejected by the Setiu fisher-folks involved in the research, who instead see their communities divided into three categories of wealth, namely i) *orang susah* (people who live in difficulty and have a little); ii) *orang boleh* (people who “could” and have enough); and finally iii) *orang senang* (people who live in ease and have more than enough). These wealth categorisations are sophisticatedly defined, using criteria that are relational to the levels of needs that a household is perceived to fulfil. Although assets level and the capital outlook of each category are also discussed, material assets, as the following discussion clarifies, are not the most salient factor of differentiation between these three categories. Indeed, Setiu fisher-folks used wider criteria than materialistic wealth to evaluate their wealth status. The subtlety of material differences between households is the focus of my discussion in the following subsections.

*“Orang susah, orang tak dok”: people who live in hardship, people who have not*

The first wealth category which Setiu fisher-folks might place themselves in is *orang susah*<sup>4</sup> which literally means “people living in hardship”. A quarter (25 %) of the total households surveyed described their livelihood status today as such: six in Rhu Sepuluh and five in Gong Batu. Although these *orang susah* households may not be poor, they do not seem to have more than what they need. Thus, for those who perceive themselves as *orang susah*, living in hardship means only having what one needs to make ends meet, such as: food, shelter and being able to provide for the family's other basic needs such as children's education, but not more. Furthermore, these families have to struggle hard to make their living.

The other significant characteristic that these households have in common was their claim to have little, if any, savings. Income is spent almost exclusively on daily subsistence, such food and basic expenses as mentioned earlier. For this reason, one fisher uses a Malay proverb “*kais pagi, makan pagi*” – literally means “scratch in the morning, eat in the morning” – to describe his household's livelihood situation. There is a sense of frustration over financial insecurity, and in not being able to extend their resources further than to meet their immediate needs. Only when they had extra income, such as the profit made during the prawn season or “out of the blue” incomes earned, could they buy other things such as furniture or choose to eat out.

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4 The standard Malay spelling would be *susah*. The spelling used as it is said in the local Terengganu speak.

Five houses in the villages are made in concrete and only one of these belongs to a fisher household. The other houses in the villages are made of wood or a mix of wood and concrete. For this reason, there is not much that would distinguish the houses of the *orang susob* from those of more affluent categories. However, in the households of *orang susob*, the frustration of not being able to improve existing assets is often expressed. For example, they could never afford to build a concrete house as would a better-off family or own more land than they currently have.

The sense of vulnerability is indicated while discussing what it's like to be an *orang susob* household. These families may not be poor, but they have a hard life nonetheless because they have to work hard to fulfil no more than what they need, which consist of food and shelter for the family as well as education for the children. The vulnerability felt by these *orang susob* households also seems to be linked to their perception of the precarious nature of fishing. They liken this activity to "looking for things lost" because it is difficult to tell where one can find fish in the sea, and a fishing trip can be ruined by many things: from natural elements such as bad weather to material conditions such as an engine breakdown. They feel vulnerable because despite all these, it is an activity that they have to rely on for their livelihood.

Like all fishermen, they need their fishing equipments to always be in good working order to be able to fish. But without savings, the *orang susob* fishermen do not have the ability to invest in upgrading or to get any faulty equipment repaired or replaced immediately. Without working equipment, they cannot fish. And if they do not fish, their livelihood is threatened. To reduce this vulnerability, the households of the *orang susob* diversify their livelihood activities. Here, women play an important role in livelihood-making. They supplement their family's income through earnings from river gleaning, retail selling of products from the river or other homemade goods such as dried fish, or doing odd jobs.

Through livelihood diversification, the vulnerability caused by the unpredictability of fishing returns is reduced through income earned from non-fishing activities. Thus, they are able to survive but not able to secure a life free of hardship. Otherwise, they would not be *orang susob* but belong instead to the second category of wealth which I now discuss.

*“Orang boleh”: people who could*

The second category of wealth among the Setiu fisherfolks is *orang boleh*<sup>5</sup>, which literally means people who could. It is the category which most of the Setiu fisher-folks see themselves belonging to (62.5 %). Those in this category are able to meet their basic needs and could afford to fulfil other livelihoods needs, thus freeing them from hardship. When comparing themselves to their fellow fisher-folks, the households of *orang boleh* saw themselves being in a middle category of wealth. Overall, the *orang boleh* households do not consider that they are living in difficulty because unlike the *orang susah* households, they are able to secure savings. They have confidence in securing their livelihoods basic needs, which makes them less vulnerable than the former category.

However these savings exist very rarely in the form of bank deposits. The income surplus is kept within easy reach, for instance under the mattress or simply in the pocket when the amount is small or in the form of gold jewellery if it is significant. As the nearest bank is located some twenty-five kilometres away from their village, many cannot justify spending money on fuel just to access their money. In fact, most of the fishermen only have a bank account opened because it was the only way to receive the special fishermen’s allowance from the Fisheries Development Board (LKIM). On the contrary, gold jewellery is the preferred saving method, which served well as an accessory or as a source for urgent cash, especially among women who as mentioned earlier manage the household expenses. Whenever they managed to save, they would buy pieces of gold jewellery, which are regarded as a better reserve option due to their liquidity; these gold trinkets do not depreciate much in value and could be pawned to get the required amount of cash and recovered once they have the money to claim it. Unlike their colleagues among the *orang susah*, these fishermen can afford to better maintain and improve their fishing gears. With their savings, they have the opportunity to upgrade their fishing operations with equipment that improves their working condition or potentially increases their yield.

There are, in spite of all the above, similarities between *orang boleh* households and *orang susah* households: all *orang boleh* research participants doubted that fishing income alone could be relied on to improve their living conditions. Therefore, they too diversify their livelihood strategies. But for them, livelihood diversification is a common characteristic which allows for saving. This distinguishes them from the *orang susah* households that rely on their alternative incomes to help cover basic livelihood needs. Despite their diversified livelihood portfolios, fishery is claimed to be their main occupation.

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<sup>5</sup> The standard Malay spelling would be *boleh*. The spelling used is as it is spoken in Terengganu.

Unlike the *orang susah*, the households of *orang boleh* have better financial security, enabled by savings that they put aside through their diversified livelihood portfolio. It gives them the opportunity to fulfil other than their basic needs and improves their living standards and working conditions if they chose to. It is this ability to do more than secure basic needs that differentiates the *orang boleh* from the *orang susah* because the latter lacked this “potentiality”. What the *orang susah* could not, the *orang boleh* could. But still, they are not yet living “in ease”, as are those who I discuss next.

“*Orang senang, orang berada*”: *people who live an easy life and “have”*

The most affluent Setiu fisher-folks are not categorised as the rich, which would have been *orang kaya*. Instead, they are called *orang senang*. While the word *susob* means in difficulty or hardship, *senang* means the opposite: at ease. These are the households of those who have, or the well-off. There were not many such households among Setiu fisher-folks: three in Gong Batu and two in Rhu Sepuluh. One of the main determining factors for this group is having the appearance of wealth.

Some material aspects, such as having a better type of housing and expensive cars, as well as the quantity of jewellery worn, are used by the Setiu fisher-folks to evaluate a household’s wealth. But for the identification of the most affluent households among the Setiu fisher-folks, fishing-related criteria are given a particular mention. Like most (60 %) of the households in the mid-category, four out of the five *orang senang* households attribute their main earning to their fishing activity. But they are no ordinary fishermen; in Gong Batu, one household gained its wealth from the past earning as he was the *tekong* (head crew) of a successful commercial purse seiner in Kuantan (State of Pahang), while the other two were leaders in their respective fishing methods, namely gillnetting and *tamban*<sup>6</sup> netting. As for the two *orang senang* households from Rhu Sepuluh, they owe their fortune to their large-scale *bubu* (traps) operations. The households of *orang senang* have surplus income, which they can save or spend or invest in capital-intensive fishing ventures. When discussing these *orang senang* fishermen, other fishermen always referred to their quality as extraordinary fishermen as a contributing factor to their wealth. These fishermen are well regarded by their peers and were considered exemplary fishermen because of their success in their chosen fishing operations. They are appreciated by their peers because they are knowledgeable, hard-working and are “good friends at sea”. These *orang senang* fishermen particularly emphasize their industriousness and even competitiveness. These *orang senang* fishermen usually pave the way towards new technological upgrades in the local fishery sector, and seeing their success, the other fishermen tend to follow. Moreover, despite their competitive

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<sup>6</sup> A type of fishery that specifically target the *tamban* fish, a local sardine.



spirit, they do not discourage involvement from other fishermen in their respective fields. They do not seem threatened by the prospect of increased competition.

However, fishermen from the other wealth categories often related to me that even if they had wanted to change gears or adopt different fishing techniques, they did not have the capital required to do so, unlike the *orang senang* who have large savings. It is therefore not the willingness or the desire to innovate that makes the difference, but the financial ability to do so. In fact, Firth's (1975) suggestion that the modernisation of the fishing operations that began in the East Coast since Malaysia's independence would favour the rise of a capitalist-entrepreneur fishermen class does seem to apply here in these two communities. These more affluent fishermen are able to acquire more, new or better equipment to improve or expand their fishing operations, thus staying always ahead of the others. Pok<sup>7</sup> R2 and a fellow *orang senang* fisher, Pok A.T., have indeed become fisher-entrepreneurs. They have expanded their fishing operations through employment of other fishermen in Gong Batu, to whom they provide a fishing boat or fishing gear or both. Pok R2 owns three boats and four nets that are operated by three *awaks* while Pok A.T. owns two boats, three *tamban* nets and five *awaks* (workers). As for Pok M.J. and Pok Mi, their *bubu* fishing operations, which are operated individually, are much more extensive than the *bubu* fishermen from the other categories; they use up to sixty fish cages annually while the others hardly own a dozen.

Unlike the household in the other categories who either have no savings or have some that they keep at home, these affluent households keep theirs in the bank. This is because the income generated from their fishing activities alone are too much to be kept at home. The two *orang senang* fishermen from the village of Rhu Sepuluh for example claim to have made about 37 000 Ringgit Malaysia (RM) and RM 42 000 in profit respectively in the current fishing year while an *orang senang* from Gong Batu makes more than RM 1 000 a week during the fishing season. Another one recently paid a large deposit to buy a new vehicle under his wife's name did not disclose how much he has in the bank but alluded that there is enough saved for his family to live in ease and without worry. But it doesn't mean that these households are not involved in non-fishery types of livelihood activities. Like the households from the other categories, they too have a diversified livelihood.

Although they may now be living at relative ease, all of these affluent fishermen had begun the same way as the others had. They are at the same level of education as the other fishermen, although Pok Mi claims to be better educated than the others; thanks to his schooling in Bangladesh before coming to Malaysia. He also has better exposure, having worked in different

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<sup>7</sup> In Terengganu, "Pok" is the colloquial equivalent to Mister.

fields prior to settling down in Setiu. So does Pok MJ who used to work as a security officer at a local bank before he was retrenched and begun fishing full time. But they, in many ways, still considered themselves not much different from the other fishermen. Like those in the other categories, these *orang senang* claim to be poor too when it seemed beneficial to do so, as discussed in the following section.

### **Claiming the “official poor” status for the sake of livelihood-making**

The earlier sections argue that Setiu fisher-folks did not consider themselves poor. Instead, they saw themselves either as people that live in hardship, those who have enough or those living at ease. However, what follows is a discussion on the instances when Setiu fisher-folks claim to be classified under the poverty bracket regardless of their self-proclaimed wealth statuses. These instances correspond to claims for benefits from programmes that are available for those I term as the “official poor”. This category refers to those that are defined as poor or hardcore poor according to the official poverty criteria discussed at the beginning of the paper.

In the report by the Prime Minister’s Office in 2005, the success in reducing poverty incidence in the country was attributed to the implementation of specific programmes such as the *Program Pembangunan Rakyat Termiskin* (PPRT) or Development Programme for the Hardcore Poor that was introduced during the National Development Plan (NDP). The PPRT was further consolidated under the *Skim Pembangunan Kesejahteraan Rakyat* (SPKR) or Development Scheme for Citizen Wellbeing since the National Vision Plan (NVP). With strategies on human resources development and quality of life improvements, the PPRT and SPKR programmes are largely grant-oriented schemes that aim to provide the necessary assets, such as housing and equipment for the poor households (Mahmud, unpublished Master thesis). The budget allocated for their implementation is channelled from the Federal Treasury to various agencies to carry out different poverty eradication initiatives that target the poor, and provide project packages that are tailored to meet their specific needs. In 1989, at the launch of the PPRT, a register on the profile of these groups was established. Potential beneficiaries are officially entered in under the corresponding targeted groups of poor or hardcore poor, as per the PLI definition.

Under the SPKR programme that was launched in 1990, a thirty-two-page Head of Household and Poor Household Profile Registry form was made available by the Ministry of Rural and Regional Development’s Poverty Eradication Unit for the identification of programme beneficiaries. Information on these households was compiled in a national level poverty database called the *e-Kasih*. Although the registration process was usually carried out by the officers of the respective implementing agencies, the task of selecting the programme beneficiaries is often

delegated to the grass-root level authorities. As such, the selection of recipients for poverty eradication programme under the LKIM such as fishing equipments (boat, engine and nets) was carried out by the local Fishermen Association while the Village Welfare and Safety Committee (or JKKK in Malay) that was headed by the village head chose the recipients for the other programmes, except for the education-related aides that were channelled through the local schools. In the 2007 report prepared by the JKKK of Gong Batu, 170 adults were identified as poor under the PPRT categorisation, including small-scale fisher households. With an emphasis on improving the quality of life of the poorest households in the country by increasing their economic productivity, the SPKR programme was mainly implemented through directly subsidised benefits in order to provide the targeted poor and hardcore poor households with the necessary “livelihoods hardware” such as equipment and infrastructure for improved economic activities, and social wellbeing that would help them generate better income. These different types of poverty eradication related benefits are discussed below.

### *Fisheries related benefits*

The most popular aid programme among small-scale fishermen in Malaysia is the provision of subsidised fishing equipment. In Setiu, almost every fisher interviewed has benefited from basic fishing equipment subsidies of such as boats, engines and fishing nets, and the few who have not yet benefited from such programmes continue to claim it. This basic fishing equipment subsidy package (providing boat, engine and fishing nets) was introduced in the East Coast region in 1956 with the objective of improving the livelihood of fisher-folks through the mechanisation of their operations (Ishak and Chang, 1993). The scheme was initially set up as a partial financial subsidy where the fishermen were supposed to repay half of the total equipment cost. However, only 2 % of the recipients did repay by 1961 (Ishak and Chang, 1993). Despite the failure, such schemes carried on until it eventually became a grant scheme in the 1970s as part of the government’s agenda to develop the fisheries sector.

By early 1980s, the Malaysian fisheries sector was considered one of the most heavily subsidized in the world (World Bank, 1983, quoted in Ishak and Chang, 1993). The equipment related subsidies by then were not targeting poor fishermen, but were instead available to all fishermen regardless of income, with the interest of further developing the fishing industry. Ishak and Chang (1993) argued that while “the credit and subsidy schemes had considerably aided the artisanal fishermen, especially in the east coast, in improving their lot /.../” (1993: 49), the authors agreed with the mentioned World Bank’s report that the local fishing industry was being underdeveloped by such schemes because they had resulted in “a large number of East Coast fishermen [who] cannot survive without these concessionary schemes”. In 1985, the government

put a halt to the scheme, only to reinstate it in 1990s under the SPKR scheme. It is indeed the most sought after benefit among Setiu small-scale fisher-folks.

This programme is particularly popular among small-scale fishermen because owning a boat allowed them to fish on their own instead of being a paid crew on a commercial fishing boat. Being an independent fisher potentially meant a better income for the fisher, and for those who have been fishing away under commercial fleets, the opportunity created made it worth returning home to fish locally. But this effort too has not been totally successful as some recipients continue to fish away and only fish locally during the prawn season. During the non-prawn season, the subsidised equipment received by these absentee fishermen is either used by other fishermen, usually a member of the family or a friend or left upturned on the beach or under the owner's house until he returns to use them for prawn fishing during the monsoon season. There are even more fraudulent benefactors of this subsidised equipment, who reportedly never used them or have sold them off because the recipients are not real fishermen.

Another issue with these subsidies relate to its reportedly unfair distribution. While there were those who has never once received a subsidy of the basic package mentioned above, some others have been provided with auxiliary fishing equipment packages as Geographical Positioning System (GPS) units and Side-Scan Sonars (though only recently and to a "lucky" few). But even this group were unfortunately unable to fully enjoy their good luck as the instructions for these high-tech tools are in English and the user support training that was provided by the benefactor agency when the equipment was distributed was insufficient, resulting in many people selling them rather than putting them to use.

When comparing the data between the two study sites, it became apparent that allocation of the fishing equipment subsidies is rather uneven. In Gong Batu, only four of the eighteen fishermen interviewed received both free boat and engine while one fisher received an outboard engine. In Rhu Sepuluh however, more fishermen benefited from the subsidy scheme. Of the twenty-two fishermen interviewed here, nine received both equipments and three other received outboard engines. Those who have not received any such subsidies have therefore had to resort to buying these equipments on their own, or use the equipment of others as mentioned earlier. Other fishermen, meanwhile, have been receiving the package continuously, including upgrades, or have received a replacement when the subsidized equipment was lost or stolen. Many fishermen attributed the unevenness of the subsidy distribution to access factors. Interestingly, those who have managed to acquire the necessary fishing equipment on their own do not renounce (what they consider to be) their "right" to the subsidies. They continue to claim it, and this includes those among the *orang senang*.

In addition to increasing the productivity of fishermen through technological improvement of fishing equipment and infrastructure, the government has also introduced programmes that strategically aimed to create alternative income for poor fisher-folks. One popular and highly demanded programme is the aquaculture project. Beneficiaries could either receive assistance in setting-up self-owned and run fish farms, or could seek waged employment. The aquaculture sector has been extensively developed since the 1980's in order to help increase fisheries productivity while reducing the fishing pressure (and overexploitation) of an already depleting coastal fishery resource.

Two types of aquaculture projects were developed in the studied sites to suit their different geographical settings. In Gong Batu, where the Setiu river system forms into a large estuarine lagoon, cage-based fish farms were established in mid-1980s to rear high value estuarine species such sea bass and groupers. Initially local fishermen were only involved as wage-paid workers by the Fisheries Departments. Then, the employment based aquaculture assistance was replaced with aquaculture project subsidies in the form of fish-farm infrastructure, and fish stock that were offered to individuals to begin their own fish farms. All the pioneer fish farmers claim that without this start-up package, they would not have been able to start such enterprise. However, when the venture became profitable in the early 2000s, it attracted many others to join the fish farming venture without any assistance from the government, except for the occasional provision of free fish feed and subsidised fry (fish stock) from various agro-based government agencies. But these subsidy packages are a far cry from the earlier heavily subsidised start-up ones. And since the past few years, the aquaculture industry in Gong Batu has been "in crisis", and abuses have been reported in the distribution of subsidised fish fry and fish-feed, causing some to blame the failure on the delivery of government's aid to the poor.

In Rhu Sepuluh, on-land, tank-based aquaculture was introduced instead for prawn and fish aquaculture. This is because the village is located further upstream of the Setiu River system. Here, the Penarik River flows by but this tributary to the Setiu River is not suitable for fish-cage farming due to its physical characteristics. But unlike the self-owned and run fish farms in Gong Batu, the aquaculture facilities in Rhu Sepuluh are still operated by the LKIM and the Fisheries Department that had set them up. The prawn farm has already ceased its operation when the research was carried out. At the same time the Grouper fish farm that is currently run by a State-owned company has a number of small-scale fishermen under its employment. Participants explained that the facility was set up to specifically help improve the income of small-scale fishermen by creating these positions for them.

At the plant, local fishermen from Rhu Sepuluh area are employed as a *peserta* or a *pekerja*, meaning a participant and a worker respectively. The former is a part-time staff, working only three-and-a-half days a week in average while the latter works full time. The wages differ significantly with a *peserta* earning only RM 500 a month while a *pekerja* earns between RM 800 to RM 1 000 a month. Almost every one among the *pekerja* used to be a fisher who stopped fishing to take the full time employment. The small-scale fishermen involved in the research who work at the plant however opt for the part-time option as it allows them to fish when they are not working at the plant. These workers value this part-time employment as earned income makes an important contribution to their household, especially during the low fishing seasons between the months of July and August as well as November and December. It is nonetheless still considered a supplementary income because, for this group, fishing remained their first choice occupation. This may well be so because with the high mortality rate of the grouper juveniles at the plant, the long-term prospect of this operation appears glum.

### *Land and housing benefits*

The Setiu fisher-folks have also benefited from housing and land ownership programmes for the poor. The most recent large-size resettlement was in mid-1990s when the lasts of former Kuala Setiu villagers were relocated to Pandan Jaya, an annex village to Rhu Sepuluh where each household was given a plot of land. These relocation related land allocation programmes had allowed many fisher-folks to become land owners for the first time. Recently there was a new opening for land grant in Gong Batu. But such programmes are not likely to be replicated in the future as land become scarcer. For this reason, those who sold their state-granted plots of land are often frowned upon.

In recent years, a new type of benefit has been introduced to replace land ownership schemes. With funding from both the federal and state governments, housing projects specifically for the poor had been launched. Targeting the poor land-less households, building contracts were granted to developers to build homes (according to a given specification on selected government owned land sites) for identified beneficiaries. For those who own a plot of land but are unable to build, they could apply under the same scheme to have the same type of house built for them. Those already with a house and land could apply for a grant to repair their home. In the case study villages, a few households have benefited from this scheme. But like the boat and engine scheme, this programme is said to have turned people to have a “subsidy mentality”.

### *Cash benefits*

Although the main thrust of the poverty eradication programmes in Malaysia is the creation of more income related opportunities for the poor, provision of equipment, infrastructure and employment are not the only strategies adopted by the government. Besides livelihood hardware (for economic opportunity creations), various types of cash benefits are given through the Welfare Department. For example, a monthly cash benefit is given to poor households under the “General Aid” allocation scheme. The allocation amount varies between states and, at RM 450, the amount received by Terengganu poor households is the highest in the country (Ministry of Women, Family and Community Development, 2010). Similar schemes are available for children from these households (General Aid beneficiaries) as well as for the elderly, the disabled and single parents. As mentioned earlier, a State-related type of cash and in kind benefit for the poor also exists in the form of *Zakat* distribution. In this rural area, these monthly or one-off cash benefits make a significant difference for the recipients’ households. The eligibility of those who receive these cash benefits is however contentious. On the *Zakat* distribution in Gong Baru which benefited more than a hundred people in 2007 for example, an elderly fisher strongly protested that to deserve the tithe, one has to be poor, which means “/.../ one who is without a spouse, without children, and lives on his own on the streets”. For this reason, he believed that none in the village should have received the tithe, therefore those who accepted had committed a sin in Islam. There are also questions raised regarding the criteria used to evaluate the recipients’ eligibility for the other cash benefits. Owning a motor vehicle for example was sometimes suggested to indicate one’s wealth, a criteria which some motor-vehicle owners would quickly object to.

Providing for children’s schooling is one of the basic needs that is prioritised in households of Setiu fisher-folks. For this reason, another much acclaimed and contested benefit is the one-off school-related financial assistance, and the selection of beneficiaries of this education-related assistance is another much debated issue in the villages. Given in the form of cash benefit and school fees waiver at the beginning of the schooling year to facilitate entry into the school year for children of poor households, many non-recipient households claimed that they are confused by the criteria used to determine eligibility of households. Some even go further into criticizing the weaknesses of the selection process which fails to identify “the really deserving” recipients. Having a car for example is criticized as an inappropriate disqualifying factor for this category of benefit, especially when it is used primarily to earn extra income than for family use.

The cash benefit described above is particularly appreciated by these fisher-folks because schools in Malaysia open at the end of the year which coincides with the peak monsoon period, during

which fishing income is least secure. A family could receive more than RM 1 000 in total, depending on the number of school going children. However, the monetary aid that is meant for purchase of schooling materials for the benefiting child, such as uniform or books, is reportedly prone to misuse by the parents.

### *“Women only” benefits*

In addition to the benefits mentioned above, there are also poverty eradication programmes in Malaysia to assist women in rural and poor areas. For instance, the innovative KEMAS rural nursery facilities are implemented under the Ministry of Rural Development’s PPRT programme, and create an opportunity for the rural women to get involved in income generating activities by the provision of child care. Training and infrastructure for cottage industries such as sewing and small-scale food product manufacturing, as well as *pandan* weaving, are also offered through this scheme. In the recent years, the *pandan* weaving activity, which is carried out in Gong Batu but not in Rhu Sepuluh, is given additional support by the Ministry of Culture and Tourism. The former not only provides teaching support through a weaving workshop but also a RM 500 monthly allowance to programme participants.

This cash incentive made the programme very popular among the women in the village, who would apparently join the programme merely to obtain the monthly allowance. Once the weaving workshop is over, almost all participants will cease to weave although the State Handicraft Agency has guaranteed to purchase any weaving that they produce after the workshop. Only four participants who admit that it is the new learning opportunities provided through the workshop that motivated them to join the workshop in the first place, continue to weave on their own.

There is also the Amanah Ikhtiar Malaysia (AIM), a micro-credit scheme for women that is run by a government-funded independent organisation that specifically targets poor rural households. This scheme operates as a financing facility for the poor (like Gramin Bank) and does not offer direct cash or in kind subsidies unlike the other programmes mentioned earlier. Operated through groups of ten to twenty women, the success of this scheme depends on the members’ commitment to their group. Once a week the groups have to, without fail, pay the collective sum of its members’ weekly instalment. Therefore, those who fail to pay will have to rely on the other members to pay for them. In theory, this works well for collectivist communities such as the Malays who prefer to avoid public embarrassment because of the high value that they put in saving face (Malhotra, Oly-Ndubisi and Agarwal, 2008). However, it fails miserably when many members “*bermuka tebal*”<sup>8</sup> instead, and have no qualm in imposing their debts on other members, which apparently happens often in reality. The leader of the AIM scheme in Gong Batu

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<sup>8</sup> The term literally means “have a thick face”, and is referred to people who are shameless.



complained that many members had left the group because they no longer wish to pay for the defaulters who they feel were taking advantage of them.

### **Subsidies for the poor are benefits for all?**

These juxtapositions, contradictory or opportunistic behaviours discussed above seem to be linked to their perception of the needs that are specifically met by the different subsidies, which in turn, is closely tied to the livelihood needs and fulfilment criteria that they use for wealth status identification. These local dimensions of poverty or wealth need to be integrated in designing poverty eradication programmes (Thomas *et al.*, 2009). Otherwise, there will always be misunderstandings, confusions and dissatisfactions when it comes to the distribution of poverty eradication benefits.

The poverty eradication programmes mentioned above are those that are most popular among Setiu households. They are either free or heavily subsidised. For this very reason, the “official poor” status is inevitably welcomed among Setiu fisher-folks because the assistance is considered to be important tools to fulfil their livelihoods needs. Whether they are *orang susah*, *orang buleh* or *orang senang*, every Setiu fisher-folk household considers itself eligible to some if not all the poverty-related subsidies mentioned above. Even one old fisher who most vehemently refuses to be called a poor man and therefore refuses to receive *Zakat*, admits that although he would not apply for welfare benefit (for the elderly) himself, he would not refuse it either if it was offered to him. For the same reason, while there are disagreements about the criteria of eligibility for cash benefits, the claim made by the more affluent groups to other benefits, especially those that were fisheries related are not held in contempt by their less affluent peers.

Another case in point shows the differentiation of what is deemed acceptable and what is not: it is considered unacceptable that the cash benefit given to children from “poor” households – created to help to meet a basic livelihood need for supporting children’s education without which households of the *orang susah* will not be able to fulfil – gets awarded to the non-deserving or is not used to meet the specified basic need it is meant to. On the contrary, fisheries related equipment subsidies are not meeting basic livelihood needs but is meant to help make a living in the fisheries sector. Therefore, anyone who uses such equipment to make a living deserves to claim them. This is especially so when the possession of these equipment that defines who they are as a fisher. Hence, using a small fibreglass made boat and an outboard engine makes both Pok R2 of the *orang senang* category or Pok D. of the *orang susah* small-scale fishermen. Thus, when fishermen from even the least affluent categories sell the received equipments for cash instead of using them to fish, they are scorned upon. Similarly, Scott (1985) found displeasure in the paddy

farming community of Sedaka with a particularly poor man because he was considered a dishonest poor who did not genuinely try to improve his family's livelihood. Their reasoning therefore is morally embedded, where what matters most is having a genuine need to fulfil and making genuine efforts to fulfil it. Furthermore, although the *orang buleh* and *orang senang* were better off, if compared to the *orang susah*, they were still not yet rich. The material disparity between the least and the most affluent categories are in fact not enough to create striking differences between them. The affluent among them live and work like the rest of them do. If they were rich, they would be full-fledge *tonkays*, capitalists who only employ *awaks* to run their fishing operations. For these reasons, they too are qualified for assistance from the poverty reduction programmes.

## Conclusion

The findings discussed in this paper provide important insights into the small-scale fishermen's perceptions of their current livelihood status. Besides the official poverty narrative, a very different scenario of which poverty and wealth statuses are accorded by the Setiu fisher-folks is uncovered. Instead of a purely materialistic view, theirs is flexible and subjective: one is as poor as his or her inability to fulfil his or her basic needs and retrospectively, one is as well-off as his or her ability to fulfil beyond them. Their criteria are centred on one's capability in livelihood making, and align with Sen's (1999) perspective on development, which considers poverty as capability inadequacy. In so much as the fulfilment of these needs, either basic or more indulgent, is the main objective of one's livelihood, as well as a benchmark for one's wealth status. There are no qualms in the fact that while they do not regard themselves poor but to be either in difficulty, in sufficiency or in ease; they all deserve to come under the "officially poor" label. This is because the benefits that the latter status entailed increase their capability to meet the said objective.

Also interesting is the important insight it provides to the relational dimension of poverty, not only on how they compare each other to others but also to what they used to be in the past. Although there have been studies that look at the endurance of poverty, i.e. whether households consider themselves to be always, sometimes or never poor (Saith, 2005), the temporal relativity of poverty is an aspect does not yet seem to be discussed. This new input on the way poverty is assessed by people help to avoid the underscoring of poverty incidence, as people consider themselves to be better off not in the contemporary context but a historical one.

It is also worth highlighting that there also seems to be a general polarisation of wealth status based on the intensity of fishing operations of the research participants. In the first place, those who are involved in line fishing could at best aspire to be in the *orang buleh* category. Their

households therefore practise livelihood diversification to supplement fishing incomes. This confirms the findings of Al-Harran *et al* (1994) study on a fishing community in North Terengganu, which claim that a large majority of fishermen felt that they could not improve their living standards through fishing alone. Livelihood diversification in fact is widely practised by households in all categories of wealth. But in the case of the less affluent, government agencies play an important role in creating alternative incomes for them. While these programmes initially began in the 1980s with intention of moving coastal fishermen away from the fishery sector through the creation of land-based livelihood activities, there are now programmes that allow them to continue fishing and at the same time earn a side income in aquaculture, for instance. According to Allison (2005), such schemes should be encouraged, as they raise the chances for fisher-folks to top up their income in alternative livelihood sources. This in turn reduces the strain on coastal marine resources. Such enterprises are indeed very popular among fishermen who do not have other livelihood options. Unfortunately they may not be sustainable for there are major risks on these projects' long-term viability. A good example is the cage fish-farmers in Gong Batu. They risk succumbing to heavy debts trying to continue their operations in environments that are in deterioration. Likewise, the participants of the Rhu Sepuluh fish plant may lose their monthly wage if the facility closes down. Furthermore, tobacco farming which has been a significant income earning activity for those involved in, may also cease to be an option due to the increasing planting costs. In comparison, households which are currently diversifying their incomes in non-government-backed-livelihood activities, such as retailing their marine products or with secure wage incomes and remittances, are better positioned in to succeed in household accumulation.

With the exception of line fishing, all the other types of fishing guarantee a high return when carried out exclusively and intensively. Those who venture in such an operation, especially *bubu* fishing, are the highest income earners among the participating fishermen. Nonetheless, when it comes to the question of how well one is able to meet the objective of making a living to fulfil one's needs, household income alone does not provide an answer, nor does it properly fix the wealth status that a household sees itself belonging to. Otherwise, a fisherman who openly admitted to earn as much as the two *orang senang* cage fishermen would have considered himself to be one too, instead of an *orang buleh*. But his household accumulation is more restricted compared to the other two due to different vulnerability profile that it has if compared to the households of the other two. There are other non-income factors which have enabled the *orang senang* "to have" what the *orang buleh* "could have", and the *orang susah*, "due to their hardship in life, could not" or *vice versa*, factors that hampers the *orang susah* from "the possibility of having"

what the *orang buleh* “could have”, which the *orang senang* “already do have”. These considerations are in fact the livelihood liabilities and assets that must also be explored to fully understand the livelihood making of Setiu fisher-folks.

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