No Longer ‘Ali Baba’ But ‘Ali Chandran’ Businesses in Brunei Darussalam: An Exploration

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Abstract
The issue of ‘Ali Baba’ businesses, specifically in the retail sector, has been long debated in Brunei Darussalam, socially and recently in the legislature. The definition of ‘Ali Baba’ business in Brunei Darussalam refers to expatriates use of citizens’ licence to conduct a business in the country. Although such practices are well-known and widely written in Malaysia and to a lesser extent in Indonesia, there is scarce academic literature of the phenomenon in Brunei Darussalam. This paper is a preliminary attempt to fill in the literature gap and to find out the extent and characteristics of ‘Ali Baba’ businesses in Brunei Darussalam, specifically in the retail sector. Semi-structured interviews were used to obtain empirical data as well as from personal on-site observations in a small Mukim or sub-district in Brunei Darussalam. The preliminary findings of the research were profound. This paper argues that the term ‘Ali Baba’ businesses is no longer suitable to refer the retail sector in Brunei Darussalam, rather, it should be known as ‘Ali Chandran’ businesses, as the expatriate partner is now commonly from the Asian sub-continent.

Keywords:
‘Ali Baba’; ‘Ali Chandran’; Brunei; rent-seeking; entrepreneurship

Introduction
Brunei Darussalam (henceforth, Brunei) is a petroleum rich country, discovered since 1929 and has made Brunei one of the world’s richest countries. However, petroleum is a finite, depletable resource. As Brunei became a rentier economy, characterised by rents dominating the economy (Beblawi & Luciani, 1987); entrepreneurship among the local citizens did not flourish as the locals preferred to seek permanent employment in the public sector. Brunei also suffers from ‘Dutch Disease’ a term coined by the Economist magazine in 1977 (The Economist, 2014) to describe petroleum rich states’ inability to diversify their economies from over relying on petroleum resources. To date, over 89% of Brunei’s export derives from the petroleum sector (Jabatan Perancang Kemajuan Ekonomi, JPKE, 2018a).

The private sector is weak and is dependent on government projects as suppliers and contractors for the Brunei government (Hayat, 2017). It is estimated that about 90% of the private businesses in the country are made up of Micro Small and Medium Enterprises (MSMEs), defined as businesses which employ less than 100 employees (ibid). Due to its image as a rich and peaceful country, Brunei continues to attract migrant entrepreneurs to set up businesses in the country. The government policy after independence from Britain in 1984 highlighted the need to develop ‘Rakyat Melayu’ (Malay citizens) as leaders of industry and commerce as stated in its fifth National Development Plan, NDP (1986-1990), however,
the policy failed as only a ‘few’ Malays became leaders of industry and commerce (9th NDP, 2007-2012). The ninth NDP again highlighted the need to have a local business development strategy as part of Wawasan 2035 (Vision 2035) to ‘enhance opportunities’ for local small and medium sized enterprises (SMEs) as well as ‘enable Brunei Malays to achieve leadership in business and industry’ (JPKE, 2007, p. 13). Nevertheless, by the 10th NDP (2012-2017), the focus on promoting the Malays as business leaders in the country were removed to encompass all Bruneian citizens regardless of their racial background (JPKE, 2012).

Brunei’s economy suffered recession in the following years, due to the drop in global petroleum prices. It was only in 2017 that Brunei recorded a positive growth rate of 1.3% (Wong, 2018) and 0.1% in 2018 (Bandial, Hamit, & Wasil, 2019). It became more urgent for the government to encourage the citizens to look for employment in the private sector and become business owners due to increasing unemployment rate in the country and one of the sectors that came under scrutiny is the issue of expatriate ownership, the ‘Ali Baba’ businesses in the country. ‘Ali Baba’ businesses are a common practice in Brunei, and media reports highlighting it has become more obvious in recent times, especially when it was brought up in the legislature several times. The newly elected president of the Brunei Malay Chamber of Commerce, who is also a member of the Legislative Council noted that, "… We can learn from mistakes of the ‘Ali Baba’ practice. We want locals to take over businesses monopolised by foreigners. If Malay businesses are united, the government will assist" (Othman, 2018a).

Although ‘Ali Baba’ businesses are widespread in Brunei, there is scant academic literature on it. There were calls for research to be done at the national level as highlighted in the Legislative Council in 2016, 2018, 2019 (Hansard, March 9th 2016; Hayat 2018; Othman 2019), however to date, there is no governmental report or research out on matter. The lack of literature on this issue provides the impetus for this research, which aims to find out the extent of the ‘Ali Baba’ businesses in Brunei, specifically in the retail sector; to find out how different are their characteristics when compared to those in Malaysia and Indonesia, as the term has origins from the Malay Archipelago; to find out if it is still ‘Ali Babas’ who are running the business or if the term is no longer suitable to the current context.

**Literature Review**

**Origins of the Term**

The literature on ‘Ali Baba’ businesses is more pronounced in Malaysia than in Brunei although the term originated from Indonesia (Wang, 1976, in Siddique & Suryadinata, 1982). According to Lindblad (2002), ‘Ali’ stands for the Indonesian partner who sold his licence to Baba, an ethnic Chinese buyer. Why the name Ali? According to Lindblad (2002), rampant corruption happened during the first cabinet of Ali Sastromidjojo, the eight Prime Minister of Indonesia, who accelerated the Benteng Policy; hence, the term ‘Ali Baba’ became popular (Lindblad, 2008). The word Baba, refers to the ethnic Chinese who were born in Indonesia, whose ancestors migrated to Indonesia from China decades or centuries ago. While ventures with ethnic Chinese created the ‘Ali Baba,’ there is no new term to describe indigenous ventures with non-indigenous, such as the Dutch in Indonesia, although Van De Kerkhof (2005) noted that ‘Ali Baba’ does not refer only to the Chinese, but also others including the ‘Westerners’. The later part of this review will show that in Brunei, the term has changed and

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2 Lindblad (2002) contends that it is actually Babah, the Chinese Wa Wa Sze, used in derogative manner by Chinese born in China against Chinese born in Indonesia.
adapted to connote the ethnic origins of the businessmens in such partnership.

Indonesia

Originally, the Benteng Policy, (Indonesian word for ‘Fortress’ or ‘protected’ (Glassburner, 1962), introduced by the sixth Prime Minister of Indonesia, Sukiman Wirjosandjojo in 1950, aimed to help ‘economically weak groups’ (the indigenous people) with government’s protection and preferential treatment in the lucrative import licences controlled by the Dutch and ethnic Chinese (Thuy, 2015). The policy saw the number of Benteng importers rose from 250 in 1950 to 5,000 in 1954 (ibid.). However, instead of creating successful Indonesian entrepreneurs, 80 per cent of all licences were sold to non-indigenous traders (Thuy, 2015). Glassburner (1962) contends that the Benteng policy was abused to give financial support for the governing political party. Utrecht (1984) revealed this to be in region of 40 to 60 per cent of the commission between the party, government official and the licence holder. The selling of the licence resulted in another popular term created in public discourse, that of ‘briefcase importers’ (Lindblad, 2008) or ‘briefcase firms’ (Thuy, 2015). It refers to indigenous citizens’ readiness to produce their licences, pretending that they owned the business, when in fact they were controlled and financed by others (Lindblad, 2008). Due to the abuses of the system, the ninth Indonesian Prime Minister Burhanuddin Harahap abolished the Benteng policy in 1955, and replaced it with a policy which prioritised all Indonesian citizens regardless of their ethnic origin (Glassburner, 1962; Thuy, 2015).

Overall, Wie (2009, p. 33) noted that the Benteng programme failed to ‘foster a strong, self-reliant indigenous merchant class” but “furthered a group of licenced brokers and political fixers, unproductive ‘rent-seekers’ or ‘rent-harvesters.’” Similarly, Lindblad (2008, p. 131) noted that the Benteng policy is a “complete failure” and did not achieve its main objectives; instead it resulted in corruption, “a blatant rent-seeking operation.” Indonesian former Minister of Finance, Sumitro Djojohadikusumo, however, seemed to justify the policy by asserting that “if you give assistance to ten people, seven might turn out to be parasites but you might still get three entrepreneurs” (Lindblad, 2008, p. 135).

Although the ‘Ali Baba’ system ended, a new system, the Cukong, emerged. Cukong mean ‘master’ in the Chinese Hokkien dialect, and it refers to Chinese businessman in alliance with Indonesian power holders, specifically, those in the military (Suryadinata, 1976). Utrecht (1984) labelled this reformed system as Ali (Suharto)-Cukong economy as the Cukong system emerged strongly during President Suharto’s 31 years rule (1967-1998).

Malaysia

In Malaysia, the literature on Ali Baba partnership is more common, openly discussed and politically justified. Ali is always commonly referred to as the indigenous people of the country, and Ali is argued to be a common Malay name (Chin & Teh, 2015). ‘Baba,’ on the other hand refers to the Straits-born Chinese or ‘Peranakan,’ descendants of Fujian Chinese from China, majority of them being Chinese Hokkien (Tan, 2004). Centuries of intermarriage and interaction with local Malay (when religious differences did not matter then) coupled with their adaptability created a Peranakan (means ‘locally born person’ or ‘descendants’) society. Since the British colonisers accorded the Straits-born Chinese with prestige and influence, the Straits-born Chinese liked to be known as Baba. From then on, the term Baba, Straits Chinese and Straits-

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3 Glassburner (1962) refers the term as fortified

4 Reference to Straits of Malacca, where Chinese traders had travelled for centuries
born Chinese were used synonymously (Png, 1969).

Ali is always referred to as a ‘silent partner’ (Crouch, 2001; Chin and Teh, 2015), and a “sleeping partner,” who receives financial rewards but gains little in form of practical business experience (Siddique & Suryadinata, 1982). Noor and Leong (2013) contended that the partnership with selected few well-connected Malays, created the new elites, resulted in the political economy of “elite bargaining” in Malaysia. Heng (1997) defined such arrangement as “rentier capitalist”, where accesses to high-ranking political and bureaucratic power holders are important in the ‘Ali Baba’ business arrangement. Such arrangement was abused so much that Crouch (2001, p. 234) labelled it as a “gigantic patronage scheme.” This patronage scheme was legalised in the form of the affirmative action policy of the New Economic Policy in 1969, which gave preferential treatment to the Malays, who were deemed economically weak as they owned just 1.5 per cent of their country’s corporate wealth; hence, needed the government’s intervention and support. The policy was supposed to end after 20 years, but it has continued to this day, citing the 30 per cent of Malay corporate ownership of businesses has not been met.

Malaysia’s seventh Prime Minister and the world’s oldest, Mahathir Mohammad, said that the NEP did not fail as the positions of the Malays were much better than before. However, the Malays did not respond correctly to the opportunities given to them, as they would sell off their government contracts. The Malays, according to Mahathir,

“... Are not really oriented towards doing businesses at the moment. They don’t handle money well. You give them a job where they are in charge of funds, for example, they don’t manage it well. Sometimes, they even take the money for themselves. This is the reality of the situation.” (Dzulkifly, 2018)

Shome and Hamidon (2009) believed that ‘Ali Baba’ practices are illegal, and an ‘advantage’ to non-Malay business people as it contributes to their greater resilience to survive, to be innovative and creative use of their capital and resources. Indeed, the affirmative action policy failed to make the Malays more entrepreneurial as it contradicted the principles of entrepreneurship. Crouch (2001) noted that while the affirmative action policy did not exclude the Chinese from business opportunities; it merely made business more expensive for them to conduct. It helped that Malaysia was a growing economy, and its economic growth has ensured that more opportunities are available. Regardless of the restriction, Chinese ownership of businesses continued, and Malaysia in general, has seen an improvement in its living standards, as Malaysia’s income inequality is ASEAN’s second lowest after Thailand (Chong, 2018; Lim, 2018).

Brunei

‘Ali Baba’ phenomenon also exists in Brunei, and it is an ‘open story’ (Thien, 2012). The term ‘Ali Baba’ is believed to be a direct importation from Malaysian media as Brunei has a close relationship with Malaysia. Malaysian news and entertainment are not only received freely in Brunei, its newspapers and radio stations are popular among Bruneians as well.

After independence from Britain in 1984, Brunei’s fifth NDP aimed to make the Malays the leaders of industry and commerce. Policies were made whereby Malays registered businesses were given preferential treatment when dealing with government and government-

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linked companies (GLCs) (Heeks, 1998). Heeks (1998) argued that going into business was not an economic necessity for retired Bruneian Malays as they were financially well-off due to their pension. Furthermore, he argued that the ‘unemployed are well provided for through the incomes of other family members’ (Heeks, 1998, p. 24). Even when there were several thousand registered businesses in the country,

“... in reality, however, this is mainly ‘window dressing’. Ownership rules are subverted in two ways. Firstly, by the creation of subsidiaries with much greater non-Malay (typically Chinese) equity, into which funds are diverted. Secondly, by the fact that the Malay partners are usually sleeping partners who are not involved with the running of the enterprise. Known locally as ‘Ali Babas’, these partners will give their name to the firm in exchange for a percentage of profit, a percentage of turnover, or a direct commission payment based on winning a contract through their local connections. Those with good connections are often highly prized and are requested to act as partners in many different firms. As well as providing the contacts that lead to contracts, the Malay partners can also help keep government inspectors at bay. Many of these supposed entrepreneurs often risk little in salary and privilege terms. Some retain their public sector or large company jobs and create the business in, for example, their wife’s name” (Heeks, 1998, p. 25).

Twenty years after Heek’s observation, some things have changed while others have not. The economy is still reliant on petroleum resources, but the unemployed are no necessarily provided for by their family members. Unemployment is a national issue as more youth who graduated from secondary schools and universities are finding it hard to find jobs (Wasil, 2018). Brunei’s unemployment rate rose to 9.3 per cent in 2017, and the average salary has dropped to B$1,478, down from B$1,874 in 2014 (JPKE, 2018b). Researchers from the Centre for Strategic and Policy Studies (CSPS) believed that youth unemployment rate is around 30% in 2017 (CSPS, 2018; Kon, 2018). It is not as if Brunei does not have enough jobs, as Brunei still has over 64,800 ‘temporary residents’ (JPKE, 2018a) in the country, but these are jobs which Bruneians are not keen to have.

The issue of ‘Ali Baba’ business in Brunei, in the late 2000s were mostly focused on locals lending their licences to Indonesians in the markets (pasar), and by 2010s, the focus was on retail business mushrooming along the roads in Brunei. The Former Minister of Home Affairs noted that a 12km stretch between Jalan Residency to Kota Batu and Sungai Buluh, contained “hundreds of convenience stores, supermarket and department stores as well as various facilities like tailors and laundry services” operating as ‘Ali Baba’ businesses (May and Roslan, 2012). However, the reference to these small businesses being owned by ‘Ali Baba’ was challenged by a former senior government officer, who wrote in the national newspaper, that the country no longer faces an ‘Ali Baba’ business phenomenon, rather, it is now ‘Ali Chandran’ businesses. Businesses in Brunei he said,

“...has become “ABC” phenomenon: Ali Baba Chandran. In algebraic notation: ABC that is Chandran is now more penetratingly powerful and successful! Making Ali becoming more dependent on Chandran! ... Ali is the tortoise, Chandran is the galloping horse.” (Hj. Karim, 2011).

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6 In 2010 alone, there were 112,500 foreign works in the country, in 2011 it increased to 120,000 (May & Roslan, 2012).
Hj Karim (2011) did not explain why he used the name Chandran, but to Bruneian readers of his article, his reference was understood to refer to the ethnic Indians in Brunei. The Indians have migrated to Brunei since Britain became Brunei’s protector in 1906 and by the 1990s they started to dominate the small retail market, small restaurants as well as tailoring shops (Mani, 2008; Malai Yusop, 2018). Why is it easy for such businesses to flourish in Brunei? According to officials, locals were willing to sell their licence in lump sum or on a monthly basis, giving the wrong perception that government department gave licences to foreigners. It was said that the Labour Act does not mention or relate anything to the ‘Ali Baba’ business; thus, making easier for migrants to work in the retail sector and it was harder for the agency responsible to monitor businesses that were set up in the country (Anwar and Zaini, 2007). Norjidi and Eng (2009) interviews in 2009 showed that most ‘Ali Chandran’ businesses seemed to be ‘small businesses’, and locals commonly rented their licences to them. A former minister also noted that foreign nationals were needed in the country to ‘activate’ the business licences in Brunei (Masli, 2012). Since locals are more interested to work with the public sector rather than the private sector, the issue of ‘Ali Baba’ or in this case, ‘Ali Chandran’ businesses was not high on the national agenda as they are seen as functional to society, providing a place for residents or villages to buy daily necessities near to their homes. Furthermore, the benefits of receiving the ‘rents’ from the expatriates as well as no outright problems or issues that have been reported due such partnership, ensures continued support for the policy.

Jones (2016) believes that many of the ‘sleeping partners’ in the business are government officials and the practice is not only unethical but also corrupt as the partner did nothing but received rents and earned a reward out of it. Brunei public servants with written permission from the Prime Minister’s Office (PMO)\textsuperscript{2} are allowed to be involved in business as long as it does not interfere with their office responsibilities. Such rule however is difficult to monitor and some entrepreneurial public servants still do small side business such as food business, without PMO’s approval. In the 2019 Legislative Council meeting, members have called for the establishment of ‘Ali-Ali’ businesses (owned and run by ‘local’ Bruneians) to encourage more local entrepreneurship in the country (Othman, 2019).

Similarities and Differences

From the above literature, it is clear that the licensing system introduced by the government which gave preferential treatment to indigenous citizens resulted in the rise of ‘Ali Baba’ system. The Ali is always the indigenous citizens while the Baba is always an ethnic Chinese, specifically the ethnic Chinese whose ancestors have settled in the country for a generation or more. The government has good intention to ensure indigenous citizens benefits from the system by encouraging them to be more entrepreneurial, however, in most cases, the opposite happens, it is far easier for indigenous citizens to rent or sell the business licence for a fee and monthly fee. Ali is always seen as ‘sleeping’ or a ‘silent’ partner while his non-indigenous partner is the actual owner, who runs and manages the business.

While the Indonesians continued with its Cukong system and Malaysia with its ‘Ali Baba’ system, Brunei’s system has evolved into that of ‘Ali Chandran’ business, specifically in the retail sector as they are more obvious around the residential roads in Brunei. Ethnic Chinese who are known to be Brunei’s earliest

\textsuperscript{2} The rule is in the General Orders (G.O) part of Public Officers (Conduct and Discipline) Regulations, 1962, Chapter 83 in the Laws of Brunei Darussalam. Reference can be made at http://www.psd.gov.bn/Shared%20Documents/Borang%20dan%20Senarai%20Semak/General%20Orders.pdf
retailers are shunning the retail business for white collar professional and skill jobs (Pang, 2015), hence the vacuum left by the Chinese created opportunities for other entrepreneurial migrants to come and take the spot as local indigenous citizens are more interested to work in the public sector. The composition of Chinese population in Brunei has also declined throughout the decade, constituting 26% of Brunei’s total population in 1960 to 10.3% based on the 2011 population census (Pang, 2015), therefore it is perhaps unsurprising that the Chinese business ownership in Brunei has become less obvious.

While the Indonesian ‘Cukong’ and Malaysian ‘Ali Baba’ system focused on multimillion dollar businesses which are run by ethnic Chinese, in Brunei, although such observations can be made in the small construction and petroleum industries (Thein, 2011; No, 2012) the reference to ‘Ali Baba’ businesses in Brunei in recent years are mostly focused on those in small businesses in the retail sector. The retail sector is not seen as a sector that earn high profit, although the 2015 Economic Census of Enterprise estimated that the retail and wholesale trade is the third biggest earner in the country, recording a revenue of B$5.2 billion (JPKE, 2016). The official data however, combines both retail and wholesale activities as one and the interviewees from this research claims that wholesalers actually earns more than them. Overall, Bruneian businesses are smaller in size and profit compared to Malaysia and Indonesia due it her small population and market size.

Although Brunei has followed Indonesia’s path of encouraging all citizens regardless of their racial background to support local business as identified in the 10th NDP, nevertheless there are still preferential treatments given to indigenous citizens, specifically in government and GLCs contracts, just like in Malaysia. However, how successful these local businesses are after given preferential treatments, are also under researched.

Another common characteristics of ‘Ali Baba’ system is, since ethnic Chinese has become citizens of the country, they do not need to have an indigenous partner to ‘activate’ their business license. They only need an indigenous partner if they bid for government contracts as per government requirement. In Brunei, since every new small retail shops that opened at the Kampong (village) roads were often opened by people from the sub-continent; therefore the ‘Ali Chandran’ business partnership is more obvious. As citizenship laws have been tightened, it has become difficult for new migrants to get Brunei citizenship; hence they have to depend on a local partner or marry a local Bruneian to start their business in Brunei. Although the government has initiated several restrictions, such as a freeze on employment quotas (Kon, 2019), which is one of the two ways that foreign nationals could come into the country and work, it remained to be seen if this could reduce the dominance of ‘Ali Chandran’ businesses in Brunei not only in the retail, restaurants, tailoring, textiles but also in hardware businesses.

Research Agenda

Due to the prevalence of the ‘Ali-Chandran’ rather than ‘Ali Baba’ business in Brunei, as highlighted in the media and in the legislature, this research aimed to find the characteristics of the ‘Ali Chandran’ businesses in Brunei, specifically those in the retail sector. The research aim to find out how and why did the ethnic Indians choose Brunei to do business and what are the challenges they face in their business in recent times and how are they affected by Bruneians who are reportedly buying their groceries across boarder in the neighbouring town of Miri, Sarawak. Favourable exchange rate between Brunei and Malaysia cause Bruneians to buy their groceries in neighbouring town of Miri, Sarawak. In 2017, Bruneians spent an estimated B$1.25 billion
in Malaysia, which averages about B$2,962 per person in Brunei (Bandial, 2018a). Data from Sarawak government shows that in 2017, there are about 1.7 million visits by Bruneians and despite the drop in the number of visits by Bruneians in 2018 to 1.3 million (Sarawak Government, 2018), Bruneians remain Sarawak largest visitors. It is estimated that Bruneians spent between B$100 to B$500 for each trip they went to Miri and the popular times to go are during weekends (Hazair, 2018). It is important that such question is asked, because if retail businesses in Brunei are affected by the outflow of people shopping across the national border, and yet the retail businesses still prevail, what then are the factors that allow the small retail stores to survive in Brunei?

Methods

This research used qualitative research method, specifically a case study approach using semi-structured interviews to gather data. A case study approach is appropriate for this research as it is studying a contemporary event within its context (Yin, 2018). Also, given that the study focused on a group of retailers, semi-structured interviews approach was used as it focused on specific questions to be investigated. Personal observation was also used to observe the activities of the retail stores and the goods sold.

Mukim Serasa, which has an area of 34.7 square kilometres was chosen as the location for the research as the author originated from the Mukim and knew about the history of the area. The town, Muara, used to be made up ethnic

\[\text{Bruneians are Sarawak’s biggest visitor for many years, due to the country’s proximity to each other, historic and family links with people across the border as well as favourable exchange rate of the Brunei dollar against the Malaysian ringgit.}\]

Mukim Serasa has an old coal mine, which the Charles Brooke, 2nd Rajah of Sarawak named Brooketon when he purchased it from William Cowie in 1888 for $25,000. Cowie was given the lease to mine coals in Brunei by the Chinese-owned retail stores (Lim, 1986) but it is now dominated by retailers from the sub-continent. Higher education and changes in the economy have allowed the next generation of ethnic Chinese families to shun retail businesses as retail businesses meant long working hours and with increasing competition, lower profit margin, compared to being employed in professional jobs in the government or the private sector. The vacuum resulted in a new generation of migrants coming in and dominating the retail market in Mukim Serasa and in Muara Town. The Chinese who own commercial buildings in Muara Town prefer to rent out their shops rather than to be involved in businesses. As of December 2018, there are eight retail stores selling daily goods in Muara Town (Pekan Muara), four in Muara ‘Centre’, seven along Serasa Road, and seven along Jalan Muara, before the boundary of Mukim Serasa in Kampong Salar. There are 26 retail shops in Mukim Serasa excluding the hardware, restaurants, laundry, tailor and barber shops, servicing an estimated 16,000 people in the Mukim Serasa (See Map 1 Below).

Sultan of Brunei in 1882. Within 33 years of its operation, the Brooketon colliery incurred $1.5 million loss and its capital expenditure was never recovered. In 1915, coal export earnings contributed to 28 percent of export earnings of Brunei as part of the export royalty it receives from Sarawak government (Cleary, 1996). Sarawak’s 3rd Rajah Charles Vyner Brooke decided to close the mines in 1924 and returned it to Brunei when Sultan Ahmad Tajuddin, the 27th Sultan of Brunei was enthroned. The deed was signed in March 1932 (see Horton, 1986).

\[\text{Mukim Serasa included Kampong Kapok, Serasa, Sabun, Masjid Lama, Pekan Muara, Pelompong and Perpindahan Serasa. Based on 2001 census, Kampong Masjid Lama was merged into Pekan Muara. Based on personal correspondence with JPKE, the 2011 data for Mukim Serasa included Kampong Pulau Baru-Baru, an island which is geographically located near to Mukim Mentiri and Mukim Kota Batu, rather than Mukim Serasa but whose population census was included in the Mukim Serasa population. JPKE explained that they followed the information provided by Survey Department,}\]

\[\text{JPKE (2018), Personal Correspondence}\]

\[\text{In the 1981 and 1991 population census summary tables, Mukim Serasa included Kampong Kapok, Serasa, Sabun, Masjid Lama, Pekan Muara, Pelompong and Perpindahan Serasa. Based on 2001 census, Kampong Masjid Lama was merged into Pekan Muara. Based on 2011 census, Kampong Pelompong was merged into Pekan Muara, while Perpindahan Serasa was merged into Kampong Serasa. Based on personal correspondence with JPKE, the 2011 data for Mukim Serasa included Kampong Pulau Baru-Baru, an island which is geographically located near to Mukim Mentiri and Mukim Kota Batu, rather than Mukim Serasa but whose population census was included in the Mukim Serasa population. JPKE explained that they followed the information provided by Survey Department,}\]
Based on available population census reports, it shows that Mukim Serasa is predominantly a Malay settlement and was a finishing village (Lim, 1986; JPKE, 2019) (See Table 1 below). In 1971, there were 3,714 residents in Mukim Serasa and this gradually increased to 13,315 people by 2001. Between 1971 to 2001, there were many development and changes in Mukim Serasa, for example, residents in Masjid Lama water village were moved to Serasa Resettlement Village to make way for the Muara port extension, building and extension of Brunei Royal Navy base and Muara police and marine headquarters. There was also a sharp increase in the number of people in the Mukim from 1991 to 2001, which saw the population increased by 70 per cent, from 7,820 to 13,315; the highest increase was due to the ‘Others.’ This can be attributed to the development of garment and textile industry in the Serasa industrial area. Brunei enjoyed preferential tariff for garment exported to developed countries and expatriates workers were imported to work in the factories. When the preferential tariff ended in 2004, the population of Mukim Serasa declined as expatriates’ left and factories were closed.

The data above show in 1971 and 1981 census, the racial breakdown for Indians was recognised and given a separate category (efforts to find the 1971 census breakdown for the Mukim was unsuccessful). Based on the 1971 census training report for census takers, Indians, Pakistani and Sri Lankans were categorised as Indians (Economic Planning Unit, 1971). By the 1991 population census, the Indian category was absorbed into ‘Others,’ together with ‘Other Indigenous’ who also lost their categorisation in the 2001 census (Pang, 2018). In the 2011 ‘demographic characteristics’ published by the Department of Statistics, 7,464 Indians were recorded in Brunei, with seven of them having Brunei citizenship and 63 of them having a Permanent Resident status in the country. Recent data collected from various newspapers and the Indian high commission website, shows that the Indians constitute the fourth largest expatriate in Brunei (Table 2) and they sent the third highest amount remittance

<table>
<thead>
<tr>
<th>Census Year</th>
<th>Malay</th>
<th>Chinese</th>
<th>Others</th>
<th>Indian</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1971</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,714</td>
</tr>
<tr>
<td>1981</td>
<td>4,086</td>
<td>473</td>
<td>610</td>
<td>90</td>
<td>5,259</td>
</tr>
<tr>
<td>1991</td>
<td>6,387</td>
<td>472</td>
<td>961</td>
<td>-</td>
<td>7,820</td>
</tr>
<tr>
<td>2001</td>
<td>6,873</td>
<td>468</td>
<td>5,974</td>
<td>-</td>
<td>13,315</td>
</tr>
<tr>
<td>2011</td>
<td>7,241</td>
<td>463</td>
<td>2,503</td>
<td>-</td>
<td>10,207</td>
</tr>
</tbody>
</table>

Source: Adapted from Population Census 1981, 1991, 2001; Personal Correspondence, JPKE 2019

In 1981 Population census, there were 5 categories of racial background that was recorded, namely Malays, Other Indigenous, Chinese, Indians and Others. However, by 1991, the Indians were no longer recorded a separate section, merged under ‘Others’. In 2001 Census, the ‘Others’ included ‘Other Indigenous’ in the calculation.
out of Brunei, valued at B$88 million in 2017 (see Table 3). The data on Table 2 shows a higher number of expatriate communities than those officially published by the government agencies. In the recent legislative meeting, the Minister of Energy, Manpower and Industry (MEMI) reported that based on the Labour Force Survey in 2017, there were 47,490 expatriates in the country, accounting about a quarter of all Brunei workforce (Kon, 2019). It is believed that a better data collection system is needed to get a better picture on the actual number of expatriates in Brunei.

Of the 26 retail stores approached for interviews, seven agreed to be interviewed and their characteristics are listed on Table 4 below. Before the interviews were carried out a pilot study was conducted in a different Mukim in Brunei-Muara District, involving a supplier and a few retail stores owners. Several important questions were considered taboo; for example, the research initially wanted to ask about how the retailers find their licence owner, how much they pay their licence owner and if they have to pay extra to the owner to get workers’ quota. This research also wanted to ask if the licence owner are involved in the business management, but as the pilot study indicated that those were ‘sensitive’ and would not be answered by the retailers, hence the questions were removed.

The author was helped by a student, Mr. Thittachery Ahamed, who conducted the interviews based on a list of questions given. Thittachery is a first generation Indian Muslim, whose relatives have opened retail stores in Brunei. His father used to manage a retail store and now works for a supplier. It is easier for the research if the questions were asked by someone who understood their language and has similar background as the retailers; hence they would not feel threatened by the questions. Thittachery spoke Tamil, the language spoken by majority of the sub-continent retailers; therefore it was easier for him to communicate with the retail store owners and managers. It also helped when they knew his family, as the Indian community is a close knit society in Brunei. To protect the identities of those who agreed to be interviewed, they will not be named and their anonymity are assured by the researcher. All interviews were carried out in December 2018.

**Table 2.**

Largest Migrant Worker Community in Brunei Darussalam, 2016, 2018

<table>
<thead>
<tr>
<th>Countries</th>
<th>Indonesia</th>
<th>Malaysia</th>
<th>The Philippines</th>
<th>Bangladesh</th>
<th>India</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>80,000</td>
<td>30,000</td>
<td>23,000</td>
<td>20,000</td>
<td>11,500</td>
</tr>
</tbody>
</table>

*Source: Adapted from Anya (2018); Gita (2016); The Malay Mail (2018); High Commission of India (2018); Bhuyan (2018).*

**Table 3.**

The Amount of Remittance Value by Destination (in Brunei Dollars), 2012-2017

<table>
<thead>
<tr>
<th>Countries</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indonesia</td>
<td>238.9</td>
<td>253.7</td>
<td>243.7</td>
<td>246.5</td>
<td>239.1</td>
<td>235.4</td>
</tr>
<tr>
<td>The Philippines</td>
<td>146.7</td>
<td>164.4</td>
<td>167.2</td>
<td>177.6</td>
<td>161.1</td>
<td>149.5</td>
</tr>
<tr>
<td>India</td>
<td>60.7</td>
<td>79.2</td>
<td>81.2</td>
<td>88.7</td>
<td>94.0</td>
<td>88.0</td>
</tr>
<tr>
<td>Malaysia</td>
<td>75.3</td>
<td>133.3</td>
<td>113.3</td>
<td>74.3</td>
<td>68.2</td>
<td>71.4</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>43.4</td>
<td>50.4</td>
<td>56.0</td>
<td>62.7</td>
<td>67.6</td>
<td>69.3</td>
</tr>
<tr>
<td>Thailand</td>
<td>39.5</td>
<td>34.9</td>
<td>28.7</td>
<td>25.7</td>
<td>23.6</td>
<td>19.0</td>
</tr>
</tbody>
</table>

*Source: Department of Statistics, JPKE, 2018 (Personal Communication)*
Li Li Pang, No Longer ‘Ali Baba’ But ‘Ali Chandran’ Businesses in Brunei Darussalam: An Exploration

Table 4.
Profile of Interviewed Retail Owners and Managers

<table>
<thead>
<tr>
<th>Owner/Manager</th>
<th>Age</th>
<th>Position</th>
<th>Time in Brunei</th>
<th>Ethnicity/Religion</th>
<th>Hiring Locals</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>35</td>
<td>Owner</td>
<td>14 years</td>
<td>Indian Muslim</td>
<td>Yes</td>
</tr>
<tr>
<td>2</td>
<td>23</td>
<td>Owner’s son</td>
<td>18 years</td>
<td>Indian Muslim</td>
<td>Yes</td>
</tr>
<tr>
<td>3</td>
<td>35</td>
<td>Owner</td>
<td>10 years</td>
<td>Indian Muslim</td>
<td>Yes</td>
</tr>
<tr>
<td>4</td>
<td>45</td>
<td>Owner</td>
<td>18 years</td>
<td>Indian Muslim</td>
<td>Yes</td>
</tr>
<tr>
<td>5</td>
<td>30</td>
<td>Manager</td>
<td>16 years</td>
<td>Indian Muslim</td>
<td>Yes</td>
</tr>
<tr>
<td>6</td>
<td>25</td>
<td>Manager</td>
<td>1 year</td>
<td>Indian Muslim</td>
<td>Yes</td>
</tr>
<tr>
<td>7</td>
<td>51</td>
<td>Owner</td>
<td>31 years</td>
<td>Indian Muslim</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Source: Research Results by Author’s

Results and Discussion
In Brunei For Many Years

From the profile of the interviewed retailers shown in Table 4, almost all except one of the retailers (OM6) has been in Brunei for over 10 years. They have been in the business for quite some time, first brought in by their family and relatives into Brunei. For example, OM2, he was brought to Brunei by his father who owns a retail business in Brunei and he is now managing the business as they have several branches of the shop in the country. As it is difficult to get Bruneian citizenship or Permanent Residency status, the retailers are aware that they have to leave the country once their employment quota expires; therefore if they are keen for their family members to take over the business, they have to bring their children and relatives into Brunei to continue with the business until their quota could not be renewed or extended.

The Brunei Labour law at this moment is quite flexible allowing those with ‘supervisor’ quota to bring in their family into the country if they have a salary above B$1,500. The government has to be flexible with its employment quota as there are certain jobs that the locals might not be interested in, especially those with low salary offerings, therefore there is a need to sure there are flexibility for expatriate to fill in those jobs. It requires further research on how many employment quotas are allowed by the Labour Department when a retail shop opens as the government has already reduced the number of quota available to encourage Bruneians to take over the jobs due to increasing unemployment in the country. Recently, the Centre of Capacity Building has trained over 240 Bruneians to work in retail stores and the government paying an extra B$100 monthly to their salary (Azney, 2018). It is hope that by exposing and instilling some entrepreneurial spirit in local Bruneians, they can learn and aim to own a retail store in the future. If left to the market forces, salary in retail stores are low and since Brunei does not have minimum wage, the government has to step in to subsidise the salary to encourage locals to be involve in the sector.

One Business Owner, Different Business Licences

Either to capture more market in a small area or to get more quotas for their relatives or friends to come to the country, there are shops which are owned by the same business owner but using different business licence. For example, OM2’s family owned three other retail businesses under different business names in the Mukim. While there were no direct questions on the worker’s quota were asked, it seemed that the reason to have different company licenses names meant a higher chance of obtaining more quotas to bring in their friends or relatives from India. Hiring their friends and family members is
often cheaper than employing local Bruneians who are not used to long hours, low pay and they leave the job easily. Furthermore, Brunei is a safe and peaceful country where living standard is low as basic necessities, such as rice, water and electricity, are subsidised by the government. Another reason for using different names could be because different license owners approached them and hence they can use different business license. With different business license, expatriate business owner can have more branches in different geographical areas of the country.

When two shops were approached for the research, the helpers told the interviewer, that their employer owned another shop across town with a different name from their own shop. When approached, the ‘owner’ declined to be interviewed. The problem of knowing the real owner of the shop is not easy despite having the business licence certificate displayed on the shop’s wall. From observation, some shops do not clearly display their licence although it is a requirement, while some would hang the business registration so high that it was not easy to read the details of the license owner. A meeting with an officer at the Companies and Business Names Division at the Ministry of Finance and Economy also agreed that it is ‘normal’ for expatriates to use local citizen’s licenses to do business as seen from the business license certificates issued, however, since the government’s policy is still flexible and allow license renting to occur, no firm action has been taken against license owner unless crimes have been committed.

One Business Licence, Different Owners

One of the retail shops which has similar name is found not only in Mukim Serasa, however, it was also found in Mukim Beribi. Since the retail shop in Mukim Serasa did not want to participate in the interview, and claimed that their boss also owns another shop along Jalan Serasa, the researcher happened to see the company’s name in Mukim Beribi and decided to ask the owner there. It was revealed that although the name of the company is similar, implying that the two stores should be owned by the same owner, but in fact, there are two different owners using the same company name. From this example, it shows that licence owners do rent their licence to different people, earning more ‘rents’ from the other business owner. As long as there are no legal disputes or questions from the authorities, then the businesses can carry on without much problem.

There are also two shops with the same name which is opened opposite of each other in Mukim Serasa. Both retailers declined to be interviewed. It is surprising to the residents in the Mukim on why both shops with similar names are operating across each other and while it may seemed that the one claimed to be a ‘wholesaler’ in their signboard and the other is not but in terms of the goods in the shop, they still sell similar goods.

In comparison to bigger retail stores, often owned by the ethnic Chinese, such as Hua Ho, Soon Lee, First Emporium Group, and Sim Kim Huat, they may have several branches across the country, however they are still owned by the same family members and do not sell their licences for others to use it. They also do not need to bring their families or friends in large numbers from Taiwan, Singapore or Malaysia to help them managed the store. Instead, they can employ expatriates or locals in the country as allowed by the Labour Department.

Diversifying From or To Retail Store?

OM7 has been in Brunei for over 30 years, and he originally started with a barber shop and a restaurant. It is only recently that he ventured into the retail sector, opening a large retail shop along Jalan Muara in Mukim Serasa. Based on this, it shows that the owners do not only focus on retail business but also other businesses as competition among retail stores may have reduced their profit, therefore it only
make good business sense if their business is diversified.

It is not clear from the other business names that one owner might own different business unless further scrutiny on the business licence is made or if the business owner actually admits to it. As OM7 shops are obvious as he used the same name for his retail store, restaurant and barber shop. While OM7 was open to share the information, others are not keen to share the businesses that they own. It is also possible based on the OM7 interview that the Indians in Brunei started with small tailoring, barber or restaurant businesses before venturing into retail shops (and in recent times hardware and construction companies). These findings are supported by Mani (2008:178) who wrote that Tamil Muslims has a ‘historical role in operating restaurants’ in Brunei, while Malai Yusop (2018) is keen to reveal that the Indians have taken over from the Chinese in the textiles, barber, retail and tailor shops businesses. More interviews and research with more retailers can only verify this assumption.

Business Survival: Shoppers to Miri is Not A Problem

Majority of business owners believe that despite Bruneians going to Miri for their groceries, it does not affect them significantly. OM1 and OM6 believed that their customers can only go at certain times of the days and not every day to Miri. They have loyal customers who come to their shops to buy their goods; hence they are still able to survive in this small yet competitive market. The retailers are providing goods that are near to villagers, rather the villagers having to go to commercial areas which maybe over 5km or 20km away from their residence, therefore the business owners can still survive from competition from bigger retailers or businesses in Miri.

The statement made by the retailers in the interviews on businesses not being affected by the competition from Miri seemed to contradict the evidence from the Economic Census of Enterprise of 2015 which clearly shows a decline of retail and wholesale businesses in the country. From 2010 to 2015, there is a drop in the number of retailers and wholesalers in the country, from 1,907 to 1,815 enterprises in 2015 (JPKE, 2016). Furthermore, one of the reasons why the Brunei government suddenly change its decades old policy on paying public servants salary every month to every two weeks (bi-monthly; fortnightly) as of June 2018 was due more Bruneians buying their groceries across the border affecting the domestic market industry (Hj Abu Bakar, 2018; Othman, 2018b).

The statement by OM1 and OM6 therefore, has to be treated with caution, although they are ‘survivors’ in the market because their shops still exists hence they were interviewed for this research, perhaps their business strategy is different (and undisclosed) in this competitive and saturated market.

New Players in the Retail Market: Price Wars, Low Profit and Informal Money Lenders and Changers

There are new players in the market. Initially dominated by the Indians, however there are three shops in Muara Town which is owned and run by the Bangladesh. Being recent migrants and most of them are employed in the construction sector; the Bangladesh has overtaken the Indians as the fourth largest expatriates in Brunei (see Table 2). According to retail owners (OM1 and OM7), they are not concerned with the new entrant to the market as they served different segment of the population or customers. While the Indian run retail shops claimed that they serve everyone and are bigger in comparison to the Bangladesh shops, the Bangladesh shops are smaller and served specialised Bangladeshi food, hence are patronized by Bangladesh workers.

OM2 and OM5 claimed that the Bangladesh retailers started a price war, selling below cost price. OM2 claimed,
“...they are selling below the cost price because the owner is more interested to generate money to loan the Bangladeshi who patron the shops. Since the goods are sent on consignment basis, the retailers can afford to sell cheap and with the cash from their customers, they can use the cash to loan the money to those who need it.”

OM2 further explained that the interest from the loan obtained makes up for the low prices of goods that they sell to the customers; and they could still survive with this type of business operation. OM2 also reveal that many Indians run retail shops which also serve as unlicensed money changers to the Indian residents in the country. According to OM2, “... Everyone knows it, its common. They act as the middle men in the transaction, whereby the retailers collect the money from the Indians working in Brunei, and the money is transferred to their bank account in India. This saves the Indians transfer fee where the local banks or remittance companies would otherwise charge quite high. The retailers normally charge B$5 per transaction.”

As remittance to India constitute the third largest amount of money remitted out of Brunei (See Table 3), it is estimated that an average Indian national sent B$7,625 back to their home country in 2017. However, if is true that the Indian retail shops also act as remittance agency, then the actual amount remitted out would be more than the one officially captured by the regulator, Brunei Darussalam’s Monetary Authority (AMBD). Since there is no income tax in Brunei, Brunei is a good place to do business. However, it is against the law and regulation for unregistered businesses to act as remittance agencies and if reported, such activities will be shut down by the authorities. While OM1 and OM7 are not concerned with the new entrant to the market, OM3 is. Furthermore, OM3 also claim that business is not as good as before as government policy of fortnightly salary\(^{14}\) affected his business. Another reason, observed from the location of the shop not mentioned by OM3, is that his shop is next to a main road, and the road condition is not in good therefore it is not surprising that his shop is not popular with potential customers.

OM4 however do not believe that the new entrant to the market is a threat as the country is an, “...‘open market’ and people can just set up business. There is no problem. They can enter the market.”

As most of the items are imported items, the profit is low; therefore, retail shops do not actually earn much. Middlemen, as in big companies, the wholesalers or suppliers are actually earning a lot compared to the small retail stores according to OM4. If there is a small profit margin to be earned from the retail stores (they have to pay shop rental, employees, water and electricity among others), then how could the retail stores survive? Therefore, it is possible that the retail stores had to do other business as highlighted above, other than retail to survive in the current economic situation.

More in-depth research is needed before further generalisation could be made from such statement.

**Implications and Further Research**

The research shows that the small retail shops in Brunei are dominated by ethnic Indians who have been in the business for the last 30 years. Their families and relatives have

\(^{14}\)In June 2018, all public servants receive their salary every fortnightly rather than monthly as practiced for decades. The reasons for the fortnightly salary was to improve public servants’ cash flow and daily expanses; help sustain commercial and economic activities in the country and make the domestic economy more resilient.
been here in Brunei decades ago, therefore they continued to do business in Brunei as current policy still allows them to do so. Instead of ‘Ali Baba’ businesses in Brunei, the term ‘Ali Chandran’ businesses is probably appropriate term to use when referring businesses which are owned by people from the Asian sub-continent. Although the government is aware and is concerned with the proliferation of such businesses in the villages, the government has not taken serious actions to stop citizens renting their business licenses to expatriates. The reasons for this are clear, the businesses are providing useful service to the villages; license owners earn income from the license rent and such business activities have been operating peacefully for decades. As there has been no significant negative impact or problem that are associated with ‘Ali Chandran’ business activities, although the Home Minister recently highlighted the Ministry will start an ‘awareness programme’ on the consequences of license renting activity (Othman, 2019). It is believed that while the business arrangement will continue, however, businesses will be forced to take more locals as their employees as expatriate quota will be cut by the government to help unemployed Bruneians. If illegal remittance is a problem, the official value is still smaller compared to Bruneians who shop across the border.

If there is evidence of illegal activity being carried out, such as informal money changers or remittance services provided, then it is within the government’s power and authority to stop the businesses from operating and repatriate those who are involved. Insinuation of illegal activities of the community has so far has been unproven although one recent case highlights the possibility. In March 2018, the Brunei Indian Chamber of Commerce (ICC) was ordered by the Brunei High Court to pay B$950,000 in damages to the Chairman of one of the textile companies in the country, who was defamed by the members of the ICC for his alleged money laundering and extortion activities (Bandial, 2018b).

Due to higher unemployment rate in the country, the government has encouraged the locals to participate in the retail sector by cutting expatriates’ quota and subsidizing their wages with the hope that they would be able to manage and own a retail store in the future. By working in the sector, it is the first step for Bruneians to see how the retail store operates and how they can learn from it as highlighted by Malai Yusof (2018) who noted that the Indians initially worked for the Chinese and once they understood the business, they then venture out and set up their own retail shops, hence ‘overtaking’ the Chinese in the business. If the policy is successful, it would be one of the important policy successes of the government to encourage entrepreneurship among local citizens.

There were several limitations of the research. One limitation of this research was that it only focused on a small Mukim in Brunei, therefore it cannot be generalized to the whole of Brunei. The number of interviews conducted was small therefore future research can expand to other Mukims or commercial areas where the presence of ‘Ali Chandran’ businesses ‘dominance’ is clear and obvious. Further interviews with government agencies and licenced owners need to be carried out to get clearer picture of the ‘Ali Chandran’ businesses in Brunei and why the policy is allowed to continue and why it should not continue. The research initially wanted to ask about the ‘rents’ that the business owners have to give to their license owners, however since it was considered taboo; it was dropped from the questions. Nevertheless, future research can focus on how the business owner finds the license owner, what guarantees are given in the business arrangement and how the profits are shared if any.

The emergence of new migrants into the retail market provides further research
to be made, as to how and why did they decided to enter the retail market. If there are new entrants to the market, does it mean that there are others who have exited the market? If there is, what is stopping the locals from entering the market since new migrant are able to set up the business? More research is needed to understand the hurdles faced by local Bruneians in setting up a retail business.

While proliferation of small retail business in Brunei run by the ‘Ali Chandran’ business owners can be unsightly along the main road, perhaps the government should stop allowing these businesses to be open along the main road in the first place. This would mean a new policy on urban planning whereby the government can stop residential houses from being converted into shops along the main road. In national public housing areas, for example, commercial area should be developed within, encouraging businesses to congregate in the area, benefiting the residents. The government can own the commercial area through its GLCs like in Singapore where every new township has a dedicated shopping mall for residents to shop within and do not need to go elsewhere for their basic necessities. At this moment, the Brunei government does not have such policy and even if the land has been allocated, no commercial areas are built within, therefore residents has no choice but to go the next nearest roadside shop to buy their daily necessities. The government can also encouraged public private partnership (PPP) to develop the commercial area in the public housing areas, reducing the need for the government to be involved in business and roadside houses being converted to retail stores which can pose traffic hazard and congestion at the local area.

Conclusion

This paper fills in the scarce literature on ‘Ali Baba’ and ‘Ali Chandran’ businesses in Brunei. The activities of license renting are widely known in the region but are under researched in Brunei. Although the term ‘Ali Baba’ is still widely used, to connote the renting of business license to expatriates, however, it is now more obvious that the term ‘Ali Chandran’ is the correct term when referring business owners who comes from the Asian sub-continent, partnering with local license owners in Brunei. The research found that the small ‘Ali Chandran’ businesses are dominating the small retail market in Brunei; they have diversified into other forms of business and they are said to be unofficial and unregistered remittance agency to their countrymen. Although a new entrant to the retail market has been detected due to new wave of migrants into the country, ‘Ali Chandrans’ are not concerned as they are more established and they cater different segments of the society. Local licence owners have benefited from the ‘Ali Chandran’ business arrangement and since there is no serious offense that has been committed except ‘misuse’ of licence by the local owner, license renting activities will continue in Brunei. The government always has the option to revoke the licenses of citizens who rented it as it can be obvious who runs and owns the business; however it is clear that the relationship between licence owner and renter has existed for decades and the services provided by the businesses benefits the society in general, therefore to end such arrangement can be unpopular among retired locals who depended on the income from such rent.

Acknowledgement

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