

**SOCIO-ECONOMIC STATUS OF MALAYSIAN INDIAN AT PRE AND  
POST-NEP PERIOD IN MALAYSIA**

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**ABSTRACT**

*Malaysia has long been integrated into the global economy. Through the early decades of the twentieth century, the Malay Peninsula was a world leader in the production of tin (sparked by the Western demand for canned food) and natural rubber (needed to make automobile tires). The expansion of Malaysia's industrialization heightened its dependence on imports food and necessities. Malaysia is expected to register real GDP growth of 5.1 per cent in 2012 and 5.0 per cent in 2013. In Malaysia ethnic Indians are heterogametic community and third race population 7.3 per cent after the 67.4 percent of Malays and 24.6 per cent of Chinese populations. For the per-independence period of Malaysia, the majority of Indians are engaged with rubber plantation sector. In this time rubber production was a major economic source of Malaya. When the independence of Malaysia, since 1970s the Govt. initiated the development policies (NEP-1970, NDP-1990, NVP-2000). These policies are highly favorable to Malay community. Chinese are economic power and Malays are political power, but Indians are not power at any specific field in Malaysia, but they can play a significant role at economics and politics in Malaysian society. The development policies shows a negative result on Indian community, number of Indian families levee their jobs on estates to seek alternative employment in the urban areas. However, at this juncture till to date the increase in Malay participation in Urban economy, particularly the public sector and existing predominance of Chinese in the urban industrial sector has caused tremendous economic stagnating among Indians to the extended they become*

*victim of urban poverty. The present study are deals and discusses about socio-economic status of Indians at Pre and post-NEP period in Malaysia.*

**Keywords:** Malaysian Indians, Economic Status, Development Policies, Malays and Chinese

**Introduction:**

Indians have played significant role in economy of Malaysia and can be found almost everywhere. They major portion of the Indian community is engaged in rubber and palm plantations, a small section is involved in service like police, railways and food business as well as in the legal and medical professions. Being engaged in plantation labour, the major chunk of Indian community belonging to the older generation was either illiterate or had very little education. The recent migration is of Indian IT professionals increased in early 21st century. Indians are not very economically very good reflected from Indian ownership in Malaysian National wealth which only 1.0 percent. Indians have taken active part in Malaysian politics and risen to the rank of cabinet ministers. Malaysian Indian Congress formed in 1946 is a main component BN (Barisan Nasaional) party.

People of Indian origin in Southeast Asia region especially in Malaysia and Singapore began with labour migration. Thousands of Indian labours migrants arrived annually in Malaya under the two recruitment systems: between 1844 and 1910, about 2,50,000 Indentured laboures came Malaya. The peak of kangani-assisted recruitment occurred in the 1910s, when about 50,000 to 80,000 Indian workers arrived annually. From 1844 to 1938, Kangani-assited migration accounted for 62.2 per cent of total Indian labour migration compared to 13 per cent for indenture migration. In 1920, only 12 per cent of Indian workers were voluntary migrants, but this proportion had increased to over 91 per cent by the 1930s (**The Encyclopedia of the Indian Diaspora**). An increase in colonial agricultural activities in Malaya led to a demand from manpower, which could not be met by the local population. The Demand was satisfied by labour migrations from India, although such migration was seasonal. The British territories in 1833, there was an even bigger demand for labour. This demand was precipitated by the “Industrial Revolution and the Development of large-scale production in Britain” and the need to tap the British colonies for raw materials (*Sandhu, 1969*)

The majority of working class( Indian Origin) belongs to the lower castes of the Hindu society like Adi Dravidar, Vannan, Maruttuvar, Nadar, Vanniyar etc. the Indians, especially Tamils from the Madras Presidency, were the preferred laborers to develop the rubber plantations, because they displayed unquestioned loyalty and obedience, being content with what they had earned and non-rebellious by nature. Most of them continue to be weighed down by low esteem, which is worsened by lack of interaction between the well-off sections **(V.Suryanarayan, 2012)**

Thus, even after independence in Malaya the majority of Indian plantation workers remained in poverty, with low wages, horrendous working conditions and lack of basic social amenities. The post Colonial State, which still maintained the colonial patterns of capital accumulation in her earlier economic plans, reflected a high concentration on infra-structural development, agricultural diversification and rural development to aid the Malay peasantry. Hence, little change was brought to the plantation sector and poverty continued for the majority of Indian workers. However, from the point of independence to the late sixties, educational opportunities provided some level of upward mobility, especially for the second generation of Indian plantation workers. In addition to that, fragmentation of estates from mid 1950s and the work permit crisis contributed to the steady outflow of estate workers from the plantation to urban areas ( **Muzafar Desmond Tate, 2008**)

However, in spite of the growth of industrialization, the transformation of the Indian estate working class into an urban Indian working class had been complicated by a number of issues. Up till the early sixties, Indian workers formed a major component of the public sector force in urban areas. This group was originally brought during rule to assist with the building of infrastructure such as roads, railways and telecommunications. Since independence till to date, with the launching of the New Economic Policy (NEP), National Development Policy (NDP) and National Vision Policy (NVP) the Stated in Malaysia has attempted to increase Malay Participation in the Urban sector of the economy, particularly in the public sector.

**Objectives of the study:** The primary objective of the study is the preceding discussion gives the socio-economic status of Malaysian Indian at pre and post NEP period in Malaysia. And this

study would an attempt to address of Poverty and its cases among Indian community in Malaysia.

**Methodology:** This study is an exploratory analysis of data on the Malaysian Indian socio-economic Status at pre and post NPE period in Malaysia. This study will real on data from secondary sources. To ensure reliability of documents, only established peer reviewed journals as well as books and articles, press Clippings, political parties manifesto, parliamentary debates and similar literature.

**A Brief Discussion of Economic Policies:** The narration of NEP in 1969, when the ethnic riots led to an attempt to satisfy Malay economic grievances through a “New Economic Policy” it emerged under the leadership of Razak, who was soon to become Prime Minister, and a group drawn from various sources: Ghazali Shafie (a civil servant soon to become a minister), other civil servants, party officials, and Just Faaland, a Scandinavian economist. The policy took an economic shape, but its declared objective was political- to produce national unity (**Second Malaysia plan 1971-1975**). When the completion of 20 years period of NEP, it was succeeded by the National Development Policy (NDP), 1991–2000, which essentially continued the twin objectives of poverty eradication and restructuring of society. Together, these two policies spanned a 30-year period which saw Malaysia emerge from a predominantly agricultural economy into a modern, outward-oriented industrialized nation (**Malaysia Achieving the Millennium Development Goals: Success and Challenges, 2005**). Unlike the NEP, the NDP has its new dimension in its anti-poverty strategy by emphasizing the eradication of hardcore poverty in contrast to relative poverty. The focus has been more on employment creation, the rapid development of an active Bumiputera commercial and industrial community, the private sector as an engine of growth, and human resource development as a prerequisite for growth with distribution. In was a n attempt to approach development from a holistic perspective. The NDP restated some of the NEP’s aims, such as promoting balanced development and optimizing growth, as well as eliminating social and economic inequalities. It further stretched its objectives social and economic inequalities. It further stretched its objectives to include the development of human resources. The NDP was succeeded by the current New Vision Policy (NVP) described in the Third Outline Perspective Plan 2001–2010. In essence, the NVP represents the consolidation

of all past development efforts (NEP and NDP) to attain a united, progressive, and prosperous Malaysian society. The quest of the nation is to become a developed nation in its own mold, and in meeting the challenges towards this end the same strategies expounded in the NEP and NDP of building a resilient, competitive nation and an equitable society to ensure national cohesion and social stability is also emphasized in the NVP (**Haji Zin Ragayah,2008**).The National Vision Policy 2020 is based on the western capital development model and ignores the accumulated culture and values or the needs of the Malaysian peoples.

**Pre-NEP Period Malaysian Indian Status:** In the Pre-NEP (New Economic Policy) period (1957-69) economic development by the state was focused towards promoting growth with emphasis on market forces. The free market mechanisms were exploited to bring development to the rural sector. The draft development plan that was initiated in 1950 to 1955 contained guidelines to govern the socio-economic policies of Malaya. The implementation of this plan was interrupted during the Emergency declared to combat the communist insurgency. Expenditure of the draft economic plan during this period was mainly channeled to defense and security services (**David Lim, 2012**) The strengthening of the defence and security was also the primary concern of the First Malaya Plan (1956-60). Since the communist insurgency was still festering, the government needed the funds to take the problem. As the plan received input from the departing British colonialists, it benefited the utilities. At that time, the British were in control of these two main economic activities in Malaya (**Janakey Raman Manickam. 2012**). The second Malaya plan was set in motion from 1961 to 1965. Its primary aim was to improve the rural standard of living (housing, education, transport system and utilities), provide greater employment opportunities and accelerate the rate of economic growth. 67% of allocation under the plan was channeled to the economic sector, 16% for social services while 19% was allowed for administration and security.

The Indians in tune with their minority character remain the third largest ethnic group presently in Malaysia after the Malays and the Chinese and have been playing the role of the second fiddle in Malaysian politics at large. Before the introduction of the New Economic Policy (NEP) in 1970, the economic condition of Malaysian Indian with reference to income position remained much higher than that of Bumiputeras (i.e sons of the soil) unfortunately. This economic

status was drastically altered since 1970 and they have been financially under classed within the Malaysian society and at present lag behind the Chinese and the native Malays in every socio-economic sphere of Malaysia be it economic, trade and commerce, education, entrepreneurship and in overall social status( **Trideb Chakraborti, 2004,**). At this period, almost 70% of Indians were employed in plantation sector. Their meager earnings autonomically placed them below poverty category (**Janakey Raman Manickam, 2012**).

Malaysia follows a systematic planning process whereby five-year plans are set within longer-term Outline Perspective Plans (OPPs), and systematic reviews are conducted at the midpoint of these five-year plans. Annual plans are the vehicle of fine tuning and adjusting the five-year plans to changing circumstances. The sequencing of NEP and its successors, as well as fitting in of the five year plans into this sequence is tabulated in below table:

**Table: 1. Overview of Malaysia Development Planning Framework**

1960-70	1971-90	1991-2000	2001-10
Pre-NEP	New Economic Policy NEP OPP1	National Development (NDP) OPP2	National Vision Policy (NVP) OPP3
First Malaysia plan 1966-70	Second Malaysia Plan 1971-1975	Sixth Malaysia Plan 1991-1995	Eight Malaysia Plan 2001-2005
	Third Malaysia Plan (1981-1985)	Seventh Malaysia Plan 19996-2000	Ninth Malaysia plan 2006-2010
	Fifth Malaysia Plan 1986-1990		Tenth Malaysia plan 2011-2015

The largest group of Malaysian development plans *viz*, from second to the fifth plans continued within the period covered by NEP.

**Educational Status of Malaysian Indians:** The National Education Ordinance of 1957, largely derived from the Razaka Report, has remained the basis of the national education system ever since. However, important modification s took place during 1960s, starting with the 1961 report

of the Abdul Rahman Talib Review Committee, followed by the National Language Act of 1967 and culminating in the systematic phasing out of English as a medium of instruction in Malaysian schools, which began in 1970. The developments –all focused on establishing Malay, the national language, as the main medium of in the national education system-actually only represented the application of policies clearly foreshadowed in the Razak Report. The 1957 Education Ordinance was implemented immediately after the achievement of independence. At least in theory, all parties had got the essence of what they had argued for, even if not to full extent. The protagonists of Tamil could be satisfied that the Tamil primary school had survived, while middle-class Indian children still had access through secondary schools to the university and other institutions of higher learning.

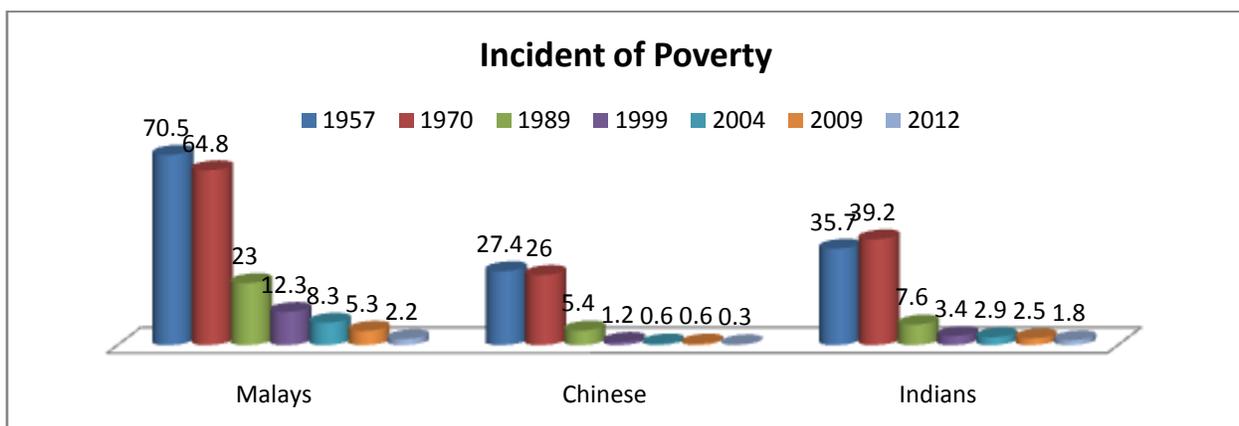
In the long run, Indian students at secondary school level were able to adjust to the switch to Malay medium. However, their career prospects were further and more seriously threatened by complementary steps taken as part of the NEP by the Ministry of Education from 1971, which limited the number of places available at the universities and other tertiary institutions for non-Malays, to allow Malays to have a more balanced participation. Another source of growing alarm to the Indian community was the paucity of government scholarships for Indian students, especially after 1970 with the implementation of the NEP. Deep concern regarding the effects of these policies on the future of bright and aspiring Indian students led the MIC to press for the introduction of admission quotas to universities and other institutions of higher learning for Indian students based on a proportional ethnic basis (**Muzafar Desmond Tate, 2008,P.169**).

The first Tamil school was set up at the beginning of the 18th century. The Penang Free School, set up by Rev. R. Hutchings in 1816, was reported to contain a class to conduct formal Tamil education in the Straits Settlement. The 1912 Labour Ordinance compelled the planters to set up ad-hoc schools for children of the plantation labour. The number of schools increased to 333 in 1930, 547 in 1938, 741 in 1947 and to its maximum of 888 in 1957. After the country's independence, the shift in education policy and the labour migration led to the closing down of many schools. In 1963 there were 720 such schools, 2000 there were 526, and 2007 there were only 523 (**www.indianmalaysian.com**).

The issue of admission to public universities is once again a hotly debated topic in Malaysian society. In 1970, the Indian student intake into the public universities was 7.3%. It had decreased over the year and in 1990 stood at 5.0%. In the year 2001-2002 the public universities in Malaysia offered 30,832 places for students. The Government proclaimed that places at the public universities would be allocated on a racial quota system. However, these assurances had not allayed the fears of non-bumiputra students. Even though the non-bumiputra students obtained the relevant qualifications they were not accepted into the local universities. There were cases of Indian students with 10As in their SPM examinations who were rejected by the universities. There was much discussion in the media on the subject matter. It is very pertinent to ask: what is the real quota percentage of Indian student intake into the universities? Who is to enlighten the Indian community on the intake of Indian students into the local universities?

**Poverty:** There prevails a strong ‘consensus’ amongst the Malaysian Indians political and social elite that there are many poor Malaysian Indians struggle on the margins of a modern economically vibrant Malaysia. It is this real problem or an imagined one, or are Malaysian Indians really no worse off than other communities? The official statistics on poverty do not support the Indian perception (See below figure.1)

**Figher.1: Incident of Poverty in Peninsular Malaysia, 1957 and 2012 (in %)**



**Source:** Department of Statistics Malaysia. \* Y.Ikemoto, “Income Distribution in Malaysia: 1957-80”, The Developing Economics, Vol. XXIII, No.4, 1985, pp. 345-67, **Cited: Tridib Chakraborti, 2004, p.199).**

The above table shows the poverty disparity ratio during the year from 1957 to 2012. The majority of the poor consisted of the Malays compared to the non-Malays at 1957 to 1970s but these result slowly transformed to non-Malay community. There was a reduction in the incidence of poverty among the Malays, although they remained at the bottom of the ladder. In 1970, 65.9 percent of the Malays were poor, compared to only 27.5 and 40.2 percent respectively of the Chinese and Indians. Besides, poverty incidence was more serious in the rural than in the urban areas. Furthermore, in 1970, the average monthly per capita income of the Chinese community approximately M 68 dollars, whereas that of the Indians and the Malays approximated M 57 and M 34 dollars (**Tridib Chakraborti, 2004**).

**Households Income:** several different but simultaneous trends culminated in the events of Malay 1969 which put an end to the Alliance arrangement. Statistical data show that economic conditions for poorer sections of the entire population deteriorated in absolute as well as relative terms despite the impassive economic growth record after independence. For example, evidence on income distribution for 1957 and 1970 (below table) suggests growing inequality among all the major ethnic groups, as well as absolute declines in real house hold incomes for the poorest 40% f the population.

**Table 3: Distribution of Income in Peninsular Malaysia by race 1957-1970**

Income Group	Malays		Chinese		Indians		All races	
	1957	1970	1957	1970	1957	1970	1957	1970
Top 5%	18.0	25.0	20.0	25.0	20.0	28.0	22.0	28.0
Top 10%	43.5	51.0	46.4	52.6	44.8	53.7	49.8	56.2
Middle 40%	37.4	35.6	36.0	32.7	36.0	31.3	34.5	32.1
Bottom 40%	19.1	13.4	17.6	14.7	19.2	15.0	13.7	11.7

**Source:** Snodgrass, 1976. (Cited: Jomo Kwame Sumdaram, 'Malaysia's Economic Policy: a class prospects', Janathan Rigg (edit.) Southeast Asian Development: Critical Concepts in the Social Science, Rutledge(pub.), New York, 2008, p. 129)

Historically, Indians predominated in wage employment, preferring jobs which had security of tenure. The type of jobs in which the Indians were primarily engaged, such as rubber tapping and road construction. According to Charles Hirschman and Akbar Agharjanian stated that Malaysia was the most affluent nation in Asia with a per capita gross domestic product (GDP) of US \$570 in 1973. This favorable economic situation rests partly on the historical legacy of being the world's leading producer of natural rubber and tin, and partly also on a concentrated effort in recent decades to diversity the economic base into other areas, including industrialization (**Charles Hirschman and Akbar Agharjanian, 1980**). The GDP share of agriculture 41% in 1960 and 29% in 1970 and share of service 42% in 1960 and 46% in 1970. This data supported to above table 4, this table presents the income distribution of status of three major ethnic Communities specially: Malays, Chinese and Indians at Pre-NEP period (1957-1970). The bottom 40% income group of Malaysian Indians decreased from 19.2 per cent in 1959 to 15.0 per cent in 1970, in the Malay community 19.1 per cent in 1957 and 13.4 per cent in 1970. And middle 40% income group for Malaysian Indians decreased from 36.0 per cent to 31.3 per cent at 1957 to 1970, in the same years the percentage of Malay community decreased from 37.3% to 35.6%. Whereas the top 10% Income group for Malaysian Indians increased from 44.8% to 53.7% from 1957 to 1970. In the same years the percentage of Malay community increased from 43.5% to 51.0%. While that to 5% income group of Indian community increased from 20% to 28% at 1957 to 1970, in the same years the Malay community percentage increased from 18.0% to 25%. These data analysis examines the Indian income position was very active then Malays at per-NEP period, the Chinese position are higher than two communities.

**Distribution of Household Income:** There has been dramatic transformation of the Malaysian economy in the post-NEP. There has been a move away from agriculture to manufacturing and service. The GDP share of agriculture decline from 29 per cent in 1970 to 8 per cent in 2005 (**R.Thillainathan, 2008**), the deterioration in relative economic position of Indians is readily evident from an examination of several Key Performance Indicators (KPIs). The mean monthly

income of Indian household has declined relative to that of Malaysian households (see above table). The Urban inequality followed the same direction except it also widened in 2004. Overall and urban inequality changes among the Chinese followed a similar path as urban Bumiputera inequality while rural Chinese inequality bell between 1976 and 1990, then widened in the 1990s before narrowing in the new millennium. Overall inequality among the Indians narrowed between 1970 and 1990 after which it widened till 2004, although the degree of inequality remained the lowest among the three groups. Indian rural inequality moved in similar direction up to 1990, but Indian urban inequality narrowed throughout the period

**Table 4: Distribution of Mean Monthly Household income by Ethnic Groups, Malaysia; 1990-2012 percentage of Income share**

	Bumiputra / Malay					Chinese					Indians				
	1970*	1990	1999	2004	2012	1970*	1990	1999	2004	2012	1970*	1997	1999	2004	2012
Percentage of households															
Top 20%	52.50	49.5	48.7	50.6	-	52.60	48.9	48.8	50.1	-	54.20	48.4	47.6	48.6	-
Middle 40%	34.80	35.7	36.4	35.4	-	33.60	36.0	36.5	35.7	-	31.30	35.8	31.5	33.1	-
Bottom 40%	12.70	14.8	14.8	14.0	-	13.90	14.2	14.7	14.4	-	14.30	15.8	16.1	15.5	-
Mean Income (RM per month)	177	931	1984	2711	4,457	339	1582	3456	4437	6,366	310	2244	2702	3456	5,233
Median Income (RM per month)	122	677	1423	1862	-	269	1132	2486	3087	-	196	1163	1969	2469	-
Gini ratio	0.466	0.429	0.429	0.452	0.421	0.455	0.419	0.401	0.446	0.422	0.463	0.409	0.404	0.425	0.443
Rural	0.419	0.410	0.397	0.3912	-	0.399	0.392	0.423	0.396	-	0.363	0.362	0.377	0.422	-

Urban	0.445	0.435	0.411	0.436	-	0.474	0.428	0.401	0.437	-	0.5.2	0.403	0.400	0.343	-
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**Source:** Ishak and Ragah (1990); Kumpulan Penelition Social UKM (1990), Ishk et al. (2000); Malaysian (2006), Economic planning Unit (unpublished data). (Cited: Haji Mot zin Ragayah, 2008. P. 121). \* Ragayah (2007a), 2007 data provided by EPU, (Sited: Ragayah Haji Mat Zin, 27 August, 2008, p.4). 2012 data gathered from Department of Statistics, Malaysia, “Findings of the Household Income Survey (HIV) 2012, Jbatan Perangkaan, Malaysia, pp.2-27

The table also illustrates the income share of Indians. The bottom 40 percent of households decreased from 16.1 per cent in 1999 to 15.5 per cent in 2004 while the to 20 per cent households increased from 47.5 per cent to 48.6 per cent. Consequently, between 1999 and 2012 overall income inequality in Malaysia, the Gini coefficient worsened from 0.404 in 1999 to 0.425 in 2004, 0.424 in 2009 and 0.443 in 2012. All ethnic groups recorded an increase in the Gini coefficient during the period. The inequality among Bumiputera was the highest compared with the Chinese and Indians. The Gini coefficient for Malaysian Indians increased from 0.413 in 1999 to 0.425 in 2004, 0.424 in 2009, and 0.443 in 2012. Clearly there is growing inequality in the distribution of income between the top 20 per cent and bottom 40 percent of Malaysian Indian households in the bottom 40 percent are unavailable.

**Capital Ownership:** The below table, the share of “other Malaysian residents” - often wrongly equated with the non- Bumiputhra Malaysian share as this category includes foreigners resident in Malaysia – rise from 41.3 per cent in 2000 to 43.9 per cent in 2006. This category includes the ethically unidentifiable residual share of “others, nominee companies and locally controlled companies” that could not be assigned to specific ethnic groups. The Indian owner

**Table .6: Ownership of share Capital (at Par Value) of Limited Companies 1969-2006**

	1996	1970	1990	2000	2004	2006
<b>Bumiputera</b>	1.5	2.4	14.0	18.9	18.9	19.4
<b>Individual</b>	1.0	1.6	-	14.2	15.0	15.1
<b>Institution<sup>2</sup></b>	-	-	-	3.0	2.2	2.6
<b>Trusted Agencies</b>	0.5	0.8	6.3	1.7	1.7	1.7

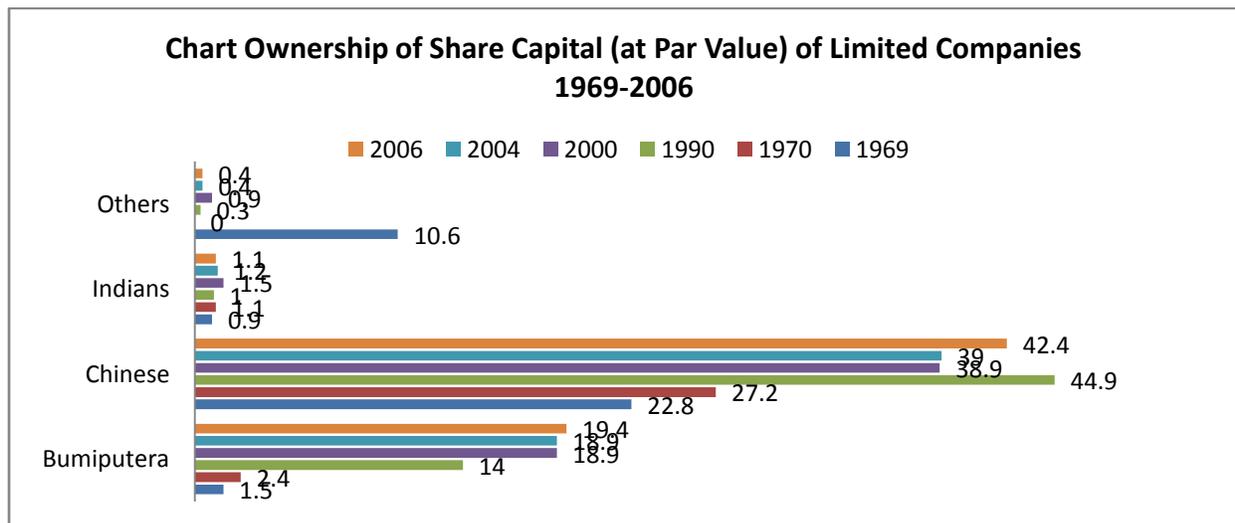
<b>Non Bumiputra</b>	36.4	34.3	-	41.3	40.6	43.9
<b>Chinese</b>	22.8	27.2	44.9	38.9	39.0	42.4
<b>Indians</b>	0.9	1.1	1.0	1.5	1.2	1.1
<b>Others</b>	10.6	-	0.3	0.9	0.4	0.4
<b>Nominee Companies</b>	2.1	6.0	8.4	8.5	8.0	6.6
<b>Foreigners</b>	62.1	63.4	25.1	31.3	32.5	30.1
<b>Total</b>	100.0	100.0	100.0	100.0	100.0	100.0

*Source: Companies Commission of Malaysia, 2) 9 MP Mid-Term Review-NST, 27 June 2008,*

*Janakey Raman Manickam, 2012, p.353-361. \* K.S. Jomo, The New Economic Policy and Interethnic Relation in Malaysia, United National Research Institute for Social Development (UNRISD), Identities, Conflict and Cohesion program paper Number 7, September 2004, 1211 Geneva 10, Switzerland, ISSN: 1020-8194, p.11.*

ship share sequent fallow form 1.5 per cent 2000 to 1.1 per cent in 2006. Chinese and Malays ownership increased in the same years 41.3 percent to 43.6 per cent Chinese, 18.9 per cent to 19.4 per cent Malays, the Malay reservation policies greater success to Malay ownership. The Chinese as follows the Malays, But Indian could not success this policy and they greater loss by these policies.

**Figure 2: Ownership of Share Capital of Limited Companies 2000-2006**



The Ethnic percentages in professional and technical occupations broadly reflect demographic proportion in the Peninsular. Malaysian population, although Bumiputera under representation in the more lucrative and prestigious professions has been highlighted by the Malay middle class, Politicians and the government. While the trend of Malaysian Indians employment continued to be in the manufacturing and service sector. In 2006, Malaysian Indian were clearly overrepresented in manufacturing, the distributives trades and transport, storage and communication. Interestingly they were also over-represented in health social and other community activities (**Jayanath Appudurai and G.A. David Dass 2008**)

**Registered Professional:** The data on registered professional groups (below Table) such as doctors, lawyers, engineers, accountants, dentists, veterinary surgeons, surveyors and architects are also revealing. Indians comprise 12.0 per cent these professional in 2000 and 10.6 per cent in 2005. While we are over represented in a few such as doctor 29.7% in 2000, 26.6% in 2005, lawyers in 2000 for 26.8 % and 24.1 % in 2005, in others we are underrepresented such as architects 1.5% in 2000, 1.4% in 2005 and surveyors 3.4% in 2000 and 3.2 % in 2005 at Indian community and shows the positive growth at other ethnic community like Bumiputera/ Malay, Chinese and others.

**Table 6: Registered Professional by Ethnic Group 1970-2005**

Profession	1970(%) **				1990(%) **				2000 (%)				2005 (%)			
	Bu	Ch	Ind	Ot	Bu	Ch	Ind	Ot	Bu	Ch	Ind	Ot	Bu	Ch	Ind	Ot
Account	6.8	65.4	7.9	19.9	11.2	81.2	6.2	1.4	17.1	76.2	5.6	1.1	20.8	73.8	4.4	1.2
Professionals	-	-							-	-	-	-	6.2	87.9	5.2	0.7
Architects	4.3	80.9	1.4	13.4	23.6	74.4	1.2	0.8	42.1	56.2	1.5	0.2	45.3	53.1	1.4	0.2
Professionals		-							29.8	68.4	1.5	0.3	33.7	64.5	1.6	0.2
Doctors	3.7	44.8	40.2	11.3	27.8	34.7	34.4	3.1	36.8	31.0	29.7	2.5	36.7	29.9	26.6	6.8
Dentists	3.1	89.1	5.1	2.8	24.3	50.7	23.7	1.3	35.2	42.4	20.5	1.9	44.4	35.3	18.4	1.9
Veterinary surgeon	40.0	30.0	15.0	15.0	35.9	23.7	37.0	3.4	41.7	27.7	27.4	3.2	39.0	32.2	24.8	4.0
Engineers	7.3	71.0	13.5	8.3	34.8	58.2	5.3	1.7	42.6	51.1	5.2	1.1	46.0	47.6	5.4	1.0
Professionals	-		-						25.0	66.5	6.5	2.0	28.9	63.2	6.3	1.6
Surveyors	-		-		44.7	49.6	3.7	2.0	45.1	49.6	3.4	1.9	48.2	47.0	3.2	1.6
Professionals	-		-						42.5	52.2	3.5	1.8	47.2	47.9	3.4	1.5
Lawyers	-		-		22.4	50.0	26.5	1.2	32.3	40.1	26.8	0.8	38.8	37.1	24.1	0.8
% of Total	4.9	61.0	23.3		29.0	55.9	13.2	1.0	35.5	51.2	12.0	1.3	38.8	48.7	10.6	1.9

Bu: Bumiputera, Ch: Chinese, Ind: Indians, Ot: Others. Source: Professional Association and institutions covering both public and private sectors such as Malaysian Institutions of Accountants, Board of Architect Malaysia, Malaysian Medical Council, Malaysian Dental Council, Board of Engineers Malaysian, Bar Council Malaysian, the Institute of Surveyors Malaysia and Malaysia Veterinary Surgeons Council (Cited. Janaky Raman Manickam, 2012, p. 355). \*\* Raghyah Haji Mat Zin, ‘A Review of poverty and Income Inequality in Malaysia implications for Malaysian Indians’, paper presented at the focus group discussion on tenth Malaysian plan & Malaysian Indians, IKMS, UKMS, 27 august 2008 P.11

### **Conclusion:**

From the forerunning discussion it is evident that the economic stagnation of the Indian poor is tied closely to the policies of the world colonial-capitalist system and the role of the state in Malaysia. The marginalization of urban Indian workers particularly into informal sector and urban poverty groups, can also be linked in part with the pro-Malay ethnic policy adopted by the state for sectors of economy and the domination of foreign and local capital on the Industrial sector (Oorjitham, 1988). Where political activities since independence have largely contribute to preserve ethnic identity, Malay attitudes towards the Indians have not altered much since the original stereotyped about them first emerged a long time ago. Certain unfavourable impression of the Indians have been crystallized into proverbs and popular beliefs in the hearts of the Malaysian other races. The miserable economic condition of the Malays and the racial riots of 1969 forced the Malaysian government to introduce the NEP for the eradication of socio-economic differences between the Malays and other races. But, this initial motive of the defensive Malaysian policy makes failed to remove the very real problems of poverty suffered by other races. Over the years, it has been proved that the NEP was basically an affirmative action-based pro-Malay, economic policy. The National Development Policy (NDP) Succeeded the NEP in 1990. While there were differences in priorities and strategies between the two, the NDP also basically remained a pro-Malay or ethnicity-motivated policy. During the implementation of post-NEP period (NEP and NDP), Malaysia achieved rapid economic growth which significantly reduced poverty and brought the Bumiputeras into the mainstream of economic activities. However, this sudden prominence of the Malays in the Malaysian economy largely weakened

another economically strong ethnic community, Malaysian Indians, within the precarious, racially informed economic balance of the multiracial plural structure of Malaysia. The NEP and NDP have reduced the Indian community's share in terms of state assistance and access to economic benefits. Indeed, the poor of the Indian community seemed twice disadvantage-not only because of their lack of fortune but also because of their race. As a natural outcome, they have been marginalized and reduced to the status of an underclass in the socio-economic, spheres and remain at the bottom of the Malaysian social pyramid. This position of the Malaysian Indians may have stemmed from negligence rather than design, as the fruits of economic development have never been equally distributed among the different racial groups, and especially these have failed to percolate to the poorer sections of the Indian community. Past poverty eradication efforts undertaken through NEP and NDP, which were heavily biased towards the rural Bumiputeras, need to be reoriented to remove poverty, irrespective of race, unlike the past development policies of Malaysia. The government's massive affirmative action programme on behalf of bumiputeras in education was a key factor in the economic upliftment of the Malay community in the post-NEP period. Now the Malays are able to compete on merit and secure places in the Malaysian public universities in excess of their population share.

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