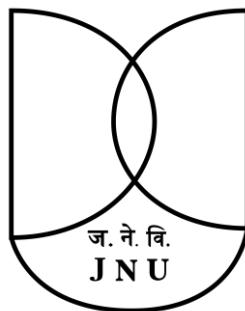


**DIASPORIC ENTREPRENEURSHIP  
IN MALAYSIA  
A STUDY OF INDIAN BUSINESSES**

**Thesis submitted to Jawaharlal Nehru  
University in fulfillment of the requirements  
for the award of the degree of**

**Doctor of Philosophy**

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**2018**



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RECOMMENDATION

We recommend that the thesis be placed before the examiners for evaluation for the award of Doctor of Philosophy degree of this university.

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मेरे परिवार को समर्पित

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**DEDICATED TO MY FAMILY**

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# Chapter 1 Introduction

This study intends to understand the development of Indian Diaspora Entrepreneurship<sup>1</sup> in Malaysia from both theoretical and empirical perspectives. It aims to explore diasporic entrepreneurship in terms of motivations and modes of engagement and varied practices and changes occurring over time. The study considers that the entrepreneurship development among Malaysian Indians is a complex process and needs to be understood using multiple perspectives. One such perspective is the comparison of Malaysian Indian entrepreneurial experience with other Diaspora communities active at various geographical spaces across the world. Further, as discussed by Abbott (1993:187-88), it is essential to examine Diasporic entrepreneurship using historical perspective to understand its present state. In this context, this study discusses the development of entrepreneurship among Malaysian Indians with focus on immigration, settlement, geographical mobility, resource mobilization process, current practices, and future prospects. Further, this study in order to locate itself within the field of economic sociology, intends to capture the overall process of socio-economic upliftment of Malaysian Indians using entrepreneurship as a livelihood opportunity to enhance the future prospects in host land.

Entrepreneurship consist of multi-layered inter-relation of multiple socio-economic, political, and psychological features operating within changing dynamics of economic activity in a globalised environment, as argued by many scholars who have examined this phenomenon in a Diasporic context (Schumpeter, 1936; Wilson & Portes, 1980; Zhou, 2004). An entrepreneur is an innovative economic functionary who takes risks and forecasts the demands of consumers (Ripsas, 1998:104). There is now increasing recognition that, entrepreneurship is an efficient mechanism to gain economic empowerment among Diasporic communities. This tends to be an essential and useful mechanism in case of minority groups<sup>2</sup> at the host land.

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<sup>1</sup> For this study, Malaysian Indian entrepreneurs are the people arrived from any part of India, before or after Malaysian or Indian independence. The entrepreneurs selected for the study are small-scale business people functioning in Little India, a recognized Indian market in Brickfields, Kuala Lumpur, Malaysia. The significance of Brickfields has been discussed in chapter 4 of the study.

<sup>2</sup> In this study, migrant communities living in host countries are considered minorities, for e.g. Malaysian Indian community comprises 7% of the total population in Malaysia and is hence considered a minority community in Malaysia.

The idea of economic empowerment through entrepreneurship is not a new development since it is previously analysed in many studies (Schumpeter, 1934; Knight, 1921; Baumol, 1968) irrespective of any specific geographical area. In general, entrepreneurship can be an opportunity for an individual, including immigrants, to gain access to mainstream economic sectors and it is often considered as a “convenient arrangement of socio-economic enlistment” (Wood et al., 2012: 105). From the studies of Schumpeter (1934) and Knight (1921) it is evident that the entrepreneurial success is a subject of risk, uncertainty, and motivation of entrepreneurs; further, it extensively relies on time and space.

The development of entrepreneurship among local or native population largely depends on individual motivation and willingness to take risk in an uncertain environment. On the other side, Diaspora entrepreneurs substantially relies on opportunities generated by fellow Diaspora (Rath & Koolsterman, 2001:2). Diasporic entrepreneurship entails both transnationalism and interaction between homeland and host land. The opportunities are generated keeping in mind complex multidirectional flows of human beings, ideas, products, culture and physical interactions, negotiation and exchange of ethnic goods and services. The growth of immigrant entrepreneurs in many host countries is traditionally driven by the demand generated by fellow diaspora communities living in the neighbourhood (Zhou, 2004).

Cities with higher immigrant population has observed an increase in self-employment among Diaspora communities. This is a result of self-motivating attitude through which immigrant communities attempts to advance their living status (Levent, Masurel, & Nijkamp, 2003:4).

In line with the propositions mentioned above, Indians in Malaysia recreate their realities as well as their identity of self as entrepreneurs with the help of an economic identity shift via the entrepreneurship. This study therefore documents the stories these entrepreneurs told and shared, reflecting experiences of self as well as of other. These stories are particularly important since it inform about reconstitution of individual selves from external to internal with socio-economic betterment in Malay society.



This study argues that the development of entrepreneurship among immigrant communities need a careful evaluation in light of several inter-related factors. In doing so, this study analyses the developmental aspects of social capital, market structure, motivational factors, innovation strategies and homeland relationship in Diasporic entrepreneurship. A study of Indian Diaspora business in Malaysia not only creates a new opportunity to discuss immigrant entrepreneurship, but also detail the process, in which such opportunity emerges.

### **1.1. History of Indian Diaspora**

Indian Diaspora today is spread across the globe, with its presence in almost all countries in the world. Indian traders, entrepreneurs, travellers, and religious missionaries have been trading overseas since the beginning of the third century A.D., mainly in Southeast Asia and the east coast of Africa<sup>3</sup>. In comparison with others, the Indian Diaspora has some unique features. Bhat and Kadekar (2010) consider Indian Diaspora as a unique community and consist of identical diversity as it has at the homeland. Their presence at the destination countries are like that of homeland. Factors such as community relationship, religious practices and linguistic preferences relate their regional identity carried from homeland. Therefore, Indians living at the destination countries tend to form a group with people coming from same region and have similar socio-cultural customs, principles, ethics and practices. In case of transnational Diasporic entrepreneurship, the cultural influence has played a vital role (Bhat & Kadekar, 2010:11).

Large-scale migration from the colonial era till now has facilitated the preservation of Indian culture among the Diaspora. In the first phase of migration during 1834, a large number of labourers migrated from India to different plantation colonies. In this phase, it was group/large-scale migration that facilitated them to carry their socio-cultural beliefs and practices with them, such as language, food culture, religious beliefs, and other cultural aspects (Kadekar, 2005:8). Indenture receiving countries like Mauritius, Malaysia, Fiji, Guyana, Surinam, etc., that have received the very first

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<sup>3</sup> L M Singhvi was chairman of the High Level Committee formed to document the status of Indians living abroad and identify the possibility of their engagement with India.

phase of workers from India have seen the emergence of cultural beliefs, social norms and practices identical to homeland. Similar culturally charged affection can also be observed among the current generations of Indian Diaspora across the globe that has affection for India and Indian culture (Report, Singhvi Committee, 2001<sup>4</sup>)

In the Indian context, we can broadly differentiate three types of Diaspora who are taking part in entrepreneurial activities. The first category is voluntary Diaspora such as Gujarati, Sindhi, and other traders and merchants, who have been trading through the years from their homeland through different networks. The second category of Diaspora entrepreneurs are the colonial labourers<sup>5</sup> or “colonial Diaspora” who went from India as indentured labour and later got settled there. These emigrants acquired resources in their host land, and afterwards took part in economy through entrepreneurial expansions. The third category are skilled migrants from India who migrated to various developed nations as healthcare or IT professionals mostly after the 1960s (Bhat and Kadekar, 2010). All these distinct categories of Indian Diaspora often usage cultural factors to develop their business at the destination countries. According to Rahman and Fee (2014), culture cannot be seen as a supplementary factor in the entrepreneurial process, it is often a significant factor in entrepreneurship, and it profoundly influences the Diaspora entrepreneurs worldwide to participate in cultural and economic processes of the homeland.

Israel (2005) differentiated diaspora entrepreneurs from other domestic traders. Diaspora entrepreneurs differentiate themselves from native traders through some specific entrepreneurial and trade practices. Diaspora entrepreneurs use strong ties of religion, language, and ethnicity to unite themselves and those ties usually play a significant and remarkable role in their social, cultural, and intellectual as well as economic characteristics. Immigrants have inherited characteristics of risk-taking and engaging in new ventures. (Israel, 2005:93).

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<sup>4</sup> Report, Singhvi Committee, 2001:252.

<sup>5</sup> Colonial Indian Migrants include indenture, Kangani, Maistry and others.

## **1.2. Indian Diasporic Entrepreneurship in Malaysia**

Post-independence Southeast Asian region has seen a significant economic development and welcoming trade friendly policies. Financial development in this region was achieved using colonial administrative structure and industrialization process (Baxstorm, 2008). Wide-spread economic development came along with many other traits including educational betterment, convenient transportation, structured industrialisation, and employment opportunities during the post-Independence era. These changes are mostly visible in case of countries like Malaysia, Indonesia, Brunei, Philippines, Singapore, and Thailand (Hirschman & Edwards, 1964:4374).

Historically, the arrival, distribution, and eventual settlement of South Asians (pre-Independent India) in Southeast Asia are closely related to colonial history. Similar colonial administration in sending and receiving countries enhanced the prospects of free movement from India to plantation countries such as Brunei, Malaysia, Myanmar, Singapore, and Sri Lanka (in South Asia). In these countries, these workers mostly came as a labouring class with a small number of them coming as business people and white-collar workers (Sandhu & Mani, 2006: Xii).

Historically Southeast Asia has been a dominant receiving region of Indian labourers which is continuing till date. Significant economic development has made Southeast Asia an important destination of labour migrants coming from South Asia, especially India. As stated by Sandhu (1969), from 1880s till 1930s, the region observed significant working population from India and China. The estimation by Sandhu (1969) and Baxstorm (2008) suggest that the intensity of Indian and Chinese migration to Southeast Asia was no less than European transatlantic migration. On the other hand, industrial development in Europe further enhanced the prospect of export development in Southeast Asia, which led to increasing workers demand. With the increasing demand of labourers, many of these countries allowed free flow of labourers, which at the end resulted mass migration and community formation at the host land (Sandhu and Mani, 2006).

After formation of Singapore in 1980s, South-eastern countries became an important stakeholder of global supply chain and sizeable number of workers from various parts of world, specifically South Asia started migrating towards the region. Mostly migration to the region has been for economic purpose, which lead to development of remittance corridor between Southeast Asia to South Asia. Some of these active corridors are Singapore-India, Singapore-Bangladesh, Malaysia-India, Malaysia-Sri Lanka, and others (Ratha et al., 2016). With this high concentration of immigration, many Southeast countries today host up to thirty percent of immigrant population (Sandhu & Mani, 2006:6).

Indian Diaspora has significant participation in almost all sectors of Malaysian economy. Considerable proportion of Indians are engaged in Malaysian healthcare and legal sectors. Many Indians also work as English language academic professional in the country (Sandhu & Mani, 2006)<sup>6</sup>. Indians living in Malaysia has traditionally worked in healthcare and legal sector, however new generation have also entered new segments such as banking, science & technology, and entrepreneurship. The Federal Government funds Tamil primary schools and uses Tamil as medium of instruction, simultaneously English and local language Malay are being included as compulsory subject (Haque, 2003)<sup>7</sup>.

According to Gomez (2007), Chinese and Indians have largely dominated ethnic Entrepreneurship in Malaysia. Chinese entrepreneurship in Malaysia exists in various categories of firms, which include large, medium and, small. Many Chinese enterprises functions under the ownership of one family and caters to the need of fellow Chinese living in the neighbourhood. Gomez (2007) provided the comparison between Indian, Chinese and Malay entrepreneurship on the basis of Government support. Local Malaysian Government since the 1970s has shown a conservative approach towards Indian and Chinese entrepreneurship, while Malays have given a special privilege. Other scholars such as Jain (2004), Kaur (2014) and, Mahalingam (2016) have also provided the similar argument.

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<sup>6</sup> They put forth a detailed analysis related to Indian communities living in various South Asian countries.

<sup>7</sup> The article discusses the role of Malaysian Government in dealing with local community and immigrant ethnic communities. The article finds that the non-Bumiputra related activities has seen a significant declined in Government spending and attention.

Like Chinese and Malays, many Indian business ventures operating in Malaysia are individually owned and being run by themselves. Although, it is difficult to estimate the actual volume of Indian entrepreneurship in Malaysia, the magnitude is considered to be very high. As estimated by Sandhu & Mani (2006) Significant number of Indians have investment in infrastructure and property followed by wholesale, retail, and others such as food business, garment industry and others (Sandhu & Mani, 2006:90).

Historically, the South Asian communities such as Muslims have long history of entrepreneurship in Southeast Asia. These ventures were mostly patriarchal, and ownership move from father to son (Ariff and Abubakar, 2003). Like other Asian entrepreneurial tradition, establishment and functioning of enterprises had been divided into community lines, where ownership of business usually owns by specific group of people (Othman et al. 2009).

However, in contrast, the Bumiputra<sup>8</sup> (sons of the soil) community do not have had an exceptionally long history of entrepreneurship. Instead, they have been either working in Government service or were agriculturalists, mainly employed as tillers or small landholders. Nevertheless, there were exceptions, such as *Kelantanese*<sup>9</sup> women who traditionally are engaged in primary forms of entrepreneurship (Ariff and Abubakar, 2003).

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<sup>8</sup> The term Bumiputra (Sons of Soil, in English) is an official term for the local Malay population. The term officially included in the Article 153 of the Malaysian constitution. The article provides special status to Bumiputra. Malaysian higher education Ministry define Bumiputra as "If one of the parents is Muslim Malay/Orang Asli [5] as stated in Article 160 (2) Federal Constitution of Malaysia; thus, the child is considered as a Bumiputra". The details are available at [https://web.archive.org/web/20120205100541/http://www.online.uitm.edu.my/takrif\\_bumi.cfm](https://web.archive.org/web/20120205100541/http://www.online.uitm.edu.my/takrif_bumi.cfm) accessed on 29 October 2017. For Article 153, click on the following link- "[http://www.agc.gov.my/agcportal/uploads/files/Publications/FC/Federal%20Consti%20\(BI%20text\).pdf](http://www.agc.gov.my/agcportal/uploads/files/Publications/FC/Federal%20Consti%20(BI%20text).pdf)" accessed on 29 October 2017.

The term Bumiputra was largely criticized by many national and international institutions. The Economist published an article titled, "The slaughter of sacred cows" and criticized the existence of Bumiputra as, "Malaysia is probably the only country in the world with racial discrimination explicitly written into its constitution." Available at <http://www.economist.com/node/1677328> accessed on 29 October 2017.

One of the prominent examples of discriminatory policies enacted to favour the Bumiputra was New Economic Policy of 1970. This has been discussed in various chapters of the study.

<sup>9</sup> *Kelantanese* are the sub-ethnic Malay group living in Kelantan, Malaysia, and northern Terengganu. The community is closely related to Thai Malays.

As observed, Indian participation in the entrepreneurial sector is primarily based on neighbourhood demands, which include restaurants as a primary venture. Other ethnic ventures include garment shops, grocery, religious product shop, flower shop, etc. The participation of Indians in these sectors can be broadly categorised into commercial and subsistence operations. Subsistence operations mainly consists of laundry services, milk vending, news vending, the sale of food items, bread vending, sale of clothing, hair cutting and sale of spices. The commercial operations cover relatively larger businesses in service sector deploying greater capital, know-how, and organisation. These businesses include restaurants, stationery and bookshops, provisions shops, market stalls, pharmaceutical shops, and textile shops. The textile business can be singled out as one area of visible Indian presence, especially considering their prominence in the supply of Indian made textiles. These ventures, to a more considerable extent, also operate on a small-scale as family-owned ventures (Meyanathan, 2006:380).

For a diaspora, culture “creates a sense of identity and a bond, and simultaneously draws boundary lines between distinct groups” (Cohen, 1997). When people migrate, they carry a set of cultural values, language, and religion. Among these while language proved as temporary restriction, religion is found to have put forth a barrier in the process of assimilation at the host land (Pfaff-Czarnecka, 2003a). After settlement, immigrants tend to find differences in attitude, behaviours, food, values and practice with local habitant, which often help or sometime force overseas people to find an intermediary which can help them continue relationship with homeland. The emergence of Malaysian Indian migrant businesses in Malaysia put forth similar experience. The demand generated for Indian ethnic products gradually created an avenue of immigrant enterprise at various locations of Malaysia, which is Klang, Penang, Kuala Lumpur and other parts. The ethnic products or ethnic markets is an option available at the host land, which can help a migrant to continue their emotional belongingness with host land.

Furthermore, the formation of common identity in presence of similar ethnic origin creates a notion of belongingness with each other. This belongingness can be understood as a charged social location which combines beliefs and performance of commonality, a sense of mutuality and formalized identities of common allegiance,

and material and immaterial attachment that often result in a sense of entitlement (Pfaff-Czarnecka, 2011). This belonging enhances the demand of commonly used products related to homeland, which include food and other ethnic products, that leads to formulation of entrepreneurship.

### **1.3. Review of Literature**

The issues related to Diaspora entrepreneurship was primarily discussed focussing North America and a few European countries (Portes, 1995; Rahman and fee, 2012). As evident, the studies on immigrant entrepreneurship tried to understand this phenomenon using comparative perspective (Zhou, 2004). As stated by Waldinger (1994), the making of a Diaspora enterprise is vital but fairly ignored characteristic of entrepreneurship. Latterly, some attempts were made to understand the immigration and settlement of Asians in European destination countries (Spaan et al., 2005). There are studies which talked about Asian community entrepreneurship in Europe and North America however, in case of South-South Migration, the area is still not explored adequately. Further, there is also dearth of information about process of entrepreneurship establishment among workers visiting destination countries as guest workers (Rahman, 2018).

Schumpeter (1934)<sup>10</sup> defined entrepreneurs as individuals with specific attitudes towards change (new strategies in business development). He described development as the process of “carrying out new combinations” in the process of production (Schumpeter, 1934:66). Borrowing Schumpeter’s (1934:74) scheme, Badelt (1997:164) further explained the concept of ‘new combinations’ and outlined that they are generally from the five contexts<sup>11</sup>, which are; “coming up with innovation, development of new production system, initiating a new market, finding a new source of raw material, or carrying out of the new organisation of any industry”.

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<sup>10</sup> The theory of economic development, published by Schumpeter in 1934, is one of the initial studies on entrepreneurship. The book gives a theoretical background to differentiate entrepreneurship with other businesses.

<sup>11</sup> As stated by Schumpeter in his book ‘The theory of economic development’ these new combinations broadly mean any innovative change from the existing system to gain better output.

Baumol (1968:65) differentiated entrepreneurs from other business functionaries<sup>12</sup>. He mentioned that the job of the entrepreneurs is to find new ideas and to put them into effect. In Baumol's opinion, entrepreneurs possess different function than business people. It is a responsibility of an entrepreneur to identify novel concepts. In short, "entrepreneur is Schumpeterian innovator and some more. He is the individual who exercises what in the business literature is called 'leadership'. Moreover, it is he who is virtually absent from the received theory of the firm" (Baumol, 1968:65). This lead us to understand that the entrepreneurs are the economic functionaries who tend to find new avenues of development with innovative ideas, new goods, new production methods, new markets, and new capabilities.

Diaspora, with lack of access to the traditional financial sectors in the host country, tend to start small enterprises, as they need relatively fewer capital inputs and minor risk determinants (Fairlie, 2011:153). However, while it is true that Diaspora lack familiarity with the host country's language, institutions, and culture, their prior understanding of homeland and demand generated by the fellow Diaspora at the host land helps the ethnic Diaspora to start entrepreneurial ventures. The ventures can be ethnic, related to homeland or products in the host country; however, in most cases, such entrepreneurship primarily aims to fulfil the demand of fellow Diaspora (Oliveira & Rath, 2008:13). The inclusion of Diaspora in the entrepreneurial process has created a little different but more reliable Entrepreneurship environment, with the use of Diaspora networks and cultural relations either back home or with the help of family and cultural networks outside the homeland.

Oliveira and Rath (2008) used the term 'New Man' for immigrant entrepreneurship, with analysis of Schumpeter's terminologies; innovators, risk takers and introducers of new product and new ways of marketing (Schumpeter, 1934). In the introduction chapter of a special issue of entrepreneurship, published by Migracoes Journal, Oliveira and Rath (2008) further elaborated their 'New Man' argument with the study of establishment of "Doner Kabab by Turkish immigrant entrepreneurs in Germany".

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<sup>12</sup> The difference between entrepreneurs and non-entrepreneur (business functionaries) has been discussed in chapter three in detail. However, the study consider entrepreneur as a section of business people, with few additional attributes such as uncertainty, risk, innovation, and others. Further this should be considered that the entrepreneurs are mostly founder and have a unique idea to get better success.



According to them, establishment of immigrant centric business at the host land need presence of a person from same community to ensure reliability of products and quality. This requirement has been historically evident in case of Chinese business outside China. Further, success of Diasporic community is business also depends of sector specific requirement, since areas with lesser wage may not suit immigrant community. Areas of lesser earning may prove as unattractive opportunity since immigrants tend to earn sufficient to survive as well as remit to homeland. Thus, Immigrant entrepreneurship is an important phenomenon at the destination countries, where these entrepreneurs enhances their chance of socio-economic betterment with participation of sectors which are economically feasible and customer ready. Therefore, immigrants are more likely to move towards businesses with pre-existing community demand (Oliveira and Rath 2008).

Muñoz and Alon (2007) examined the instances of ethnic entrepreneurship among Filipino immigrants in the USA. Authors used the term ‘strategic entrepreneurship’ while analysing the business approaches adopted by the Filipino Immigrants. The processes identified by the authors are as follows:

Develop a keen understanding of the new business environment → Gain relevant work exposure → Engage in creative capital acquisition → Pursue entrepreneurial activities in smaller phases and degrees → Capitalize on uniquely competitive skills → Build on co-ethnic market niches → Arbitrage opportunities across countries → Prepare to undertake cultural and management adjustments → Provide emphasis on profitability → Seek support from the host Government → Identify role models and work with mentors → Request assistance from the home Government and support groups

-Muñoz and Alon (2014).

Daniel (2008) examined the development of Diasporic entrepreneurship in Canada and role of Government-sponsored programmes. According to Daniel, “Business Class Programme” in Canada has objective to motivate designed to attract Diaspora to enhance investment in the economy and further also generate employment through their investment. It was expected that the investment by Diaspora will result better success strategy with their experiences from overseas. The programme was relatively successful in numerical terms, however, the expected engagement was nearly 5% only, while a significant number of Diaspora either employed in other ventures or

initiated ethnic ventures especially Asian immigrants (Froschauer (1998). The findings of Daniel (2008) was not very positive for the Canadian 'Business Class Programme,' however, it justified the arguments of ethnic entrepreneurship because most of the Asian migrants either engaged as a worker or successfully established the small ethnic ventures.

Collins and Low (2010) studied 'Immigrant entrepreneurs in Australia'. The study examined the process of development of Immigrant entrepreneurship among a diverse population. The study examines the process of the business establishment by the labourers. According to Collins and Low, business establish by immigrants in Australia largely shape around their family and community including household expenditures. Over concentration on household and community relationship results selection of business in relation with ethnic demand.

Newland and Tanka (2010) in their work on Diasporic entrepreneurship analysed earlier works of Knight (1921) and Schumpeter (1934) and tried to differentiate between two forms of Diasporic entrepreneurship: namely Necessity Entrepreneurship and Opportunity Entrepreneurship. A 'necessity entrepreneur' is small scale investor who start business for survival and largely depends on micro trade and personal services. These businesses are largely for self-survival and to feed family members. These categories of enterprises usually do not give employment to others. Return migrants mostly operate necessity entrepreneurship.

Rahman and fee (2011) is their study of Bangladeshi immigrant entrepreneurs in Japan argues that the migrants sometime have no other option but to establish their own small business to ensure survival at the host land. In another study, Rahman, and Fee (2014) analysed process of settlement of enterprises by Bangladeshis living in South Korea. The paper examined the development of Halal Food business by immigrant entrepreneurs. In both the studies, authors highlighted the importance of market condition for development of business. Immigrants often act as middleman entrepreneur to fulfil their economic needs as well as to serve the local community.

Collins and Shin (2014) examined the development of entrepreneurship by Koreans in Australian restaurant business. The analysis of the study has been done using sixty-

five snowball and ten in-depth interviews. The study looked into arrival history of korenas in Sydney and process of business settlement. Further the study also included role of family members in enterprise development and community relationship.

In a study of Indian Diaspora businesses in Canada, Froschauer (1998) looked into the process of entrepreneurship development by Europeans and Asians in Canada. These Diaspora returned to Canada to utilised entrepreneurship programme of the country. The study identifies that Europeans are more active in manufacturing sector, which was also intended by the Canadian entrepreneurship plan. The study came out with selection of entrepreneurial sector by European and Asian Diaspora. According to Froschauer (1998), Europeans have better technical and linguistic skill, therefore they tend to start bigger business with local labour engagement, while Asians especially Indians have low skill. Considering this, they usually prefer ethnic business with lesser technological and linguistic requirements.

Jorge (2008), in a study titled, “Communities of Indian origin in the Lisbon Metropolitan Area- entrepreneurial initiatives and socially creative strategies in the city” looked into development trading among Indian entrepreneurs. In the study Jorge echoed the conventional entrepreneurial concept, where establishment of enterprise largely depends on place and available resources, which include social relationship of founder. Development of small business within immigrant neighbourhood is a result of ethnic demand and community formation. In case of ethnic neighbourhood, Jorge (2008) finds that the running of business has proved an essential aspect of the location of the establishment.

In a study by Metcalf Foundation, Wayland (2011) examined the instances of self-employment among old Diaspora compare to new Diaspora or native population. With evidence from Canada, Wayland concludes that experience has a noticeable impact on the likelihood of Diaspora being self-employed. Older Diaspora in the labour force are more likely to be self-employed than are younger Diaspora in the labour force. The author grouped Diaspora according to their levels of human and social capital. The economic status does have an impact on the entrepreneurial behaviour. However, social capital plays a vital role in development of business ventures (Wayland, 2011)

Landolt, Autler & Baires (1999:297) distinguish between various types of migrant enterprises. They defined cultural enterprises as avenue to formulate homeland memory among Diaspora at the destination country. These enterprises formulate at the host land and works towards fulfilment of regular need of homeland products. Ethnic enterprises include a range of small business ventures located in Diaspora neighbourhoods employs exclusively homeland-based products which cater to a broad ethnic following. (Landolt et al., 1999:297).

The condition of the Indian population in Malaysia has been analysed by number of scholars such as Parmar (1960), Jain (1989, 1993, 1998, 2001, 2003, 2004, 2010), Rai (2008), Sandhu (1969, 1993, 2006), Pillai (2007), Mahalingam (2015, 2016) and others. These scholars have examined several issues such as movement, settlement, integration, identity formation, employment, community formation, political status and economic development. However, there are many aspects still untouched and need to be examined such as the development of Indian businesses in Malaysia.

Satyanarayana (2001) analysed the demographic presence of Indians in Malaysia. According to Satyanarayana (2001), the emergence of Indians living in Malaysia largely depended on development of plant business, which include sugar, rubber and oil. Under the colonial government, these plantations show extensive growth, therefore attracted considerable number of Indian population. As estimated by Satyanarayana (2011) “rubber plantation increased from 350 acres in 1877 to 20,000 in 1914 and 43,000 acres in 1910, two million acres in 1940, making Malaysia world’s largest producer of natural ‘Raja Rubber’”.

R K Jain (1989, 1993, 1998, 2001, 2003, 2004, 2010) is one of the pioneer scholars, who examined the condition of Indian workers in Malaysia. In his ethnographic analysis of plantation workers (1988), which characterise the settlement of Indians in Malaysia as an enclave situation. Indian population coming from southern part to Malaysia seen complete isolation from local Malay society, since they were accommodated within plantation (Jain, 1984). According to Parmar (1988), the expansion of Malaysian rubber industry was not dependent on European capital alone, but also on the contributions made by labour. Further, as estimated by Parmar, till

1940s, 260,000 Indians workers were working in nearly 250 European plantations in Malaysia. These workers were mostly from South India.

Mani has extensively discussed the situation of Indian Diaspora community in Malaysia in his book 'South Asian Diaspora community in South East Asia (2006). It focuses on some of the critical issues such as migration, settlement, integration, acculturation, and socio-economic development in Malaysia. Sandhu (2006), in his article on, "The coming of the Indians to Malaysia" examines the movement of South Asian population in Malaysia under indenture system and settlement after that. Arasarathanam (2006) discussed that the homogeneity and formation of ethnic enclaves among the Indian community. According to Arasarathanam (2006), recruitment of labour from the Tamil districts of Madras state and the resultant migration of other groups from these districts led to Tamil speakers constituting a high 77 percent of the total Indian population in Malaysia, which results in homogeneity and formation of distinct ethnic identity.

Sandhu (2006) further examined that the livelihood pattern of first-generation South Asian community in South East Asia. According to Sandhu, agriculture has occupied a dominant position in the economy of Malaysia, contributing some 40 percent of the gross national income and about 75% of the total export value. Most of the Indians have been directly or indirectly connected with this field, especially from the latter half of the nineteenth century, although in smaller number they have also penetrated every other sector of Malayalam economic life such as forestry, mining, oil and natural gas, transport and communication, public and personal services, commercial and financial services, and others.

In the second Malaysia Plan (1971-75), the Government came out with New Economic Policy (NEP) and the long-term twenty-year Outline Perspective Plan (1970-90) (Meyanathan, 1993). As the problem of poverty persisted despite favourable growth, one of the twin objectives of the NEP was "to give priority to reducing and eventually eradicating poverty by raising income levels and increasing employment opportunity in all Malaysian economy, irrespective of race". The second objective of that policy was to reduce the racial imbalance in incomes, employment,

and ownership, to eliminate the identification of race with economic function eventually (Hoe, 1982).

The engagement of Indian Diaspora in the business sector has been analysed by Sivalingam (2006). According to Sivalingam, Indian participation in business enterprises is mainly restricted to small businesses, especially in retail. Over time, Indian population entered money-lending activities and developed specific import-export and distribution business, such as trade in textiles, pharmaceuticals, books, food, handicraft, and others. The development of entrepreneurs in Malaysia has been studied by Popnoe (1970). He identified that non-Malaysian population had done the significant number of small level entrepreneurship. Mahmud (1981) tried to understand the conclusion drawn by Oliver (1970) and examined the reasons behind lack of participation of native Malaya population. The study found that the Chinese firms are more capitalised compare to Malaya enterprises.

Nathan (2015) in his article titled, “The Indian Diaspora in Southeast Asia as a strategic asset of India's foreign and security policy: A Malaysian perspective” discussed the importance of Malaysian Indian Diaspora engagement with the homeland and role of entrepreneurial relationship. According to Nathan, Indians living in Malaysia has an opportunity to set up trade routes with since, since they have familiarity with Indian society, custom and trade systems. Malaysian Indians can use the learning from Singapore to engage with India’s economic infrastructure.

The pursuit of ethnic entrepreneurial activities offers many advantages. According to Zhou (2002), development of entrepreneurship among immigrant communities enhances the prospects of ethnic integration and social capital. In similar line Eaton (1998) argues that, in labour scare location, Diaspora can prove as irreplaceable with their skills and expertise, which is not available locally.

Thompson (2003) argues that the integration process of immigrants at the host land often face challenges with difference in cultural factors at the host land in comparison with homeland. Cultural integration of Diaspora community in Malaysia tend to be slow process since local values and customs present significant integration challenges for immigrant communities. In these circumstances, where socio-cultural alienation

seems to be obvious, development of ethnic entrepreneurship can prove as tool of community formation and cultural bonding. According to Waldinger (1986), entrepreneurship development among immigrant communities can help in strengthening of inter-relationship and development of social capital.

As argued by Froschauer (1998), immigrant communities are more inclined towards forming a business with low-risk and more profit. It is evident that the Diasporic community prefer businesses where entry is less restrictive such as restaurants, services and household items (Butler and Greene, 1997). Despite similarities among ethnic ventures, differences exist. Socio-economic diversities are evident among Diaspora at the host land. (Min and Bozorgmehr, 2000). Similar argument was also put forth by Zhou (2004). Zhou argued that the entrepreneurship success and profit differ within immigrant community. Not everyone has competence to perform successful business even after having existence of preferable conditions. Several factors such as entrepreneurial history of family, individual motivation, economic competence and possession of skills plays an important factor for an entrepreneur to have edge on other members of community (Basu and Altinay, 2002).

Establishment of entrepreneurship by Diasporic community is just not a result of community or individual specific attributes, but it also depends on prevailing circumstances at the host land. According to Razin and Light (1998) entrepreneurship success depends on multiple factors ranging from individual level attributes to organizational factors and prevailing market environment. Further success in business also depends on role of family (Chrisman et al., 2002) and influence of factors including skills and market condition (Rasheed, 2004).

The entrepreneurial role of Indian Diaspora in Malaysia has not been analysed sufficiently. Significant numbers of Indians have set up their food shops; small hotel businesses in almost all major states of Malaysia (Ariff and Abubakar, 2003). Residential segregation and concentration of Indian origin population in many parts of Malaysia can be seen in the form of 'Little India'<sup>13</sup>. Little India is an Indian ethnic

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<sup>13</sup> Little India is an ethnic enclave with a significant number of Indian population or in some cases South Asian population. The area has large number of Indian or South Asian shops. These locations usually

market located in many countries such as Singapore, Japan, USA, Australia, and Malaysia. The markets usually have diverse types of shops such as food, garments, handicrafts, jewellery, etc. Some of the internet blogs and marketing sites have also stated the dominance of Indian population in the saloon business.

From observations and anecdotal evidence (Jain, 2004; Anbalakan, 2003; Ariff, and Abubakar, 2006; Marimuthu, 2015; Mahalingam, 2016), it is evident that many Indians engage in enclave-based entrepreneurship in Malaysia,<sup>14</sup> because of similarities in place of origin and culture. These economic enclaves mostly formed keeping in mind the demand generated by neighbourhood communities. There is a number of studies conducted on Indian Diaspora in Malaysia. However, most of the studies have primarily focussed on the socio-cultural status of Indians in Malaysia or immigration and settlement-related issues. Scholars like Jain (2003, 2008, 2008, 2009, 2010), Anbalakan (2008), Kaur (2009, 2004, 2014a, 2014b), Mahalingam (2015, 2016) Marimuthu (2016), Sandhu, 1969, Sandhu & Mani, 2006) and others have considered various issues related to Indian Diaspora. However, there are very few studies that deal with issues related to Indian Diasporic entrepreneurship in Malaysia.

There are few studies on Indian Diasporic entrepreneurship, which are written by Kumararajah (2016), Sivakumar (2016) and Pillai (2016). These studies have tried to discuss the issue related to Indian Diasporic entrepreneurship in Malaysia through analysis of existing policies. Kumararajah (2016) in a paper titled, “SEED and the Indian Community: The Government’s role in Economic Empowerment Initiatives” discusses the role of Secretariat for Empowerment of Indian Entrepreneurs (SEED), established by Government of Malaysia. Sivakumar (2016), in a paper titled, “SMES, Entrepreneurship and Advocacy”, discusses the Government approach towards Diasporic entrepreneurship. Pillai (2016) in an edited chapter titled, “Malaysian Indian Women Entrepreneurs: Borderless Economic Empowerment through Social Networking Sites” has discussed the importance of online forum in enterprise development. These studies do provide an adequate introduction to the issues related to Indian Diasporic entrepreneurship but lack systematic and comprehensive analysis.

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represent a history of ethnic settlement. In many of the countries, Little India is an officially recognized location, ex- Malaysia, USA. See chapters 4 & 5 for detailed information.

<sup>14</sup> As observed by the researcher and many secondary sources such as academic papers, newspapers, and blogs.



As reflected from the preliminary analysis of existing literature, Indian Diasporic entrepreneurship in Malaysia has not been studied significantly and continued somewhat wholly unmapped. Several issues related to entrepreneur innovation, organizational factors and institutional arrangement at the host land need to be analysed. Therefore, it is essential to understand how Indian Diaspora in Malaysia processed the shift from the level of migrant labourer to enterprise owner despite having scarcity of homeland policy comfort and economic support. The approaches they have used to adapt those changes; the role of native population and Government in Indian Diaspora's entrepreneurship and the way the Indian Diaspora entrepreneurs visualise their future.

#### **1.4. Statement of the Problem**

For an immigrant, entrepreneurship is a critical pathway to gain sustainable empowerment and to avoid the potential economic threat. As evident from review of literature, development of entrepreneurship among immigrant communities has over time become a global phenomenon. This is not new knowledge since a number of studies (Portes, 1980; Rath, 2009; Rahman and Fee, 2014) have already engaged with this issue and have provided the evidence from different geographical areas. However, this is also a fact that the social structure and preferences are dynamic and reflect varied characteristics in different time and space. The analysis done at different time and space cannot be compared with another. Therefore, this phenomenon needs continuous evaluation. Considering this argument, the study is an essential intervention around Diasporic entrepreneurship with the case study of Malaysian Indians.

It becomes an area of interest to map the process of entrepreneurship development among Malaysian Indians with the help of empirical analysis. There is a need to figure out the successful business strategies used by immigrant entrepreneurs, which locals do not use. Because majority of Indian living in Malaysia immigrated as a labourer, a study is required to analyse this transformation from the rank of the worker to entrepreneurs. The study argues that the initiation of upward mobility from migrant labourer to entrepreneur is a result of multiple inter-related factors, which

require holistic analysis. In this context, the study tries to analyse the role of ethnic community formation, enclave building, opportunity formation, motivational strategies and homeland relationship in establishment of Diaspora enterprise. A study of development of entrepreneurship among Indian Diaspora in Malaysia will not only document the process but also provide insight for future research on similar issues.

Considering the academic relevance, the objective of this study is to develop a systematic approach to study immigrant entrepreneurship from a transnational perspective. The primary objective is to understand the process of transformation of an immigrant from the level of the worker to entrepreneur. The study, therefore, attempts to add knowledge in the area of economic sociology, diaspora studies, ethnicity, migration history, as well as adding to the literature on Indian diaspora.

### **1.5. Research Objectives**

The study tries to understand the process of entrepreneurship development among Indians living in Malaysia. The choice of Malaysia as a location of the research is driven by both its historical and current significance. Malaysia had been an important destination for labour migration during the colonial period under various recruitment systems. Differing to the practice of labour migration to other plantation countries, labour migration to Malaysia has been a vital phenomenon even after independence. The emigration to Malaysia continued after independence because of the high rate of employment generation in 'Oil and Construction Sector'. Malaysia, because of the presence of old as well new migrants provides a more diverse and meaningful research platform.

The specific objectives are:

- To understand the origin and development of entrepreneurship among Indians in Malaysia
- To understand the nature of the entrepreneurship among Indian Diaspora in Malaysia
- To examine the role of ethnic Indian markets concerning the continuation of a Diasporic relationship with the homeland

- To understand the Diasporic reposition from the rank of workers to that of entrepreneurs
- To understand the role of individuals, social networks and market environment in which entrepreneurship among Indian Diaspora in Malaysia functions

## **1.6. Research Questions**

Research questions of this study are formulated using outcome of existing studies related to the area of Diasporic entrepreneurship. These questions are derived with the help of similar evidence of Diasporic entrepreneurship in other migrant receiving countries. Primarily the study will try to examine; how Malaysian Indians despite being plantation workers at initial stage able to overcome the restriction and established the enterprise in Malaysia?

Specific research questions are as follows:

1. How did people of Indian origin in Malaysia develop Diasporic enterprises? What is the status of Indian Diaspora entrepreneurs in Malaysia?
2. How Malaysian Indians transformed themselves from the rank of workers to entrepreneurs? How do Indians living in Malaysia with relatively lesser resource ownership and low-skilled could overcome economic barriers and could able to initiate entrepreneurship?
3. What are the underlying processes and factors that lead individuals to pursue the creation of a new Entrepreneurship firm? What makes them entrepreneurs and propels them to take risks either to start or expand their enterprises?
4. How does the environment impact the growth and sustainability of Diasporic entrepreneurship? How the cultural factors (religion, culture, language) mediate the individual entrepreneurs and institutional environment in Malaysia?
5. How do these markets operate in Malaysia? Are these solely an individual initiative or some other collaborative community initiatives also exist? Do these establishments constitute formal entrepreneurial initiatives or do they work as informal activities or both?

## 1.7. Universe and Locale

This study is an attempt to document the Diasporic entrepreneurship development among Indians living in Malaysia. Respondents are primarily selected from Kuala Lumpur, the capital city of Malaysia with 156 thousand of Indian population and many Indian business districts (Brickfields, Jalan Ampang, and Jalan Masjid India)<sup>15</sup>. The study primarily analyses the ventures currently being operated by the Indian Diaspora in Malaysia which are; restaurants, grocery store, garment shop, jewellery and other ethnic products<sup>16</sup>.

The study is exploratory in terms of research design and utilises case study<sup>17</sup> as a method to gain holistic information about the field. Within case study method, life history has been used as a tool to collect information. Furthermore, the study used mixed-methods approach, as some statistical data are also included.

This study attempts to engaged with people living in Malaysia and involved in entrepreneurship. There is a dearth of statistical information about Indian Diaspora entrepreneurs operating in Malaysia and within Little India. With an objective to identify categories of Indian Diaspora businesses and related development dynamics, this study first tried to major business and then identification of prospective respondents with the help of Key-informants.

By mapping entire Little India, Brickfields, Kuala Lumpur, Malaysia the information about various types of enterprises was collected. Firstly, all shops were enumerated to get the complete details of establishments located in Little India. Additional information was also gathered from local Indians with knowledge of Little India along with analysis of advertisements in local English newspapers, membership records of migrant associations, blogs, social networking sites.

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<sup>15</sup> Jalan Masjid was official Little India till 2010. Indian market of Brickfields became official Little India in 2010.

<sup>16</sup> The Little India features several shops related to the demand of local and immigrant population. The classification of the enterprises has been discussed in detail in chapter-5.

<sup>17</sup> The study considers case study method as most appropriate for studying entrepreneurship. Each of the case study provide extensive information about the entrepreneur, immigration history, process of settlement, employment history, family profile, enterprise profile, socio-cultural setup, family details, social networks, future plans along with many other details.

The study used case study method and undertook the collection of relevant data through a sizeable number of life histories. Primarily this research attempts to explore the subjective elements of Indian business development in Malaysia, therefore fieldwork was conducted using life-history method. Further, the study is significantly guided by the detailed information about the field collected from key-informants. In addition to case study, observation has been used as an important research tool to gain information about Diasporic business separation. Review of documents related to communities, organisations, and ventures are also included in the study.

Overall, the broad aim of the study is to understand the functioning, role, and importance of cultural and ethnic markets within the Diasporic entrepreneurship. The objective is to examine the role of players, matters and experiences of Diasporic entrepreneurship. The same is fulfilled by using information gathered from observation and case studies.

## **1.8. Chapterization**

**Introduction** chapter provides the broader outline of this study. This chapter has been arranged in seven sections to discuss the theoretical background, review of the literature, statement, objectives, research questions, locale of research, and chapterization. The chapter provides the overall structure of this study.

**Chapter 2** discussed the methodological strategies carried in research examination of Indian Diasporic entrepreneurship in Malaysia, and theoretical outcomes that helped in forming the choice of research procedures. The chapter comes with the detailed reasoning behind adaptation of specific techniques used to inquire into identified objectives.

**Chapter 3** deals with matters such as immigration of Indians to Malaysia, settlement of Indian immigrants in Malaysia, Malaysian Government policies towards Indian Diaspora and entrepreneurship, demographic interpretation, etc. This chapter discusses the Indian Diaspora settlement in Malaysia from the pre-colonial period to current day. This chapter outlines the overall picture about Malaysian Indians society formation in Malaysia.

**Chapter 4** provides an overall picture of Indian Diaspora entrepreneurship in Malaysia. This chapter outline the entrepreneurship development among Malaysian Indians. Initial sections of the chapter discuss the history of entrepreneurship development among Malaysian Indians and socio-cultural background of Indian Diaspora entrepreneurs. This chapter also discusses the role of Little India in Indian Diaspora entrepreneurship. This chapter attempts to understand the entrepreneurs' strategy and motivation behind enterprise establishment. The chapter helps the study to deal with some most critical research questions such as- process of development of entrepreneurship among people of Indian origin in Malaysia, process of transformation Malaysian Indians from workers to entrepreneurs. Elements discussed in this chapter are; opportunity formation, market situation and, business location.

**Chapter 5** discusses the outcomes of this research through overall analysis of Indian Diasporic entrepreneurship at individual level (Immigrant Entrepreneur), Enterprise Level, and Environment/Institutional Level. This chapter is an attempt to draw an overall picture of Indian migrant enterprises in Malaysia. Further this chapter examines the Indian Diasporic entrepreneurship at individual levels, which include; psychological Aspect, opportunity Information, resourcefulness, strategies to deal with pros and cons and, personal attribution. Enterprise level dynamics, which include cultural factors, social capital and network factors, knowledge and technology transfer, business development and, competitive advantage. This role of market environment and institutional support is also discussed in this chapter.

**Conclusion** chapter provides a summary of arguments put forth in different chapters. This chapter has three sections. First section of the chapter provides stated objectives and intended outcome of study. Second section discusses the summary of different chapters. Third section of this chapter offers some key findings.

## **Chapter 2 Conceptual Framework and Research Design**

A review of existing concepts is essential in appraising not only the significant points of current knowledge but also to understand the theoretical and methodological contributions to a particular research topic. Broader objective of this chapter is to discuss Diasporic Entrepreneurship using existing conceptual frameworks. This chapter also presents a detailed reasoning behind the adaptation of specific techniques used to enquire the objectives of the research. This chapter is arranged into various sections to articulate the research processes. First part deals with the theoretical considerations. Second part outlines the research methodology selected for the study.

### **2.1. General Domain of Diasporic Entrepreneurship**

Diasporic Entrepreneurship has been a subject of analysis for many studies. These studies provide detailed information about process of enterprise establishment and operation at the destination countries. Scholars like, Knight (1921, 1942), Schumpeter (1934, 1947), Baumol (1968), Barse (1987), Fee & Rahman, (2014), Levent, Masurel, & Nijkamp (2003), Oliveira & Rath (2008), A Portes & Shafer (2003), Portes & Manning (1986), Portes & Sassen-Koob (1987), Rahman & Lian (2011), Rath & Kloosterman (2001), Sivakumar (2016) and many others have extensively written on this issue. All these studies have discussed the issue of Diasporic entrepreneurship through different perspectives. Writings of Baumol (1968), Baycan-levent & Nijkamp (2008), Oliveira & Rath (2008) and, Rath & Kloosterman (2001) mainly discusses the theoretical evaluation of Diasporic entrepreneurship. Fee & Rahman (2014) and Rahman & Lian (2011) have presented the concept of Diasporic entrepreneurship through an empirical study of South Korea and Japan. Sivakumar (2016) has discussed the community-specific dimensions of Diasporic entrepreneurship through a case study of Indians in Malaysia.

Ethnic and social networks are important instruments of countries promoting international trade. Familiarity that is available through ethnic and social networks helps to overcome weaknesses in the information and contracting environment (Curtin 1984). Robin Cohen (1997: 84) in his book ‘Global Diaspora: An

Introduction' defines the trade Diaspora as an important type of Diaspora with the examples of Chinese traders in European colonies of Southeast Asia and the Lebanese in the Caribbean and East Africa. Cohen introduced the idea of Diaspora as a continuous state of formation and reformation (Cohen, 1997:15). A more recent study by Baghdiantz-McCabe et al. (2005) explores the role of 'Diaspora entrepreneurial networks'- merchant families and their extended regional networks with others of the same ethnic origin - focussing mainly on Armenians, Jews, Greeks, and Indians. This process of formation of Diaspora business networks, popularly known as trade Diaspora continued in its mercantile style till the early twentieth century, but their Diasporic role was not considered seriously by any nation-state. Over the last three decades, Diasporic entrepreneurship has gained visibility. Globalization has enhanced the practical, economical and the role of Diaspora, showing them to be an adaptive form of social organisation.

Entrepreneurship has a long history of scholarly discussion, the debate of Diaspora or migrant entrepreneurship received prominence in late twentieth century. Wilson and Portes did one of the initial analyses of ethnic enclave economy in 1980 and published an article on Cuban Immigrant Entrepreneurs in the USA (Wilson & Portes, 1980). The article conceptualises ethnic enclave as a process that creates a distinct form of economic adaptation at the host land. These enterprises functions keep in view the geographical requirement and neighbourhood ethnic demand (Portes & Shafer, 2003:4). These establishments primarily give employment to workers of the same nationality and over time expand to other sectors to gain better economic profit and developmental prospects, instead of limiting to existing venture.

The analysis drawn by Wilson & Portes (1980:302) made three essential points:

1. Enclaves are distinct economic sector compared to other economic sectors of the mainstream labour market, which are "primary" and "secondary" sectors.
2. The cost associated with immigration of human capital from the homeland are better paid off in the enclave sector than the sectors of the mainstream economy.
3. Due to socio-cultural similarity, human capital employed in enclaves gives better economic return to entrepreneur, compare to other sectors of economy.



The arguments drawn by Wilson & Portes (1980) put forth an essential foundation to initiate this study since the issue of Indian Diasporic entrepreneurship in Malaysia broadly relates to the enclave entrepreneurship process. In general, entrepreneurial dimension of Little India can be directly related to the argument drawn by Wilson & Portes (1980).

Bailey & Waldinger (1991) also draw the comparison between Primary, Secondary and Enclave labour market. This analysis was done using different population concentration than Wilson & Portes (1980), and focus was primarily kept on the economic experiences of the migrant communities. Bailey & Waldinger (1991) argued that the training system of enclave labour market empower human resources to become successful entrepreneurs with the help of ethnic bonds of solidarity. This helps provides an opportunity for the worker to initiate their own enterprise, which later again produce opportunity for other members of community.

Logan, Alba, & McNulty (1994) with slightly different argument considered ethnic enterprise as venture with over-representation of employees from same ethnicity. This is a result of surety among the existing and coming members of the enclave to have a secure economic source. This psychological position of enclave members is the result of ethnic solidarity and belongingness due to social and cultural reasons.

Wilson & Portes (1980) defined the enclave as a geographical area where higher number enterprises are established and operated by persons from similar ethnicity. Within this setup, person establishing and operating enterprise are identified as “enclave entrepreneurs and workers as enclave workers”. Sanders & Nee (1987) questioned the hypothesis of Wilson & Portes (1980) that argued an enclave formation mostly attributed to the presence of entrepreneurs in the same area. However, over time, with economic or generation changes, neighbourhood people may lose interest in working or operating these enterprises and it is also possible that local people may shift to new areas and operate enterprise from there instead of living in the vicinity. This may result in deteriorating belongingness and solidarity among members of the enclave. Alejandro Portes & Leif Jensen (1989:932) argued that the functionary of these establishment does not need to live in the areas of enterprise, rather with economic betterment, they tend to move to new areas with better

amenities. Further, the entrepreneurs usually live in the suburbs also. This phenomenon has no direct relationship with success or failure of ethnic entrepreneurship.

## **2.2. Concept of Diasporic Entrepreneurship**

Diasporic entrepreneurship can be defined as establishment of business by Diaspora communities living in the host land and utilising favourable policies to gain economic profit. As stated by Naujoks (2009), “this kind of economic development relies mostly on organisational ties between migrants and the Governments, institutions, and agencies that are promoting it”.

Historically, Diaspora communities have initiated and developed enterprises on the places, where they get settled. Many Diaspora communities have been successful entrepreneurs such as Indian, Chinese, Jews, Armenian, and others (OECD, 2010:102). For an immigrant community, entrepreneurship works as an important mechanism to integrate and assimilate at the destination countries, since entrepreneurial functioning tends to open the path for better economic prosperity and upward social mobility. In 19th and 20th Century, self-employment for Diaspora has become even more important as, on one hand, world saw a steep increase in the number of migrants and on other side, opportunity for small businesses increased due to increasing industrialisation. Overall the instances of ethnic and Diasporic entrepreneurship have become prominent dynamics of society since 19th Century.

Sociological analysis has been an essential part of study of entrepreneurship. Starting from Max Weber’s study of religion and capitalism<sup>18</sup> many sociologists have made significant contributions in the analysis of entrepreneurship, especially Diasporic entrepreneurship. In general, the analysis of Diasporic entrepreneurship can be placed within the sociological discipline of economic sociology.

Weber and Durkheim elaborated the term economic sociology. They defined

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<sup>18</sup> Weber’s “The Protestant Ethic and the Spirit of Capitalism” was published in 1930s. The book discussed the role of protestant ethnics in the development of trade, investment and enterprise development. The book presented a detailed analysis on relationship between religion and economics.

economic sociology as “the sociological perspective applied to economic phenomena” (Smelser & Swedberg, 2005). N.J. Smelser (1963) in his book ‘the sociology of economic life’ presented one of the initial discussions on economic sociology. The book discusses several models to analyse various perspectives related to economic sociology, such as: “personal interaction, groups, social structures (institutions), and social controls (among which sanctions, norms, and values are central)”. According to Frank Dobbin (2005:27) many new variables such as “social networks, gender, and cultural contexts” were added over time to make economic sociology more holistic. Casson (1993:1) considers ‘power’, ‘institution’, and ‘network’ have been three pillars of economic sociology, and all these have a significant impact on study of entrepreneurship.

Entrepreneurship is one of the significant prospects in serving the development of society. A society with its interaction with other groups or societies and a process of exchange of goods is itself a start of an entrepreneurial idea. Entrepreneurs are the economic functionaries, who forecast the wants of the consumers and leads to the two kinds of incomes first is contractual income (wage, rent) and residual income (profit) of the entrepreneur (knight, 1921). Knight further discussed the formation of entrepreneurship and role of risk and uncertainty (Casson, 1993:1). Knight related the process of risk with unreliability, which can be overcome by the experiences from past practices; however, uncertainty mostly relates to unforeseen events, whose probability cannot be enumerated beforehand. Casson (2002:1) observed that entrepreneurs can decrease the risk and bear uncertainties to gain faith of consumers. Entrepreneurs supposed to take risk in their venture, since profits are there to help in overcoming possible setback (OECD, 2010:102).

Schumpeter (1934) with little distinct perspective defined entrepreneur as a driver of economic development. Development of entrepreneurial venture need utilization of risk and innovation through fresh products, new business process, identification of new business location, identification of new source of raw material and development of novel business model (Schumpeter, 1934). Broadly with observation of different theorists such as Hayek (1949), Kirzner (1992), Ricketts (1988), Casson (1982), Ripsas (1998) and other entrepreneurs can be seen as innovative industrial leader who assumes the risk associated with uncertainty and organize and coordinate economic

recourse in order to fulfil the want of the society and equally drive the development as a whole.

Schumpeter formulated some of the initial arguments related to entrepreneurship. Schumpeter (1947:151) argues that the addition of innovation in the process of business development makes an entrepreneur different. There is no precise definition to draw any sharp line between what is and what is not "enterprise." Schumpeter further elaborated that the inclusion of any new thing in the market system creates an entrepreneurial environment. The "new thing need not be very spectacular or of historical importance" (Schumpeter, 1947:151).

### **2.3. Distinction between Diaspora Entrepreneur and Non-Entrepreneur**

The entrepreneurship is an individualistic process, where the knowledge and ability to identify the opportunity is not with everyone. An entrepreneur is a risk taker, who has foreseen the opportunities and dares to overcome the uncertainty with innovative ideas. This definition of entrepreneurship can be further elaborated and expanded "to include those individuals who work in their own business, professional practice or farm for earning a profit" (European Communities, 2003:12). These categories of ventures are mostly operated by a person and can be characterised as self-employment. These ventures are considered as enterprise, even if operation do not need inclusion of any employee other than founder. Further, this is not always necessary to identify all self-employed as entrepreneurs or all entrepreneurs as self-employed. There are places, where business partners even without direct association with venture become entrepreneur (OECD, 2010:24). This creates theoretical contestation, as many of the entrepreneurship practice need not include the characteristics identified by Schumpeter, which include innovation, motivation and uncertainty.

Schumpeter (1947:151) point out some of the distinction features of entrepreneurs in comparison with non-entrepreneurs in his book "The Creative Response in Economic History". As stated by Schumpeter, entrepreneur possesses anxiety to set up an establishment and formulate a 'new idea' and innovation, while others always tends to continue the on-going system of administration. In a similar context, Schumpeter also

provided the distinction between entrepreneur and inventor. While innovation is an integral part of entrepreneurship, it is particularly important to distinguish the entrepreneur from the "inventor." As Schumpeter (1947:153) has put it, "Many inventors have become entrepreneurs, and the relative frequency of this case is no doubt an interesting subject to investigate, but there is no necessary connection between the two functions. The inventor produces ideas, the entrepreneur gets things done".

As discussed by Schumpeter (1947), the innovators can have the ability to innovate new things, but the entrepreneurs are capable of enterprise the innovative ideas. Therefore, being an innovator does not make an individual an entrepreneur. Finally, Schumpeter identified "getting new things done" as an important characteristic of being an entrepreneur, for him, "it is not only a distinct process, but it is a progression which produces consequences that are an essential part of capitalist reality".

Carland, Hoy, Boulton, & Carland (1984:356) analysed the characteristics of entrepreneurship<sup>19</sup>. They attempted to differentiate between entrepreneur and businesspeople. The study put forth Schumpeter's perspective of innovation, new idea, new market, and a new method of production as primary characteristics of differentiation.

Zhou (2004)<sup>20</sup> has put forth many theoretical perspectives to provide detailed characteristics of ethnic entrepreneurship and ways to differentiate from other similar categories. Zhou (2004:1041) differentiated between Middleman Entrepreneur and Enclave Entrepreneur. Middleman Entrepreneurs represent a category of ethnic minorities who intend to make a quick profit with a motive of reinvesting their money elsewhere. These entrepreneurs tend to invest their money in easily liquidated business. These entrepreneurs invest money in the areas with the absence of mainstream businesses. One of the prominent examples can be Indian entrepreneur running an enterprise in Malay dominant neighbourhood.

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<sup>19</sup> Carland et al. in an article titled, "Differentiating Entrepreneurs from Small Business Owners: A Conceptualization".

<sup>20</sup> "Revisiting Ethnic Entrepreneurship: Convergences, Controversies, and Conceptual Advancements" published by Centre for Migration Studies, New York in 2004.

Enclave entrepreneurship mainly represents the entrepreneurs bounded by “co-ethnicity, co-ethnic social structure, and location”. These entrepreneurs prefer co-ethnic social structures and a neighbourhood location with the dominance of social networks. This creates an atmosphere of self-sustaining ethnic enclaves. One of the prominent examples of this entrepreneurship is Little India, Kuala Lumpur, Malaysia. The enterprises established in Little India has better chances of sustainability with the pre-existing presence of “co-ethnicity, co-ethnic social structure, and location”. As described by Light & Rosenstein (1995), Zhou (2004b) and other scholars, enclave economy is a case of ethnic economy bounded by co-ethnicity and location. Not all examples of middleman entrepreneurs can be an example of enclave economy, neither all examples of the ethnic economy. The concept of neighbourhood is an essential requirement for formation of enclave economy.

Ahmad & Seymour (2008:12) put forth a relatively general definition of entrepreneurship, “those persons (business owners) who seek to generate value through the creation or expansion of economic activity, by identifying new products, processes or markets” should be considered as an entrepreneur (Ahmad & Seymour, 2008:12). The definition relatively touches upon all the related aspect of entrepreneurship.

Adding to this, as mentioned by Casson (2002) the term entrepreneur, which in general recognised as an individual or group of individuals “who organise and assumes the risk of business in return for the profits”. The term was initially introduced by Cantillon (1697-1734), who was an economist from Ireland (c/f- Casson, 2002). Usage of entrepreneur became over popular within academic documents after publication of “John Stuart Mill’s, Principles of Political Economy in 1848”.

Casson (2002) considered entrepreneurs as a functionary, which can be recognised as someone who organises and assumes the risk of business in return for the profits. Kirzner (1992:12) defined entrepreneurs as a coordinator of the market system. Accumulation of profit enhances careful engagement with business operation and decreases the chances of ignorance. Further, role of market becomes important in case of entrepreneurial innovation, where market co-relation help these economic

functionaries in gaining information about market environment. Kirzner (1992:19) further elaborated that the entrepreneurs often identify the new ways to gain comparably more profit, which at the end help other market actors to correct the ignorance.

Oliveira & Rath (2008) differentiated between Diaspora entrepreneurs and indigenous entrepreneurs.

- a. The Diaspora entrepreneurs with homeland experience has an ability to introduce new and scarce product that local entrepreneur cannot offer.
- b. Diaspora entrepreneurs, with an experience of an outsider as well as an insider, tend to have an expert knowledge related to demands and supply of specific foreign products, for examples, regional products, foodstuffs, music, movies. These knowledges are primarily generated through the first-hand experience gained in homeland. This can help the Diaspora entrepreneur to fulfil the need of a immigrant communities living in the vicinity by introducing products of their interest and fulfil the demand related to social, cultural and religious needs. Even a small enterprise in the market has ability to become innovators.
- c. Considering the spatial dimensions, Diaspora entrepreneurs can prove as strength to the area or entire geographical space with the products having characteristics to add diversity in the market system. Diaspora entrepreneurs can prove as vitality to existing market structure with presence of indigenous entrepreneurs. Even if indigenous entrepreneurs move from the area, Diaspora can further lead to dynamism and reverse the deterioration. Diaspora business functionaries with ownership of local market have ability to lead the local economy and further develop trade relationship with other locations and geographies.
- d. Additionally, Diaspora entrepreneurs also have ability to re-develop economic sectors which are in bad shape and need new innovations with the help of their homeland experience, possession of distinct skills and existing social capital at the host land.

The definitional differentiation between entrepreneur and non-entrepreneur is mostly a vague and lack strong characteristically mapped distinction. The respondents selected for this study are considered as the business community, in general, considering the group behaviour while entrepreneurs in particular, considering the enterprise level behaviour.

## **2.4. Classification of Diasporic Entrepreneurship**

Newland & Tanaka (2010) in their work on Diasporic entrepreneurship analysed the arguments given by scholars such as Knight (1921), Schumpeter (1934) Schumpeter (1947) and Aldrich & Waldinger (1990)<sup>21</sup> and tried to differentiate between two forms of Diasporic entrepreneurship.

Newland & Tanaka (2010:4) differentiated between the two categories of Diasporic entrepreneurship by entrepreneurial motivation and functioning.

### **Necessity Entrepreneurs**

Major tenant behind opening of necessity enterprise is to develop an economic source for self-survival. As discussed by Newland and Tanaka (2010:4), “the entrepreneur who opens a business for survival is self-employed by default and concentrate on petty trade and personal services. He/she does not create many jobs and in many cases barely make enough to feed the family”. Necessity enterprises are often established by people with smaller capital. These necessity entrepreneur in general do not contribute into the economic grown of the country where they live, instead these ventures are usually operated to overcome the unemployment or in response of deteriorating labour market.

Diaspora with lesser skills and capital establish necessity enterprise for their own personal survival and mostly have different operational practice than highly skilled Diaspora entrepreneurs. For example, Indians functioning in Little India, Malaysia are mostly necessity entrepreneurs, who establish the business to overcome the economic deterioration, unlike large-scale investors with high capital and expertise, and functioning in Silicon Valley. Necessity enterprise with small scale investment, need less resources and solely depends on founders’ motivation. Establishment of business with lesser capital and higher uncertainty need a significant support of ethnic

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<sup>21</sup> The analysis of Newland & Tanaka (2010) about forms of Diasporic entrepreneurship has been extensively taken from the study of Aldrich & Waldinger, (1990). The latter study provides a detailed analysis of Diaspora entrepreneurship on the basis of opportunity structures. See “Aldrich & Waldinger, (1990). Ethnicity and Entrepreneurship. Annual Review of Sociology, 16(1), 111–135” . <http://doi.org/10.1146/annurev.so.16.080190.000551>.



community, thus leading higher dependability on social capital. In general, necessity entrepreneurs do not produce higher economic development, rather this is a medium of survival for individual and family and sometime to a few employees.

### **Opportunity Entrepreneurs**

Unlike necessity entrepreneurs, who are more like self-survival strategy, opportunity entrepreneurs are relatively bigger economic functionaries, who develop business, not only for their own family but also for others. These entrepreneurs tend to create positive impact on the economic structure and labour market and proves beneficial for not just community but entire locality (Newland and Tanaka, 2010:4). These entrepreneurs are often skilled people with prior understanding of market economy and structure. These experts tend to develop business to fuel economy and enhance economic opportunity for larger group of people. Some examples of opportunity entrepreneurship are; Silicon Valley based Indo-American Business Ventures, Chinese entrepreneurs in African countries, Jews in USA and others.

## **2.5. Types of Transnational Migrant Enterprises**

Landolt, Autler, & Baires (1999: 298) distinguish four types of transnational migrant enterprises, which are; circuit firms, cultural enterprise, ethnic enterprise, and return migrant enterprise.

### **Circuit Firms**

Circuit firms as name suggest work as a transfer mechanism of homeland products to host land. These ventures are popular and reliable mechanism to transfer and receive produces such as cash. Letters and various products. These circuit forms are neither courier nor *Hawala*, but they work in similar line. As described by Landolt, Autler, & Baires (1999: 298), these business forms have created a multi-million-dollar industry in many migrant corridors. These enterprises include formal as well as informal set-up.

## **Cultural Enterprises**

Cultural Enterprises can be seen as Transnational Enterprise since these are established to fulfil the demand of particular ethnic group. These enterprises help in continuation of homeland memory and help in continuation of nostalgia through use of similar products. These enterprises have establishment in host land and help migrant communities in daily contact with the homeland. These ventures are engaging in multiple product sell and services which include household items, food products, religious products, homeland-based books and magazines and others. Most of these entrepreneurial activities are mostly happening through the social network in the home country, where reliability issues tend to be solved through cultural relationship (Nanda & Khanna, 2007).

## **Ethnic Enterprises**

Ethnic enterprises include a range of small business ventures located in Diaspora neighbourhoods, employ homeland-based products exclusively, and that cater to a broad ethnic community. These enterprises can have any specialisation related to demand of specific ethnicity. Some of these ventures are; household product shop, food joints, hotels, saloons, art and craft shop, religious product shop and others. Indians with significant international presence has presence of ethnic enterprise world-wide. These enterprises often work at transnational level.

## **Return Migrant Enterprise**

Another form of transnational enterprises is run by return migrants. These migrants with awareness and information about destination country requirement tend to use experience gained and utilises at the homeland. Some of the examples of return migrant enterprises are; School, Universities, Hospitals, Infrastructure Investment, Information Technology Investments, Hotels and restaurants, and service-based enterprises. Some of these ventures in India are; Apollo Hospital, L V Prasad Eye Hospital, Chaitanya Gurukul Trust, and others.

## **2.6. Major Theoretical Approaches**

The focus is to understand the Diaspora ethnic entrepreneurship in Malaysia. Number of studies have put forth the theoretical frameworks to study the process such as Knight (1921), Schumpeter (1934), Knight (1942), Schumpeter (1947), Baumol (1968), Barse (1987), Fee & Rahman, (2014), Levent, Masurel, & Nijkamp (2003), Oliveira & Rath (2008), A Portes & Shafer (2003), Alejandro Portes & Manning (1986) Alejandro Portes & Sassen-Koob (1987), Rahman & Lian (2011), Rath & Kloosterman (2001) and others. We can broadly differentiate these studies into two theoretical perspectives; cultural and structural. Cultural perspectives look into “supply side of entrepreneurship or class and ethnic resources, and the structural approach stresses the socioeconomic contest, the demand side of the entrepreneurship” (Light and Rosenstein 1995). While both these perspectives provide important dimensions to look into the phenomenon, these approaches alone are subject of limitation. Cultural approach does not provide details about formation of entrepreneurship, while structural approach ignores cultural perspective, which is of extreme importance for immigrant entrepreneurship formation (Waldinger et al. 1990). The study has analysed some of the essential theoretical schools related to the development of entrepreneurship among immigrant communities.

### **The Cultural and Structural Approach**

Chan and Hui (1995) has discussed the formation of immigrant or Diaspora entrepreneurship using structural and cultural approach. With the discussion of immigrant entrepreneurship, cultural approach discusses about supply side of enterprise development, which include community and social capital, at the other hand, structural approach considers socio-economic factors as essential reason for enterprise development (Rahman and Fee, 2010). According to Bailey and Waldinger (1991), “the supply side of entrepreneurship includes demographic features (age, sex) and socio-cultural resources such as socially oriented action patterns, embeddedness transactions, social networks, and social capital”. Structural approach with demand side perspective investigates the issue of socio-economic perspective, marker environment or opportunity formation of destination countries (Light and Rosenstein, 1995). Study of Indian Diaspora Entrepreneurship in Malaysia need an in-depth

analysis using both structural as well as cultural approach, since both has essentially required characteristics of enterprise formation.

### **Structure and Agency Approach**

Initially cultural and structural received widespread popularity in entrepreneurship research, however, post 1990s, many studies started integrating structural cultural approach while engaging with immigrant entrepreneurship. Jan Rath et al., (2002) further put forth the notion of “opportunity structure and group characteristic”, which combines both structure and agency. Jan Rath et al., (2002) came out with a model which inter-connect cultural factors with structural factors. The model connects socio-economic determinants with social and cultural factors. Within this framework, an entrepreneur identifies demand of a product with supply using his/her skills and resources to establish entrepreneurship. The model developed by Jan Rath et al. provides a comprehensive framework to study Diaspora entrepreneurship, it has also received criticism (Jan Rath et al., 2002). This model does not provide anything new, since it only connects two pre-existing theories.

### **Neo-Classical Approach**

According to Knight (1921), entrepreneurs are economic actors, who forecast the wants of the consumers and lead towards two kinds of income viz., contractual income (wage, rent) and residual income (profit). Similarly, (J. Schumpeter, 1934a) also defined an entrepreneur as a driver of economic development. Entrepreneur activities are usually marked by the development of unavailable goods, new production style, unexplored to get raw materials, new place to develop markets and development of new business structure to accumulate gain (Oliveira & Rath, 2008). After establishment of business, Diaspora entrepreneurs tend to generate employment for other community members. With the help of community support, Diaspora entrepreneur remove the limitation posed by locals (Thomas Bailey & Roger Waldinger, 1991).

Schumpeter (1934) stated that “the essence of entrepreneurship lies in ‘employing existing resources differently. Hence, one is an entrepreneur by doing any of these:

introducing new product, method, market, source of supply of raw materials, and reorganising an industry”. Although classic definition of entrepreneurship gives higher emphasis on innovation, ethnic business studies tend to overlook the importance of innovation (Thomas Bailey & Roger Waldinger, 1991).

### **Rational Choice Approach**

Max Weber first emphasised the influence of culture or ethnicity on entrepreneurship in an early twentieth century. As stated by him, “Protestantism encouraged a culture that emphasised individualism, achievement motivation, legitimation of entrepreneurial vocations, rationality, asceticism, and self-reliance. This ethic was a fundamental element of the spirit of modern capitalism” (Weber, 1976). However, the analysis drawn by Max Weber undermined two most essential facts of the Indian society or Hinduism as a part of it. First, it rejected the presence of two most successful transnational entrepreneurial communities; Sindhi and Gujarati and second, development of Diaspora Indian communities in different countries. The permanent establishment of these communities raised the need for ethnic products and creation of Diaspora entrepreneurs to interact with the homeland. To understand the need for ethnic markets, it is essential to understand the creation of Diaspora communities and the role of culture.

### **‘Mixed Embeddedness’ Approach**

Kloosterman and Rath developed the ‘mixed embeddedness’ approach (Kloosterman and Rath 2001; Rath 2002) to understand immigrant entrepreneurship. This stresses how different regimes of regulation of businesses and the informal economy lead to different dynamics of immigrant entrepreneurship in different countries. This mixed embeddedness approach (Kloosterman and Rath 2001; Rath 2002) recognises that immigrant enterprises are pre-existing feature within economic, social, and political structure of Diaspora society which varies substantially from one country to another. This approach also recognises the complex interplay of entrepreneurs’ social networks, local and national policies relating to immigration and business ownership,

and variations in the market dynamics of several types of goods and services as key factors in shaping the opportunities for Diasporic entrepreneurship.

### **Ethnic Market Hypothesis**

Garrido and Olmos (2009), while discussing Ethnic Entrepreneurship tried to understand the concept of “Ethnic Enclave Hypothesis” and “Enclave Entrepreneurship”. Garrido and Almos defined these terms “mainly by co-ethnicity, both in their use of social structures and geographic location. That is, businesses that operate in immigrant neighbourhoods, where the majority are co-ethnics – not the case with middleman minorities – and there is a network of co-ethnic social ties that make them self-sufficient”, with no need to compete on an open market (Chan and Hui, 1995; Portes, 1995). According to Pfaff-Czarnecka (2003), ethnicity (Ethnic Markers) is a compound factor, which comprises social and cultural elements such as religion, rituals, specific customs and habits, historical notions, ritually essential sites, national culture, dress, and others. These elements become ethnic markets, to define themselves in opposition to values and symbols embraced by those in power. The notion formulated by Pfaff-Czarnecka, help this proposed study to understand and justify the need for ethnic markets for immigrants.

This research tries to understand and examine the relevance of concepts such as Protected Market Hypothesis, Ethnic Enclave Hypothesis, and Enclave Entrepreneurship, with the selected location and selected community. As Garrido and Almos (2009), while discussing Ethnic Entrepreneurship tried to understand “Ethnic Enclave Hypothesis” and “Enclave Entrepreneurship” primarily keeping in mind presence of similar ethnic people at a geographical location. The research examines the existing notion of immigrant entrepreneurship, which suggests that the enterprises functioning within ethnic neighbourhood with presence of one community are more tending to be successful and a network of co-ethnic social ties makes them self-sufficient, without any need to compete in an open market.

Wilson & Portes (1980) in their article on labour market experience of Cubans in Miami analyse that the new entrants in the labour market are initially forced to work with meagre wages, they still find an opportunity to develop themselves, either in the

same business or by setting a new business. Analysis by Wilson and Portes (1980:301) also helps in theorising the process of Diaspora entrepreneurship formation in Malaysia. Establishment of Diaspora driven entrepreneurship need significant amount of support from other community members. The capital may be carried from the host country or accumulated through personal or family savings. Further, this is also necessary to have the presence of members with adequate entrepreneurial skills to enhance the opportunity structure and sustain the risk and uncertainty (Wilson and Portes, 1980:302).

There is a difference between workers working in enclave than those working in the primary or secondary sector of the country economy. A primary sector significantly consists high skilled workers working with employment security and upward mobility prospects, while the secondary sector workers are mostly informal workers in possession of lower skills. However, the enclave workers may be working in a small enterprise with low skills, but they tend to have better job security and upward mobility prospects. It is needed to have presence of social capital to formulate Diasporic entrepreneurship at the destination countries. As described by Brody, and O'Leary (1968) financial capital required for the development of business can be brought from homeland or can be also accumulated at the destination countries. Diaspora with adequate business strategies may utilise the existing flow of capital formation and develop the available market flow considering identification of demands and dearth in supply.

## 2.7. Research Design

A study of entrepreneurial process among Diaspora community needs a systematic revisiting of all existing knowledge, philosophical assumptions, interpretations of political dynamics and findings and even some important hypotheses. The present study considers all these dimensions while deciding on its own research frame and design. Inferences gained from earlier studies also helped in identification of most appropriate tools and techniques needed for the study. Further review of existing literature also helped in developing prior understanding of Diasporic entrepreneurial process needed for carrying effective field study<sup>22</sup>.

The present research used mixed-methods approach, which includes qualitative as well as quantitative methods. However, qualitative research techniques form the basis of analysis of this research. Some descriptive statistical analyses have yielded more nuanced ideas and information on the quantitative side. Using mixed methods approach enabled the present study to gain a holistic methodological independence.

Johnson & Onwuegbuzie (2004:17) described mixed methods research as a convenient methodological approach, which helps in collection of not only numerical data, but also subjective data, to gain more in-depth and nuanced understanding of study. Further, mixed methods approach is not a replacement of qualitative or quantitative research, rather it gives an opportunity to use both (Johnson & Onwuegbuzie, 2004:14).

As stated by Laura (2011), in case of transnational research, qualitative methods are best suited to understand the interaction, network and social capital formation among communities. Qualitative research enables the study to conceptualise complex socio-cultural process exist among the Diasporic communities. In addition to qualitative method, quantitative methods aid in ‘comparing networks and characterising subgroups’ of individuals and communities. Therefore, while researching transnational communities, mixed methods are best used to capture the overall

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<sup>22</sup> Several studies have analyzed the development of entrepreneurship among Diaspora communities at different geographies. Some of these studies are; (Fee & Rahman, 2014; A Portes & Shafer, 2003; Alejandro Portes & Manning, 1986; Rahman & Lian, 2011) and others. All these studies along with others are discussed at various locations in this study.



process of arrival, settlement and socio-economic development. Further, as stated by Segre (2016:94) “mixed methods approach to research is an extension, rather than a replacement for quantitative and qualitative approaches, as these research approaches are continuing to be useful and vital”.

The study employs the data primarily documented using case study method comprising of 35 enterprises, which include collection of entrepreneurial profiles using open-ended questionnaire. Key-informants and resource persons<sup>23</sup> provided information about various locations and a general profile of respondents in the study area.

Methodological approach of the present study locates the phenomenon of Diasporic entrepreneurship in Malaysia within the purview of experiences of entrepreneurs. Entrepreneurship development often take place considering social structure of the host society, where actors develop their opportunity using knowledge and information gained through perceptions and experiences. Diasporic entrepreneurship is understood as a result of social construction<sup>24</sup>, that is processed and reprocessed in opportunity development, as entrepreneurial functionaries understand available information and related actions, thus “retrospectively ‘discovering’ and ‘recognising’ business ideas” (Ramanathan, 2016:162).

The research design is exploratory in nature, which includes using approaches and techniques to identify and analyse macro and micro level aspects of Diasporic entrepreneurship. This approach is adopted to focus various dimensions of entrepreneurial activities being performed by Diaspora, including those of practices of both first and second-generation Diaspora entrepreneurs. This approach gives a certain degree of freedom to analyse various aspects already known and identify new ones. Considering the diversity in research on immigration and entrepreneurship, this approach allows us to move beyond individual entrepreneurs and their created organisations when needed.

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<sup>23</sup> The Resource Persons include Malaysia based researchers working on migration related issues and office bearers of traders’ association.

<sup>24</sup> Social constructionism creates and shapes what is considered valid and real, and has, therefore, an objective existence (See Chell, 2008).

## 2.8. The Universe

The study required an in-depth investigation into the lives and entrepreneurship practices of Indians in Malaysia; therefore, emphasis was on generating quality of information from a representative group of individual entrepreneurs rather than large quantity of information from a larger group of entrepreneurs. The study has primarily used life histories and has undertaken collection of relevant data through a sizeable number of entrepreneurs representing different types of enterprises. Additionally, this study has also used observation as a tool to document and understand the enterprise operation. The study also used a systematic review of documents related to communities, organisations and projects.

Locale of the present study is various commercial establishments and enterprises of Little India, Brickfields, Kuala Lumpur. The Malaysian Census of 2010 reveals that Kuala Lumpur includes an Indian population of 148,300. As observed by Ramanathan, (2016:162) majority of Indians living in Kuala Lumpur, reside in Brickfields area. A related observation of Ramanathan was also supported by both the key-informants<sup>25</sup>. A study by Sivakumar (2016:499) suggests that the Government does not provide any new and accurate data to understand the state of Indian entrepreneurship in Malaysia and resources at their disposal. Demographic characteristics of Indian Diaspora engaged in SME business are not accurately known in Malaysia (Sivakumar, 2016:499). Kumararajah (2016:502) estimated that Malaysia has nearly 38,000 Indian entrepreneurs, who are engaged in some kind economic pursuit. Out of this, nearly 91% are engaged in micro-businesses; which is higher than the Malaysian national average, where 77% of all Malaysian companies are microbusinesses (Kumararajah, 2016:502).

Further, it should also be taken into consideration that a significant number of Indian small-scale enterprises have not registered with the official institutions, considering the expected regulatory obligations to be fulfilled. So, the number estimated by Kumararajah (2016) is subject to discussion and revision, as it only recognises registered institutions. During fieldwork, it was found that some enterprises exist in Little India with temporary arrangements. These enterprises have been working in the

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<sup>25</sup> According to a key-informant, the area has nearly 80% of Indian population.

same place for quite a long time, but they do not register themselves. Therefore, the study did not try to select respondents with the help of any scientific sampling procedures. The respondents were selected with the help of key informants.

This study focused on small and medium enterprises that were established and functioning in Little India area of Brickfields, Kuala Lumpur. The area has been selected considering the reasons mentioned below.

1. Little India, Brickfields, Kuala Lumpur is one of the largest ethnic Indian markets in Malaysia.
2. The area is in Kuala Lumpur, Capital province of Malaysia.
3. Little India has the presence of an adequate number of non-Tamil entrepreneurs, which include Bengali, Punjabi, Muslims, and others.
4. Little India has presence of old Indian Diaspora as well as new Indian Diaspora. Little India is established within Brickfields area of Kuala Lumpur, Malaysia. Brickfields is oldest settlement established to accommodate Indian workers and clerks. Since market is in the capital city of Kuala Lumpur, a considerable number of new Indian Diaspora are also shown their presence in the locality.
5. KL Sentral, one of the biggest transport hubs of Kuala Lumpur and Malaysia is located just in the centre of Little India. This creates an active customer base for establishments located in the market.
6. Unlike other Little India of Malaysia, such as Klang, Penang, Selangor, Jalan Masjid and others, Little India in Kuala Lumpur has highest number of enterprises and most significant geographical cover. Further, Little India Kuala Lumpur has presence of almost all categories of enterprises, compared to other Indian ethnic markets.

The study has been conducted in Brickfields area of Kuala Lumpur, Malaysia. Brickfields area consists of a sizable number of Indian population and an Indian ethnic market called Little India also. Little India is a formally recognised Indian ethnic market in Kuala Lumpur. Another similar India ethnic market is located near Jalan Masjid area, however, in 2010; Malaysian Government gave recognition of Little India to Indian ethnic market, Brickfield. Additionally, similar Little India areas are in different places in Malaysia, which include Klang, Selangor, Penang, etc. For this study, Little India in Brickfields was considered as field location. Additionally, Little India in Klang and Penang were also visited for non-participant observation.

Establishment and development of Little India in Kuala Lumpur largely attributed to the outcome of community demand. The area is an example of Indian workers' settlement. Initially, the area has presence of Indian labourers and clerks recruited by colonial Government for Brickfields railways. This further led to declaration of official Indian space by the colonial Government. Official recognition and acceptance of local Government to transform Brickfields as "Indian reserve" was demonstrated in creation of religious institutions for various Indian communities in the town from 1895 (Chandrasekaran, 2016).

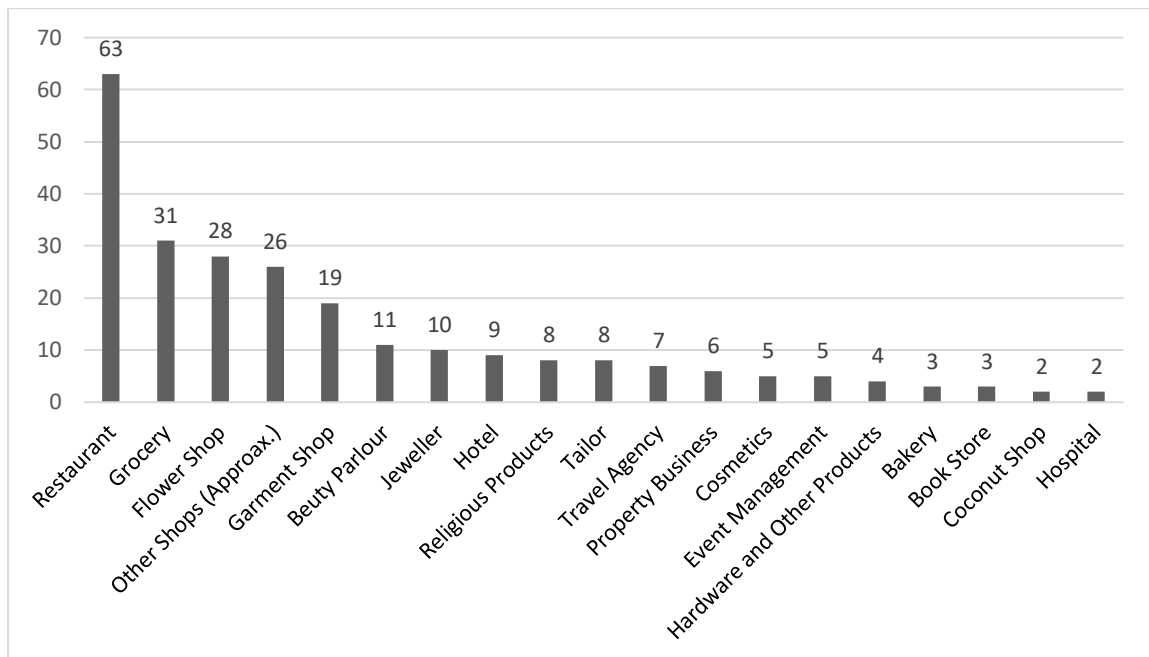
Indian concentration in Brickfields area led to the development of ethnic enclave and formation of petty trading and small-scale enterprises dealing with fulfilment of community members. Little India Street provided business opportunities to many Tamil community members. However, official recognition of 'Little India' was not granted until 2010 (Chandrasekaran, 2016). Since 2010, Little India in Brickfields became official Indian market of Malaysian capital.

Little India in Brickfields has a total of around 250 enterprises<sup>26</sup> that comprise of various enterprises such as restaurants, flower shops, jewellers, garment shops and others. The market contains all most all kinds of establishments dealing with daily needs of Indian communities.

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<sup>26</sup> As enumerated by researcher at the time of fieldwork.

**Figure 2.1- Entrepreneurial Profile of Little India<sup>27</sup>**



Source: As enumerated by researcher during field visit

## 2.9. Sources of Data

Considering the lack of statistical information about Indian Diasporic entrepreneurship in Malaysia, this study utilised following sources to collect requisite information:

- a. Government sources.
- b. Online portals such as SEED, Chamber of commerce.
- c. Journals and policy reports
- d. Indian ethnic media sources

The study employs case study as a method to explore a range of factors related to Indian Diasporic entrepreneurship in Malaysia. The choice of case study as a primary method was to capture detailed information about arrival, settlement, and development of entrepreneurship by Indian Diaspora in Malaysia. Portes & Sassen-Koob (1987:30) define a case study as an “in-depth exploration of a program, an event, an activity, a process, or one or more individuals”. Further, as described by

<sup>27</sup> The enumeration of the Little India was at the initial stage of the study. Each shop was classified and counted on the basis of nameplates and products. The total number include 26 other shops. These shops include category of shops not classified and closed shops, without nameplate.

Portes & Sassen-Koob (1987:30), “structure of a case study should be problem, context, issues, and lessons learned. Data collection for a case study is extensive and draws from multiple sources such as direct or participant observations, interviews, life history, physical artefacts, and audio-visual materials”. Therefore, during this study, considerable time was spent in the field to interact with respondents.

A total of 35 case studies were conducted with Indian Diaspora entrepreneurs in Malaysia. Case studies were conducted in two phases. Case studies were collected between January and April 2017. A large part of discussions with respondents took place in their respective enterprises or offices. However, some case studies were also conducted in food joints or teashops. Respondents were identified with the help of two key informants who were Malaysian Indian entrepreneurs based in Kuala Lumpur and Klang, respectively.

The life histories conducted for this study aims to collect detailed information about Diaspora and Entrepreneurial activities. At preliminary stage, this study tried to discuss respondent’s background. These include details of name, age, sex, education, year immigration, details of origin, current city of settlement. Details such as relationship, age, education, current location, nationality, and current occupation were also captured.

While discussing about the details of organization information such as location of the organization, details related to founder of the enterprise, occupations previously pursued by the respondent in Malaysia, year of establishment of the business, Nature of business (wholesale trade, retail trade, restaurant /catering, travel agency, export, and import, etc.), type of ownership (individual, familiar, partnership, if the partnership with other, nationality of other partners) and sources of Funds for opening a new Business, were collected. Detailed answers were explored in response to queries such as role of personal savings in the opening of businesses, friendship & ethnic structure in development of businesses, number of Employees, country of their origin, gender structure, and their relationships with owner of businesses, opening hours, customers usually served, and outreach services.

This study also looked into information related to earlier occupation of the respondents and details of professional backgrounds. Queries were made to collect details of respondents' first businesses, reason for the shift from earlier business and also future plans. Some questions were also asked about the possession of properties by respondents to get the idea of economic stability gained after shifting to entrepreneurship. Questions about the property were mainly asked to get the information about the impact of entrepreneurship on the economic condition of the workers.

While discussing about relationship with India, some questions asked were; do the business establishments directly/indirectly deal with Indian products, respondent/enterprise prepare/ manufacture/ create/ design the product by own, or import from India, etc., A question about business partnerships with Indian entrepreneurs was also included to know about transnational entrepreneurial initiatives. Further, it is also attempted to discuss issues related to ethnicity and religion. Discussion related to religion and ethnic inter-relationships were coined to understand the response.

## **2.10. Data Collection**

The data collection process began in July 2016. Since majority of entrepreneurial population had Tamil background and rarely communicated in any other languages, an initial attempt was made to communicate with Malaysian Indian entrepreneurs operating in Little India through telephone and social networking sites. However, these attempts were mostly unsuccessful.

The data collection process started in January 2017. Initial support was provided by one Key informants based in Kuala Lumpur. The Key-informant helped in gaining necessary insight about Little India, Kuala Lumpur. Key informant also helped in visiting many enterprises and aided with the translation of respondents' answers from Tamil to English for the researcher's benefit. During visits, meetings were also conducted with the office bearers of entrepreneurs' associations and Non-Government officials engaged in awareness and training programme for the young entrepreneurs. Datuk Dr Denison Jayasooria, Principal Research Fellow, Institute of Ethnic Studies,

University of Malaysia also provided a brief background of shops located in Little India. Overall, a number of meetings were conducted with entrepreneurs engaged in different sectors.

Many useful lessons were learned during initial period of the field visit. For instance, initial stay in field revealed that many respondents were far more comfortable conversing in Tamil than English. To understand Tamil words and expressions, it was needed to have support of someone with Tamil background. Additionally, initial stay gave a clear understanding about most accurate research techniques to gain the response in line with stated objectives from study field. Furthermore, initial stay confirmed that the life history technique is appropriate technique to gain insights as intended within research objectives and questions. Finally, initial period of data collection confirmed that the data collection techniques selected for the study are appropriate and do not need any changes, which helped in generation of confidence in the field. Initial stay in January provided a significant idea about field, and enabled researcher to connect with one more local Key-informant. Key informant was herself an entrepreneur, engaged in consultancy-based occupation. Her husband had a business of education-related materials.

For this study, 35 respondents were identified and engaged in support of two local Key informants. These informants provided support in connecting with respondents and translation in case of Tamil communication. Data collection were carried out by visiting enterprises and local food joint. At a number of occasions, the meetings were conducted on the tea shop of one of the respondents. All the case studies collected for this study were conducted in Little India, Brickfields, Kuala Lumpur. The case studies collected for this are the outcome of multiple interactions with same respondents. Since Little India is not a very big market, it was not difficult to meet and discuss with respondents' multiple times.



## **2.11. Respondents**

A total of 250 establishments were identified, which include 26 closed and unnamed enterprises. This number is subject to change, since manual enumeration may result in some discrepancy in surveying the shops located beyond the purview. Overall 35 Case Studies were conducted for this study. While the intention was to take nearly 50 case studies, but many visits were failed because of unwillingness of respondents to participate. In the whole process of interactions, no attempts were made to dictate or impose any idea on respondents. All respondents answered questions as per their willingness to answer.

Considerable proportion of respondents were selected from the restaurant business because of two critical reasons. First, restaurants make up 25% of the overall business establishments of Little India, and secondly, responses were not collected following any sampling method. However, this study considers that the overall representation of respondents is holistic and included almost all categories of enterprises.

Respondents were contacted with the help of both the Key informants. Narratives are quoted as precisely as possible in the words of participants. Name of the respondents has been removed to avoid any privacy-related issues. Many respondents showed an unwillingness to reveal their names. While, some respondents had no problem in revealing their names, but to avoid confusion, no names have been used in this study. During field work, the researcher lived in the middle of Little India, so there was an opportunity to observe various aspects of entrepreneurial functioning as a non-participant observer. This helped in understanding of various dimensions of Little India. As fieldwork proceeded, the researcher could able to develop a friendly relationship with many respondents.

Few respondents including key informant regularly interacted with researcher. Intensive informal discussions were conducted almost every day. This gave detailed accounts of entrepreneurial functioning, socio-economic status, entrepreneurial strategies, business idea and other related issues. Life histories stimulated and complemented each other throughout the study. A brief profile of respondents is mentioned below.

**Table 2.1- Particulars of Respondents**

S. No.	Category of Enterprise	establishment Year	Activities	Age	Founder	Education	Generation	Immigration Period	Nationality of Spouse
1	Grocery	1991	Coconut Seller, 2 Shops	55	Self	Senior Secondary	Third Generation	Not Known	Malaysian, Singaporean
2	Restaurant	1986	Tamil Food, Local Products such as noodles	65	Father	Graduation	Third Generation	Not Known	Malaysian Tamil
3	Restaurant	1973	Tamil Food	49	Father	Secondary	Third Generation	Not Known	Malaysian Tamil
4	Restaurant	2003	Tamil Food and Magazine Shop	63	Self	Senior Secondary	Second Generation	1940s	Malaysian Tamil
5	Restaurant	1997	Punjabi Food	53	Father	Senior Secondary	Second Generation	1960s	Indian
6	Jewellery	2007	Gold Business	47	Father	Senior Secondary	Third Generation	Not Known	Malaysian Tamil
7	Flower Shop	2003	Flower Business	33	Self	Senior Secondary	Third Generation	Not Known	Malaysian Tamil
8	Hotel	1995	Hotel	48	Self	Graduation	Third Generation	Not Known	Malaysian Tamil
9	Restaurant	2011	Eatery	67	Self	Primary	Second Generation	Not Known	Malaysian Tamil
10	Restaurant	2000	Eatery	47	Self	Senior Secondary	Third Generation	1900	Malaysian Tamil
11	Restaurant	1993	Malay and Chinese Food	62	Self and Brother	Secondary	Third Generation	Not Known	Malaysian Tamil
12	Flower Shop	2009	Flower Business	50	Self	Primary	Third Generation	Not Known	Malaysian Tamil
13	Garment Shop	1995	Cloths, Saree	54	Father	Senior Secondary	Third Generation	Not Known	Malaysian Tamil
14	Jewellery	1991	Gold Business	57	Self	Senior Secondary	Third Generation	Not Known	Malaysian Tamil
15	Grocery Store	2005	Daily Use Products, Grocery Items	37	Self	Senior Secondary	Third Generation	Not Known	Malaysian Tamil
16	Grocery Store	1986	Daily Use Products, Grocery Items	65	Father	Graduation	Third Generation	1920s	Malaysian Tamil
17	Restaurant	2003	Halal Muslim Food	49	Self	Secondary	First Generation	1995	Malaysian Tamil
18	Restaurant	1983	Halal Muslim Food	51	Father	Secondary	Third Generation	Not Known	Malaysian Tamil
19	Restaurant	1997	North Indian Bengali Food	63	Self	Secondary	First Generation	1985	Malaysian Tamil
20	Restaurant	2012	Ethnic Tamil Food	56	Self	Primary	Second Generation	Not Known	Malaysian Tamil

21	Restaurant	2003	Malay & Chinese Food	62	Self	Secondary	Third Generation	Not Known	Malaysian Tamil
22	Grocery Store	1986	Religious Products	35	Father	Graduation	Third Generation	Not Known	Malaysian Tamil
23	Grocery Store	1983	Spices	55	Father	Senior Secondary	Second Generation	Not Known	Malaysian Tamil
24	Beauty Parlour	2009	Parlour	47	Self	Primary	Third Generation	Not Known	Malaysian Tamil
25	Restaurant	2000	Ethnic Tamil Food	42	Self	Senior Secondary	Third Generation	Not Known	Malaysian Tamil
26	Watch Shop	2002	Watch Shop Sell and repair	57	Self	Senior Secondary	Third Generation	Not Known	Malaysian Tamil
27	Saloon	1960	Unisex Saloon	65	Self	Secondary	Third Generation	Not Known	Malaysian Tamil
28	Paper	1977	Paper Business, Family Business	48	Father	Graduation	Second Generation	1933	Malaysian Tamil
29	Grocery	1957	Grocery Items, Spice, Vegetable from India	46	Father	Graduation	Third Generation	1942	Malaysian Tamil
30	Printer	1990	Printing Business	52	Self	Senior Secondary	Second Generation	Not Known	Local Punjabi
31	Book Store	1983	Book Shop	55	Father	Graduation	Second Generation	1948	Malaysian Tamil
32	Restaurant	2015	Tamil ethnic food	67	Self	Primary	Second Generation	1968 (Self)	Tamil Indian
33	Multi Business	1991	Educational Products	63	Self	Graduation	Second Generation	Not Known	Malaysian Malayali
34	Restaurant	2007	Tamil Ethnic Food	47	Self	Senior Secondary	Third Generation	Not Known	Malaysian Tamil
35	Beauty Parlour	2009	Parlour	42	Self	Graduation	First Generation	2005	Indian

## **Summary**

This chapter tries to analyse the research methods and tools adopted while pursuing this study. This chapter tries to provide a methodological clarity before proceeding to the conceptual and empirical chapters. This chapter provided a detailed account of data collection and data analysis. This chapter included a detailed profile of case studies respondents. The profiles have been kept within the chapter to introduce brief account of respondents.

This chapter elaborated the theoretical premise, on which this study is based upon. The chapter reviews the concepts of Diaspora' entrepreneurship, enclave hypothesis, transnational entrepreneurship and examines the profile of Diaspora business networks within the geographical premise of South East Asia, specifically Malaysia. The argument of the chapter can be broadly divided into two parts. First part of the chapter discusses the theoretical concepts and literature related to Diasporic entrepreneurship. The discussion has been started from the early work of Richard Cantillon (1697-1734) to Sivakumar (2016). The second part of chapter discusses methodology used for this study.

Next chapter of this study aims to provide a historical background of Indian migration to Malaysia. Sections of the chapter will deal with various issues such as immigration of Indians to Malaysia, settlement of Indian immigrants in Malaysia, Major Indian enclaves, Little India, Malaysian Government policies towards Indian Diaspora and entrepreneurship, demographic interpretation, etc.

## **Chapter-3 Immigration and Settlement of Indian Diaspora: A Brief Socio-Historical Profile**

Indians have long history of migration and settlement in Malaysia and other South-eastern regions. The traders from India and South Asia had developed the entrepreneurial ties with South East Asian countries before colonial developments. The emigration from India to South East Asia, specifically to Malaysia can be traced back to the pre-Colonial era (Report: Singhvi Committee, 2001:257). Migration from India to Malaysia has a centuries-old history. However, the large-scale migration only started during the colonial period, when workers started migrating in bulk under Indenture and *Kangani* system to work as a plantation worker (Bilsborrow, Oberai, & Standing, 1984:2). The Malaysian Indians have strengthened their roots in the host land. The Indians in Malaysia have taken part in all the economic segments of the society and have been working at various levels. Among these, many Indians have also started the entrepreneurial ventures to enhance their economic status in Malaysia.

This chapter aims to outline background of Indian Diasporic entrepreneurship in Malaysia. The chapter deals with historical account of Indian emigration to South East Asia and status of Indian community in the region. This chapter has four parts. Initial section focuses on history of Indian migration to South East Asia specifically Malaysia. Second part discusses the immigration and economic policies of Malaysia and their impact on Indian community. Third part deals with condition of Indian community in Malaysia. This part discusses various aspect of Indian settlement in Malaysia such as community dynamics, labour force<sup>28</sup> participation, political participation, education, and cultural aspects, etc., and, fourth part of this chapter presents a broader background of Indian Diasporic entrepreneurship in Malaysia. Aspect such as New Economic Policy of Malaysia, Indian Entrepreneurship orientation, formulation of ethnic markets such as Little India and other issues are discussed in this part. The analysis has been done using secondary literature that includes statistical data extracted from Malaysian Government sources.

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<sup>28</sup> According to Department of Statistics, Government of Malaysia, Labour force, “Refers to those who are between 15 to 64 years (in completed years at last birthday) during the reference week, and who are either in labour force or outside labour force”.

### **3.1. History of Migration from India**

On a global scale, movement and interaction of people have historically been a principal factor in world civilisation. The movement process over time seen inclusion of culture and technology, as a result of mass or group migration. Over time, especially after industrial revolution migration has become inevitable process of human society (Parnwell, 2006:4). Keeping in mind historical changes in population settlement, this can be said that everyone is a mobile and has moved from one place to another. According to Parnwell (2006), this can be further differentiated between “Haves” and “Have Nots”, where economically abled people usage migration as an opportunity to further enrich their present circumstances. While people with lesser or no economic means, usually not have enough economic means to sponsor their movement, until or unless they are forced to change their residences where circumstances are adverse (Cohen, 2008:1).

Migration of individual from one location to other has been a reality of human life. The movements largely took place in search of nutrition, accommodation and protection. In today’s context, migration of people primarily take place in search of better employment, life chances, amenities, and future prospects. As evident, due to large scale movement, migrants not only move as individual self with personal expertise, but also carry with them social customs, tradition, values and practices (Cohen, 2008). As stated by Cohen (2008), “significant population movement has been observed in the world, whether it is Jews, African, Armenian, Irish, Palestinians, Greek, Spanish, Portuguese, Dutch, Indians, Chinese, Japanese, Sikhs, Turks, Italians, Venetian, or Lebanese”.

Cohen (2008:21) considered the dispersal of Jews from their homeland as a classical and an initial example of migration. Cohen termed this event as a classical notion of human displacement. He identified Labour and imperial migration as a significant characteristic of Indian international migration (Cohen, 2008:21).

Safran (1991:84) gives the following features of the Diaspora- “Dispersal from original homeland to a foreign land; Retention of collective memory about the original homeland; Partial assimilation in host society; Idealized wish to return to

homeland; Desirable commitment to maintenance or restoration of homeland and prosperity; and Continuous renewal of linkages – cultural, religious, economic, and political - with the homeland”.

Cohen (1997: 4) gives a typology of population movement by arranging them under different sub-types.

**Table 3.1: Typology of Population Movement across the World**

Type of Human Movement	Example
Victims/Refugees	Jews, African, Armenian, Irish, Palestinians
Imperial/Colonial	Greek, Spanish, Portuguese, Dutch
Labour/Service Diaspora	Indentured Indians, Chinese, Japanese, Sikhs, Turks, Italians
Trade/Business/Professional	Venetian, Lebanese, Chinese, Indians, Japanese
Globalization	Caribbean, Chinese, Indians

Source: Adapted from Cohen, 1997.

The recruitment under indenture system initiated after abolition of slavery by British Government. The ban came into effect in 1834. After implementation of ban by British Government, many other countries also followed the ban. Some of these countries were, Portugal, France, and Netherland. Due to restriction on slavery, colonial governments saw a huge scarcity of cheap labour force. In order to fulfil this demand, recruitment was initiated from Asian countries. These recruitments were mostly temporary in nature and were provided contract of three to five years. Initial recruitment took place from North Indian parts under indenture system (Shirras, 1935:597). Initial recruitment under indenture system took place from Northern part of Indian (Chhota Nagpur and Bhojpur region) to British colony Mauritius. These recruitments primarily took place to fulfil the demand of workers in sugar and rubber plantations. After initial recruitment by British, Dutch and French Government also started recruitment from Indian Sub-continent (Tinker, 1974:354). Progressively, presence of Indians became evident in different corners of the world, which include far most countries like Trinidad, South Africa and Guyana, and nearest countries like Myanmar and Sri Lanka. According to Bhat (2003:13), “about 6 million people had left Indian shores before abolition of indenture system in 1916; of which about 1.5 million to Sri Lanka, 2 million to Malaya, and 2.5 million to Burma”.

This system of indentureship came to an end in 2016. The abolition was done by the Council of British Legislatives. This recruitment process continues for almost 80 years. As per this system, workers sign a contract with colonial employer and sometime government for three to five years of service. These systems vary from location. Overall three recruitment systems were in India- Indenture, *Kangani* and *Maistry*. Significant proportion of indenture labourers came from Bhojpur and Chhota Nagpur region. Currently these regions are located in Bihar, Uttar Pradesh, Jharkhand and Orissa. *Kangani* or *Maistry* labourers were primarily recruited from Tamil Nadu and other South Indian states (Sandhu, 1969). These workers after completion of their recruitment at the destination countries either renew or chose to return India. Significant number of Indian workers chose to stay in plantation countries. These workers were given a piece of land or piece of land. As described by Tinker (1974:19), “poor living conditions and unlimited control of employer on workers termed as ‘new form of slavery’.

Hugh Tinker (1986: 3) further elaborated indentured labour system and compared with slavery. His analysis shows,

- a) The plantations were designed to act as segregator of workers from local society.
- b) Over dependability on colonial administration for everyday life increased the chances of suppression and victimization, which was evident throughout the sugar colony.
- c) Often workers were penalised and forced to work more than their capability, which often results mental and physical problems.
- d) These plantations were mostly silent and steady economic medium for colonial administrators, which resulted lack of interference by external forces.

Migration from South Asian countries to major immigrant receiving South East Asian countries such as Singapore, Malaysia, Indonesia, and Thailand, constitutes a vital migration route in the world, specifically in Asia (Kaur, 2014a:276). Among these South East Asian countries, Malaysia and Singapore constitute most preferred destination markets for workers of different skill sets from the South Asian countries (Mahalingam, 2015). In last three decades, countries of Southeast Asia, especially



Malaysia and Singapore have positioned themselves as major receiving players in the migration process. The intensity of immigration in these countries has seen a significant increase (Kaur, 2014a:278). These immigrants come from diversified backgrounds which include economic migrants; war displaced, displaced populations of natural calamities, etc.

### **3.2. Emigration to South East Asia**

Southeast Asia has been one of the most economically dynamic regions in the developing world. The economic success of some of the South East Asian countries can also be understood as they have been colonies of some of the European countries (Kaur, 2014a:278). During the colonial period, the colonial powers mainly concentrated on manufacturing of raw materials (tin, rubber, petroleum) and consumables such as sugar, coffee and rice and imported manufacturing goods from the west. After independence, these countries followed the same economic system of import and export. They kept producing and exporting raw materials and consumable goods and imported the manufacturing goods from the European countries. Along with the classical system of import and export, the modern bureaucratic structure and administrative and legal framework developed by the colonial powers also helped these countries to enable them in the adaptation of new world order. Many other attributes of modernisation have gone with economic change, “including the widespread availability of education, modern transportation, and the mass media during the post-Independence era” (Kaur, 2014a:277). This rapid progress in the various sectors is evident in countries like Thailand, Malaysia, Singapore, Indonesia, Philippines, and Brunei. However, some other “South East Asian countries like Vietnam, Myanmar (Burma), Laos, and Cambodia” could not accelerate the economic progress due to various internal and external reasons.

The political geography of South East Asia has never been a static one. The region has seen a number of wars and boundary change (Hirschman & Edwards, 1964:4374). However, since the separation of Singapore from Malaysia in 1965, the region has somewhat not changed. Currently, the Southeast region consists 11 countries<sup>29</sup>.

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<sup>29</sup>Cambodia, Laos, Myanmar (Burma), Malaysia, Thailand, Vietnam, Indonesia, Philippines. Brunei, Singapore, East Timor

Among these 11 countries, most of the countries are on the mainland; the region is considered as insular Southeast Asia because the “Malay population shares a common language and religion with much of the Indonesian population” (Hirschman & Edwards, 1964:4374). According to Hirschman & Edwards (1964:4374), “city-state of Singapore (on an island connected by a mile-long causeway to Peninsular Malaysia) was historically part of Malaysia, but because of its unique ethnic composition (three-quarters of the population is of Chinese origin), it is more like East Asia than Southeast Asia”.

Buddhism and Islam are two dominant religions in Southeast Asia. The majority population of Indonesia, Malaysia, Brunei follows Islam, while Myanmar, Cambodia, Laos, Thailand has the majority of Buddhist population. Other than these two, Philippines has the majority of the Christian population. Singapore has mixed religious representations. As stated by Kaur (2014a: 280), “Hinduism is the dominant religion in Bali, an island in Indonesia, and among the Indian minority populations of Malaysia and Singapore”.

India and China are two of the important migrant-sending countries of Asia. Both these countries have dominated the trend from last three centuries, especially after colonialization (Kaur, 2014a:280). In fact, before the 1940s, Chinese and Indians dominated the emigration of workers only, since, countries like Bangladesh, Pakistan came into existence after that. The increasing poverty pushed the migrant from these regions due to colonialization, deteriorating agriculture, increasing ethnic conflict and overpopulation, while pull factors in South East Asia include the increasing requirement of plantation workers, availability of employment, economic opportunities in the region, and network drove mass migration. The migration process also became famous due to existing colonial infrastructure and lack of border control (Kaur, 2014a:280).

## **Chinese Migration**

Kaur in an article titled, “Plantation Systems, Labour Regimes and the State in Malaysia, 1900–2012” mentioned that the emigration of Chinese workers to Malaysia under plantation system was banned, by the Chinese Government initially. In 1893, the ban was lifted, and recruitment of Chinese workers started (Kaur, 2014a:280). Kaur (2014a) has listed two specific migration trends for Chinese:

- a. The kinship-based migration network- This involves recruitment of workers by recruiters from their villages/regions. In this process, travel expenses were guaranteed by relatives or friends from the migrants’ hometown.
- b. The credit-ticket (steerage) system: In this system, the labour brokers or labour agencies conducted recruitments. After reaching to the destination countries, the workers get transferred to the employer. The employers pay the travel expenses to the contracts, and the workers were given written contracts for the repayment of their debt in the form of labour service. After completion of repayment by the worker, the workers became free to choose their employer and place of employment (Kaur, 2014a:281).

## **Indian Migration**

Indian migration to various parts of the world is not a new phenomenon. However, the intensity of the migration accelerated with colonialization. As a part of the British colony, a sizeable number of Indian workers migrated to distinct parts of the world, which include Southeast Asian countries like Burma and Malaya (including Singapore) (Kaur, 2014a:281). The emigration mostly took place under the overseas recruitment systems such as Indenture and *Kangani*. Compared to the Chinese, Indians got settled mainly in the states, where demand for the workers was for the urban manufacturing sector (Burma) and the plantation sector (Malaya). This emigration saw a considerable decline after banning on indenture system and after the second world war. During the employment period, very few Indians could earn a significant amount of wealth to continue their stay, and the lesser number could

establish entrepreneurial venture, compared to Chinese immigrants (Chanda, 2012:7). After completion of the employment period, many of the Indian returned to India, while some get settled in destination countries such as Burma and Malaysia.

After independence, the flow of migration from India can be traced in three broader patterns, as described by Chanda (2012).

- a. Movement of skilled migrants to Developed countries for long-term settlement.
- b. Labour migration to the middle east and Southeast Asian countries such as Malaysia and Singapore
- c. Short-term, seasonal, and irregular (undocumented) movement within the South Asian region itself.

### **3.2. Immigration Policies of Malaysia: An Overview**

In the purview of Indian migration to Malaysia, primarily two different timeframes of migration policies are evident. First frame is immigration to Malaysia under various colonial systems such as Indenture and *Kangani* (Sandhu, 1969) and second is labour migration to Malaysia under post-colonial recruitment systems (Marimuthu, 2016). Under the first phase till 1930, the migration to Malaysia was mostly open, and employers had almost freehand to recruit workers. The Government only concentrated on conflicts and implementation of contract (Kaur, 2014a:349). However, after independence, recruitment policies became more organised and stringent. This should also be considered that the economy of Malaysia did not perform very well, and many Malaysians migrated to Singapore for employment. During 1990s, economic status of Malaysia strengthened, and requirement of additional workforce was observed. Marimuthu (2016:105) observed that the recruitment is “essential for labour force growth and would deliver benefits to Malaysian economy. This led to a revised strategy on foreign labour recruitment, and so the Government developed a Comprehensive Policy on Recruitment of Foreign Workers in 1991 that established the terms and conditions for the employment of foreign labour”.

**Table 3.2: Post-Independence Immigration Policies of Malaysia**

S. No.	Period	Policy Approach
1.	1970-80	Liberal policy towards foreign worker recruitment
2.	1981-88	Government legalised foreign labour recruitment, established an official channel for labour recruitment and signed bilateral agreements with the Governments of source countries
3.	1989-96	The state introduced a regularisation programme to curb illegal immigration.
4.	Since 1997	Strict migration policy after the 1997-98 financial crisis.

Source: Marimuthu (2016)

Nearly 2.7 million people from India migrated to Malaysia before Independence while nearly 300,000 people migrated after independence (Sarker, 2012:126). Currently, nearly 20,000 workers migrate to Malaysia every year under ECR category<sup>30</sup>. A significant number of workers under skill category are also migrate every year from India to find better employment opportunities. Other than this, student and marriage may also be considered as important reasons since many Indians living in Malaysia willing to marry their son and daughters to Indians.

As per the immigration policy of Malaysia, “the expatriates are recruited to work in sectors such as construction, manufacturing, plantation/agriculture, and service” (Sarker, 2012:126). Restrictions were also imposed on the category of employment for a specific country. Marimuthu (2016) stated that the number of workers from any sending country in specified sectors was fixed. As per Government direction, employment in cargo and laying high tension cables sector was restricted to Indians only. Immigrants from other countries were not allowed to join this sector. Plantation and agriculture sector employment were reserved from workers coming from “Philippines (male), Indonesia, India, Cambodia, Kazakhstan, Laos, Myanmar, Nepal, Thailand, Turkmenistan, Uzbekistan, Vietnam, and Bangladesh”. Further, the government also imposed an occupational cap on nationals from various source countries.

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<sup>30</sup> ECR stands for Emigration Check Required. According to Emigration Act, 1983, all emigrants moving Indian airports and ports with below tenth education need to take emigration clearance from Protector General of Emigrants. Details available at <http://boi.gov.in/content/encrecr>

In the case of immigrant expatriates, it is mandatory to have an employment contract with a salary over RM 2500 a month. Job contracts are given for up to five years and need to be sponsored by the employer (Marimuthu, 2016). These expatriates are allowed to bring their families with them during the period of employment. There are restrictions on marriage. Expatriates are not allowed to marry Malaysians, neither they are allowed to claim citizenship. The workers are treated as temporary workers (Report: Singhvi Committee, 2001:257).

### **3.4. History of Indian Migration to Malaysia**

History of migration from Indian to Malaysia can be traced back to the pre-colonial era when traders from Indian subcontinent travelled to South East Asia (Marimuthu, 2016). The flow of the migration intensified during the colonial era under the different contract system. After the independence of Malaysia, the Indian migration to Malaysia was somewhat low and confined to network-based mobility only, however, after 1990, a significant number of Indian labourers have migrated to South East Asia to work in different sectors including oil and construction (Marimuthu, 2016:114).

The recent migration from India to Malaysia saw a significant increase in the number of Indian unskilled labourers. Most of these workers are unskilled and come from rural and semi-urban backgrounds and are semi-literate or illiterate (A Kaur, 2009; M. Marimuthu, 2016; Report: Singhvi Committee, 2001). The majority of workers were appointed from southern Indian states, “especially Tamil Nadu, while a fewer number come from northern states like Bihar, UP, Orissa, Maharashtra, and Punjab”. The history of labour migration from India to Malaysia can be divided into three parts, pre-colonial, colonial, and post-colonial migration. These periods are discussed in detail below:

#### **Pre-Colonial Migration**

As discussed in many texts (Guan, 2000; Jayasooria & Nathan, 2015; A Kaur, 2009; M. Marimuthu, 2016; T. Marimuthu, 2016), there were trade linkages between India and Malaysia since the first millennium B.C. Some ancient literary texts define the land of Southeast Asian regions as Suvarnabhumi or land of gold. Similar evidence

can have found in the two great Indian epics Mahabharata and Ramayana, as Malaysia has been referred as *Suvarna Dvipa* and *Yavana Dvipa* (Marimuthu, 2016:107). Further, the available archaeological and epigraphic evidence such as Hindu and Buddhist structures in the form of temples can be referred to the link between both the regions. Some evidences can be seen in Sumatra island of Indonesia and Batu Caves near Kuala Lumpur (Marimuthu, 2016:107).

During the initial period, Indians immigrants were mostly merchants, traders, and missionaries. The entrepreneurial community of Indian origin over time get settled in the areas of Kedah, Penang, and Malacca. In Malacca, Indian communities such as Cheries, Chulias and Jawi Peranakan are examples of early settled Indian communities of Malaya before the colonial era (Marimuthu, 2016:107).

Literature related to Indian community in Malaysia has noted the significant linkages between both countries. However, presence of community was relatively small in size (Naujoks, 2009). Despite historical links with Malaya, presence of Indian community was small. This changed after arrival of British in Malaysia. A significant number of labourers from India were recruited in sectors like rubber and palm oil. This started the era of mass migration of Indians to Malaysia.

### **Migration during Colonial Period**

Indian labour migration to British colonies of various parts of world started after restriction on slavery in 1834. The first slot of migrants from India migrated to Mauritius, Surinam, and West Indian Islands. This process continued with the recruitment of migrants to various parts of world as mentioned below:

**Table 3.3: Classification of Indian Labour Recruitment Systems<sup>31</sup>**

Type of Contract	Destination Countries
Indenture	Suriname, Trinidad and Tobago, Malaya, Fiji, and Mauritius
Kangani, Indenture	Sri Lanka and Malaya
Maistry	Burma

Source: Naujoks (2009)

Stenson (2011:17) noted that the migration of Indian workers to Malaysia took place mainly for three broader reasons;

- a. **Proximity**- It was not difficult to travel Malaysia from Southern parts of India, as the travel time was relatively less compared to other colonies.
- b. **Presence of British Rule**- Malaysia had the presence of British rule and was going through industrialisation.
- c. **Economic Status of Indian population**- The British initially recruited poor peasants and artisans from the Madras Presidency from Southern India. These workers were from the economically disadvantaged group and were prepared to accept the risk and hardships. These people were from the untouchable community and had very less livelihood. They chose to migrate with hope to have a livelihood and some savings. British Government wanted to recruit Indians over Chinese, as Indians were considered as obedient and peaceful. Further, Tamils were already familiar with British rule and were willing to accept the military-type discipline. Further, they had little ability to bargain and were ideally suited for a system of production that had started with slave labours.

Stenson (2011:17) has quoted the statement of a European planter:

*"The Tamil struck me as being a poor specimen, both in physique and morale, and of being abject, cowardly and generally lacking in vitality ... the Tamils, one and all, had a half-starved look about them, and seemed to be thoroughly dissatisfied with their lot in life. The blind admiration for the white man by these Tamils is really rather pathetic."*

Sandhu (1969:56) has analysed the process of migration of Indian workers to Malaysia. As stated by him, Indian migration to Malaysia was majorly paternalistic. Only adult male single workers were considered for migration. Working conditions

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<sup>31</sup> The table cannot be considered as absolute reflection of labour recruitment process from India to Malaysia. The table reflects majority of migration to specific country under specific system. There can be overlap of recruitment system, since Indians in Malaysia also recruited through Indenture system. The details are mentioned in the next section of the chapter.



were inadequate for married workers since wages were low and accommodations were available for single person only due to low wages and non-availability of accommodation. Among the people of sub-continent, the South Indian peasants, particularly the untouchables and low caste *Madrasis*, were considered as the most suitable type of labourers, especially for light, dull and repetitive work. The workers were malleable, worked well under supervision and were easily manageable (Sandhu, 1969:57).

*“The relegation of the classes to the level of animals in a caste-ridden society naturally tended to deprive them of initiative and self-respect and made them a cringingly servile group. These people have neither the skill nor the enterprise to rise above the level of manual labour. Primitive and ill-organised, they never appear to have known the art of collective bargaining... All in all these features of South Indian Adi-Dravida made them almost the ideal for labouring material for the furtherance of capitalist endeavours in Malaysia (Hock, 2007:34).”*

Indian migrant workers in Malaysia were mainly males. As stated by Saw Swee Hock, in a book titled, “The Population of Peninsular Malaysia” published in 1988, overall sex ratio among Indian workers in Malaysia must have exceeded 7200 males on every 1000 females. The ratio may have approached 14000:1000 as well (Kaur, 2014b:284).

After 1922, British Government looked into issue of gender imbalance and a legislation was brought in to give accommodation and childcare for workers and their families (Sandhu & Mani, 2006). Workers were mainly recruited in Malaysia to ease the expansion and deployment in plantation sector and also for infrastructural developments. The recruitments were done mainly from Tamil and Telugu regions of Southern India under Indenture system and then under Kangani-assisted recruitment (Marimuthu, 2016:107). The incident was later followed by the ‘free passage’ of Indian workers under Tamil Immigration Fund which was later called the Indian Immigration Fund. Further, the Malayan Government set up a body called Indian Immigration Committee (IIC) in 1907 to facilitate and regulate the free passage of labourers (Sandhu, 1969:61).

## Recruitment Systems

Initial record of labour migration from India to Malaysia can be traced back to 1833. However, the statistical records are available from 1880 (Sandhu, 1969). In the period of 1880-1889, a total number of 139,898 Indian immigrants arrived in Malaysia (Sandhu, 1969:97). This intensity of labour migration continued to second World War. There were broadly three categories of recruitment system noted by Sandhu (1969) in his book on Indians in Malaysia, which are; indenture system, free and independent immigrants and, *Kangani* system<sup>32</sup>.

The details of each category are briefly mentioned below.

### The Indenture System

Indenture recruitment system for migration from India to British plantations started in early nineteenth century. Initial phase of Indian migration can be traced back to recruitment of workers to Mauritius (Sandhu, 1969:76). This system mainly recruited migrants for Sugar plantations in Mauritius, Fiji and West Indies. The Indenture system was written contract system, usually imposed by employers to employee since workers had no freedom, awareness and education to understand the contracts beforehand (Sandhu, 1969:76). The contract was for three to five years, afterwards, it was presumed that workers will lead to status of free labour and will have freedom to return. If agreed, workers can also be re-employed by same employer. Sandhu (1969:76) noted,

*“employers tend to maintain the same workers at as small as cost as possible, to work with them as hard as possible, and to keep them on the job as regularly as possible”.*

Indenture system in Malaysia had slight difference than the existing system implemented in Sugar colonies. In the case of migration to sugar colonies, the local Government and employer of destination countries were solely responsible for this process. Unlike this, in case of indenture recruitment of Malaysia, employers themselves or private agents were responsible for recruitment. The Malaysian

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<sup>32</sup> See Annexure 6.4.- composition of Indian Assisted Labour Immigration.

Governments' role was limited mainly to implement contract terms between employers and employees (Sandhu, 1969:76–77).

**Table 3.4- Difference between Malaysian Indenture System with Other Sugar Colonies**

Factors	Malaysia	Other Sugar Colonies
Recruited by	Employer and Agents in India	Local Government and Employer
Role of Local Government	To watch over the fulfilment of contract between employer and employee	Recruit and regulate
Duration of contract	One to three years	Five years
Migration cost	Employees will payback all advances received and the cost of the passage	Emigrants did not have to pay for his recruitment or passage expenses.
Regulation	Till 1870, no adequate regulation enforced	Strictly regulated from inception

Source: Kaur (2014b:195)

The recruitment under indenture system mainly took place from Southern part of India. Other than this, a few hundred migrants were recruited from Bengal. Low rate of recruitment from Northern India can be mainly understood for two reasons, firstly, migrants from Northern areas were not considered as obedient and peaceful as *Madrasi*<sup>33</sup> workers. Secondly, Indian Government refused to allow migration of workers from another part of India other than Tamil Nadu. Within Tamil Nadu, workers were mainly migrated from Tanjore, Trichinopoly, Madras and occasionally from Salem and Coimbatore (Sandhu & Mani, 2006:82).

Sandhu (1969) stated that the number of Indians entered to Malaysia as indentured is hard to estimate. From 1866 till 1910<sup>34</sup>, 122,000 indentured came into Malaysia, an average of 2,700 per annum. However, if 1844 can be considered as the beginning of system in Malaysia and apply the average annual flow of the years retrospectively for the period of 1844-65, it is said to have an average migration of 4,000 per annum. Therefore, it can be assumed that more than 1,81,000 indenture workers arrived from India to Malaysia, during 1844-1910 (Sandhu, 1969:87).

<sup>33</sup> The term used by Sandhu (1969) in his writings for Tamil workers.

<sup>34</sup> The indenture recruitment system was abolished in 1910 in Malaysia.

## **Free Recruited Immigration**

Migrants recruited under indenture labour systems were insufficient to fulfil the demand of plantations, specifically sugar plantation. Recruitments conducted under indenture system were not adequate to fulfil the demand of government departments and rest of the private sector, particularly demand generated by expanding rubber plantation. Many non-sugar plantation employers preferred free-labour to indentured considering the later comparatively less efficient and more expensive. To meet such demand, free recruitment of labour from India started (Sandhu, 1969:87).

The recruitment to Malaysia from India is primarily two types: promissory-note and non- promissory-note labourers. The characteristics of this recruitment are mentioned below:

- a. Malaysian Government facilitated this migration to distribute the workers to private employers and its departments.
- b. Workers were imported by Malaysian Peninsula Agricultural Association, which served the interest of sugar industry and maintained their agents in India to facilitate the flow of such emigrants.
- c. Workers were directly recruited by employers themselves (Sandhu, 1969:87).

The labourers were mostly recruited to get employment in Government services, especially in Public Works Department and Railway Construction, and in sugar industry where they supplemented its indenture supplies. Unlike indentured labourers, workers recruited under this category were provided with the wages as per open market. Moreover, no deductions were made from their wages. Like other contract categories, free workers also had to work with an employer for not less than one year to repay the advance. After completion of one year, these workers were free to move to another employer as per their wishes (Sandhu, 1969:87).

Recruitment of workers in Malaysia from India took place from far wider area compare to indentured workers. The Sikh and Rajput from Punjab and Rajasthan respectively, Marathas from Bombay Province, Oriya from Hyderabad State, and Bengalis from Ganges valley, besides the regular Madras Presidency. However,

recruitment of workers from North India was not officially acceptable under the emigration agreement between India and Malaysia. Therefore, apart from few hundred recruitments from North India, most of the recruitment pre-dominantly took place in South India only (Kaur, 2014b).

### **The *Kangani* System**

According to Kaur (2014b), “*Kangani* means ‘overseer’ or ‘supervisor’ in Tamil. It was *Kangani* who recruited workers from his home area and facilitated their transition into their workplaces in Malaysia”. The starting year of *Kangani* System for labour recruitment is not clear. Sandhu, (1969:90) estimated that the migration might have initiated as early as the 1860s, if not earlier. However, the migration boosted after the establishment of large-scale coffee plantations in the 1880s and 1890s. The Coffee and rubber plantation preferred recruitment of labourer through *Kangani* since the workers were recruited as per requirement. The workers were recruited from the own village or *Taluk* of *Kangani*, where his wealth and wellbeing were known. The economic status of *Kangani* provided the attraction for the workers and proved as proof of wealth waiting for them in Malaysia (Sandhu, 1969:90).

The *Kangani* recruitment was relatively free and considered as free from Government control and inspection. The contract provided to workers was for short-term and mostly verbal rather than written. Either party could have terminated the contract with one-month notice. Expenses towards food, clothing and transit needed for the overseas travel was taken care by the *Kangani*, on behalf of employer. Unlike the *Kangani* system of Ceylon, where *Kangani* was treated as a leader of the group in addition to holding other responsibilities the employers in Malaysia used this process for recruitment only. After recruitment, employer tends to have a direct relationship with the employees and wages were directly paid to them. The role of *Kangani* was relatively limited, but they were still significant. Employers had to pay them to and fro travel fare from Malaysia to India and commission for each recruitment they made. Although there was no direct recruitment contract, workers have to pay for their passage cost, usually from wages (Sandhu, 1969:99).

The recruitment conducted under *Kangani* system to Malaysia was entirely a South Indian phenomenon, predominantly Tamil with some instances of Telugu from Andhra Pradesh and Malayali from the Malabar coast areas. Most of the recruitment took place from the districts close to port or adjoin. The emigrants were taken from a variety of casts and backgrounds, but predominantly from among the lower strata of South Indian society, especially its untouchables or Adi-Dravida sector of Pariahs, Pallas, Chamars and others (Sandhu, 1969:100).

Due to easy recruitment and movement, the *Kangani* system vastly improved Malaysian labour supply, but its method of recruitment had a lot to be questioned. Incidents of Bribery by low paid authority became highly common. Further, since the *Kangani* was the sole authority to process the recruitment, this allowed the *Kangani* to exploit the workers (Sandhu, 1969:103). He further stated,

*Sharp recruiting practices on the part of the Kanganis included purchasing recruits from professional recruiters or hotel-keepers; forging signatures of village munsifs; exploiting family quarrels to get some members of the family to emigrate; promising young man that they will find wives in Malaya if they went there; catching recruits at weekly 'shandies'... misrepresentation of work and wages. (Sandhu, 1969:103)*

The issues of malpractices, bribery, and corruption in *Kangani* system were raised by many workers and planters. Afterward, Governments of both the countries initiated a number of enquiries and investigation. The system was suspended during the 1930s at the time of Great Depression, considering the surplus of Indian labour. The recruitment under this system was started at minor scale after year, but in 1938, the system was formally abolished (Kaur, 2014a:349).

## **Post-Colonial Migration**

After the abolition of formal colonial systems of Indenture and *Kangani*, Indian labour migration to Malaysia was relatively slow for nearly 40 years. In 1990, after improving in the local economy, Malaysian government decided to go ahead with the recruitment of low-skilled workers. It was observed that the recruitment is essential for the labour force growth and would deliver benefits to the economy. This led to a revised strategy on foreign labour recruitment, and so the Government developed a

Comprehensive Policy on the Recruitment of Foreign Workers in 1991 that established the terms and conditions for the employment of foreign labour (Marimuthu, 2016). For this, a temporary guest worker programme was initiated where foreign workers were recruited under a work-permit system and were bound to their employers and particular job locality (Marimuthu, 2016). This change also emerged for nearly four decades, Malaysia has been the source country for Singapore, but the trend shifted due to Malaysia's economic development. For both the countries, the focus shifted to traditionally labour-sending countries such as India, Bangladesh, Indonesia, Sri Lanka, Thailand, and Philippines (Piper, 2005:2).

As stated by Sandhu (1969), Indian migration during the colonial period was mainly due to the push factor, which includes vulnerable socio-economic status at the homeland. However, post-colonial migration mostly took place due to pull factor, to some extent of push factor. The more substantial part of colonial migration was organised and regulated under formal recruitment systems such as Indenture and *Kangani*. The role of the state was critical in the entire process (Kaur, 2014). The role of Protector of Immigrants at different ports was critical. However post-colonial labour migration has different prospects. Indian government does regulate Indian labour migration under Emigration Check Required Category through Protector General of Emigrants, but the requirement is for workers below 10th qualification<sup>35</sup>.

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<sup>35</sup> ECNR-ECR Category, Bureau of Immigration, Government of India. Details are available at <https://boi.gov.in/content/encrecr>. Accessed on 03.11.2017.

**Table 3.5: Indian Labour Migration to Malaysia<sup>36</sup>**

States	2016	2015	2014	2013	2012
Tamil Nadu	4558	12496	14933	14355	14739
West Bengal	2011	2185	2129	2211	2176
Uttar Pradesh	1207	1527	1252	1071	1047
Punjab	536	1401	1187	674	440
Bihar	530	551	591	591	472
Andhra Pradesh	360	613	619	879	436
Jharkhand	271	213	173	161	70
Haryana	179	415	320	57	46
Kerala	167	349	527	834	822
Telangana	161	197	236	417	232
Other States	624	948	959	1073	750
Total	10604	20895	22926	22323	21230

Source: Ministry of External Affairs (2016)

Table 3.5 gives information related to state-specific profile of labour migration from India to Malaysia. Post-colonial migration regulation of Malaysia and India does not restrict labour migration from any state of India. All citizens of India are equally eligible to apply to work as a worker in Malaysia. However, as reflected in the Table mentioned above, majority of workers migrate from Tamil Nadu only. One main reasons for this is colonial linkages and Tamil cultural ties between these two countries. Nearly 60-70% of total Indian migrants to Malaysia are Tamils. Overall a total of nearly 2.9 million Indians residing in Malaysia which include Non-residents Indians (NRIs) and Persons of Indian Origin (PIOs) (Ministry of External Affairs, 2016).

### **3.5. Indians in Malaysia: Process of Settlement**

Indian Migration to Malaysia has a long history. The traders from India and South Asia had developed the entrepreneurial ties with South East countries before colonial developments. As noted by Report of the High Level Committee on Indian Diaspora (2001), India's contacts with Malaysia go back to the pre-Christian era (Ministry of External Affairs, 2016b). As per the Website of Ministry of External Affairs,

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<sup>36</sup> ECR stands for Emigration Check Required. According to Emigration Act, 1983, all emigrants moving Indian airports and ports with below tenth education need to take emigration clearance from Protector General of Emigrants. Details available at <http://boi.gov.in/content/encrecr>



Government of India, Malaysia has third highest Indian population (29,75,000), after United States of America (USA) (44,60,000) and Kingdom of Saudi Arabia (KSA) (32,55,864)<sup>37</sup>.

Singhvi Committee Report (2001:257)” mention that the difference between old Indian Diaspora in Malaysia and immigrants came during the post-colonial period can be easily understood. The Indian community that arrived before British colony were mainly merchants, traders, and Muslims. However Indians immigrated during colonial period were mostly plantation workers. Colonial migration also saw a considerable increase in the intensity of migrants. One reason was developing plantation agriculture in Malaysia. Further, ethnic networks also played a crucial role. Most significant average annual flow of Indians to Malaya occurred during the period 1911-30, when more than 90,000 persons arrived in the country every year (Aman, Tahir, Majid, Aziz, & Rahmiati, 2011:48).

The multiculturalism and ethnic composition in Malaysia is a suitable case for the study. Malaysia has seen three waves of South Asian migration, first before the colonial period of traders, second labour migrants during the colonial period and third after the establishment of ‘New Economic Policy’ in 1971 and later ‘One District, One Industry’ program in 2003 (Sandhu & Mani, 2006). These programmes attracted a considerable number of immigrants from India, Pakistan, Sri Lanka, Bangladesh, and Nepal (Sandhu & Mani, 2006:9).

Movement of South Asian business communities to Malaysia can be traced back before 1929 when traders from Indian sub-continent came to their own accord and set-up their businesses in various urban centres (Sandhu & Mani, 2006:9). In Malaysia, 50.4% of the population are Malay, 23.7% Chinese, 11% indigenous peoples, 7.1% Indian, and 7.8% other races (Leong and Hong, 2013: 715). Due to its geographical location at the crossroads, Malaysia had for centuries been open to traders and travellers from the East and West.

As per the Malaysia Census of 2010, the total Indian population is 28,334,135. Out of this 26,013,356 are Bhumiputera<sup>38</sup>, which include Malay and other Bhumiputera

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<sup>37</sup> See Annexure 6.5- Country-wise population of Indian NRIs and PIOs

population. A total number of 6,392,636 are Chinese and Indian ethnic population is 1,907,827. Non-Malaysian citizens constitute 2,320,779. Others are 189,385. Majority of Malaysians, 17,375,794 (61.32%) follow Islam. 2,617,159 Malaysians (9.23%) follow Christianity. 5,620,483 (19.83%) Malaysians follow Hinduism. Hinduism is being followed by 1,777,694 (6.27%) of Malaysians. Remaining 3.32% of the Malaysians (9,43,005) follow other religions<sup>39</sup>.

**Table 3.6: Demographic Profile of Indians in Malaysia**

S. No.	State	Indian Population	% of Population
1.	Selangor	679,130	13.5
2.	Perak	281,688	12.2
3.	Johor	217,058	7.1
4.	Kuala Lumpur	156,316	10.3
5.	Penang	153,472	10.4
6.	Negeri Sembilan	146,214	15.2
7.	Kedah	136,482	7.3
8.	Pahang	63,065	4.4
9.	Malacca	49,037	6.2
10.	Sabah	7,453	0.3
11.	Sarawak	7,411	0.3
12.	Kelantan	3,849	0.3
13.	Perlis	2,745	1.2
14.	Terengganu	2,397	0.2
15.	Putrajaya	869	0.1
16.	Labuan	641	0.9

Source: National Census 2010, Department of Statistics Malaysia.

In Malaysia, states with highest Indian population are Selangor, Perak, Johor, Kuala Lumpur and Penang. These five states consist almost 52% of Indian population. Kuala Lumpur is a capital city of Malaysia with 1.56 Lakh of Indian population and many India business districts (Brickfields, Jalan Ampang and Jalan Masjid India). In Kuala Lumpur, the highest number of people are following Islam. Out of total population of 1.78 million, as estimated by Malaysian census, 2010, 776,958 people follow Islam, 97,241 people follow Christianity, 597,770 follow Buddhism and Hinduism are followed by 142,130. A small number of people follow other religions.

<sup>38</sup> Bumiputera refers to following Malaysian ethnic communities, Melayu, Malay, Iban, Bidayuh, Melanau, Other Bumiputera. Source: Department of Statistics, Malaysia

<sup>39</sup> See Annexure 6.6- Ethnicity-wise Indian population in Malaysia, 2010-15.

Majority of Indian population follows Hinduism. Out of a total number of 156,316 Indians, 126,746 follow Hinduism, which is approx. 80% of the total population.

### **3.6. New Economic policy and Malaysian Indian Community**

Malaysia economy has gone a systematic transformation since independence. The Government took a number of measures to enable the Malaysian economy to cope up with the developed nations. In 1958, the Government of Malays adopted a new model, “Import Substitution Industrialization (ISI) economic model” to increase and diversify the import of primary products (tin, palm oil, rubber, and timber) and consumer goods (vegetable oil and soap) (Marimuthu, 2016:108). This was one of the successful economic strategies since Malaysian export to India and China increased significantly. The model continued up to 1970.

In the 1970s the Government took up Export-Oriented Industrialization (EOI) as its economic strategy which led to rapid economic development. Considering this, the Malaysian Government established the Free Exporting Zones, popularly known as Free Trade Zones (FTZs). FTZs were established following the models of Taiwan and South Korea. This economic transformation led to setting up of textiles, electrical/electronic goods, transport equipment and optical instrument industries and the inflow of foreign and local capital (Kaur, 2004). During this phase of economic development from the late 1980s, the manufacturing industry flourished and assumed the prime position. It accounted for over fifty percent of export earnings, and by 1993, this had grown to 71% of Malaysia’s exports and 30% of its GDP (National Economic Advisory Council, 2010).

The Malaysian Government has aimed to transform Malaysia into an advanced nation by 2020. For this objective, the National Government of Malaysia issued a national transformation framework. The framework includes three pillars, which are; the New Economic Model (NEM), the Economic Transformation Programme (ETP), and the 10th Malaysia Plan (2011-2015). The framework underscored the critical role of a highly skilled, creative, and innovative workforce in achieving a high-income economy that is both inclusive and sustainable (OECD, 2013:3). As stated by the National Economic Advisory Council in their report titled, ‘New Economic Model for

Malaysia' published in 2010, the talent base of the workforce of Malaysia has lagged the standard of high-income nations. The country suffers from a shortage of skilled workers, weak productivity growth stemming from a lack of creativity and innovation in the workforce, and an over-reliance on unskilled and low-wage migrant workers (Kaur, 2014b:203).

In 1971, Malaysia Government implemented 'New Economic Policy (NEP)' to subsume poverty reduction and income distribution programme to strengthen the position of Malays vis-à-vis Chinese and Indian Malaysians. The government of Malaysia also intended to enhance the motivation of local in becoming entrepreneurs, manager, producers, and Government bureaucrats through the transfer of knowledge and capital (Anbalakan, 2003:382). Prospects of commercialisation also enhanced with the reality that the Malaysian constitution protected customary tenure alongside state ownership of all land. This helped the Government to strategies promotion of commercial Malay agriculture, linked to the opening of large areas of new land for commercial crop production. Correspondingly, the agriculture portfolio was reorganised, and two different ministries created. First, the Ministry of Plantation Industries and Commodities was charged with management of oil palm, rubber, cocoa, pepper, tobacco, and timber. Second, the Ministry of Agriculture and Agro-based Industry was responsible for food self-sufficiency and security. Malaya's shifting agricultural policy and second agricultural transformation also coincided with the conversion of large tracts of rainforest to plantations (Kaur 1998). Over time, the 'New Economic Policy' became successful as the plantation-sector agriculture in Malaysia's economy correlated with changes in the international trade in commodities. The demand for dietary oils and fats in China and India led to a higher increase in export of crude palm oil and kernel oil.

As mentioned in the last paragraph, the Government put forth the argument that the NEP was implemented for the benefit of all Malaysians irrespective of race and religion. It was categorically stated that the programme was designed to reduce and ultimately do away with the economic imbalances between the various communities by redistributing the wealth of the nation in a having brought in tremendous economic benefits to the Malay community through NEP (Jain,

2003). However, the impact of New Economic policy on India has been questioned by many studies and considered as pro-Malay policy (Jain, 2003).

From the beginning, Indian community considered NEP as a pro-Malay instrument to promote the interest of Malay community only. The central tenant of the policy was to enhance the economic status of the Bumiputra particularly the Malay community. This was aimed at creating a commercial and industrial group among them in about 20 years. The vision document of NEP does not mention any goal for Indian community at large (Jain, 2003). Jain (2003) further mentioned that the Indian community was not even provided with the specific focus as a community. Instead, the related issues were combined with Chinese. Ironically, Chinese were economically far stronger and had no similarity with Indians. The NEP programme was mainly a Bumiputra oriented programme without considering other communities such Indian, Chinese and others. Therefore, the profile of Indian community mostly confined to the plantation and agricultural sectors, since the Government had no proper policy regulations to enhance the socio-economic level of Malaysian Indians.

### **3.7. Occupational Profile of Indians in Malaysia**

As per the estimate published by Department of Statistics, Government of Malaysia, 6.1% of Malaysian labour force are Indians. The percentage only reflect Malaysian Indian citizens, not all Indian workers, since the details of Indian non-citizens are not provided separately. Since the study mostly discusses the entrepreneurial engagement of Malaysian Indians, the absence of non-citizen Indians data may not prove as any constraints. However, on several occasions, entrepreneurial engagements of non-citizens are covered, especially while discussing the ethnicity of employees in surveyed enterprises.

Indians have fair participation in almost all sectors. In terms of numbers, manufacturing sectors consist highest number of the workforce (200,400) compare to other sectors. Wholesale and retail trade; repair of motor vehicles and motorcycles' industry consist the second highest number of Indians workforce (120,200). In terms of percentage, these two sectors represent nearly 34% of total Malaysian workforce. In terms of percentage of Indian workforce participation, Water supply; sewerage,

waste management, Transportation and storage industry has the highest amount of labour force participation (15.1%). Second highest percentage of Indian workforce participation is in 'Water supply; sewerage, waste management and remediation activities' related employment (10.9%).

It is little unexpected to see that, only 2.4% of Indian workforce is engaged in 'Agriculture, forestry and fishing' employment. As discussed in the section on Indian migration history to Malaysia, nearly 2.7 Million people migrated from India to Malaysia under colonial Government, and a significant number of the immigrants were placed in the plantation sector. However, the data can be relied on since Malaysian economy went through transformation and manufacturing, and service sectors were given more priority than the agriculture. Further, this should also be considered that the 2.4% of Indian representation reflects, 38,100 of the workforce, which is not very less because total Indian population is nearly 7% only. Further, the data does not include non-citizen Indian labour force.

A total number of 66,800 Indians (10.2%) are employed under Administrative and support service activities. Other sectors where Indians have participation are Financial and insurance activities (9.4%), Arts, entertainment and recreation (8.3%), Real estate activities (8.3%), Professional, scientific and technical activities (8.1%), Information and communication (7.8%), Electricity, gas, steam and air conditioning supply (7.3%), Human health and social work activities (6.9%), Public administration and defence; compulsory social security (5.3%), Mining and quarrying (4.3%), Construction (4.8%), Accommodation and food and beverage service activities (3.7%), Public administration and defence; compulsory social security (2.8%), Activities of households as employers (1.3%) and Other service activities (6.0%). Overall the Indian workforce consists a total number of 861,900, which is 6.1% of total workforce<sup>40</sup>.

Table 3.7 mentioned below gives a detailed background of occupation classification of Malaysian communities, which include Indians as well. The mean income from each occupational category based on ethnic groups have been provided. The amount mentioned in the table are in Ringgit. If we consider the overall total income of entire

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<sup>40</sup> See Annexure 6.7- Employed Persons by Industry and Ethnic Group, Malaysia, 2016 (in '000).

working population of Malaysia, the average household gross income is 6,141 Ringgit, which is near to USD 1500. Among the highest household income by individual ethnic communities, Chinese have the highest income, followed by Indians and Bumiputra. Chinese earn average 7,666 Ringgit per household, while Indians earn 6,246 Ringgit and Bumiputra 5,548 Ringgit.

As reflected in the Table 3.7, Managerial employment consist highest amount of salary (13,409 Ringgits), followed by Professional (12,075 Ringgits), Technician and Associate Professionals (6,854 Ringgits), Clerical support workers (5,230), Service and sales workers (4,963 Ringgits), Craft and related trades workers (4,460 Ringgits), Plant and machine operators and assemblers (4,538 Ringgits), Skilled agricultural, forestry and fishery workers (3,703 Ringgits), Elementary occupations (3,540 Ringgits) and, classification not specified (3,263). As reflected in the table, the average salaries offered to Indians in almost categories are 10-15% lower in all categories other than professional category, where the salaries are almost equal. However, the average salary of Indians and Chinese are higher in Malay, and other communities are higher in almost all categories, other than Clerical support workers and Elementary occupations. In these sectors, salaries of Malays are relatively higher from the Indian community, but not from Chinese.

**Table 3.7: Mean Monthly Household Gross Income (RM) by Occupation of Head of Household and Ethnic Group, Malaysia, 2014**

Occupation	Mean				
	Total	Bumiputra	Chinese	Indians	Others
Total	6,141	5,548	7,666	6,246	6,011
Managers	13,476	12,479	14,494	13,409	11,240
Professionals	11,036	10,481	12,080	12,075	11,787
Technician and associate Professionals	7,038	6,578	8,119	6,854	9,594
Clerical support workers	5,683	5,631	6,048	5,230	6,330
Service and sales workers	4,976	4,675	5,838	4,963	5,228
Skilled agricultural, forestry and fishery workers	3,410	3,287	4,231	3,703	3,202
Craft and related trades workers	4,615	4,108	5,461	4,460	4,895
Plant and machine-operators and assemblers	4,499	4,272	5,444	4,538	4,709
Elementary occupations	3,682	3,575	4,329	3,540	3,906
Occupation not elsewhere Classifieds	3,162	3,054	3,345	3,263	3,236

Source: Department of Statistics, Government of Malaysia

Labour force participation of Indians in Malaysia has been a debated issue. A number of scholars have questioned the Malaysian Government programmes and blamed them for putting Indian communities in the disadvantaged position. Table 3.8 mentioned below discusses an overall analysis of labour force participation by ethnic groups in Malaysia. It shows that the labour force participation among Indian community has decreased over time. In 1987, Indian labour force participation was nearly 8.4% of the total workforce, while in 2016, it has gone down to 6.2%. The similar decrease can be observed for Chinese as well as other citizens. Percentage of Chinese participation in the labour force has gone down from 32.6% in 1987 to 21.8% in 2016. For other citizens, the percentage has gone down from 1.8% to 7%.



**Table 3.8: Labour Force Participation by Ethnic Group (Malaysia), 1982-2016.**

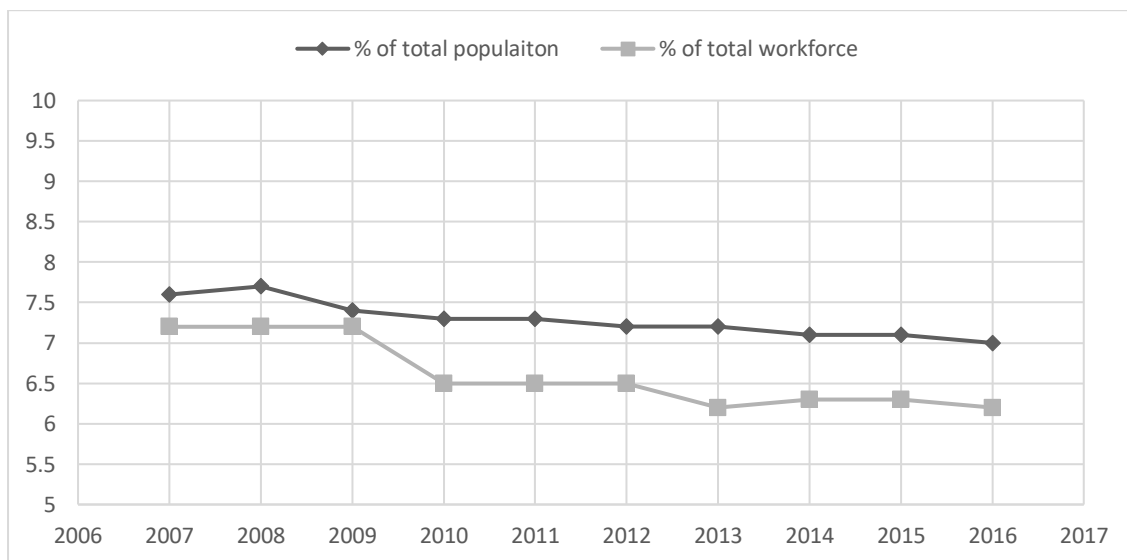
Year	Total	India	%	Chinese	%	Bumiputra	%	Others	%	Non-Malaysian Citizens	%
1987	6456.8	542.4	8.4	2103	32.6	3475.4	53.8	115.0	1.8	221.1	3.4
1988	6637	564.2	8.5	2135.1	32.2	3562.2	53.7	128.3	1.9	247.2	3.7
1989	6779.4	578.5	8.5	2171.4	32.0	3640.3	53.7	150.1	2.2	239.0	3.5
1990	7000.2	594.7	8.5	2237.7	32.0	3748.6	53.5	170.1	2.4	249.1	3.6
1992	7319	616.6	8.4	2305.3	31.5	3881.6	53.0	160.2	2.2	355.4	4.9
1993	7700.1	605.5	7.9	2182.9	28.3	4242.5	55.1	218.6	2.8	450.6	5.9
1995	7893.1	613.1	7.8	2204.2	27.9	4351.1	55.1	235.7	3.0	488.9	6.2
1996	8616	636.1	7.4	2272.4	26.4	4544.7	52.7	249.4	2.9	913.5	10.6
1997	8784	635	7.2	2303.1	26.2	4634.4	52.8	252.5	2.9	959.0	10.9
1998	8883.6	637.1	7.2	2297.8	25.9	4672.3	52.6	261.9	2.9	1014.5	11.4
1999	9151.5	641.4	7.0	2348.1	25.7	4819.3	52.7	271.3	3.0	1071.4	11.7
2000	9556.1	706.7	7.4	2479.9	26.0	5325.8	55.7	98.5	1.0	945.2	9.9
2001	9699.4	728.7	7.5	2495	25.7	5461	56.3	92.9	1.0	921.7	9.5
2002	9886.2	747.6	7.6	2525.7	25.5	5580.6	56.4	88.4	0.9	943.7	9.5
2003	10239.6	761.4	7.4	2577.7	25.2	5813.5	56.8	97.2	0.9	989.3	9.7
2004	10346.2	756.7	7.3	2651.1	25.6	5839	56.4	102.5	1.0	996.9	9.6
2005	10413.4	769.7	7.4	2609.2	25.1	5908.5	56.7	96.5	0.9	1029.6	9.9
2006	10628.9	790.4	7.4	2656.5	25.0	6051.4	56.9	95.8	0.9	1034.8	9.7
2007	10889.5	781.1	7.2	2705.4	24.8	6237	57.3	106.4	1.0	1059.7	9.7
2008	11028.1	796.9	7.2	2722.6	24.7	6343.7	57.5	103.8	0.9	1061.1	9.6
2009	11315.3	810.6	7.2	2774.4	24.5	6545.4	57.8	101.1	0.9	1083.7	9.6
2010	12303.9	798.9	6.5	2824.9	23.0	6888.3	56.0	75.5	0.6	1716.4	14.0
2011	12740.7	831.1	6.5	2928.4	23.0	7111.9	55.8	77.6	0.6	1791.7	14.1
2012	13221.7	856.6	6.5	2985.1	22.6	7435	56.2	84.9	0.6	1860.1	14.1
2013	13980.5	873.3	6.2	3075.8	22.0	7781.8	55.7	90.7	0.6	2158.9	15.4
2014	14263.6	902.4	6.3	3097.9	21.7	8042.2	56.4	75.0	0.5	2146.1	15.0
2015	14518	907.7	6.3	3154	21.7	8192.4	56.4	94.5	0.7	2169.4	14.9
2016	14667.8	906.1	6.2	3192.6	21.8	8206.1	55.9	101.9	0.7	2261.2	15.4

Source: Data calculated from the statistical tables of Department of Statistics, Government of Malaysia.

However, as reflected from the table, the labour force participation among Bumiputra has gone up from 53.8% in 1987 to 55.9% in 2016. The labour force participation among Non-Malaysians has increased significantly. Their labour force participation has seen an enhancement of nearly 500% since 1987. In 1987, the labour force participation of Non-Malaysian Citizen was 3.4%, which has increased to 15.4% in 2016.

According to Department of Statistics, Government of Malaysia (2017)<sup>41</sup>, the population of Bumiputra community in Malaysia has seen a growth of 3.6% and has gone up from 65% in 2000 to 68.6% in 2016. Percentage of Non-Malaysians also has gone up from 6.4% in 2000 to 11.4% in 2016. However, the population of Chinese, Indians and other citizens has seen a significant decrease. The population of Chinese community has gone down from 26.1% in 2000 to 23.4% in 2016, and for others, it has gone down from 1.2% in 2000 to 1 % in 2016. The population of Indians has not seen a significant decrease, but the % has gone down from 7.7% in 2000 to 7.0% in 2016. The case of Indian community has been discussed further in detail.

**Figure 3.1: Co-relation Between % of Indian Population in Malaysia and % of Indian Workforce in Total Malaysian Workforce**



Source: Data calculated by self from statistical tables of the Population and Demography Statistics Division, Department of Statistics, Malaysia

<sup>41</sup> See Annexure 6.8- Population Changes in Malaysia, Ethnicity wise (2000-2016).

The figure mentioned above reflects the co-relation between Indian population in Malaysian and workforce participation. The statistics reflect that since 2009, number of Indians in Malaysian labour force has seen a significant decrease. However, the similar declines cannot be seen in the total population. One of the reason can be the increase in a number of immigrant workforce in Malaysia. Percentage of the Non-Malaysian workforce has gone up from 6.4% to 11.4%. Further, as the population does not reflect a considerable decline, we can assume that the Indians have shifted their economic activity from paid employment to self-employed. The issue will be further analysed in the next chapters.

## **Summary**

Immigration and settlement of Indian in Malaysia is a result of the continuous interaction of nearly two centuries. This chapter tried to draw the background of Indian Diaspora migration and settlement in Malaysia. The chapter finds that the occupational shift of Indians living in Malaysia from plantation to self-employment is a result of multi-side policy implementation by Malaysian Government. Policies such as New Economic Policy, Malaysian Development Goals and One District, One Industry Policy created a fear of economic insecurity among Malaysian Indians, and therefore the community started seeking for new avenues of economic sustainability. The chapter provides the analysis with the help of statistical tables released by Department of Statistics, Government of Malaysia. All tables have been changed as per the need for the study further; no changes were made to the statistical numbers. The next chapter will discuss the nature of Indian ethnic market in Brickfields Malaysia.

## **Chapter-4 Malaysian Indian Diaspora and Entrepreneurship**

Like the phenomenon of Diaspora, the Diasporic entrepreneurship has also been studied in different parts of world. Such studies either focussed on community specific entrepreneurial activities or comparative analysis of entrepreneurial engagement among different Diaspora communities within a country. The broader focus of these studies was to understand why some Diaspora groups are more likely to engage in entrepreneurial activities than others<sup>42</sup>.

Emigration and employment has well established inter-relationship. The process became highly significant during industrial revolution, when large majority of sub-urban working population started migrating to industrial centres (Ravenstein, 1885). The colonial movement to plantations is also an example of economic migration, where workers from different parts of colonial countries were recruited under 3-5 years contract to work as labourers<sup>43</sup>. Later, first and second world war also resulted large scale migration to different parts of world. Almost every country was touched by migration, whether a sending or receiving. Since these migrants moved in large group and formed communities outside their homeland, their settlement and continuation received significant attention from academics as well. Considering the economic generation as important part of any human settlement, a serious attention was also put forth on their livelihood generation which include entrepreneurship as well. These studies sought to explain two significant issues; firstly, why Diaspora communities have greater prospects of economic prosperity through Diasporic entrepreneurship than other economic pursuits and secondly why some group of Diaspora are more likely to pursue an entrepreneurial profession in comparison to others (Zhou, 2004a:1046). Scholars have pursued a number of exploratory studies from distinct parts of the world to discuss opportunity structures and motivation of

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<sup>42</sup> Wilson and Portes (1980) discusses the development of entrepreneurship among Cubans in USA. Another study by Zhou (2004) analyzed the forms of entrepreneurship among immigrant communities. Rahman and Fee (2012, 2014) discussed the development of entrepreneurship among Bangladeshi Immigrants in South Korea and Japan.

<sup>43</sup> These recruitments mostly took place under Indenture, Kangani and Maistry. See chapter-3 for details.

specific ethnic communities and groups to pursue entrepreneurship in the destination countries (Baxstrom, 2008).

This study uses a detailed outline provided by previous studies on this theme to understand the issue in its entire context and undertake a detailed analysis of Indian Diasporic entrepreneurship in Malaysia. This chapter aims to understand aspirations and motivations of Indian Diaspora entrepreneurs in Malaysia for starting ethnic enterprises. This chapter analyses the entrepreneurship among Indian migrants in Malaysia by tracing trajectory of migration, establishment of ethnic enterprises, formation of Little India in Kuala Lumpur, etc. through basic profile information of Indian origin ethnic entrepreneurs that are collected in 35 case studies. Using life histories and observations this chapter analyses the respondents' entrepreneurship experiences in Malaysia, which provides an inductive framework to capture Indian Diasporic entrepreneurship in Malaysia.

#### **4.1. History of Entrepreneurship among Malaysian Indians**

Sandhu (1969:118-121) observed that among the total Indian immigrants, 35% of immigrants were non-labour immigrants, which include salesmen, pedlars, petty entrepreneurs, traders and shopkeepers, street-side vendors, medicine-men, stall holders and others. According to him, these immigrants were primarily Chettiars and Marakkayar Muslims of Madras Coast, along with some Parsis, Sindhis and Sikhs from Gujarat, Punjab and Maharashtra. Among Indian immigrants in Malaysia, Chettiars were highest in number and over time, they have become economically influential with the help of money lending (Suppiah & Sivachandralingam, 2017).

Stenson (2011) has recorded initial immigration of Indian traders in Klang and Malacca (two important port cities in Malaysia). As stated by him, Kuala Lumpur as destination of Indian immigrants is a post-1900 phenomenon. Prior to this, Indian migrants arrived either in Klang port or Malacca port. These immigrants were mostly traders, precisely Chettiars. Chettiar people are from South India and played the role of capitalists who contributed to the socio-economic needs of three ethnicities (Indian, Chinese and Malays) and indirectly assisted British in developing Malaya (Suppiah & Sivachandralingam, 2017). Chettiars in Malaysia have been an example of

economically empowered Indian community. However, the community has been considered more as moneylenders than entrepreneurs. Over time, economic identity of community limited only to moneylending business.

Further, as the primary objective is to understand the entrepreneurship development among Indian workers in Malaysia, the study has not analysed the Chettiars individually, but references are made in relevant instances. The process of entrepreneurship development among traditionally non-entrepreneur community is analysed in this study. The objective is to document the development of entrepreneurship among workers migrated to Malaysia.

Report of Singhvi Committee of Government of India (2001), specifically commissioned to analyse the phenomenon of migration of Indians to various parts of world also indicates that in South East Asia majority of “Indian community is engaged in rubber and palm plantations while a small section is involved in services like police, railways and food business as well as in legal and medical professions. Being engaged in plantation labour, significant share of Indian community belonging to older generation was either illiterate or educated up to primary school level only. The present generation however is more literacy conscious” (Jain, 2003:55).

In terms of economic status, the community has similar condition like other ethnic communities living in Malaysia. According to data published by Department of Statistics, Government of Malaysia, the mean monthly household incomes across all communities in Malaysia are similar irrespective of their ethnicity.<sup>44</sup> People from different ethnic groups having the qualification of Degree level or higher earn the highest incomes. In Malaysia, expatriates as a group has highest income since they include professional immigrants with higher qualification, hence provided a relatively higher salary. However, this completely changes, if we see the income level of diploma/certificate and below. In this category, Chinese community has dominance. Average salary earned by Indian community can be placed between Chinese and Bumiputra, in higher to lower order.

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<sup>44</sup> See Annexure-6.9- Comparative Statistical Table, Participation of Indians in Malaysian Workforce.

Trend of labour force participation among Malaysian Indians is similar to other ethnic communities. Like Bumiputra, around 69% of Indian community are engaged in paid employment. Chinese community has relatively less participation in paid employment compared to other community. 22% of income earned by Chinese population is from self-employment. 15.4% of income among comes from self-employment.

According to Department of Statistics, Government of Malaysia (2016), Indians in Malaysia broadly have four sources of income; paid employment, self-employment, income from property and investment and remittances<sup>45</sup>. Out of these four sources, paid-employment accounts for 69% of total income. The figure goes off well since 6.3% of total Malaysian paid workforce is from Indian community<sup>46</sup>. As mentioned earlier, total percentage of Indian population is nearly 7%. Second highest source of income among Indians is from self-employment. This source can be related to entrepreneurial activities among Malaysian Indians. Further, third source, related to income from property and investment may be clubbed to the income from self-employment, since broadly they relate each other. Fourth section related to current transfer represents remittance transfers among Malaysian Indians. Therefore, the study assumes that nearly 24-25% of income gained by Malaysian Indians are coming from sources other than paid employment and remittances and can be related to income from entrepreneurship.

Further, as noted by Report of the High Level Committee on Indian Diaspora (2001) on the chapter on South East Asia, second generation Indian Diaspora is more education oriented and willing to move beyond plantation sector. Statistical estimate by Department of Statistics (2016) also reflects that the number of Malaysian Indians engaged in agriculture sector has gone down to approximately 2.6%, which is equivalent to 38,100 only. In fact, the number may go up, if informal workers will be included, however, no segmented data is available for further analysis. However, considering historical reason for arrival of Indians in Malaysia, recent statistics show that more significant chunk of Indian workforce has moved to other sectors as well, especially service sectors.

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<sup>45</sup> See Annexure 6.10- Income sources of Malaysian Indians

<sup>46</sup> Department of Statistics, Government of Malaysia (2016)

Sivakumar (2016) has observed that the small and medium enterprises (SMEs) are a fundamental factor for social and economic development of any country. In Malaysia, SMEs contribute approximately 50% of GDP and employing more than 65% of national work force. SMEs should be considered as backbone for the development of any society. Further, he also suggests that the role of Malaysian Government needs to be questioned for their approach towards Indian community. The New Economic Policy of 1971 and Malaysian Development Plan of 1991 have mostly ignored the Indian community and have given emphasis on Bumiputra, especially Malays. However, as discussed by Kumararajah (2016:501), in the recent four years, the Government has given some concentration towards economic development of Indian community through entrepreneurship.

As estimated by Kumararajah (2016:501), total number of Indian entrepreneurs are nearly 38,000, among this 91% are engaged in 'micro-business'. The participation of Indian community in micro-business is relatively higher compared to Malaysian average. In Malaysia, only 77% of Malaysian companies are involved in micro-business. In 2012, the Malaysian Government established the Special Secretariat for Empowerment of Indian Entrepreneurs (SEED) in the Prime Minister's Department. SEED is a unit to enhance the entrepreneurial skill among Indians in Malaysia. The initiative has organised a total of nine programmes and attracted a total of 12,000 participants. The motive of unit is to work with institutions, networks, and Malaysian Indian Community to create solution that is efficient, sustainable, transparent and has a measurable impact.

Ling & Ling (2016:52) has observed that, despite lack of support from Malaysian Government some business people are high achievers in the entrepreneurial world, for instance, Ananda Krishnan and Tony Fernandez and many Indians are professionals in jobs such as doctors, engineers, and lawyers. Sheth (2010) has analysed that a number of steps have been taken to increase the Indian equity ownership to three percent by providing more opportunities for them to be actively involved in business through various training and entrepreneurship programmes. The Malaysian Government intends to focus on entrepreneurial skill development among Indians and to increase their knowledge and management capability. While Ling & Ling (2016)



and Sheth (2010) tried to put forth steps taken by Malaysian Government for Indian Diaspora Entrepreneurship, their analysis was largely based on policy documents and does not provide any primary data to support the claim.

## **4.2. Significance of Caste among Indian Diaspora Entrepreneurs**

This section tries to contextualise the issue of caste among Indian Diaspora entrepreneurs in Malaysia. Caste among Indian diaspora has been a less stimulating debate among migration scholars and policymakers. A very less number of scholars such as Kumar (2004), Dhandha (2013), Suraj (2015), Jain (2018) have examined the issue of caste among Indian diaspora. Among Indians living in different part of world, caste has not been a primary consideration and rarely studied in a similar fashion as a homeland (Mundy, n.d). Instead, the issue is often analysed within religious lines.

Sandhu (1969:56) while analysing the process of immigration of Indian workers to Malaysian plantations abstractly touched upon the social issue of migrants. Sandhu observed that the process of migration was mostly paternalistic and most of the workers were single males. According to Sandhu (1969:57), among the people of sub-continent, the “South Indian peasants, particularly the untouchables and low caste Madrasi”, were considered as the most satisfactory type of labourer, especially for light, dull and repetitive work. The workers were malleable, worked well under supervision and were easily manageable.

The organised recruitment mostly considered people from untouchable and low caste community namely South Indian Adi-dravidas (Hock, 2007:34). However, a number of immigrants from other castes also migrated to Malaysia as a trader and free labourer. Among these categories, Chettiars were the most significant trading community. The Chettiars were also among the initial immigrant trading communities emigrated from India to Malaysia. The Chettiars immigration has been discussed in detail in Section 4.1.

Further, as described by Adapa (2002), among Tamil immigrants, more than one-third were from lower castes like Parayyas, Pallans and Adi-Dravidas. Amrith (2009) in his research on Tamil Diaspora emphasised the existence of many overlapping

communities among Tamil in Southeast Asia. The communities were “Tamil Muslim merchants, boatmen, and food vendors; caste-Hindu moneylenders and traders; Brahmin administrators and writers; or lower-caste or Dalit plantation workers”. Thus, most of Dalits or untouchables from Tamil Nadu worked as plantation workers in Malaysia.

During study, issue related to caste was also analysed with the help of respondent’s responses. As observed during study, Little India of Brickfields, Malaysia is not a caste-based locality. The market has presence of many caste, which include so-called lower as well as upper. After going through responses received from respondents and information shared by key informants Little India has majority of four castes; Chettiars, Gounders, Pillais and Thevars. Thevar community includes; Agamudayar, Kallar and Maravar. While Chettiars are majority engaged in Restaurant and Spice businesses, Gounders, Pillais and Thevars are engaged in all kind of enterprises. Brahmins also have a presence in Malaysia, but most people are engaged in temple works which include being priest. As informed by respondents, very less number of Tamil Brahmins are engaged in other activities, which include entrepreneurship.

In Malaysia, Chettiars, Gounders and Thevars are considered as high castes while Pillais are considered slightly below their rank within the Indian community. Some respondents opined that the caste status ranking among Malaysian Indians does not directly reflect caste-based hierarchy practised in India. According to the list of backward classes approved by Government of Tamil Nadu, these four castes falls under either backward classes or most backward classes<sup>47</sup>. Overall, the analyses of self and other identification offered by respondents it can be assumed that nearly 70% of entrepreneurs functioning from Little India belong to a higher caste and remaining 30% belong to ‘lower castes’.<sup>48</sup> However, their immigrant status in Malaysia also seems to be shaping their identity beyond caste distinctions that exist among them. While discussing about prevalence of caste and identity, one of the respondents mentioned,

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<sup>47</sup> List of Backward Classes approved by Government of Tamil Nadu. See <http://www.bcmbcmw.tn.gov.in/bclist.htm>

<sup>48</sup> The percentage is estimated by one of the key-informant during the discussion about caste composition of Little Indian based entrepreneurs.

*Tamils are removing caste identity and are more concerned about Tamil identity (A respondent, date- 24.01.2018, via- telephone).*

Identity preservation is one of the principal objectives behind diasporic neighbourhood formation. Overall aim of having an ethnic concentrated locality and market is to preserve the Diasporic identity (Zhou, 2004). The case of Malaysian Indians also reflects a similar phenomenon. As described by many respondents, Tamil identity has over time become more critical and sensitive. Since 1970s, after enactment of New Economic Policy (NEP) and with subsequent policy changes by Government, Tamils have over time developed the fear of identity threat with Malays. Considering this threat, internal divisions within community has over time become insignificant, and identity has become more critical.

Caste based specification over time move beyond caste to the region. As described one of the respondents;

*Tamils are considered as higher caste. Below that are Malayalis and Telugu. Punjabi, Sindhi, Gujarati comes below that and lowest is Bengali and others. (A respondent, date- 21.01.2017, Little India, Brickfields, Malaysia)*

As reflected from the narrative mentioned above, Tamil has over time become a meta-caste among Malaysian Indians. The cast hierarchy stated in the statement of respondents reflects two parameters; first, proximity to Tamil Nadu- Malayalis and Telugus are considered as slightly below to Tamils and Bengalis are considered as an extremely lowest community. Second, history of arrival- while Tamils are the high ranked community, Sindhis and Gujaratis, even after having a lower number are considered above Bengali, considering their arrival at the same time of Tamils. Overall, as reflected from the responses of respondents, Tamil identity has over time became a meta-identity and decreased the relevance of caste within Malaysian Indians.

*Tamil Diaspora does not have caste, but Tamil immigrants may have caste. (A respondent, 24.01.2017, Little India)*

Among present-day Tamil Diaspora, consciously community identities were established by forming caste centric divisions and castes-based association in

Malaysia. In this outline, to uplift their caste members, associations in connection with caste-based organisations in Tamil Nadu like Vanniyar Sangam, Maruthuvar Sangam and Nammakal Sangam are functioning in Malaysia. For instance, *Nadar Aikia Sangam* or Nadar Association aimed to oversee the welfare activities of Nadar community in Malaysia (Ganesan Shanmugavelu, 2016).

During the discussion with respondents, it was also noticed that new Tamil immigrants are more inclined towards caste-based segregation in compare to old Diaspora. New immigrants tend to practice caste more rigidly compare to old Diaspora since they are new to land and more oriented to continue their Indian social status.

Caste among Indian diaspora is not a new analysis. Kumar (2004) provides an extensive picture of Dalit Indian Diaspora residing in different parts of world. According to Kumar (2004:116), Indian diaspora is not a “monolithic whole”. The community is divided into different caste lines and directly replicate Indian society abroad. The caste segregation and oppression observed in India tend to be repeated at the host land as well. The differentiation and segregation are no unique in the case of Malaysian Indians also. Jain (2018: 122) opined, ‘while the new generation of Malaysian Indians shows a “much greater Malaysianisation and move away from traditional institutions like cross-cousin marriage, sub-caste or caste endogamy” the actual impact will reflect in decades to come’. According to Jain (2018: 131), “caste by name and certain associate behavioural stereotype” is still there.

The analysis done by Kumar (2004) and Jain (2018) provides a noteworthy background to consider the prevalence of caste among the Malaysian Indians. However, this study could not locate the similar phenomenon with the responses received from the respondents. Most of the respondents had a view that the caste within Tamil community has no prevalence. However, the regional identity within Indian community still exists. The Indian community with increasing insecurity due to regular policy changes by the Government tends to move beyond caste lines. Further, the caste has insignificance in case of entrepreneurship, since the enterprises are inclined to fulfil the demand of Indian community in general and Tamils in particular.

### **4.3. Little India and Indian Diasporic Entrepreneurship**

Little Indias are concentrated ethnic marketplaces of South Asian community, especially Indians. Little Indias are just not an ethnic marketplace; but it signifies much beyond market and products. Little India is a symbolic identity for South Asian and Indian communities. Existence of Little India in a host country gives a sense of belongingness and empowerment. Signage of Little India creates essential relationships that are critical to ethnic labelling of public space (Sheth, 2010). Rather than ethnic designations reflecting demographic facts, ethnicity of local entrepreneurs helps to determine what group gets to define an area. Formation of Little India in a host land gives a sense of political importance for community.

Establishment of Little India has over time become a world phenomenon. Currently, in almost all major Indian settlement countries, there are official, and non-official Little India. Countries like Canada, United States of America, United Kingdom, Malaysia has identified more than one Little India location, while smaller countries like Mauritius and Singapore have located one Little India. The establishment and development of Little India is a gradual process. This issue has been discussed by a number of scholars such as; Coulter (1942), Devadas (1996), Patrick (2006) and others. Drawing from the ethnic market hypothesis of Wilson and Ports (1980), this study considers that the formation of Little India is a result of neighbourhood demand.

#### **Little India in Malaysia**

A total of nine Malaysian regions have Little India<sup>49</sup>, which is; Klang, Kuala Lumpur, Selangor, Penang, Kedah, Ipoh, Melaka, Johor, and Sarawak. The development of Little India in Malaysia represents its historical context. Each Little India represents a history of the settlement. Details are mentioned below;

#### **Little India in Klang Town**

Little India of Klang is one of the biggest Little India of Malaysia. Klang Little India is located on north side of the main street of town. The area consists mostly Indian

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<sup>49</sup> See annexure 6.11- Official-Unofficial Little India Worldwide

food and cloth shop, with presence of few other shops. The area has significant population of Indian community. The area is well connected with the transport system and nearly 30 minutes of distance from KL Sentral, Capital transport hub of Malaysia.

### **Little India in Brickfields, Kuala Lumpur**

Little India, Brickfields is located near to Central Transport hub of Kuala Lumpur, i.e., KL Sentral. The market is located along side a street 'Jalan Sultan Abdul Samad' with high number of South Asian, mainly Indian shops. The area is also among the top tourist destinations of Malaysia. The formation of Little India in Brickfields has a long history. In late nineteenth century and early twentieth century, a considerable number of Indian workers immigrated to work in Brickfields Railways. These workers were provided with work and accommodation in the area. Since then, Indian community has been one of the dominant communities in the area.

### **Little India in Penang Province**

Little India, Penang is one of the oldest Little India of Malaysia. The market is located in George Town area of Penang. The area also hosts oldest Hindu temple, Sri Mahamariamman Temple. The area is one of the most famous shopping centres in Malaysia. Little India Penang is particularly famous for Malaysian Indian cuisine. The city is also one of the major tourist hubs of Malaysia. Loh (2003:6) while discussing Little India in Malaysia mentioned that the "Little India", Penang is an area where generations of Hindu and Muslim, have lived alongside each other. The area has the significant participation of Muslim community as well.

Other than these three Little India, there are some major-minor Indian streets located all over Malaysia. Primarily these streets are Tamil dominated with relatively lower but visible participation of Punjabi, Bengali and Muslims. The Tamil community includes Indians as well as Sri Lankan Tamils. Punjabis are mostly from India, but some Pakistani Punjabis can be found. Bengalis in Little India represents both, Indian as well as Bangladeshi. Muslims are also Indian, Bangladeshi, and Pakistani. Since, majority of South Asian settled there are colonial or pre-colonial migrants, the new country division (India, Pakistan, and Bangladesh) could not be taken seriously.

Little India streets are an ethnic enclave dominated by Indians<sup>50</sup>. As identified by Wilson & Portes (1980) these ethnic formations are characterised by the spatial concentration of immigrants who organise a variety of enterprises to serve neighbourhood demand as well as general population. A substantial proportion of workers of the same nationality are also employed in these firms. The overall establishment, development and operation of these markets create a case of enclave economy (Wilson & Portes, 1980).

### **Profile of Little India, Brickfields, Kuala Lumpur**

Kuala Lumpur has a total population of 1,790,400, which include Bumiputra, Chinese, Indians, Other locals, and Non-Malaysian Citizens. The Indian community consists a total of 657,00. Kuala Lumpur hosts nearly 10% of total Indian population. The number does not represent labour immigrants, as Government data usually put them under the broader term of Non- Malaysian Citizens. According to Department of Statistics, Government of Malaysia, Bumiputra (40.3%) is most populous community in Kuala Lumpur, followed by Chinese (36.9%). Indians are 8.6% of total population of Kuala Lumpur. Non-Malaysian citizens are 13.2% of total population of Kuala Lumpur<sup>51</sup>.

As per characteristics stated by Schumpeter (1934), entrepreneurship is processed, which involves a significant amount of risk, innovation, and uncertainty. On this line, it should be considered that success and failure of Diaspora business could not be assumed. However, entrepreneurship provides a pathway for immigrant workers to avoid discrimination posed by employers or many of times State itself. This discrimination is discussed by many of scholars such as Anbalakan (2003) Jain (2003) Sivakumar (2016) and Thillainathan (2002). Considering this, entrepreneurship can be identified as a pathway to overcome possible discrimination in salaried work.

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<sup>50</sup> The word Indians here reflects pre-Independence India, which can include India, Pakistan and Bangladesh.

<sup>51</sup> See Annexure 6.2- Population by Ethnic Group, W.P. Kuala Lumpur, 2015 ('000)

#### **4.4. Little India, Brickfields, Kuala Lumpur as Research Locale**

As stated by William Safran (1991), Diaspora communities living in host land tend to observe a cultural dichotomy between host land and homeland. The cultural dichotomy essentially creates a cultural gap between native communities and host communities. Thus, new communities usually find themselves in a position to live with people of similar ethnicity and cultural origin. This phenomenon is an essential process towards formation of ethnic enclave (Wilson & Portes, 1980). Upon establishment of an ethnic neighbourhood, migrants tend to continue their cultural background. This leads to the development of ethnic business to fulfil neighbourhood demands. Lal (2000) considered these entrepreneurial practices separate from primary and secondary sectors of host land. These enterprises have different dimensions, and ethnic similarity plays a vital role in overall establishment and functioning of enterprise.

#### **Formation of Ethnic Enclaves like Little India**

Indians as a migrant community has a long history of migration and settlement. The pre-colonial migration was scattered and individual-centric, but colonial migration was typically a mass migration. The vast migration enabled the community to bring their cultural and social capital from homeland to host land. Brij V. Lal has documented the detailed account of cultural transfer through large-scale migration to a colonial plantation in his book titled, 'Chalo Jahaji' (Lal, 2000). The book provides a detailed description of social relationships carried by Indian Diaspora to destination countries. Similarly, the case of Malaysia also provides a comparable background. Most of the migration from India to Malaysia took place from southern part of India (Sandhu, 1969). Considerable number of migrants were from Tamil Background and emigrated under *Kangani* system through a known person in a known group or under indentured also with same cultural community members.

At the destination countries, workers were mostly placed in a group around workplace. In Malaysia, workers were placed in plantations and accommodations were provided nearby. This created a favourable atmosphere for community to



continue their cultural and social relationships since they rarely had to face any intrusion by another ethnicity. Like Indians, Chinese population in Malaysia also maintained their ethnic neighbourhood and lived together (Baxstrom, 2008:38). Further, as per general colonial plantation practice, a piece of land was provided to worker at the end of contract to restrict his/her return to homeland. On several occasions, this strategy of colonial government worked, and a considerable number of Indians chose to live in Malaysia. This leads to development of Indian settlement all over Malaysia, especially near plantations.

### **Establishment of Little India in Brickfields, Malaysia**

The growth of Little India in Brickfields, Kuala Lumpur is an example of Indian workers' settlement. As name suggests, Brickfields was primarily a land for brick production. There were 234 production centres. During late 1880s, colonial Government planned to set up railway factory in that area. Workers from Tamil Nadu and Sri Lanka were recruited for railway factory. After this, population of Indians increased manifold and area quickly became town's "Indian Quarter" (Baxstrom, 2008; Sendut, 1965; Wong, 1991). These workers were housed in Government-provided quarters called 'hundred quarters'<sup>52</sup> to streamline urbanisation of city.

Over time, Brickfields, Kuala Lumpur became a prominent area for Indian workers and clerks' settlement. Due to increasing Indian population in area, Government of Malaysia declared area as official Indian space. The official recognition and acceptance of the local Government to transform Brickfields as "Indian reserve" was demonstrated in the creation of religious institutions for various Indian communities in town from 1895 with formal recognition of "Sasanabhi Wurdhi Wardhana Society", followed in 1902 by consecration of "Sri Kandaswamy Temple" and in 1907 by founding of "Sri Vivekananda Ashram" Government (Mangalesri Chandrasekaran, 2016).

Indian absorption in Brickfields area led to development of ethnic enclave and

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<sup>52</sup> The Hundred Quarters were built in 1915 to house railway employees, who were brought over from India by the British during colonial times. More information available at- <https://www.malaysia-traveller.com/brickfields-heritage-walk.html>

formation of petty trading and small-scale enterprises dealing with fulfilment of community members. The Little India street provided business opportunities to many of the Tamil community members. However, official recognition of 'Little India' was not granted until 2010 (Chandrasekaran, 2016). Since 2010, Little India in Brickfields became official Indian market of Malaysian capital.

### **Reason Behind Choice of Little India as a Field of Study**

As discussed above, Little India in Kuala Lumpur has a long history of settlement. A number of factors such as geography, accessibility, religion, and others played an essential role in the settlement process. These factors are briefly discussed below:

#### **Geographical Location**

Brickfields is situated in central part of Kuala Lumpur city. The place is located at south of downtown Kuala Lumpur, surrounded by Chinatown to north, Bangsar to west, Taman Seputeh to east, and Mid-Valley Megamall to south. As observed,<sup>53</sup> the area is roughly five square miles and with a population of nearly 120,000. In general, Little India is a part of Jalan Tun Sambanthan road, with dense Indian shops. A screenshot of geographic details of Little India, Brickfields is placed annexure 7.1. The area covers one street only, with a slight diversion to both sides. Comparing to other Indian ethnic markets of Malaysia, Little India of Kuala Lumpur is centrally located and covers a significant area.

#### **Transportation Accessibility**

Little India, Brickfields has an excellent benefit of accessibility, compared to other Indian ethnic markets of Malaysia. The Little Indian is located within 100 metres of one of the largest transport hubs of Malaysia, i.e., KL Sentral. The KL Sentral was established by Malaysian Government to function as a transport intersection. The station has airways, railways as well as roadways as means of transport. Due to this, a large number of tourists and local people visit the area. This is one of the most significant advantages of Little India in Brickfields since this also increase the

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<sup>53</sup> PropertyGuru.com.my, 2016

prospects of getting more consumers. As reflected in the screenshot shown at Annexure 7.2, Little India, Brickfields almost hosts the KL Sentral transport hub.

### **Cultural Concentration**

Brickfields district has been historically a place of multiple religious communities. The area has a sizeable number of temples, churches, and mosques. Some of these structures are more than a century old. Two temples situated in the area, Buddhist Maha Vihara Temple, and Sri Sakthi Karpaga Vinayagar, were founded in the late nineteenth century (Baxstrom, 2008). These temples reflect the influence of Sri Lankan architecture. The Tamils from Sri Lanka were first immigrants along with Indians to work in Brickfields railways (PropertyGuru.com.my, 2016). There are some Hindu and Chinese temples along with Buddha temples. The area also has one oldest church in Kuala Lumpur, St Mary's Orthodox Syrian Cathedral, and a Mosque as well. Overall, the area has worship places of almost all religions. This also helps Little India market to attract frequent visitors. This number also increases at the time of religious festivals.

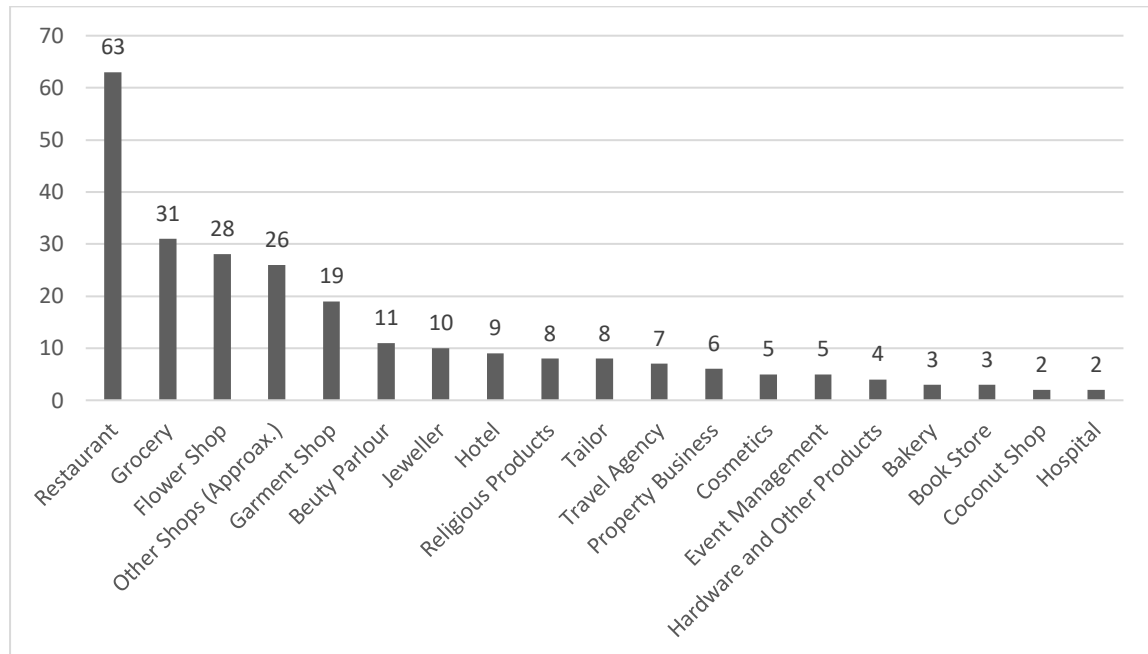
### **Other Features**

Brickfields has been an active place for gathering and political organisation for the Indian community. Further, in the process of choice of location of fieldwork, the research primarily considered three locations for the study, Little India, Brickfields, Little India, Klang and Little India, Penang. Klang and Penang are historic port cities of Malaysia, and both have Little India. However, in both cases, accessibility is an important issue. Little India, Klang is located at around one-hour time distance from Kuala Lumpur. Little India, Penang is an active Little India, but accessibility is somewhat limited, and location includes Indian as well as other shops also. Both locations are not as vivacious as Little India, Brickfields, primarily due to accessibility, location, and developmental aspect.

Therefore, the study focussed on Little India, Brickfields. The area provides an ideal picture of Indian entrepreneurial market structure. There is no statistical data available for public use to map Little India. However, an enumeration was done to present the

entrepreneurial representation.

**Figure 4.1- Entrepreneurial Profile of Little India<sup>54</sup>**



Source: As enumerated by Researcher during field visit

Figure 4.1 represents the category of enterprises in Little India, Brickfields. As represented, nearly 25% of enterprises are restaurants, which include mostly Tamils. Further, if divided, some Muslim Halal Food restaurants also exist along with Bengalis and Punjabis. These food joints/restaurants are in all parts of Little India. After this, Grocery stores are second highest enterprises. 12.4% of all shops are grocery shops, which is 31 in absolute number. These grocery shops sell all kinds of products related to daily usage. Some of these grocery shops also sell vegetables.

Flower shops consist 11.2% of total shops, which is 28. As reflected in figure 4.1, the number is relatively higher, but presence of shops in overall entrepreneurial practices in Little India can be considered relatively smaller. The shops are small and look like stalls. The flower shops are small ventures, but these can be considered as enterprises since the local authorities allot the establishments as a full-fledged commercial

<sup>54</sup> The enumeration of the Little India was at the initial stage of the study. Each shop was classified and counted on the basis of nameplates and products. The total number include 26 other shops. These shops include category of shops not classified and closed shops, without nameplate.

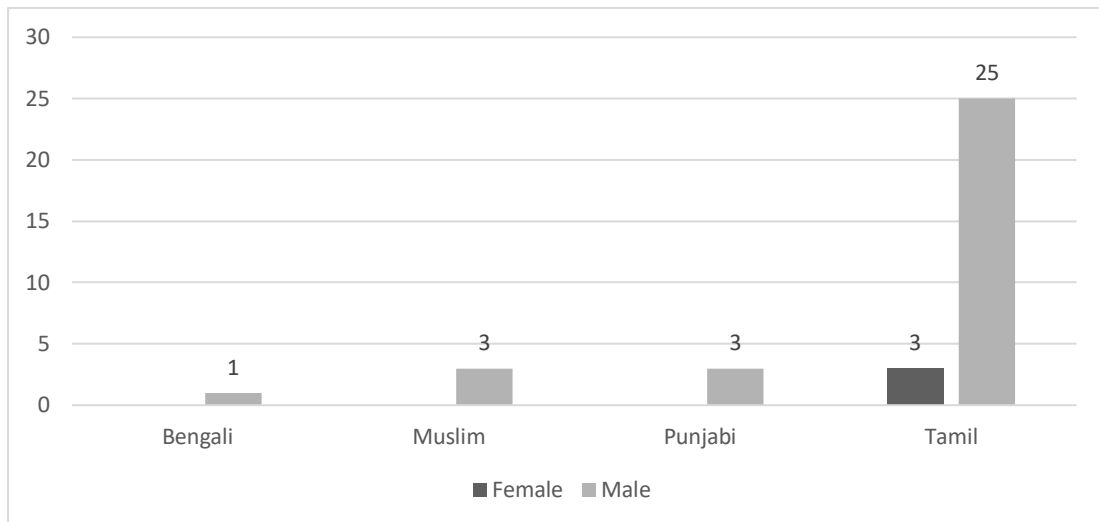
establishment. Moreover, Little India has a number of other shops such as Garment Shop, Beauty Parlour, Jewellers, Hotel, Religious Products, Tailor, Travel Agency, Property Business, Cosmetics, Event Management, Hardware and Other Products, Bakery, Book Store, and Coconut Shop.

Therefore, Little India, Brickfields has almost all dimensions to be considered as an appropriate location to conduct the study. The area hosts almost all category of enterprises, required to fulfil the demand of Indian and to some extent South Asian population. Considering these factors, the study chose Little India as a location to conduct data collection for study. All data collection is conducted with entrepreneurs functioning within this area. However, for the familiarity with the area, this study considered visits of other Little India in Malaysia for observation.

#### **4.5. Profile of Indian Diaspora Entrepreneurs: Background Information**

The analysis of study has been done using thirty-five case studies collected through the study. The respondents were selected from Little India, Brickfields, Malaysia. The respondents were selected with the help of two key informants, who were also respondents of the case studies and introduced the researcher with other informants. A complete list of informants selected for the case studies has been discussed and tabulated in the chapter 2.

**Figure 4.2: Gender and Ethnicity of Respondents**



As reflected in figure 4.2 mentioned above, 28 respondents belong to Tamil community. Three respondents were from Punjabi community, and a similar number of respondents were from Muslim community. One respondent belongs to Bengali community. The ethnic background of respondents also reflects historical notion of immigration to Malaysia. The historical account of migration pattern to Malaysia has been mentioned in chapter three. As reflected in figure 4.2, among 35 respondents, 32 were males while 3 were females. All female entrepreneurs were from Tamil community (one Malayali, married to Tamil). Most of the respondents (28) belong to Tamil community; seven respondents belong to other communities. The higher proportion of Tamils among respondents is expected since Malaysia has been a prolonged destination for Indian Tamil population (Chandrasekaran, 2016).

In this section of chapter, profile of respondents is included, such as age, marital status, educational status, district/state of origin from India, details of family members and other related questions. Each factor has been discussed and analysed below.

### **Migration Status of Respondents**

To understand the process of settlement and process of formation of enterprise, a number of questions were asked related to migration process of respondents. The questions include year of immigration to Malaysia, current generation, and citizenship

status. Table 4.1 placed below provides the details of immigration period of respondents.

**Table 4.1: Respondents and their Immigration Period**

Immigration Period	First <sup>55</sup> Generation	Second Generation <sup>56</sup>	Third <sup>57</sup> Generation	Grand Total
Not Known	0	5	20	25
1960s	0	1	0	1
1940s	0	1	0	1
1985	1	0	0	1
1942	0	0	1	1
1948	0	1	0	1
1968	0	1	0	1
1995	1	0	0	1
Late Nineteenth Century	0	0	1	1
1920s	0	0	1	1
1933	0	1	0	1
Total	2	10	23	35

As mentioned in Table 4.1 above, 25 respondents were not aware of exact year of immigration to Malaysia. Most of them had slight information about the period of immigration, but the respondents preferred to say, 'Not Known' as their responses. Out of these 25 respondents with 'Not Known' response on question related to immigration year/period, 20 respondents were third-generation Diaspora, and five were second generation Diaspora. Out of other ten respondents, one was third generation Diaspora, since his family reached Malaysia in the late nineteenth century. Other nine respondent's family reached Malaysia in the twentieth century. Among the remaining nine respondents, one person arrived in 1985. However, the information provided by him was not wholly reliable, since he was born and brought-up in Malaysia and went back to India for some time. After this, he came back to Malaysia in 1985. Overall none of the respondents was twenty-first century Diaspora.

Among the respondents, 23 were third generation Diaspora. Their ancestors arrived Malaysia before independence. Ten respondents were second generation and two

<sup>55</sup> First Generation Diaspora refers to the immigrants who came to a host country themselves.

<sup>56</sup> Second generation Diaspora in this study refers to respondents whose mother/father came to Malaysia and the respondents born and brought-up in Malaysia.

<sup>57</sup> Third generation Diaspora refers to respondents, whose grandparents or great grandparents immigrated to Malaysia.

were first-generation Diaspora. Out of these two first generation Diaspora, one respondent' response was little confusing since his family people were already settled in Malaysia and he went back to India for a specified period. As observed, all respondents were citizens of Malaysia, irrespective of their immigration period of generation.

### **Educational Background of Respondents**

During study, educational background of respondents was considered as an important matter of analysis. Therefore, a question was included about educational qualification of respondents. As reflected in Table 4.2 below, 14 respondents were senior secondary. Eight respondents were secondary educated. A similar number of respondents were graduates. Five respondents were primary educated. As reflected in Table 4.2, it is difficult to co-relate educational qualification with the category of an entrepreneur, since the numbers do not reflect any such trend.

**Table 4.2: Education Background and Entrepreneurship<sup>58</sup>**

Business Category	Graduation	Primary	Secondary	Senior Secondary	Grand Total
Beauty Parlour		1	1		2
Book Store	1				1
Flower Shop		1		1	2
Garment Shop				1	1
Grocery Store	3		1	3	7
Hotel	1				1
Jewellery				2	2
Multi Business	1				1
Paper	1				1
Printer				1	1
Restaurant	1	3	6	5	15
Watch Shop				1	1
Total	8	5	8	14	35

Further, a similar comparison was made between educational background and generation of Diaspora. In this comparison, it was observed that 10 of third-

<sup>58</sup> Educational qualification of the respondents is interpreted with Indian education system. For Malaysian educational system, see <https://moe.gov.my/index.php/my/>



generation Diaspora respondents were senior secondary, six were secondary, and two were primary educated. Five third-generation Diaspora were graduates. In case of second generation Diaspora, four respondents were senior secondary. Three respondents were primary educated, and a similar percentage were graduates. None of the second-generation respondents were secondary educated. In case of first-generation respondents, all were secondary only. This is an important outcome since first generation respondents were new respondents and supposed to have a better educational qualification.

**Table 4.3: Educational Qualifications**

Diaspora Generation	Graduation	Primary	Secondary	Senior Secondary	Grand Total
First Generation			2		2
Second Generation	3	3		4	10
Third Generation	5	2	6	10	23
Total	8	5	8	14	35

### Details of Family

A few questions related to family background were also included in the schedule. The questions included Marital Status, Nationality of Spouse, Family size and others. The questions were included to analyse the family settlement of Diaspora. The questions were also included with an objective to explore marriage relationship within Indian community in Malaysia. This includes identification of marriage pattern within Indian community, the trend of cross-cultural marriages, marriage dependability in India and marriage pattern of communities, other than Tamils.

**Table 4.4: Ethnicity of Spouse**

Ethnicity	Ethnicity/Nationality of Spouse						Total
	Indian	Local Punjabi	Malaysian Malayali	Malaysian Tamil	Malaysian, Singaporean	Tamil Indian	
Bengali				1			1
Muslim				3			3
Punjabi	1	1		1			3
Tamil			1	25	1	1	28
Total	1	1	1	30	1	1	35

As reflected in Table 4.4 above, all respondents were married. The Table analyses the ethnicity/nationality of wife/husband of respondents. As mentioned in the previous

section, all respondents were Malaysian citizens. Among all respondents, one respondent had two wives. One of his wife is Malaysian Tamil, while another wife is from Singapore. Remaining 34 respondents are married once. Out of 28 Tamil respondents, 25 were married to Malaysian Tamil. One of the Tamil respondents was married to Indian Tamil, one was married to Malaysian Malayali, and one was married to Tamil and Singaporean wife. Among three Punjabi respondents, one of the respondents was married to Malaysian Tamil, one was married to Local Malaysian Punjabi, and one was married to Indian Punjabi. Among three Muslim respondents, all were married to Malaysian Muslim Tamils. One Bengali respondent was married to Malaysian Tamil.

As reflected in Table 4.4 and the responses received from the respondents, out of total 35 cases, four marriages were cross-cultural marriage. Among Tamil respondents, 28 respondents were married within Tamil community, which includes one marriage between Malaysian Tamil with Indian Tamil. Out of two non-Tamil marriages, one respondent was married to Malaysian Malayali, while other had two wives. One wife was Malaysian Tamil community, while another one was from Singapore. Among three Punjabi respondents, one was married to Malaysian Tamil, while others were married to Punjabi from Malaysia and India. Among three Muslim respondents, all were married to Muslim Malaysian Tamils. In case of Bengali respondent, he was married to Malaysian Tamil. Overall, as observed from the responses, cross-cultural marriages are relatively less in the case of Malaysian Indians, especially Tamils.

Some questions related to the current city of establishments and previous places of residence were also asked. From responses, it reflects that all the respondents are living in Kuala Lumpur. However, most of them are not living on Little India street. Many of them have shifted residence to other localities. There are two reasons for this. First, the Government has renovated the area and modified residences to high-rise buildings. This also includes the old Indian quarters (Chandrasekaran, 2016). Second, with economic betterment, entrepreneurs tend to move to better suburbs. Alejandro Portes & Jensen (1989:11) stated that the ethnic enclave entrepreneurs tend to move from the areas where their business is located to better-off suburbs. The areas with high ethnic business tend to be populated by employees of firms.

## Family Size

All through discussion with respondents, important details about family members and their occupations were also collected. The family information includes details of immediate members, which include wife, father, mother, son and daughter. The average family size of respondent was 5.4. The family size ranges from nine to four. Average number of children of respondents were 3.3, in which son counts 1.9 and daughter counts 1.4. Almost all respondents had one wife except one respondent with two wives. The estimated average household size of the respondent was found to be slightly higher than the estimation published by Department of Statistics, Government of Malaysia (Government of Malaysia, Department of Statistics, 2016.). As estimated, average household size of the Indian community is 4.3<sup>59</sup>. However, the study found average family size 5.4, which include parents of the respondents.

The respondents also informed about the details of siblings and their occupational profile. After inclusion of other members of family; son, daughter, son in law, daughter in law, brother, brother's wife, sister, sister's husband, mother, father and wife, average household size is estimated as 14.48. The family size ranges from 7 to 20. The number has been calculated based on information provided by the respondents. Many of the respondents did not provide the information about some of the family members, so their information could not be included in the estimation.

**Table- 4.5 Occupational Profile of Households**

Family Details	Members
Total Household Size	387
Total Working Members	132
<i>Members in Paid Employment</i>	21
<i>Members in Entrepreneurship</i>	111

As stated in Table 4.5, among 387 members of studied household, 132 were working members of family, which is 34.1% of total household population. Among economically active members of household, 16% members were engaged in paid employment while 84% members were working as an entrepreneur. As per the

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<sup>59</sup> Department of Statistics, Government of Malaysia: A household is defined as a person or group of related or unrelated persons who usually live together and make common provision for food and other living essentials (Department of Statistics Malaysia Official Portal, n.d.).

estimate published by Department of Statistics, Government of Malaysia, 42% family members of Indian ethnic community are income recipient (Kaur, 2004). The finding estimates relatively lesser percentage of economically active population among entrepreneurial community.

#### 4.6. Organizational Profile

The respondents included in this study represents majority of businesses currently being run by Indian Diaspora entrepreneurs in Malaysia. The selection of respondents was made with the help of two Key informants from Little India. This study mainly relied on key informants for initial introduction with respondents. All information has been collected as per the convenience of respondents. However, at the end, responses collected during fieldwork significantly represent the research population.

**Table 4.6: Categories of Enterprises**

Category of Enterprise	Total Number of Enterprises in Little India	Number of Respondents
Restaurant	63	15
Grocery Store	31	7
Flower Shop	28	2
Garment Shop	19	1
Beauty Parlour	11	2
Jeweller	10	2
Hotel	9	1
Other Shops (Approx.)	79	5
Total (Approx.)	250	35

As mentioned in Table 4.6, estimated number of establishments in Little India is 250. The estimated figure is based on the enumeration of Little India shops done at the initial stage of research. The total number of organisations covered in this study are 35, which is 14% of total population. Among the enterprises in Little India, restaurants are highest in number. The total number of restaurants in Little India is 63, which is 25% of total number of enterprises. For this study, 15 restaurants are included, which also consist 42% of total respondents. Other categories of enterprises also provide an adequate representation of total population.

In this section, details related to organisations will be discussed, that include; ownership of organisation, previous background of owner, type of ownership,

working schedule of organisation, available products, and previous entrepreneurial background of employer.

Indian emigration to Malaysia has been mostly a labour migration under various recruitment systems, primarily Indenture system, *Kangani* System, free recruitment, etc. (Sandhu, 1969). Previously there were some instances of migration as trade workers, but mostly to Malacca and Penang (Baxstrom, 2008). The migration to Kuala Lumpur is mainly post-19<sup>th</sup> Century phenomenon after British Government planned to shift significant trade centres from Klang (Baxstrom, 2008). The first Indian migrants to Kuala Lumpur were Indians and Sri Lankan Tamil workers. They immigrated to Malaysia to work as Brick Kiln workers and later as railway workers. Therefore, in general, all the old generation Indian Malaysians living in Brickfields were workers and later moved to entrepreneurial business. The study tried to understand their entrepreneurial background and previous occupation. Initial outcomes of questions are tabulated below:

**Table 4.7: Previous Occupation of Entrepreneurs**

Established by	Entrepreneurship	Established under partnership	Helping in Family Enterprise	No Previous Experience	Paid Employment	Plantation Worker	Grand Total
Father	2	0	0	1	8	2	13
Self	2	1	8	2	8	0	21
Self and Brother	0	0	1	0	0	0	1
Grand Total	4	1	9	3	16	2	35

As reflected in Table 4.7, 21 enterprises were established by respondents, while another one enterprise was established with brothers. Remaining 13 enterprises were established by the fathers of respondents. In case of 13 enterprises established by fathers, respondents are currently in charge of business.

This study with an objective to understand the transformation of Indians living in Malaysia from the rank of workers to entrepreneurs considered historical background as an important viewpoint. One important query raised in this matter was to know about previous engagement of founders. Among selected respondents, 16 were in paid employment. Here paid employment refers to any employment, where salaries are paid to workers. Salary can be in cash or kind for daily, weekly, fortnightly, monthly

or any period. Among these 16 cases of paid employment, eight were respondents, and eight were respondents' father. Nine respondents were helping his/her father/husband in their businesses. Among these, eight cases were represented by respondents, while one case was about a respondent and his brother.

Further, job pursued by the migrants after arrival has not been mentioned in Table 4.7. The Table only reflects previous occupation held by founder. An elaborative description will be provided in the coming sections about motivation behind starting an enterprise. As mentioned in Table 4.7, four respondents had entrepreneurial experience. Three respondents had no previous employment experience. One respondent was working in partnership.

Table 4.7 provides an important research outcome. It shows that the entrepreneurs are coming from diverse backgrounds. Most of them had no experience of entrepreneurship. This reflects the Schumpeter (1934) theory of entrepreneurial innovation and further also reflects Knight (1921) argument about risk and uncertainty. The entrepreneurs are risk-takers and innovators and face risks to become successful. Table 4.8 mentioned below specify details about year of establishment of enterprises. This table shows that the entrepreneurship among Malaysian Indian has seen a significant increase post 1990.

**Table 4.8: Year of Establishment of Enterprise**

Year Range	Number of Enterprises Established
1950-1959	1
1960-1969	1
1970-1979	2
1980-1989	7
1990-1999	9
2000-2009	12
2010-	3
Total	35

Further, as reflected in Table 4.8 above, after enactment of Malaysian New Economic Policy (1970), a significant number of enterprises were established. The number saw even higher increase after 1990s Malaysian development programme. As reflected, 24 enterprises were established after 1990s. The higher increase in the number of people willing to move to entrepreneurship has been a strategy among migrant communities

to move from low paid employment and to avoid discrimination with native population (Wilson & Portes, 1980).

**Table 4.9: Respondents’ Age at the Time of Establishment of Enterprise**

Age Range	Number of Respondents
Below 30	6
30-39	8
40-49	5
50-59	1
60-69	2
Total	22 <sup>60</sup>

Table 4.9 placed above highlight details of respondent’s age at the time of establishment of enterprises. Table 4.9 only includes enterprises established by respondents himself/herself, since it was not feasible to calculate the age of father or other family members. It also includes an organisation established by one respondent and his brother. As reflected from table, respondents below 30 years of age established six enterprises. Respondents below 40 years of age set up 13 organisations. 19 organisations were established by respondents with below 50 years of age. Respondents above 50 years established three organisations.

#### **4.7. Socio-Economic Background of Entrepreneurs**

*“My grandfather left India more than hundred years ago. I do not have exact information about circumstances he might have faced at that time, but I feel, economic condition may be an important issue. He came here to work in the Malaysian railway. Then he shifted to many occupations.” (A Grocery Store Owner, Location- Little India, Date- 16.01.2017)*

This section attempts to understand immigration process of Indians to Malaysia with the help of experiences shared by respondents. This section outlines the background of Diaspora enterprise establishment in Malaysia. Analysis has been done with the help of information collected during fieldwork. To provide complete picture of transformation process from the status of worker to entrepreneur, this section documents the arrival process of these thirty-five families to Malaysia.

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<sup>60</sup> Enterprises established by respondents himself/herself, since it was not feasible to calculate the age of respondent’s father at the time of establishment of enterprise.

Above mentioned narrative by a grocery store owner portrayed his wide-ranging picture of initial immigration of Indians in Malaysia. All respondents or their parents came to Malaysia as workers. These include plantation workers, railway workers, paid employees of establishments, as employees brought by known persons, etc. Each respondent selected for study had distinct case of immigration. Each of these are discussed below.

### **Immigration as Railway Workers**

Late nineteenth and early twentieth century Brickfields received a considerable number of Indian and Sri Lankan immigrants to work as railway workers. It is difficult to provide details of contract system availed by these workers for emigration from India to Malaysia, but migration was official and under legal purview of colonial government (Baxstrom, 2008). Many respondents also informed their families' arrival as a railway worker to work in Brickfields railway.

It is obvious to find descendants of railway workers among respondents as Brickfields was primarily a railway yard. According to a respondent (a grocery store owner), his grandparents came to Malaysia as a worker from Thanjavur. He has no specific information about economic condition of his family. However, he thinks, economic condition back home must be an essential reason. He informed that initially his grandfather came alone and worked in railways; however, after few years, he brought his grandmother also. Initially, his father also worked in plantations and sometimes with government organisations. In this event, the respondent's grandfather was appointed as a worker.

Discussion related to economic condition back home was mainly a concern to understand reason for migration. As discussed by Kaur (2004), Mahalingam (2015), Sandhu (1969) and others, these migrants were economically and socially deprived in India. Migration to Malaysia was a hope to overcome economic inequality. Therefore, this study also tried to understand the reason for migration. However, as the migration took place a long time ago, many respondents were not able to inform about reasons for migration.



Similarly, respondents were also asked about contract system signed during recruitment from India to Malaysia. In many cases, characteristics of immigration process recalled by family members broadly reflect the usage of *Kangani* system, but none of the respondents used exact terminology. Another respondent, a restaurant owner also had a similar migration background. His grandfather came to Malaysia along with his friend. They were hired by one local Tamil people to work in Brickfields railway yard. By definition of *Kangani* System, as discussed by Sandhu (1969), Kanaganis were foreman with previous experience of working in Malaysia. In this case also, respondent had no information about contract system signed by his grandparent. His grandfather worked in railways till his retirement from work. Over time his grandfather also purchased a home nearby. Ever since his family is living in Brickfields. His father also worked in railways for some years and later started a garment shop in Little India itself.

*My father came to Malaysia with the help of one of his known persons. He came in a group with few of his friends. He worked here for some time. After this, he brought my grandmother.  
So, your Grandfather was a technician?  
No, he was not. He was just a worker hired by a local broker to work here. I do not know the real problems he might have faced. However, with his employment, he earned some money and got a home nearby. My father also worked on the railways, but he did not continue the work. In the later phase, he started the garment shop. (A restaurant owner, Location- Little India, date- 16.01.2017)*

Case of a garment store owner can be related to instances mentioned above. His grandfather came to Malaysia to work in railways. He worked in railways for his entire life. Initially, he came along with fellow workers, after few years, when he got some economic stability, he brought his wife also. His grandfather came to Malaysia as a worker from Madras. He has no specific information about the economic condition of his family. However, he thinks that the economic condition back-home must be an essential reason. He informed that initially his grandfather came alone and worked in railways, however after few years, he brought his grandmother also.

*What reasons may have motivated your grandfather to migrate?  
I cannot inform you this clearly, as I do not have any idea. However, I think, better economic stability must have been an essential reason for immigration. Alternatively, maybe a motivation as he came along with many of his fellow workers. I do not want to assume the actual reason for this. (A garment store owner, Location- Little India, date- 10.04.2017)*

## **Immigration as Plantation Worker**

Malaysian plantation sector has been a major recruiter for South Indian workers. As estimated by Sandhu & Mani (2006) Malaysian colonial Government recruited 2.7 Million Indian workers under various contract systems such as Indenture, *Kangani*, free labour etc., Therefore, it is apparent to find plantation work history among the cases collected for this study.

As discussed by many scholars (Sandhu, 1969; kaur, 2004; Marimuthu, 2016; Mahalingam, 2016), employment in the plantations were mostly arranged by known person or family. Agents were responsible for emigration arrangements and transfer cost. Upon arrival, workers had to repay the money spent by agents as a deduction from salary (Mahalingam, 2015). Case of a restaurant owner also reflects similar experience.

*My father came to Malaysia a long time ago. I do not have complete information; however, as per my knowledge, they came with the help of one of his known people. The person was living in the nearby village. My father along with some of his friends came here. The person arranged everything. He managed all the documents and helped my father to migrate.*

*The economic condition was not very bad back home. The family had adequate land, and farming was going well. My father saw many people coming to Malaysia and earning a good amount of money. Therefore, he also planned to migrate temporarily for few years. He thought to migrate and return with some money. However, once he came here, he could find better opportunities. After that, he brought me and other family members. (A restaurant owner, Location- Little India, date- 10.04.2017)*

Story of another respondent, an owner of a restaurant is slightly different. His great-grandfather came to Malaysia to work as a plantation worker. Initially, he worked as a plantation worker in rural Malaysia. Later, his grandfather immigrated to Kuala Lumpur to work as a railway worker. All his working life, his grandfather was working in the Brickfields as a railway worker. His father also worked as a paid

employee before starting this business. His great-grandfather or grandfather never thought about developing own business, as the financial situation was not very good.

Family background of another respondent (A restaurant owner) may also be related to experience mentioned above. The respondent is a second-generation Diaspora. His father came to Malaysia during 1940s with the help of one of his known person. The person was living in his nearby village and working in Malaysia. His father came with a group of Tamil workers from Thanjavur district to work in plantations. After arrival, all of them were employed in a plantation in Parek region of Malaysia. His father was there until 1980s and later moved to Kuala Lumpur in search of better employment. In Kuala Lumpur, his father worked in the shop of another Tamil Malaysian for seven years. Later, in 1992, his father opened a garment shop in Klang, another Malaysian Little India.

A Goldsmith near K L Sentral also had similar history. His grandparents came from India as plantation workers. Unfortunately, like many other respondents, the respondent had no information about official migration and recruitment procedure followed by his grandfather. For quite a significant amount of time, his family worked and lived near plantation. They worked until his father came to Kuala Lumpur to work with one Tamil jeweller, whose shop was in Little India.

The case of a flower seller also relates to cases mentioned above. His great-grandfather came to Malaysia as a plantation worker along with other workers from Tamil Nadu. Over time, his family got settled in Malaysia and received local citizenship. He has relatively less information about his roots in Tamil Nadu. He considers himself from Chennai, India.

*I am not completely aware of the exact location of our origin in Tamil Nadu. My parents came to Malaysia in a group to work on the plantations. It must be a hundred years ago or more than that... The location can be Chennai or nearby areas... We are living here for a long time. We are citizens of this country. I am a Malaysian now. (A flower store owner, Location- Little India, date- 12.04.2017)*

Among respondents, few could inform their origin district in Tamil Nadu. A respondent, an owner of a small restaurant in an outer corner of Little India originated to Malaysia from Sivaganga district of Tamil Nadu. His father came to Malaysia

along with few of his friends. The group was hired by one local people in Tamil Nadu. His father was a farmer in Tamil Nadu and had very less economic resources. After recruitment, his father left his wife and family to work for few years in plantation. Initially, he intended to work in Malaysia for not more than five years to have some economic stability. However, after coming, he could not go back and after few years brought his mother also. For all his life, his father worked on a plantation near Kuala Lumpur.

Owner of another small restaurant of Little India also traces his parents' arrival in Malaysia as plantation workers. His grandfather came to Malaysia under contract system in late nineteenth century. He was not able to convey the specific details about the contract, but we can assume that the immigration must have taken place under *Kangani* System since he was able to recall the immigration under a known person from the village. Initially, they worked on the plantation in Parek state of Malaysia. His father also worked on a plantation in the initial days of his life and later shifted to Kuala Lumpur after Malaysian independence. His father intended to find better employment and economic status. Initially, his father worked with some local people but later started a small restaurant of Tamil ethnic food.

*Do you know the contract system signed by your grandfather for appointment in Malaysia?*

*No, I do not have an idea. He came in a group under the supervision of one person from a nearby village. The person had recruited many persons from the area.*

*Can you recall the contract system? It seems it was under Kangani System.*

*I have no idea. (A restaurant owner, Location- Little India, date- 11.04.2017)*

Similarly, a women flower seller's grandparents also came from India along with a few village people. She is a third generation Indian Diaspora. A local contractor in Tamil Nadu recruited her grandfather and other workers. They were initially recruited to work on a plantation in Ipoh. Later, they were shifted to work in Penang. Her grandparents worked in Penang for some years and later shifted to Selangor. In Selangor, they initially worked on the plantation and later established a garment shop. Her father and uncles also worked in the same shop and later shifted to their

businesses. This case also put forth insight about marriage within entrepreneurial groups among Indian Diaspora.

Another Goldsmith from Little India also traced his family history rooted in the recruitment process of plantations. His great-grandfather came to Malaysia under contract system in late nineteenth century. Like other respondents, he was also not aware of contract system signed by his grandparents. Initially, his great-grandparents worked in plantations. Later his grandfather also worked in plantations. Following similar employment pattern, his father also worked in plantations in the initial days of his life and later shifted to Kuala Lumpur. His father intended to find better employment and improve economic status. Initially, his father worked with some local people but later started a small restaurant of Tamil ethnic food.

*The plantation employment has over time became less fulfilling. There was a time when everyone wanted to move from plantation work. My father also followed this trend and came to Kuala Lumpur along with some of his friends.*

*Do you have any idea, whether people from that particular plantation moved to Kuala Lumpur only or other places also?*

*People moved with the help of their established network. Few people came to Little India. My father had some contacts here, so he came here.  
(A Goldsmith, Location- Little India, date- 16.01.2017)*

Among plantation workers, most recent was the grandfather of one respondent, who is an owner of a grocery store. His grandfather came along with one of his friends in 1920s to work on plantations. After working in farms for few years, he came to Brickfields to work in nearby offices. He worked there for some time but later established his own enterprise.

Along with Tamil Hindus, some Muslims also came to Malaysia to work on plantations. During a discussion, one Muslim respondent informed about immigration of his great-grandfather, a plantation worker. His grandfather was working in Brickfields as a railway worker. He has ancestral root to Chennai, Tamil Nadu, India. He was not very sure of his relatives in Tamil Nadu. He never interacted with them.

Like many of cases mentioned above, one respondent, an owner of a restaurant also shared the arrival of his father as a plantation worker. His father came to Malaysia

along with few of his friends from Tamil Nadu. The group was hired by one local persons in Tamil Nadu. His father was a farmer in Malaysia and had very less economic resources. After the appointment, his father left his wife and family to work for few years on the plantation. After coming, he could not go back. For all his life, his father worked on a plantation near Kuala Lumpur.

Another restaurant owner, operating from Little India, informed about his family background. His grandfather came to Malaysia along with his friend. They were hired by one local Tamil persons to work in the nearby plantation. Initially, his grandfather worked in plantation. Over time his grandfather also bought a home near Kuala Lumpur. Since then his family is living in Brickfields. His father worked in the railway for some years and later started a garment shop in Little India itself. He has two brothers and a sister.

*My grandfather was a plantation worker, and my father was a railway worker. We have been a worker, but I have my own business. The transformation took some time. My grandfather worked all his life on the plantations. He also bought a house. The house is located nearby. (A restaurant owner, Location- Little India, date- 11.04.2017)*

Another respondent also discussed about his family background. His grandfather came along with one of his friends to work on plantations. The financial condition was not very bad, but he had a desire to move to Malaysia to earn money and give a good life to their children. That time, many people from nearby villages migrated to Malaysia. So, he approached a Malaysian Indian from a nearby village to arrange some employment for him in Malaysia. The person helped him to complete all the formalities and provided contacts in Malaysia. Having completed all the formalities, his grandfather left India along with few of his friends. His father joined his grandfather in Malaysia after few years. After spending few years in Malaysia, his grandfather brought his father and other family members to live with him. Initially, he worked in plantations. Then he came to Kuala Lumpur. His grandfather also worked in Klang. His father initially worked in Klang later came to Kuala Lumpur. In Kuala Lumpur, he was working in a factory. Later he came to Brickfields to work on nearby offices.

As reflected in the cases mentioned above, many people migrated from India to Malaysia with the help of a middleman. The case of spice seller from Little India can be related to a similar phenomenon. His father came to Malaysia along with few of his friends from Tamil Nadu. The group was hired by one local persons in Tamil Nadu. His father was a farmer in Malaysia and had very less economic resources. After the appointment, his father left his wife and family to work for few years on the plantation. Initially, he intended to work in Malaysia for few years to have some economic stability. However, after coming, he could not go back and after few years brought his mother also. For most of his life, his father worked in nearby shops. However, during 1970s, he thought about developing his own small business.

*We do not have significant plantation history. However, that was the reason for immigration of my family. He worked for few years... I think, to the point, he paid the sponsorship money.  
How much he had to pay for sponsorship?  
That I cannot tell you. It depends. Must have been in hundreds. (A Grocery Store Owner, Location- Little India, date- 13.04.2017)*

Third-generation Diaspora from India, owner of a beauty parlour also has similar history. Her grandparents came from India along with some village people. A local contractor in Tamil Nadu recruited them. They were recruited to work on a plantation in Ipoh. Her grandparents worked in Ipoh for some years and later shifted to Selangor. In Selangor, they initially worked on the plantation and later established a garment shop. Her father and uncles also worked in the same shop and later shifted to their businesses.

A total of 18 respondents traces their family history as plantation workers. Among these migrants, none of them had characteristics of immigration as indentured. Most of these migration cases had some characteristics of migration under the supervision of one known person, which is precisely the *Kangani* system of migration (Mahalingam, 2015).

## **Immigration as a Migrant Labourer**

Although a majority of respondents' forefather arrived in Malaysia as plantation workers, many other forms of immigration also observed during the study. One Punjabi respondents traces back his father's arrival as a migrant labourer to work in the construction sector. His father left India during the 1960s. They left India along with few of his friends as a labourer and got recruited in a construction company in Singapore. There he worked for nearly 15 years. In between, he also brought his family with him. After this in 1979, he came to know about the opportunities in Malaysia. He came to Malaysia along with few of his friends and family. Initially, he worked in Penang, in a cargo. After working for nearly five years, his father moved to Kuala Lumpur after getting advice from some of his friends to open a restaurant in Kuala Lumpur.

*My father did not directly come to Malaysia. Initially, he went to Singapore. He lived there for more than 15 years. Then he planned to come to Malaysia. He came to Penang as a cargo worker. Later with the support of some of his known Tamil workers, he came to Brickfields to start a North Indian restaurant. (A Restaurant Owner, Location- Little India, date- 07.04.2017)*

Like the instance mentioned above, another Bengali origin respondent also came to Malaysia via Singapore. He left India during the 1980s. He left India along with few of his friends as a labourer and got appointed in a construction company in Singapore. There he worked for nearly five years. In between, he also brought his family with him. In 1985, he came to know about the opportunities in Malaysia. He came to Malaysia along with few of his friends and family. Initially, he worked in a manufacturing company in Selangor, after working for nearly seven years, he moved to Kuala Lumpur.

Another respondent's grandfather came to Malaysia to work in one shops. He was recruited by the owner shop, who also belongs to the same village. His grandfather worked in the same shop throughout his working life. However, his father had a different view of opening a restaurant, which was successfully carried out,



Another Muslim respondent, who is an owner of Restaurant also came to Malaysia as a labourer. He left India along with some of his known people. They left India along with few of his friends as a labourer and got appointed in a construction company in Saudi Arabia. he worked there for nearly five years. In between, he also developed a network with Malaysian recruiting agents. Later in 1995, he came to know about the opportunities in Malaysia. He came to Malaysia along with few of his friends and family. Initially, he worked in Malaysia as a worker, in a restaurant. After working for nearly three years, he established a small food joint after getting advice from some of his friends to open a restaurant in Kuala Lumpur. His friends suggested him to open a Muslim Halal Indian food centre. Initially, he opened the shop outside Brickfields Asia college. The shop did well and later he rented a shop nearby and started a complete shop.

As discussed above, three broader categories of recruitment history observed among Indian Diaspora entrepreneurs in Little India.

**Table 4.10: Occupational Background of founder**

S. No.	Immigration Pattern	Total Number
1.	Immigration as Railway Worker	3
2.	Immigration as Plantation Worker	18
3.	Immigration as Paid Labour	4

As reflected in Table 4.10, 18 respondents' parents came to Malaysia as plantation workers. Most of these workers immigrated to Malaysia under *Kangani* system. Another four workers arrived as paid workers. As discussed by Baxstrom (2008) free employment was another major form of recruitment in Malaysia. Three immigrants came to Malaysia as railway workers. Brickfields was primarily a place for brick kiln workers, but after the establishment of railway yard, a significant number of railway workers were also appointed in the area from India and Sri Lanka. Therefore, it is obvious to find a presence of railway workers' families among the respondents. However, it is also important to identify the reason of arrival of 18 plantation workers' family to Little India, since Brickfields was not a plantation area, neither Government had any plan or scheme to shift the Indian workers from plantation to railways. Considering this, the next section of the chapter discusses the arrival of all 35 respondents to Little India, Brickfields.

#### **4.8. Arrival of Entrepreneurial Families to Little India**

Kuala Lumpur is a capital city of Malaysia and Brickfields is a central location. However, none of the policy enacted by then colonial administration and post-independence Malaysian Government motivated Diaspora to move from another Malaysian territory to Brickfields. Neither Brickfields had any significant industrial setup to attract Indian migrants from other parts of Malaysia. The migration trends documented by Baxstrom (2008) provide details about direct recruitment of Indian and Sri Lankan workers to Malaysia to work in railways. However, the study could find any information about inter-regional migration of Indians within Malaysia. Therefore, this section of the chapter discusses the migration of entrepreneurs from other parts of Malaysia to Little India.

Three out of thirty-five respondents' parents were primarily railway workers. They came directly from India and worked on the railways. However, this section also discusses their cases with an objective to understand the possible movements to other sectors after railways employment. Analysis has been done with the help of narratives and specific cases. While concluding, the study tries to find the reason of movement of selected entrepreneurial families to Little India. The analysis has been done with the help of Table 4.11. Table 4.11 has listed five reasons for migration from other parts of Malaysia to Little India, which include; first, migration in search of better employment opportunity; second, recruitment in Kuala Lumpur from other parts of Malaysia; third, migrated after marriage; fourth, migrated to set up the enterprise; and fifth, resident of Little India. Each of these points are discussed separately under subsections.

Table 4.11 has been prepared using inference received after discussion with 35 respondents. All these enterprises are located in Little India; however, it was required to discuss the previous settlement of selected respondents and reasons of their migration to Little India. As reflected in the Table; 17 respondents shifted to Little India, Brickfields in search of better employment. Five respondents moved to Little India with an objective to establish the enterprise. Eight respondents were primarily a resident of Brickfields. Respondents of this section are also included to analyse their previous economic status. Three female respondents immigrated to Little India after

marriage. Three respondents were recruited in other parts of Kuala Lumpur. Further, the analysis of the background of respondents suggests that 16 respondents were plantation workers, before moving to Little India, Kuala Lumpur. Eight respondents were working in other sectors of Malaysia. Other six respondents were working in Brickfields railways. Another four respondents were working and living in Brickfields. A respondent was working in other parts of Kuala Lumpur. The details are mentioned in the table below:

**Table 4.11: Reason for Movement of Selected Entrepreneurs to Little India**

Reason for Migration to Little India/Brickfields	Plantation Worker	Working in other sectors of Malaysia	Working in Other Parts of Kuala Lumpur	Working in Brickfields Railways	Working in Brickfields/Little India	Total
In search of Better employment Opportunity	11	3	1	0	2	17
Recruited in Kuala Lumpur	2	0	0	0	0	2
Migrated After Marriage	0	3	0	0	0	3
Migrated to set up the enterprise	3	2	0	0	0	5 <sup>61</sup>
Resident of Little India	0	0	0	6	2	8
Total	16	8	1	6	4	35

### **In Search of Better Employment Opportunity**

*Kuala Lumpur has many packets of residential areas. Each of these areas can be identified with specific ethnic communities. Similar is the case of entire Malaysia. Therefore, that time (the 1960s), Indian movement within Malaysia was largely from Indian community areas to another Indian community area. (A Grocery Store Owner, Location- Little India, date- 19.01.2017)*

Narrative quoted above reflect the process of migration to Little India. As reflected in Table 4.11 provided above, 17 respondents migrated to Kuala Lumpur in search of better employment opportunity. These respondents were living in other parts of Malaysia and immigrated to Kuala Lumpur after 1970s. The reason may be the enactment of New Economic Policy by Malaysian government. The policy was

<sup>61</sup> \* one of the respondent was working under partnerships with a friend

framed to enhance the employment participation of Bumiputra, which includes local Malay community (Wong, 1991). The policy created a sense of discrimination among Malaysian Indians. Therefore, a process of occupational shift from paid employment to self-employment instigated.

Kuala Lumpur is the capital of Malaysia. Before 1900, colonial government had administration offices in Klang, but later the official establishments were shifted to Kuala Lumpur. Soon after, colonial government also planned to redevelop the city (Baxstrom, 2008). Development of city as capital also enhanced the prospects of new employment. Case of one respondent (a grocery store owner) can be related to same aspiration. Although the person had family history in Brickfields, they shifted to other parts of Malaysia afterwards.

*My father came from India to work in Railways. Initially, we lived here. Later my father shifted to the outskirts of Kuala Lumpur with family... to work in plantations... I know many people, whose next generation left the railway job and moved to plantations and other employment. My father was also among them. During the 1980s, I came back to this area in search of employment. The plantation sector was decreasing, and we had very less economic opportunities here.*

*Why Little India?*

*No, I did not move to Kuala Lumpur to start this business. I wanted to get a sustained job. However, the problems were more than my expectations. So, I planned to start the business. In Kuala Lumpur, there are two Indian business markets. I choose this one because of my previous. (A Grocery Store Owner, Location- Little India, date- 16.01.2017)*

Narration mentioned above put forth three important points played a crucial role in his arrival to Brickfields, Kuala Lumpur. These are Employment opportunities, previous background, and cultural similarities. A search for new employment opportunities is a critical incitement of geographical shifts. Past familiarities with the location and cultural similarities are additional choices. Furthermore, this case also represents the process of internal movement of Indian Diaspora community to host land.

Eleven respondents' family migrated from plantation to Kuala Lumpur, specifically Brickfields in search of employment, in later 19<sup>th</sup> century and early 20<sup>th</sup> century. The migration took place primarily because of decreasing economic prospects in plantations. As narrated by one of the restaurant owners:

*The money was a major reason for the shift from plantation to other employment. My great-grandfather worked as a plantation worker. My grandfather also worked as a plantation worker, but my father could not find decent economic prospects there. One of the reason may be decreasing plantation land and increasing other employment sectors. (A restaurant Owner, Location- Little India, date- 16.01.2017)*

As reflected from the responses, income was most preferred reason for the change of employment from plantation to other sectors. While many people migrated from plantation, eight respondents moved to Little India from other backgrounds. Few respondents' families had previously immigrated to Brickfields as railway workers, then moved to plantations, then again returned to Brickfields in search of better employment opportunities. Another respondent, owner of restaurant and hotel had similar experience. His grandfather was working in the Brickfields as a railway worker. His father was also born in Brickfields only. However, his father shifted to a plantation in other parts of Malaysia. After working for quite a reasonable amount of time, his father came back to Kuala Lumpur in search of employment in private sector. As informed by him;

*We had a house here. My father bought that. However, my father chooses to move plantation sector employment. Then he came back again to work in private sectors.... Return to Brickfields was the obvious choice since we had a house here. (A restaurant Owner, Location- Little India, date- 16.01.2017)*

As mentioned above, property was an important reason for return. As reflected from the responses, none of the respondents had any initial plan while shifting to Brickfields to establish the business. All the respondents came to find employment but later established their businesses.

### **Recruited in Brickfields, Kuala Lumpur**

Indians who migrated to Malaysia had a primary aim to earn money to enhance their economic condition. All workers had weak economic past. As economic opportunity was a primary concern, workers moved to various professions to gain financial security.

As reflected in Table 4.11 on immigration background of respondents, two respondents were recruited in the area. Both respondents had previous background as plantation workers. One respondent was appointed to a nearby office in Brickfields, while other recruited in railways. One of them had plantation background. After working in rural plantations, he moved to Kuala Lumpur in search of better employment opportunities. He was appointed in Brickfields to work in an office. He worked there for some time, after that, he thought to set up his own business. The process of establishment business will be discussed in the next section.

Another respondent, an owner of restaurant and hotel, also informed that the settlement in Brickfields took place because of his father's employment in the area. His grandfather was a plantation worker, but his father was appointed as a railway worker and shifted to Brickfields, Malaysia.

*Working in Brickfields was attractive because of two reasons. First, the area has a high concentration of Indians and second, the employment was relatively secure with good salary. So, many of my known people from plantation came to Brickfields to work and settle here. (A restaurant Owner, Location- Little India, date- 11.04.2017)*

As discussed above, arrival in Brickfields took place because of recruitment not to establish an enterprise initially. Unlike respondents from sections mentioned above where migration was risk-taking, and employment was expected, here respondents had assured employment before moving to Brickfields.

### **Migrated After Marriage**

Three respondents migrated to Brickfields after marriage from other parts of Malaysia. One respondent was third generation Indian Diaspora. Her grandparents came from India along with few village people. A local contractor in Tamil Nadu recruited them. They were initially recruited to work on a plantation in Ipoh. Later they were shifted to work in Penang. Her grandparents worked in Penang for some years and later shifted to Selangor. In Selangor, they initially worked on the plantation and later established a garment shop. Her father and uncles also worked in the same shop and later shifted to their businesses. She got married to a Malaysian Tamil. That

time he was working as a food seller in the local market. Over time, he established the restaurant in Little India, and she also shifted to Little India.

Another female respondent, owner of a beauty parlour also immigrated to Brickfields after marriage. She is also a third general Indian Diaspora. Her grandparents came from India to help a known person from Tamil Nadu in his business. They were recruited to work in Klang. Over time, her parents established their own business in Little India, Penang. She got married to a Malaysian Tamil. That time he was running a restaurant in Brickfields.

Both the case presented above reflect the marriage pattern among Malaysian Indians. Both these families were business families. This reflects the class formation among Indians in Malaysia, where the bride's family preferred grooms with businesses. As discussed by one respondent:

*My family was more interested in boys with a business background. At the time of my marriage, there were largely two categories of employment for Indians, either plantation workers or business. My families preferred businessperson, considering the better financial prospects. (A restaurant Owner, Location- Little India, date- 19.01.2017)*

### **Migrated to set up the enterprise**

Among the respondents, five respondents, who were working in other parts of Malaysia, migrated with an intention to establish restaurants in Little India. Among these five respondents, three moved from plantations to Little India, one was working in railways, and another one was working in partnership. Among these five respondents, two were new Diaspora and arrived in Malaysia via Singapore.

*My father and some of his friends were appointed in a construction business in Singapore. The appointment procedures were completed with the help of one of our family friend who was already working in Singapore. My father worked in Singapore for near 15 years. Then they moved to Penang. There many of his friends suggested opening a restaurant in Little India. My father then moved from Penang to this place. (A restaurant Owner, Location- Little India, date- 16.01.2017)*

The narration mentioned above reflects the transnational movement of Indian workers. Unlike local Tamil community, the owner belonged to Non-Tamil community and migrated to Singapore first.

Another respondent from West Bengal India has a similar story. He left India during the 1980s. He left India to work as a labourer in Singapore. There he found employment in the construction sector. In Singapore, he worked for some time. Later he shifted to Malaysia to work in industries. He came to Malaysia along with some workers. Initially, he worked in Selangor, in a manufacturing company. After working for nearly seven years, he moved to Kuala Lumpur after getting advice from some of his friends to open a restaurant in Kuala Lumpur.

In both cases mentioned above, social networks played an essential role in the opening the businesses. Unlike local Malaysian Tamils, respondents had no social capital support; neither they were economically empowered enough to take risk, nor they had an entrepreneurial background. However, the aspiration to gain better economic status and ability to take a risk with an innovation pushed them to start the business. As mentioned by one respondent:

*Wage employment has certain limitation. The salary cannot go further. Here the Little India area has a well-established customer base. The area receives a good number of Tamils as well as non-Tamils. Therefore, entrepreneurship is one prominently available occupations for all the residents. (A restaurant Owner, Location- Little India, date- 07.01.2017)*

### **Resident of Little India**

Among the respondents, eight were primarily residents of Brickfields. Six of them had a background as Brickfields railway worker and remaining two were working in other sectors in the area. Among the respondents, one respondent was working in a nearby garage in Brickfields. His parents were plantation workers. However, the respondent moved to Brickfields in search of better employment opportunity. He first worked in the nearby shops and establishments, then started a small coconut shop. The case of other three was almost similar. All of them started a business out of aspiration for better economic opportunities.



Among the 35 cases mentioned above, a word-chart has been prepared to see the most critical reasons for immigration to Little India. The word chart is placed below:

**Table 4.12: Most Cited Reasons for Migration to Brickfields**

Word (Reasons for Migration)	Frequency
Community	21 Respondents
Same (Community, Cultural Background, Ethnicity etc.)	18 Respondents
Cultural Attraction	12 Respondents
Network	12 Respondents
Better Employment	11 Respondents
Kuala Lumpur (Capital City)	10 Respondents

Table 4.12 placed above provides the details of reasons cited by the respondents while discussing about motivate to migrate to Brickfields from other parts of Malaysia. As reflected, ‘community’ was most used word by the respondents while discussing reasons of migrations. This was used by 21 respondents while telling reasons of movement. Followed by this, 18 respondents used word 'same'; which varied from ‘same community’ ‘same cultural background’, ‘same ethnicity’ and others. ‘Cultural attraction’ as a reason was stated by 13 respondents. Followed by ‘networks’ used by 12 respondents and ‘better employment’ cited by 11 of them as a reason for movement. ‘Kuala Lumpur as a capital city’ was also a reason cited by ten respondents. Other than these, ‘known person’, ‘resident of same area’, ‘marriage’, ‘Indian’, ‘family’, ‘enterprise establishment’ were the main reasons of movement cited by the respondents. Overall, as responded by 35 respondents, community and cultural factors were most important reasons of movement from other parts of Malaysia to Little India. Cultural orientation was the most acceptable reason; however, immediate reason was in search of better employment opportunity.

This section discussed the reason of migration of all the respondents to Brickfields, Malaysia. The next section will analyse the process of enterprise establishment. The section will outline the time spent in planning phase and process of entry into entrepreneurship.

#### **4.9. Establishment of Migrant Enterprises by Malaysian Indians**

Settlement of business by Diaspora communities at the places of their habitat is a historical phenomenon. Members of many Diaspora communities such as Jews, Chinese, Japanese, Lebanese, Armenian, Greek have been some of the prominent Diaspora entrepreneurial communities. In general, Diasporic entrepreneurship ventures have been proved an essential mechanism for socio-economic betterment into the host society and its economy (Anbalakan, 2003:382). The phenomenon has become more prominent in recent time, especially after employment in destination countries have become highly competitive and argument and debates related to ‘Sons of Soil’ have become more popular.

According to Jain (2003), in 1970s, Malaysian Government enacted New Economic Policy (NEP) to benefit all Malaysians irrespective of race and religion. It was categorically stated that the programme was implemented to reduce and ultimately do away with economic imbalances between various communities by redistributing wealth of nation. However, impact of New Economic Policy on Indians has been questioned by many studies and considered as pro-Malay policy (Jain, 2003).

From the beginning, Indian community considered NEP as a pro-Malay instrument to promote the interest of Malay community only. Central tenet of policy was to enhance the economic status of Bumiputra particularly Malay community. This was aimed at creating a commercial and industrial group among them in about 20 years. The vision document of NEP does not mention any goal for Indian community at large (Jain, 2003). Anbalakan (2003:382) further mentioned that the Indian community was not even provided with specific focus as a community. Instead, their issues were combined with Chinese. Ironically, Chinese were economically far superior and had no similarities with Indians. NEP was mainly a Bumiputra oriented programme without considering other communities such as Indians, Chinese and others. Therefore, profile of Indian community mostly confined to plantation and agricultural sectors, since Malaysian government had no proper policy regulations to enhance socio-economic level of Malaysian Indians.

Further, as noted by the Report by Singhvi Committee (2001) second generation Indian Diaspora is more education oriented and willing to move beyond the plantation sector. The statistical estimate by Department of Statistics, Government of Malaysia (2016) also reflects that the number of Malaysian Indians engaged in the agriculture sector has gone down to nearly 2.6%, which is 38,100 only. In fact, the number may go up, if we will include the informal workers; however, no segmented data is available for further analysis. However, considering historical reasons for arrival of Indians in Malaysia, recent statistics show that substantial chunk of Indian workforce has moved to other sectors.

Malaysia is home to old as well as new Indian Diaspora. Nearly 2.7 million Indians migrated to Malaysia under colonial government (Sandhu, 1969). While nearly 2,40,000 migrated to Malaysia as skill-unskilled workers after Malaysian independence (Ministry of External Affairs, 2016). The case of entrepreneurship can be reflected from both the segments.

According to Department of Statistics, Government of Malaysia<sup>62</sup> 12.9% income gained by Malaysian Indians comes from self-employment. Other than this, 11.5% of income gained by Malaysian Indians comes from property and investment, which is also a kind of self-employment. Therefore, a total of 34.4% income gained by the Indian community in Malaysia is a result of self-employment or entrepreneurship. As stated by Kumararajah (2016), 91% Indian entrepreneurs are small capital ventures. These statistics reflect the significance of entrepreneurship among the Indian community in Malaysia.

As discussed above, overall scenario raised in Malaysian political and economic sphere, developed a sense of insecurity among local Malaysian Indians. There were primarily two mechanisms to counter the issue; first to enter in employment sectors with relatively less vulnerability especially service sector and second to move to self-employment. Considering this, some Indians moved to self-employment in Malaysia. This section tries to analyse this employment shift, with the help of information collected during the study.

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<sup>62</sup> See Annexure 6.3- Percentage of Income by Primary Source of Income of Head of Household and Ethnic Group, Malaysia, 2012 and 2014

Among total 35 enterprises, 23 were established by respondents without any previous experience. As informed by a grocery store owner, he was previously working in nearby office. The employment pursued by him was economically not sufficient. So, he started a small coconut stall in Little India. Profit accumulated through coconut stall helped him to establish a shop. The shop is located on the main street of Little India. Over time he also started another shop in the residential neighbourhood. The store was established in 1991.

*My father established the restaurant in the 1980s. My father came along with one of his friend in 60s to work on plantations. Initially, he worked in farms after few years; he came to Brickfields to work on nearby offices. He worked there for some time, after that, he thought to establish his own business. (A restaurant Owner, Location- Little India, date- 11.04.2017)*

As informed by many respondents, creation of enterprise was a choice to gain better economic opportunities. Many enterprises were established outside Little India and later shifted to Little India. As informed by one respondent, the enterprise was established by his father in 70s. At that time, the shop was small and located in another area of Kuala Lumpur. Later it was moved to current location (Little India). The reason for the shift was to get more Indian customers since the restaurant is serving Indian ethnic food.

The process of establishment of enterprise by the entrepreneur without any previous experience found to be common among the respondents. Most respondents were working in other sectors and established the shop. This process also reflects the entrepreneurial innovation and risk management by Diaspora community.

Many respondents also established the enterprise after gaining experience while working in other shops. Seven respondents gained entrepreneurial experience after working in another establishment as workers. Among the respondents, some respondents had previous experience of working in shops located in Little India and other places as workers. After working there for some time, they intended to establish the organisation. For example, a respondent with food joint and magazine shop informed that his father was in other parts of Malaysia till the 1980s and later moved to Kuala Lumpur in search of better employment. In Kuala Lumpur, his father worked

in the shop of another Tamil Malaysian for nearly seven years. Later, in 1992, his father opened a garment shop in Klang. The shop was a small shop with a collection of Indian clothes. In this case, a preparation period of seven years can be considered as the time taken in establishing the enterprise.

Like the experience mentioned above, one jewellery store owner also had similar background. The entrepreneurial experience was gained after working in another enterprise. His father came to Kuala Lumpur to work with one Tamil Jeweller, whose shop is on the other side of Little India. For quite a reasonable amount of time, his father worked with the jeweller. 10 Years ago, his father started the shop. As informed,

*My father came to Malaysia to work and help one of his known jewellers. He spent not less than 25 years working in the same shop. There he learned all the skills needed for the establishment shop. Then ten years ago, he established this shop. (A Jewellery Store Owner, Location- Little India, date- 14.01.2017)*

Like the experience mentioned above, other respondents also shared their entrepreneurial background. One respondent, an owner of a hotel informed that his father established the enterprise after working in one shop here. He worked there throughout his life. His father initially established a small restaurant with the help of personal savings and support from some friends. Over time, his father realised the need for a good hotel in the area, and he had land available with him; so, he constructed the hotel on the same land. Development of enterprise after gaining experience upon working in other enterprises can be seen as a relevant point of initiation. Working in other enterprises provided them with exposure to establish the new venture.

Along with others, three respondents were new Diaspora in Malaysia and established the shop with the help of advice received from their friends. Unlike second and third generation Diaspora, first generation people took relatively less time in establishment of shop. One respondent, an owner of restaurant, from Punjabi community, came to Malaysia in 1979 and established the business within five years of arrival.

Two enterprises were set up by a member of household as a secondary economic source. Among respondents, two female respondents expressed the role of organisation as complementary to the existing enterprise being run by another member of family. One respondent, an owner of a flower shop, discussed the reason behind establishment of secondary enterprise. She established the shop in 2009. Before that, she was working along with her husband in their restaurant. She started the shop after advice from friends and husband. They suggested her to open shop, as demand for flowers is continuous and that time few flowers shops were there. Further, flower shops do not require extensive engagement, and mostly, work time is few hours in morning and few hours in evening. In spare times, she can help her husband or take rest. Furthermore, flower transportation is taken care of his son. This helps her in handling the shop efficiently.

As informed by her:

*I opened the shop with the help of financial support from husband. As the shop is relatively small and does not require much money, financial support from husband was sufficient. Other than this, I did not take any support from anyone else. (A Flower Store Owner, Location- Little India, date- 17.01.2017)*

The details shared by above can be related to experiences of another respondent, owner of a Beauty Parlour as well. Respondent's husband suggested her to open shop to gain economic security. She established parlour in 2009. Earlier, she was working along with her husband in their restaurant. She started parlour after getting advice from friends and husband. They suggested her to open shop, as the demand for parlour is continuous and that time few parlours were there.

As observed the organizations were established with self-orientation and individual motivation. No enterprises were established under the partnership or taken over by any respondents. All enterprises were established and development by respondents themselves.

#### 4.10. Resource Mobilization Process

Capital has been an important constraint for any business development (Kumararajah, 2016). The entrepreneurial innovation does need an amount of financial support to process the venture. Indian Diasporic entrepreneurship in Malaysia has been mostly a micro-capital enterprise market. Almost 91% enterprises are established and working as a small venture (Kumararajah, 2016). Therefore, it is essential to analyse the process of resource mobilisation while establishing the enterprises. After analysis of responses received from respondents, three significant sources of finance were observed; personal savings, family & friends, and financial institutions. Role of each of these sources is discussed below to gain insight about resource mobilisation process in Indian Diasporic entrepreneurship.

**Table 4.13: Financial and Logistic Sources**

S. No.	Source of Finance	Number of Respondents
1.	Personal Savings	7
2.	Family and Friends	6
3.	Local Tamil Community	0
4.	Financial Institutions	1
5.	1 & 2 mentioned above	3
8.	1 & 3 mentioned above	4
9.	2 & 4 Mentioned Above	1
10.	1 & 4 Mentioned Above	1
13.	1,3,4 Mentioned Above	4
14.	1,2, & 4 Mentioned Above	8
Total		35

As reflected in Table 4.13 above, seven enterprises were established with the help of personal savings only, while eight enterprises were established with the help of personal savings, friends & family, and bank loans. Slightly lesser than this, six enterprises were established with the help of financial and logistical support received from friends, and family. Three enterprises were set up with the help of personal savings and friends & family. Four enterprises were established with the help of personal savings and local Tamil community and similar enterprises with the help of personal savings, local Tamil community and financial institutions. Only one enterprise was established with the help of bank loan. Another enterprise was set up with the help of friends and family and financial institution along with one more

enterprise with the help of personal savings and financial institution. No enterprises were established with the help of local Tamil community only.

Each of these support segments is discussed below:

### **Personal Savings**

*The joint (food) was not a very big establishment. The amount required to start the business was not big enough, and I had no requirement for anyone else's support. The local community was always available for any support, but I had no requirement. I established the shop with my own money. (A restaurant Owner, Location- Little India, date- 13.04.2017)*

Since Indian Diaspora are mostly small-scale entrepreneurs, role of personal savings is considered as most crucial support. Seven out of 35 respondents had developed their businesses with the help of personal savings. One respondent, an owner of food joint informed that the joint was established with the help of personal savings. The shop was relatively small and does not need substantial investment. While discussing about reason for opening of an enterprise with the help of personal savings, requirement of intensity of capital in opening the venture, need to be considered as an essential dimension. All six respondents informed that the enterprise was small at the time of establishment. Therefore, it had very less requirement of money.

As discussed, finances were managed by respondents, but logistics arrangements were still an important issue. As discussed by one respondent, the shop was established with the help of personal savings of his father (founder). However, many arrangements such as space for a shop, permissions from municipal office were managed with the help of friends and relatives from the community. Overall financial part involved in the establishment of enterprise was managed by his father only, but logistics part needed significant help from the friends of his father. Similarly, in case of two more respondents, financial side was taken care by respondent himself, but local community members and friends provided logistics help.



## **Friends and Family**

Enclaves are primarily a concentrated ethnic area with significant presence of previously connected people based on ethnicity, culture, or homeland. Similarly, Little India has been an essential ethnic enclave for Indians. Considering this, the role of family and friends in development of business of enclave members cannot be seen as a unique event. As informed by one respondent, the enterprise was established with the help of financial support from his father and in-laws. The location was also arranged by his in-laws, with the help of some local people. Establishment of enterprise was done with the help of many people. In this case, role of in-laws has become an important matter. Another respondent established shop with the help of financial support from his father and support received from friends. The location was also arranged by his father, with the help of some local people.

Unlike the instances mentioned above, one female respondents received financial support from her husband to establish the enterprise. As the shop is relatively small and does not require much money, financial support from husband was enough. Other than this, she did not take any support from anyone else.

*I took a loan from my husband, which I returned after some time. The requirement of the money was not very big. I wanted to go to the bank for the money, but my husband provided the money. This business is a secondary source of income for our family. All the money is going to family only. (Flower Shop Owner, Location- Little India, date- 16.01.2017)*

## **Personal Savings and Family & Friends both**

Three respondents established the enterprise with the help of both personal savings and family & friends. One respondent, a grocery store owner informed that the shop established by him is a collective effort of his friends. He established shop with the help of his family savings and support from friends. Similarly, one restaurant of Little India was established with the help of family savings and help from friends. His friends arranged nearly fifty percent of money needed to initiate the business. His friends helped him to find a shop.

## **Personal Savings and Tamil Community**

Four respondents established the enterprises after receiving help from local Tamil community. As informed by one respondent, the shop established by respondents' father using two sources. First, personal savings and second, Tamil community. In development of this business, community played a crucial role.

Another respondent elaborated the role of Tamil community in the establishment of his business. He informed that the establishment had no need of significant investment. Financial side was taken care with his savings; however, other factors such as networking with flower distributors and allotment of shop by local administration were achieved through community members. One of his friends also gave him his small trolley to transport flowers from distributors.

*My shop is not a big shop. I had to manage two big requirements. First, application procedure for the allotment of the flower shop and second purchase of trolley to transport the flower. In both the cases, the local community proved extremely helpful. For the documentation, many of the community members provided help. I had no money to buy the trolley, but one of my friends has provided his trolley to me. (A Flower Shop Owner, Location- Little India, date- 17.04.2017)*

## **Family, Friends and Financial Institutions both**

In case of one respondent, family & friends and financial institutions played a crucial role. As informed by him, he established the shop using financial support from his father and support received from his in-laws. Location was also arranged by his in-laws, with the help of some local people. Establishment of enterprise was made possible using support received from many people. Above mentioned case provides the details of friends and families in opening of enterprise. In this case, local Tamil friends went beyond community lines, since the respondent was non-Tamil. Local Tamil friends provided required support.

### **Personal Savings, Family & Friends and Financial Institutions**

Eight establishments were a joint effort of personal savings, family & friends and financial institutions. Establishment of shop is an essential example of community engagement. Many of his friends provided financial support in opening of shop. Part of the money was given by his friends, while a significant amount of money was arranged from bank. Overall establishment of shop was a collaborative initiative of respondents and friends & family. A similar case can be observed in establishment of four other enterprises.

Further, some instances, go beyond the line of ethnicity. One Muslim restaurants had a noteworthy establishment history. His organisation was established with the help of friends only. Respondent informed that his friends include Hindu and Christian Tamils also. Most friends are Tamils, and they helped him to rent the shop. In fact, his previous shop was owned by his Malay friend. The person did not even charge any rent. One of his friends arranged the current shop. Further, many of his friends also provided financial support in opening of shop.

These two instances are example of cultural and homeland binding among Malaysian Indians. Second instance reflect that the Tamil community of Malaysia is not just restricted to welfare of own community. Instead, initiatives were traced, where community members helped other community people in their pursuit of business success.

### **Personal Savings, Tamil Community, and Financial Institutions**

As mentioned above, friends and families have been a crucial support for the development of many businesses. While at the same time, role of local Tamil communities cannot be ignored. Few respondents received support from Malaysia Tamil community while establishing shop in Little India. Many Tamil Malaysians provided logistic as well as financial support. His father also took a loan from bank and used his savings. Also, the respondent informed that the land and resources were not very expensive that time. With the help of Tamil community, bank, and his savings, his father could initiate the business with his friend. However, after closure

of first business, it was difficult for his father to receive financial support from bank, as he could not return money, but local Tamil community proved very helpful and provided adequate financial support to start this business.

In case of another respondent, role of Tamil community was very crucial. Respondent's father (founder) received support from Malaysia Tamil community to establish the shop. Many Tamil Malaysians provided logistic as well as financial support. Other than this, using financial support from local bank and savings of father, the business came into existence.

Cases mentioned above provides adequate examples to consider the role of local Tamil community in development of business. In both cases and some cases mentioned above, the local Tamil community played a crucial role.

### **Other Instances of Resource Mobilization**

Other than cases mentioned above, respondents also used other form of resources while establishing the enterprise. As informed by one respondent, the shop was established with the help of mainly two financial sources. First, his family property. He had a piece of land in nearby place, which he sold and able to manage some money. Second, he took some loan from the local bank. The person is a local citizen so that he could get loan also. Both the sources helped him to initiate the business. His father repaid most of the loan amount, and he repaid remaining amount.

As observed from cases mentioned above, none of the enterprise was entirely supported by local Indian community. However, local Indian community partially supported some enterprises, but none of the enterprises were supported entirely. Among the respondents, one respondent, an owner of Beauty Parlour opened the enterprise with the help of financial support from the bank. One respondent also established the enterprise with the help of personal savings, family & friends, and Tamil community. The hotel was established with the help of three financial sources, first personal savings of the owner and his father, second financial support from the bank and third financial help from friends. The social capital played an essential role

in the opening of the business as most of the issues about the opening of the enterprise was taken care by the community members and friends.

## **Summary**

Indian Diasporic entrepreneurship in Malaysia is an example of typical enclave businesses. The country has nearly 11 official, and un-official Little India spread to all states. Many of these Little India is located in the centre of city (Penang, Klang, Brickfields). Therefore, new entrepreneurs have relatively less chance of risk while establishing a business in Malaysia. Since majority prefer setting up business in these ethnic pockets which are in almost all parts of Malaysia. Considering this, settlement of selected respondents in Little India, Brickfields is not a unique event, even when 28 of these respondents came from other parts of Malaysia. As observed from the case studies, respondent while stating about reason of migration to Brickfields, majorly used cultural attraction and community in their responses for the migration to Little India, followed by keywords like same community, India, better wage, and others.

As observed, ethnic entrepreneurs in Malaysia mainly belong to similar ethnicity, with similar social structure, and geographic location. Individual-centric enterprise located in different parts of geography cannot be considered as enclave entrepreneurship since the enclave economy mainly feature the business location concentrated by similar ethnicity (Zhou, 2004). The development of ethnic entrepreneurship is mostly a result of this argument. Business in these concentrated areas broadly functions within the Diaspora neighbourhood for own ethnic groups consumption (Zhou, 2004).

The chapter was an attempt to fulfil one most critical objectives of this study, which is to understand the process of transformation of workers to entrepreneurship. This chapter outlines the overall process of entrepreneurship establishment and functioning by Indian Diaspora in Malaysia. The chapter minutely looked into factors such as process of immigration, development of ethnic concentration, resource mobilization and other factors needed to establish the business. Further, the analysis has been presented using narratives of respondents to provide information as it is.

Next chapter of the study will attempt to analyse the overall process of entrepreneurship development among Indians in Malaysia. The chapter investigates the role of individual traits, organizational strategy and institutional environment. Further, the next chapter will also discuss the role of homeland in the process of Diasporic entrepreneurship.

## **Chapter-5 Cultural Embeddedness and Diasporic Entrepreneurship: Role of Individual Traits, Social Networks, and Market Environment**

*Entrepreneurship is a way to develop self-reliance. This gives an opportunity to develop more sustained economic means. Many of us with enterprises here was working as a salaried worker. We had sufficient means to feed our family, but there were no economic development prospects. For years, we were a worker with limited means. However, development of enterprise bought a significant change. Because of enterprise, today, I can gain economic sustainability and help other people in my community (A Respondent, Location- Little India, date- 19.04.2017).*

Migration from rural to urban areas and less developed to developed countries has been a reality of human society. A number of scholars have conceptualised this issue and engaged at various levels of analysis (Fee & Rahman, 2014; Lewis, 1954; Rahman & Lian, 2011; Ranis & Fei, 1961; Thomas Bailey & Roger Waldinger, 1991; Wilson & Portes, 1980). Lewis (1954) and Ranis & Fei (1961) argued that the economic reason forces labourers to move from rural to urban areas. In this type of migration, wage differentials play an important role. On a related note, Immanuel Wallerstein (1980) argues that the work system has always followed centre-periphery model. According to this model, workers from periphery always tend to move towards centre. Following this, migration from less developed areas to developed areas has been an integral part of every society.

In destination countries, migrants also seem to engage in changing jobs, professions, place of work, etc. As stated by various scholars (Fee & Rahman, 2014; Rahman & Lian, 2011; Thomas Bailey & Roger Waldinger, 1991; Wilson & Portes, 1980), migrants after settlement at the destination countries, always try to change their employment to gain better economic prospects. Among available opportunities, entrepreneurship has been a significant economic prospect for migrant workers. To capture this phenomenon, the concept of Diaspora enclave has been coined by Wilson & Portes (1980) in their work on Cuban community.

South Asian labour migration to East Asia and Southeast Asia has been a centuries-old phenomenon. Number of academic works have dealt with the migration and settlement related issues (Kaur, 2004; Marimuthu, 2016; Marimuthu, 2016; Rahman & Ullah, 2013; Sandhu, 1969). While migration has been a focus area of many researchers, issue of Diasporic entrepreneurship was not given much concentration in context of Malaysia. Few existing works on Diasporic entrepreneurship have either focussed on American and European countries or on some specific issues related to this process. Diasporic entrepreneurship in context of East Asia and Southeast Asia (for e.g. Fee & Rahman, 2014 and Rahman & Lian, 2011) have also not been addressed comprehensively.

Indian Diasporic entrepreneurship in Malaysia is mostly concentrated in the areas of high ethnic concentration of Indian origin people or Indian Diaspora. Wilson & Portes (1980) have observed that the neighbourhood plays a vital role in the development of ethnic business. Central philosophy behind development of ethnic enclave economy is to fulfil ethnic demands of community members. In this context, this chapter tries to provide an overall picture of Indian diaspora entrepreneurship in Malaysia, with the analysis of role of individual attributes, enterprise level innovation, role of market environment and home country relationship.

### **5.1. The Role of Individual Traits in Entrepreneurship**

Entrepreneurship is a complex interplay of a range of factors, which include individual traits, social capital, market environment and opportunity structures (Rath, 2009). At individual level, the circumstances broadly influence an individual's attitude and orientation. How an individual utilises the prevailing circumstances to become a successful entrepreneur, At the individual level, a Diaspora entrepreneur creates a wave of inter-relationship between homeland and host land with the help of ethnic products and neighbourhood relationships (Rahman and Fee, 2014). As members of Diasporic community, these entrepreneurs have access to two markets simultaneously; homeland and host land; they possess capability and strength to put forth new market demands, for example; pickle market in western countries, Bollywood market in European countries. The entrepreneurs' usage several socio-cultural attributes to enhance the prospects of entrepreneurship. Each of these traits



and their role in the development of Indian Diasporic entrepreneurship in Malaysia are discussed below.

### **Role of Psychological Traits**

The psychological trait is an important part of entrepreneurial innovation and success. Psychologically empowered orientation towards entrepreneurial success leads an individual to have a sense of innovation, ability to take risk, organisation building, vision and need for achievement. In entrepreneurial profession, success depends on individual's psychological strength. This capability can differ from one individual to another (Fee & Rahman, 2014; Alejandro Portes & Jensen, 1989; Alejandro Portes & Sassen-Koob, 1987; Rahman & Lian, 2011; Thomas Bailey & Roger Waldinger, 1991; Wilson & Portes, 1980; Zhou, 2004b). The psychological willingness of an individual proves an important aspect at various stages, which include opportunity recognition stage, organisational development stage and future planning stage. In general, the organisational success completely depends on individuals' aspirations, hunger for achievement, the capability to take a risk and innovative strength. At psychological level, all these create important reasons for success.

Indian Diaspora business development in Malaysia is an example of individual-level success. As discussed in the previous chapters, entrepreneurs usually started working in the host country as wage labourers. Their sole motive of migration to another country was to earn some money to save for family living in India. However, over time, they took risks and developed small businesses with the help of friends and the local community. When they started, neither they had financial capital, nor received any financial support from the Malaysian Government. The entrepreneurship was entirely an individual level affair. In general, from the planning stage to execution stage, from establishment stage to development stage and for all the future plantings, the role of the psychological strength of entrepreneur can be considered as very crucial.

This issue was discussed with the respondents. One of the respondents informed that he established his shop to fulfil the demand of local Tamil Community and the location of the shop is in Little India. The business was established to serve Tamil

Community living in the neighbourhood. Furthermore, there is no cultural shift, as the business or entrepreneurial interaction with others is minimal. Above all, because of high concentration of people from the same community, the risk factor decreased. The entrepreneurs do not have to worry about customers since the market behaviour is limited and usually do not change. The demand for a product does not change with any external factor. Most of the products are for local Malaysian Indian consumption. This is an essential aspect of risks and uncertainties are important psychological factors in the development of the business. Because of the availability of ethnic specialised market area, the customer usually visits the shop and entrepreneurs need to face a minimal level of uncertainty.

In case of another respondent, who is an owner of hotel and restaurant, his ethnic background is significant for the development of his business. The process of development of business has primarily succeeded because of his community identity. His social network helped him in his economic pursuits. In this case, both ethnicity and cultural background have helped the entrepreneur to develop the business and counter any uncertainty. As discussed by many scholars (Fee & Rahman, 2014; Alejandro Portes & Jensen, 1989; Alejandro Portes & Sassen-Koob, 1987; Rahman & Lian, 2011; Thomas Bailey & Roger Waldinger, 1991; Wilson & Portes, 1980; Zhou, 2004), the ethnicity of an entrepreneur provides an edge in dealing with any external threats and possible risk and uncertainty. As stated by the respondent,

*There is always a risk in shifting from one economic activity to another. My father was working as a salaried employee. His idea of opening a business could have been a success as well as significant failure. However, my father took a risk and initiated the business. Our ethnic background proved very important for the development of the business. I think, today I am successful because of my community and Tamil identity. My social network has always helped me reach a better economic position in my life. For me, my Tamil identity is significant for my current journey and future plans (A Restaurant Owner, Location- Little India, Date- 12.04.2017).*

A similar issue was discussed by another respondent, a food joint and magazine shop owner. He considers his ethnic background as an essential aspect of the development of his business. He said the location of the shop has a vast customer base automatically. While opening a big restaurant may require a considerable amount of

money as investment, the small eatery like his shop does not need lots of financial investment. His business provides him a decent amount of income, considering the plausible customer base in the locality. Further, he also maintains a vast network of regular Tamil customers, who come to the shop frequently, to eat and read the newspaper. In general, the restaurant is a meeting point for many people who live or work nearby, as he is also a senior person and he has been living in the same area for a long time. In this case, the two reasons played an essential role in dealing with entrepreneurial risk; first, ethnicity of the customers and secondly, the location of the shop. In both the cases, the owner estimated the success considering his ethnic background and market base.

A similar pattern of responses was also received from other respondents. In most of the cases, the entrepreneurial estimation of success largely depended on ethnic market dynamism and location of the enterprises. Therefore, it can be assumed that the opening of a shop inside Little India in many instances automatically generates guaranteed customer base.

### **Importance of Knowledge of the Market**

The possession of detailed information about the market opportunity and associated risks is crucial for an entrepreneur to strategies the establishment and development of an ethnic enterprise. Also, pre-understanding of the local environment and social relationships are an essential of pre-requisite for the enterprise development (Wilson & Portes, 1980). This enables the entrepreneur to use the available market trend as per best profitability requirement. Further, familiarity with the local population's tastes and preferences can help in estimating the local market's demand. Considering this, the prior information and knowledge of the market environment is an added advantage for the entrepreneurs.

The case of Indian entrepreneurs in Malaysia also embodies a similar case. Since the market actors mostly (80%) belong to a similar ethnic and cultural background and have been living in close association with each other, the idea of entrepreneurship represents a safe occupational option. Table 5.1 below provides details of settlement

of Indian ethnic entrepreneurs in Malaysia.

**Table 5.1: Average Time Taken in Opening of Enterprise**

Time Duration (From year of immigration to Year of Establishment)	Total Number of Enterprises
More than 100 years	13
50 years to 100 years	15
35 years to 50 years	3
Ten years to 35 years	2
Less than ten years	2
Total number of enterprises	35

Source: Compiled from interviews of Indian entrepreneurs in Little India.

Table 5.1 mentioned above reflects the total years spent by Diaspora in Malaysia before opening of enterprise. Based on an approximate year of arrival in Malaysia, all ‘not known’ responses regarding arrival in Malaysia have been converted with 1900. The approximate year has been considered to provide the average years of presence in Malaysia. As reflected in the table, 13 respondents/families had experience of living in Malaysia for more than 100 years. The number reflects family history, where grandparents or great-grandparents may have arrived, and respondent was born and brought-up in Malaysia only. Among the 35 respondents, 15 respondents/ families had spent 50-100 years before opening the enterprise. Out of remaining seven respondents, three respondents/ families had spent 35-50 years, two respondents/ families had spent 12 and 15 years respectively and remaining two respondents/families had spent eight years and four years respectively.

Most of the respondents/families had more than one generation of experience of living in Malaysia. This amount of time is sufficient to gain the adequate information and knowledge of the field. Further, Little India was primarily a residence of Indian community; opening of an enterprise provided them with pre-established customer base. As stated by one of the respondents,

*The demand for Tamil food was one of the most important motivations for opening the shop. At that time there was not many food joints were there. My father started the shop to sell Tamil Ethnic food only. Since then till now we sell original Tamil food. However, we have a stall for Malay food also, but that was created to attract visitors, who came to this site to visit tourist places. Otherwise, no one demands those foods (Malay, Chinese) here (A Restaurant Owner, Location- Little India, Date- 11.04.2017).*

Statement mentioned above indicates that the respondent had prior knowledge about food habits of both local communities and visitors. His family has been introducing changes in the business over time. However, this reflects the risk-taking strategy adapted in adding Malay/ Chinese products to the original Tamil cuisine, and the entrepreneurial knowledge and related innovation. Overall in the case of Indian Diaspora entrepreneurs in Malaysia, the possession of knowledge of the field is a result of a continued history of arrival and settlement.

### **Significance of Skills**

In addition to availability of market space, ability to understand products needed in the local market is an essential requirement in ethnic entrepreneurship to succeed. An entrepreneur functioning within a ethnic market would have adequate economic security against possible failure. However, there is a pre-requisite to understand the actual demand; a need to understand and identify possible sellable products. The ability of an individual to understand the market assumes a critical role. As a member of ethnic enclave, an individual can have information and knowledge of scarce products or services, but selection of most appropriate products and foresee possible success, entirely depends on individuals' psychology.

In case of Little India market in Kuala Lumpur, Malaysia, different categories of shops reflect ethnic requirement of the market. Nearly 25 percent of shops in the market cater to ethnic food demand, specifically Tamil food. After this, nearly 20 percent of the enterprises are grocery shops. The grocery shops in Little India, mostly comprise of Indian ethnic products.

Most of the products sold in grocery shops are food items, personal care products, household items, religious products, etc. required by the Malaysian Indian community. Further, the exterior appearances of such enterprises usually bear an ethnic look to attract Malaysian Indian customers. It is more evident in the case of flower shops. Generally, the flower shops are small in size, mostly like a stall and provide employment to one or two individuals. Similarly, beauty parlours also consist

an essential segment of small-scale enterprises. Most of these beauty parlours bear Indian names to attract only Indian customers. Overall, Little India consists of various enterprises that primarily cater to the needs of Malaysian Indians.

To offer ethnic products to a specific consumer base, it is essential for an entrepreneur to understand the demand of market before selection and opening of a particular category of enterprise. The case of one of the Punjabi restaurant gives detailed information about understanding of specific demands. As per his response, after working for nearly five years in other parts of Malaysia, the respondent moved to Kuala Lumpur. This shift took place after getting advice from some of his friends to open a restaurant in Kuala Lumpur. His friends suggested him to open a north Indian food stall. Initially, he opened the shop outside Kuala Lumpur Railway station. The shop did well. In between Malaysian Government started construction of KL Sentral railway station, and many trains were shifted to KL Sentral. After this, his customer base got decreased, and he had to rethink on his business location. In 1997, after getting help from few of his friends, he opened a shop in Little India, Brickfields. In this new location also, the shop continued to serve the North Indian food to customers.

The case of Punjabi restaurant in Little India has two crucial aspects to be analysed. First, the person was non-Tamil, so identification of opportunity and understanding of requisite demand by him, provide a remarkable case of analysis. Second, the role social capital played in enabling his aspiration to open a Punjabi restaurant in Tamil dominated area. The issue was discussed with the respondent. According to him, the restaurant serves mostly North Indian food. The shop is doing well considering some important reasons- first; there are very few shops in the area, which served North Indian food. Second, there are number of people including labourers and security guards in the area, who do not like South Indian food and want to have North Indian food. Third, many Bangladeshi and Pakistani migrants also want to have food like Roti-Dal, etc. Fourth, many tourists also visit the shop to eat these kinds of foods. In fact, such a shop is a vital option for a significant number of nearby population. The four reasons specified by the respondent seems to be reliable as Malaysia has an exclusive agreement with Nepal for the hiring of Security Guards. As these security

guards are from Nepal, they usually like to eat North Indian food. This provides an opportunity of choice food for the Non-Tamil people living there.

Another example of identification of requisite demand of the market is an example of hotel business in Little India. The hotel is located near the central street in Little India. The hotel accommodates tourists of all categories and do not specify 'Indians only' approach. This is also reflecting while visiting the hotel. No religious, ethnic, or cultural symbols were used by the owner of the hotel to attract Indians. The shop has general decoration, and Chinese and Tamils can be seen at the reception.

The issue has been discussed in detail with the owner of hotel. The owner informed that the initial motive behind opening of the hotel was to serve local Tami community and Tamil people coming from India. This approach worked well initially. In 2005, he wanted to expand business therefore started a chain of hotels in all over Malaysia. For this, two things were required. First, all hotels should have uniformity, and second, since many of branches were located in Malay/Chinese area, the customer base should be opened for them as well. To achieve this, the owner shifted the cultural orientation of the establishment from Tamil hotel to general hotel.

Another reason for this change is to see the shift in a commercial structure in the area. At the time of opening of the hotel, Little India had lack of transport option, and majority of commercial activities were restricted to Tamil Community only. However, after opening of KL Sentral transport intersection and many malls, the place became economically vibrant. Further KL Sentral also connects Kuala Lumpur to a nearby airport, and inter-city trains also start from there. Therefore, the area became an important transport hub, so many people from other cultural and ethnic origin started coming to this area and the need for accommodation increases. To attract these travellers, the hotel changed the strategy and started trying to focus on other customers also and somehow successfully attracted them.

These are two examples from many to put forth the idea about skilfulness of Indian entrepreneurs in Little India, Malaysia to identify and fulfil required demands. These cases reflect the ability of an entrepreneur to advance self-skills and to enhance the identifiability to convert the possible chances into business opportunities.

Entrepreneurial inventiveness signifies unique ability, orientation, aptitude, skills, attitude, insights of an entrepreneur to capture available opportunities creatively.

### **Significance of Awareness and Strategy**

Psychological willingness, knowledge and information of market environment and possession of skill required to undertake the venture are three essential pillars of an enterprise formation. Upon establishment of enterprise, an entrepreneur needs to know the specific strategy to deal with pros and cons. As stated by Thomas Bailey & Roger Waldinger (1991), for a business to rise, the entrepreneur must have awareness and strategy to enhance the demand for offered services. It is evident that the initial demand for a product offered by entrepreneur typically arises with the Diaspora community. However, the entrepreneur needs to have a strategy to expand the business adequately to move beyond conventional customer base. Further, any market is not entirely free, security of ethnic market is not just for one entrepreneur. Similar security is provided to many other entrepreneurs as well without any biases. This leads to changes in internal conflicts and completion. Here the entrepreneurs' individual mental ability to stand and strategies the presence in the market becomes crucial.

In case of Indian ethnic market in Malaysia, entrepreneurial strategy has a vital role to play. The case studies identified some strategies adopted by businessmen to tackle the risk and uncertainty. One of the most prominent examples is of a coconut seller. As observed, coconut is an important food supplement for Indians in Malaysia. The shop location of the respondent is in front of one big restaurant, with higher customer inflow. The restaurant also sells coconut, and this is obvious for the visitors to take coconut water there instead of coming to coconut shop. To handle this situation, the coconut seller has two strategies. First, he sells coconut one ringgit<sup>63</sup> cheaper than the restaurant, second, he has opened his secondary shop on another street of Little India to attract residential customers. With both the strategies, he intends to enhance the chances of gaining additional financial sources and opportunities. This is an important

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<sup>63</sup> Malaysian currency



example of strategies used by Indian Diaspora business people in Malaysia to handle the expected and existing pros and cons.

Another example is flower market in Little India. The flower shop in Little India has direct relationship with the Ethnic orientation of local people. Most of his customers are local Hindu Tamil, coming to temple for worship. A minimal number of customers uses flowers for their usage. Further, the shop is located in the Tamil area. Therefore the ethnicity and religion play a crucial role in the success of his business. Some occasions, the respondent emphasised the inherited role of religion in the success of his business. Further, the respondent also expressed the necessity of his shop to be in the locality, as his shop serves an essential part of the daily lifestyle of the Tamil population. Therefore the shop serves more than just making a profit.

The market of the flower depends on demand. While some occasions, especially during religious festivals, the demand goes exceptionally high, but at the number of occasions, the sell is stagnant, and most of the customers are a regular customer. The profit margin is also meagre, as the area has many flower shops and he cannot increase the price unanimously. He has to go with the consent of another seller. Here, the respondent has the limited opportunity of going beyond the success trend of the market, since he cannot change the prices or develop the demand. However, the respondent employs two critical strategies; first, he always tries to have a variety of the products, along with the regular flower demands, he tries to add new varieties as well to attract new customers. Second, he tries to open the shop little more than the usual timing, to get additional customers. As stated by him:

*The flower business is not a big business. Here I have not much scope for development. I cannot change the price of the product since shops are very close by and customers know the market rate. If I try to raise the prices, I will lose my customer. Therefore, I have to go to the market and try to develop my business within the available opportunity. – (A flower store owner, Location- Little India, Date- 11.04.2017)*

Another example is of a food joint and magazine shop. In this case, the entrepreneur had small eatery with essential food items. The joint was opened in 2003 with personal savings. Here the magazine shop is a strategy of entrepreneur to attract regular customer. All magazines were Tamil and published in India. In fact, the idea

is not to sell the magazines, but to get customers to read and eat at the food joint. The magazines are primarily imported from India so that the visitors get unique literature in the shop. This approach is also a strategy to tackle any adverse circumstances. The shop has over time made a strong customer base with the help of Indian magazines. Due to this, the respondents could be able to have sustained economic security.

These are some of the individual level strategies adopted by the Indian entrepreneurs in Malaysia to counter any risk and utilise the available opportunities. In most of the cases in Malaysia, development of customer bases is not a difficulty for the entrepreneur, however, maintaining the base can be a difficult job. During the visits, not a single incident of entrepreneur failure was observed, but at the same time, increase in the enterprises was also observed. This is a fact that the Indian population has not seen a significant increase in the total Malaysian population. The percentage has gone down from nearly eight percent to 6.2 percent, while the number of Indian enterprises has seen a significant increase, especially after enactment of New Economic Policy and Malaysian Development Plan. In this, high level of increase in Indian enterprises can lead to higher internal competition and need for more active strategies. This section tried to put forth some of the examples of the individual level risk counter strategy. Some other strategies are also discussed in the previous chapter.

### **Role of Personal Attributes in Development of Business**

Entrepreneurs at individual level has unique role to play in the process of enterprise development. As described by Zhou (2004b), an entrepreneur is the driver of development with innovative strategies and ideas to take the risk and uncertainty. These functionaries forecast the market need and provide the new products to fulfil the demands. For an entrepreneurial innovation, an individual's attributes are critical. Not all individuals possess required traits to become successful entrepreneurs (Thomas Bailey & Roger Waldinger, 1991). An entrepreneur possesses and has the support of various factors which s/he utilises adequately to formulate the business.

Unlike entrepreneurs, who tend to have knowledge and information of local circumstances, Diaspora entrepreneurs tend to be more risk takers with more insecure

prospects of success than other entrepreneurs. A Diaspora entrepreneur not just take the risk to develop the business but change the environmental preferences in his/her favours to get the support of the business. In most cases of Diasporic entrepreneurship, the entrepreneurs do not get institutional support. The business planning and strategy largely depends on informal networks. Further in most of the cases, the knowledge of the Diaspora is also limited or based on their ethnic market, which tends to be small for open competition. Even with these problems, entrepreneurs take a risk and change these in their favour with the personal will and attributes.

In case of Indians in Malaysia, some examples of personal attributes observed and analysed. One of the grocery store owner informed about entrepreneurial success with the help of business development. The shop was established by him in 2005, with the help of financial support from his father and support received from friends. The location was also arranged by his father, with the help of some of the local people. The establishment of the enterprise is the help of many people. Friendship and ethnic networks have played an essential role in the development of this business. Many people from locality supported him when he was in need. Many of his friends also provided financial support at the time the shop was not doing good, and he had already asked enough support from his father. He has been running the shop since last 12 years, and there were times, when he had to suffer finically, that time his friends and local community provided support to him, in return he also supports people, whenever they have any need.

*I am in need of support many of times. Every time, I cannot go to my family and ask for the support. Here, my friend has played a crucial role. Whenever I needed any financial and other support, my friends have always stood with me. In fact, a similar case is of many of my known businessmen. Our community relationship is solid. We always help each other in case of need. I have myself supported many of my known people. - (A Grocery Store Owner, Location- Little India, Date- 16.01.2017)*

As mentioned above, personal attributes have played a significant role. The respondent could connect with the local community and gain support. In this case, similar cultural background can be considered as an essential catalyst for internal cooperation. The study also found that similar support level received by some of the

non-Tamil respondents. For example, in case of a first generation Muslim Diaspora entrepreneur, the personal relationship played a significant role. In this case, the entrepreneur left India during the 1990s along with some of his known people. They left India along with few of his friends as a labourer and got appointed in a construction company in Saudi Arabia. There he worked for nearly five years. In between, he also developed a network with Malaysian recruiting agents. In 1995, he came to know about the opportunities in Malaysia and came to Malaysia along with few of his friends and Family. Initially, he worked in Malaysia as a worker, in a restaurant. After working for nearly three years, he established a small food joint after getting advice from some of his friends to open a restaurant in Kuala Lumpur. His friends suggested him to open a Muslim Halal Indian food centre. Initially, he opened the shop outside Brickfields Asia College. The shop did well and later he rented a shop nearby and started a complete shop.

The organisation was established with the help of friends of the respondent. The establishment of the shop is an essential example of community engagement. Further, it was also informed that his friends include Hindu and Christian Tamil also. Most of the friends are Tamils, and they helped him to rent the shop. In fact, his previous shop was owned by his Malay friend. The person did not even charge any rent. One of his friends arranged the current shop. Further, many of his friends also provided financial support in the opening of the shop. In fact, the money saved by him was not enough to rent the property. Part of the money was given by his friends, while his friends from the bank arranged a significant amount of money.

The case mentioned above represents a strong occurrence to see the impact of personal attributes in the development of the business. Here, the network developed by the entrepreneurs went beyond the ethnicity and religious line and provided financial and logistic support. Similar cases were also observed during the study. Personal relationships and networks have played an essential role in the development of the business. Personal attributes of the entrepreneur seem to help in the socio-economic development of the enterprise. This enhances the socio-cultural relationship with community members and customers and helps in the development of active entrepreneurial engagement and profitability.

## **Innovative Practices and Risk-Taking Mechanisms**

As discussed by Knight (1921), risk and uncertainty are the pillars of entrepreneurship development. The success of the entrepreneurship depends on the innovation and motivational stamina of the entrepreneurs. As defined by (Schumpeter, 1934), entrepreneurs are the driver of economic development. Entrepreneur activities can be seen as the introduction of new good or quality of a good, introduction of new method of production, opening of new market, utilization of some new source of supply of raw materials or intermediate goods, and carrying out of some new organizational form of the industry (Fee & Rahman, 2014:131).

Strategy and innovation play a critical role in the development of Diaspora business. Diaspora population with some vulnerabilities at the host land undertake and formulate some of the ideas to become successful. As stated by Engelen (2001: 212), the role of innovation is very critical for the development of a migrant business. Innovation helps the individual entrepreneur to grow the business and make himself or herself 'as dissimilar as possible from one's competitors'. Migrant retailers, migrant wholesalers, migrant service providers and migrant exporters and importers employ different innovative strategies to access a broader market. Innovation occurs in product innovation, and sales and distribution (Kumararajah, 2016).

The entrepreneurial environment of Little India, Kuala Lumpur, Malaysia does not entirely follow the entrepreneurial model of Knight or Schumpeter since the risk and uncertainty are taken care because of the ethnic neighbourhood and requested demands. However, if considered the entire enclave economy as overall entrepreneurial innovation, the risk and uncertainty come relatively less than any other entrepreneurial innovation. The enclave economy establishes by social capital and trust. The organisations get established to fulfil the demand generated by the enclave members. Despite the continuous threat of economy, political system and security, the enterprises function to fulfil the demand. This also clarifies the reason for having 91% of small enterprises (Kumararajah, 2016). The small enterprises need less investment and ventures are easy to function with lower risk factors, unlike the vast

business, where any change in the economy, political system and security can lead to adversity.

Malaysian Indian Entrepreneurship is a classic case of enclave economy and ethnic entrepreneurship. The products being utilised by the ethnic neighbourhood are fixed and traces back to their old routes in India. The market follows popular culture with no visible strategy of innovation. This is an apparent development of ethnicity-based economy since the available customer always tries to maintain their myths and memory of homeland with the help of products and rituals related to the homeland (Safran, 1991). The argument of Safran can be considered as reliable and adequate in case of an overall feature of Indian Diaspora enclave in Little India. However, microanalysis suggests the availability of some entrepreneurial practices. Therefore, the section tries to understand and identify the innovative practices among Indian Diaspora entrepreneurs in Malaysia. As described by Fee & Rahman (2014:131), the Diaspora innovation tends to function in three ways; with the introduction of new products, secondly, by creating new products and third, by introducing old products at the new location. The section follows these three broader frameworks and tries to analyse the phenomenon in the case of Indian Diaspora entrepreneurs in Malaysia.

### **Introduction of New Products**

Little India is primarily a location with a concentration of Tamil population. All the shops sell Tamil products, which include Ethnic Tamil Food, garments, grocery, and other products related to Tamil populations. However, there are few shops which do not directly relate to the Tamil ethnic requirement. The eatery established by one of the respondents is one of the shops in Little India established by Tamil but serving non-Tamil food. The shop presents a considerable entrepreneurial innovation. The shop includes all Chinese and Malay food products such as noodle and others. None of the food products is Tamil and relates to the demand of local customers.

According to a respondent, the area has mostly Tamil population. All the food items are confined to Tamil only, but there are many people want to eat non-Tamil food also. Initially many people use to go to China Town and other places to eat non-Tamil food. He was also among the person who usually visits China Town or other places to

eat Malay and Chinese food. Considering his attraction towards non-Tamil food, he wanted to take a risk and imitate a small business. His initial business was very small. He along with his brother had just a small corner. The shop had a good response. Many people use to come to taste the food. The experiment became successful and it gives the profit. Over time, he expended the size of the shop.

The case presented by the respondent reflects innovation by entrepreneurs. The opening of the enterprise includes a significant amount of risk and uncertainty. Further the respondent had an option to start a Tamil food centre instead of going for a food category, which does not have regular demand and people only occasionally eat. As observed during the visits, this kind of entrepreneurial approach has a relatively lower segment. However, the incident does reflect a significant event in the process of Diasporic entrepreneurship.

### **Discount on Popular Products**

*“What is your strategy to attract more customers?”*

*No strategy as specific. I sell my coconuts cheaper. The market rate is five to six ringgits for one tender coconut. I sell in four ringgits to everyone... my price has nothing to do with the origin of customers. I charge equal”.*  
(A Grocery Store Owner, Location- Little India, Date- 14.01.2017)

The strategy mentioned by the respondent does not reflect a significant innovation. However, the impact can be observed after standing at the shop for few minutes. The person gets many customers, compared to any other restaurants or joints selling coconuts. The size of his shop is relatively smaller; however, it was observed that he has a good customer base which includes mostly Indians, few Malays and Chinese. Income from the shop mostly relies on selling coconuts along with snacks and nicotine products. It was also observed that his strategy of charging one ringgit less helps him in getting more customers.

### **Strategy to Reach New Customer Base**

Who is a new customer in case of Little India? Either the people coming from geographical areas other than Tamil Nadu, or the local non-Tamil people or tourist. In

case of Little India, there are strategies to get customers from all the sections. As observed during the study, many enterprises located in the area are shifting focus towards non-Tamil customer also. This will not be a correct statement to limit the coverage of the enterprises to the non-Tamil only as good number of local Tamil visit these restaurants. Therefore, in practical term, these entrepreneurs try to reach new customer base as well try to introduce new products to regular customers.

As discussed by Rahman & Lian (2011) and Rahman and Fee (2014) with the example of Japan and South Korea, food has been a significant issue for the migrant workers. Some Muslim Diaspora from South Asian countries usually suffers because of lack of availability of Halal food restaurants. With slight exception, Malaysia is an Islamic country. It is very easy to get halal food, but at the same time, as per the official halal regulation of Malaysia, there is no compulsion for the restaurants to have halal certification. This certification is voluntary if needed; one can apply and get. Since Little India is primarily a Tamil Hindu dominated area, the chances of having Halal businesses are highly minimal. Therefore, any idea to develop a halal shop in the automatically get Muslim customers living in the locality.

The Indian Diaspora in Malaysia are not innovators with few exceptions on food innovations. Only three categories of strategies were observed in general. First, some of the entrepreneurs moved from Tamil only to Non-Tamil also, second, some of the restaurants give discounts to attract more customers and third, some of the restaurants are established with the locality to serve non-Tamil food. As discussed by other Diaspora entrepreneur researchers (Jain, 2003; Kailasam, 2015), the innovative and risk-taking measures are utilised to overtake the vulnerabilities and completion of other entrepreneurs. However, the majority of Indian Diaspora community in Malaysia are culturally restricted and prefer usage of the ethnic product only. This reflects the expected economic security of new entrepreneurs.

Six factors discussed in this section deal with the individual ability of the entrepreneur. The psychological aspect discusses the ability of entrepreneurs to identify and utilises the opportunity. The importance of adequate information and knowledge of the market environment has been discussed in the second sub-section. The third sub-section discusses the importance of entrepreneurial skill to identify the



business. The fourth sub-section deals with Little India entrepreneurs' strategies to deal with the pros and cons. At last, the section provides the importance of personal attributes in the development of the business.

The section broadly argues that the entrepreneurial success not be just a result of the pre-existing market condition and ethnic product demand. The entrepreneurs at individual level put forth an essential contribution to utilises the possible circumstances and make the opportunities viable. The mere availability of financial support need not always convert as an entrepreneurial success, at many of the occasional, entrepreneurial initiatives fails because of lack of entrepreneurial skill (Wilson & Portes, 1980). The six individual-level attributes create essential requirements for entrepreneurial success. In the next section, the study discusses the role of enterprises level attributes in the success of the business.

## **5.2. The Enterprise Level Approaches**

The analysis of individual-level attributes used by Indian Diaspora entrepreneurs in Malaysia put forth some important factors related to entrepreneurial success. However, the success of Diasporic entrepreneurs not only depends on individual attributes, rather enterprise level strategies also play an important role. Factors such as cultural, social capital and network, knowledge and technology transfer, competitive advantage and many others are vital success requirement of the enterprise. Other issues such as financial accessibility, duration of stay in Malaysia, and ethnic community also makes indispensable necessities.

As observed during the study, ethnic businesses in Malaysia start with the small venture to fulfil the demand of the ethnic community. The expansion of size of business primarily relies on revenue generated from their ethnic consumer base. The social capital developed over time plays a crucial role in the success of business. However, this is not always accurate since expansion of business often require going beyond existing ethnic customer base. Many of the enterprise after success and expansion tried to attract non-Tamil/Indian customer also, while many of the enterprises, even after expansion stick to the regular ethnic customer base. This can be

related to firm-level strategy. Each firm can have a separate ideology. Some of these significant dimensions are discussed below:

### **Importance of Cultural Factors**

Cultural factors play an important role in the development of Diaspora entrepreneurship. The Diaspora businesses with an inherent characteristic of fulfilling the absence of homeland products at the host land becomes an emotional factor and essential culture avenue. Most of the products sold in these markets are ethnic and directly relates to the homeland culture (Rath, 2006).

For Indian Diaspora in Malaysia, the homeland identity and cultural preservation have been an essential part of the Diasporic formation. There are two essential reasons for strong cultural preservation among the Indian community in Malaysia; first, the migration took place in large groups. As experienced with the case of other Indian Diaspora countries also (Mauritius, Fiji, Trinidad, Surinam, and other plantation destinations), large-scale migration cannot be considered as an isolated human movement, it also carries a social and cultural capital. Second, group settlement has been a primary feature of colonial migration. Because of group settlement, the migrants' communities tend to continue their socio-cultural practices in destination countries also. Continuation of ethnic and cultural practices at the host land demands availability of specific products. Therefore, the Diasporic entrepreneurship with its primary function to fulfil the demand of neighbourhood, tend to be an essential part of Diasporic communities in continuation of their homeland memory and identity (Baxstrom, 2008; Sandhu, 1969; Sandhu & Mani, 2006).

Table 5.2 mentioned below provides the detail of orientation of Little Indian based enterprises, regarding cultural and non-cultural products. Table 5.2 provides overall business trends, for examples, nearly 95 percent of the restaurants in Little India features Tamil ethnic food only, while few also sell Malay and Chinese. Since most of the restaurants have Tamil ethnic products, therefore the category restaurant has been kept under cultural products.

Table 5.2: Business Orientation of Little India based enterprises

S. No.	Category of Enterprise	Business Orientation
1.	Restaurant	Tamil/Indian Products
2.	Grocery	Tamil/Indian and Local Products
3.	Flower Shop	Tamil/Indian Products
4.	Garment Shop	Tamil/Indian Products
5.	Beauty Parlour	Local
6.	Jeweller	Tamil/Indian Products
7.	Hotel	Tamil/Indian and Local Products
8.	Religious Products	Tamil/Indian Products
9.	Tailor	Local
10.	Travel Agency	Local
11.	Property Business	Local
12.	Cosmetics	Local
13.	Event Management	Local
14.	Hardware and Other Products	Local
15.	Bakery	Local
16.	Book Store	Tamil/Indian and Local Products
17.	Coconut Shop	Local
18.	Hospital	Local

Out of 18 categories of businesses listed above, five sell Tamil/Indian products, three feature Tamil/Indian and local products. Remaining ten categories of businesses feature local products only. Nearly 51 percent of the enterprises located in Little India offers Tamil and or products related to other parts of India. 17 percent of the enterprises offers products related to Tamil/Indian and local as well. This includes product categories like grocery, hotel and bookstore. Remaining 32 percent of the enterprises located in Little India offers local products in general. Here local products refer to services focussed mainly towards serving local Indian community. However, these cannot be termed as cultural products. One of the examples in bookstores. Bookstores can have local or Indian any product. Therefore the category is placed under local services. However, an outer look of bookstores effects strong cultural approach of the enterprise.

As observed, in case of Diasporic entrepreneurship in Malaysia, culture is an adaptive capacity of the Indian community to deal with the local environment. Cultural orientation enables an entrepreneur to assume, forecast and understand the demand and provide an appropriate supply of products.

## **Role of Social Capital**

Social capital is rooted in the entrepreneurial formation among Diaspora communities. The basic concept of ethnic economy, immigrant entrepreneurship, enclave entrepreneurship, neighbourhood entrepreneurship arises with the identification and fulfilment of demands/need of local community (Schumpeter, 1934). Social capital is intrinsic in the development of ethnic entrepreneurship. Starting from planning, establishment, development and operation, social capital plays a key role.

For Indian Diasporic entrepreneurship in Malaysia, the role of social capital can be identified at almost all the levels of business development. Previous chapters of this thesis have given a detailed description of the role of various social relationships in the development of businesses. Analysis of Diasporic entrepreneurship in Malaysia informs that the social capital seems to enhance the entrepreneurial opportunities among respondents and tend to provide a sense of security to counter future risks. Social capital improves the organisations' economic opportunities by facilitating resources towards development of the enterprise.

One of the prominent examples among the respondent is establishment of a restaurant by a Bengali entrepreneur. Bengalis are not a prominent Indian community in Malaysia. As discussed in chapter four of the thesis, majority of new and old migrants were from Tamil Nadu and other Southern areas. In this regard, development of Bengali restaurant in Little India is an important reference point. The respondent left India during the 1980s. He left India along with few of his friends as a labourer and got appointed in a construction company in Penang. There he worked for nearly five years. In between, he also brought his family with him. In 1985, he came to know about the opportunities in Kuala Lumpur. He came to Kuala Lumpur along with his family members. Initially, he worked in a manufacturing company. After working for nearly seven years, he opened a restaurant after getting advice from some of his friends. His friends suggested him to open a Bengali food restaurant. Initially, he opened the restaurant outside Little India street. With the initial success, he expended his business. Currently, he has a well-established restaurant near to the main street of Little India. As stated by him;

*I do not know how things went in my favour. I came here to work as a labourer. Over time I became friendly with some of the local people. They proved as the sole motivation behind the opening of this business. They almost forced me to open the business. They provided all the support. One of my friends also transfers few of his workers to work with me. Today, my business is doing good because of my friends and their help. - (A Restaurant Owner, Location- Little India, Date- 13.04.2017)*

The respondent expressed that the business is helping him as well as other Indian origin people to connect with India, with the help of food. All his products are Indian and help Indian Diaspora community in maintaining the homeland taste and identity. The shop by the respondent is a case of individual as well as community initiative since the shop was opened with the help of his friends.

The case mentioned above provide a notable example of social capital driven enterprise development in Malaysia. Here the respondent was not in a condition to develop the enterprise considering the ethnic, cultural, and financial limitations. However, the local community members provided necessary resources, knowledge and financial support. This enabled the respondent to transform himself from the rank of the worker to entrepreneur.

Another respondent, an owner of religious product shop also discussed the role of social capital in the development of the business. His father established the shop in 1986. His father first established a garment business under a joint venture with one of his Malaysian Indian friends. The shop did well, and both the friends could able to earn good profit. Over time, with the money, both decided to have separate shops. One option was to start a similar shop or to start another shop. The respondent's father decided to start a new business of religious products, as that time there were many shops, but it was challenging to get religious products in one shop. The idea of having a dedicated shop relates to the ethnic demand of the local Tamil population. Initially, the shop was not very big, and most of the products were assembled to fulfil the daily requirement of local people. With the help of money, he had saved; he established the bigger shop in 1986.

The respondent's father received a right amount of support from Malaysia Tamil community to establish the shop. Many people from local community provided

logistic as well as financial support. His father also took a loan from the bank and used his savings. Other than this, the respondent also informed that the land and resources were not very expensive that time. With the help of Tamil Community, Bank and his savings, his father could able to initiate the business. The local Tamil community proved very helpful and provided adequate financial support to start the business. The shop was primarily established to fulfil the demand of local Tamil community. The shop was among the very few shops in the area. Many of the shops were closed, but this shop has over time become one of the biggest religious shops in Little India. Going through the items available in the shop, it was observed that the items sold by the restaurant are related to the ethnic Tamil requirement.

As discussed in both the cases mentioned above, social capital plays an essential role in the development of the business. The role of social capital can be observed at every stage of the enterprise formation. In fact, the entire motive to select Little India as a business location is driven by the idea of having the opportunity to utilise the social capital in enterprise development.

### **Importance of Knowledge and Technology Transfers in Enterprise Development**

Schumpeter has identified five inter-related characteristics of entrepreneurship, which differentiate them with non-entrepreneurs, these are; ability of introduction of a new (or improved) good; introduction of a new method of production; opening of a new market; exploitation of a new source of supply; and re-engineering/organization of business management processes (Schumpeter, 1934). In case of Indian Diasporic entrepreneurship in Malaysia, the technology transfer has mostly been ignored or not seen relevant, since the settlement of Indian Diaspora in Malaysia is not a new phenomenon. The Malaysian Indian continues to have some level of interaction with the homeland, even when they are settled in alien land. Lately, there are no new arrivals. Further, the entrepreneurial preferences are primarily based on community requirement. There is no demand for new products observed. Instead, customers demand products related to their ethnic taste.

In general, knowledge and technology transfer do not play an important role since most of the enterprises are small and cater to the demand of Tamil Community living in Malaysia., However, homeland interaction does play a significant role for many of the organisations. The issue will be discussed in detail in the next section on institutional environment. At the enterprise level, the technological innovation is not very much evident among Indian Diaspora entrepreneurs. Some of the instances recorded are mostly related to firm-level innovation. For examples, the case of one of the spice seller can be related to the process. This is one of the biggest spice shops in Little India. The location of the shop is on the main street of Little India, Brickfield. Most of the spices sold by the enterprise are related to daily requirements of the local community. Overall, the shop caters to the demand of local Tamil population.

The shop was established in 1983. The respondent's father first established a small spice shop for the local community. However, he understood the available opportunity of supplying the products to local food joints and restaurants also. Initially, he started providing spices and food products to local small food vendors and approached nearby restaurants also. Many restaurants did not accept his offer and ignored his business. However, after repeated attempts and since the restaurant owners were also Tamils, they gradually started buying products from him.

The shop did better, and the respondent could able to earn good profits. Over time, the size of the shop also increased, and he engaged his brothers also in the same business. The most tricky thing was contacting the spice distributors and importing things at the lowest rate. For this, his Tamil network worked. He approached many Indian Tamil people and requested them to deliver the products at the competitive rate. At many of the occasions, he had to sell the products on zero profit to gain the customer base. However, with the increasing demand, the profit margin also increased, as he started importing products in large scale.

The case presented above provides the example of innovation and new strategies to gain the market share. In a traditional and small market like Little India, the spices are usually seen as a secondary product. However, even after knowing about the expected difficulties, the respondent initiated the enterprise to introduce a new product in the market. This innovative establishment made two significant contributions. First,

starting a specialised business allowed the respondent to bypass expected entrepreneurial competitions with other sellers. Second, for Indian restaurants spices are particularly important. Now the respondent with his vision provided the required species to the restaurant owners locally. This helped the restaurant owners to save time and transportation cost. Today, the respondent has three shops located at different locations in Malaysia. All three shops are importing the products at a time to minimise logistic expenditure. Further, with the increase in demand price of the products also decreased, which help owner to charge relatively less price from the customers. Because of less price, the customer base is further increasing.

Unlike the areas of new settlement, where the Diaspora have the opportunity to initiate new market strategies and products, Indians entrepreneurs in Malaysia are mostly old Diaspora. The sole motive of the entrepreneurship in Malaysia is to function as a cultural bridge with looked-for products between homeland and host land. The importance of knowledge and technology transfer in enterprise development is not seen as significant in the existing scenario.

### **Business Development and Economic Empowerment**

Development is an integral part of any economic establishment. The business development strategy and evidence are crucial for the organisational sustainability. The Indian entrepreneurship in Malaysia is a compelling example of business success and expansion. All the businesses covered in the period of study have gone through various phases. The entrepreneurs have applied many strategies to make the enterprise successful. This is also important to consider that the Indian community living in Malaysia is typically a worker community. There are some evidences of Indian trade immigration in Malacca and Penang, but Brickfields mostly saw labour migration (Baxstrom, 2008; Sandhu, 1969; Sandhu & Mani, 2006). Therefore, the upward economic mobility of entrepreneurs in Malaysia need significant analysis.



*My grandfather left India more than hundred years ago. I do not have exact information about the circumstances he might have faced at that time, but I feel, the economic condition might have been an important reason. He came here to work in the Malaysian railway. Then he shifted to many occupations as a worker. I do not have detailed information. My father also worked at different places. I also work in nearby garage before initiating this business. (A Coconut Seller, Location- Little India, Date- 18.01.2017)*

The narrative stated above provides the detail information about economic status of migrant communities in Malaysia. In this case, respondent was living in the outskirts of Kuala Lumpur with his family. During 1980s, he planned to shift to Kuala Lumpur for better employment opportunities. His parents never thought about establishing a business, so initially, he worked in other firms. The respondent established the shop with the help of his family savings and support from friends. As observed, the shop is small, and most of the products need low investment.

As informed by the respondent, he has two shops in Kuala Lumpur. He established the shops with savings. His personal savings played an important role in opening the business as he did not have a good economic condition. Due to this, he was not expecting major financial support from local community. However, he received some support from community/friends, but that was just a fraction of total requirements. He considers his enterprise as the outcome of his own will and money.

He first established one shop in Little India, while another shop he established after some time. Both shops are nearby in the same location. One shop is on the main street of Little India while other is near to the residential area of Little India. The size of the first shop is relatively smaller; however, it was observed that he has a good customer base, which includes mostly Indians, a few Malay and Chinese too. The income from the shop mostly relies on coconut sell along with sell of snacks and nicotine products. It was also observed that the price he charges for coconut is one ringgit lower than other shops, which helps him in getting more customers. His other shop is for coconut only. He considers the second shop as proper establishment; however, the second shop is almost like a hawker's stall.

In this case, the enterprise helped the respondent in changing the economic status of him and his family. This is a successful example of entrepreneurial development and

its impact on the owner. Another example is of a restaurant owner. He is second generation Diaspora. His father came to Malaysia as a plantation worker. Initially, his father worked in farms, and after few years, he came to Brickfields to work in nearby offices. He worked there for some time, after that, he thought to establish his own business.

The shop is one of the most prominent restaurants in Little India with two floors. The location of the shop is near to the main junction of the Brickfield. Generally, he serves ethnic Tamil food and some snacks such as noodles.

*My father came to Malaysia a long time ago. I do not have complete information; however, as per my knowledge, they came with the help of one of his acquaintance. The person was living in the nearby village. My father came along with some of his friends. The person arranged everything. He managed all the documents and helped my father to migrate. (A Restaurant Owner, Location- Little India, Date- 09.04.2017)*

As informed by the respondent, the financial condition was not very bad, but he had a desire to move to Malaysia to earn money and give a good life to his children. So, he approached the Malaysian Indian from a nearby village to arrange some employment for him in Malaysia. The person helped him to complete all the formalities and provided contacts in Malaysia. After spending few years in Malaysia, his father brought him and other family members to live with him.

The respondent's father received a right amount of support from Malaysia Tamil community to establish the shop. Many Tamil Malaysians provided logistic as well as financial support. His father also took a loan from the bank and used his savings. Other than this, the respondent also informed that the land and resources were not very expensive that time. With the help of Tamil Community, Bank, and his savings his father could able to initiate the business. However, after closure of first business, it was difficult for his father to receive the financial support from bank, as he could not return all money, but local Tamil community proved very helpful and provided adequate financial support to start the business.

The shop was primarily established to fulfil the demand of local Tamil community. The shop was among the initial shops in the area along with two others. One of those

shops was closed, but this shop has over time become one of the biggest shops in Little India. Going through the menu, it was observed that the food served in restaurant aimed to fulfil ethnic Tamil demand. However, two additional counters were observed, which serve Malay/local food also.

*Demand for Tamil food was one of the most important motivations behind opening the shop. That time there were not many food joints were available. My father started the shop to sell Tamil Ethnic food only. Since then till now we sell original Tamil food. - (A Restaurant Owner, Location- Little India, Date- 17.01.2017)*

The two cases mentioned above provide the example of entrepreneurial success and its impact on Diaspora. Out of total 35 case studies covered during study, 33 respondents informed about success received with the help of entrepreneurship. Remaining two could not discuss the issue as one of the respondents had a new organisation and it was difficult to analyse success in the case. The second respondent informed that the enterprise is established to provide secondary support to family income. There it is difficult to assume the role of the organisation in economic betterment. However, the case does provide an example of economic security. Overall, Indian Diasporic entrepreneurship in Malaysia has a significant success rate and can be considered as a successful economic phenomenon.

### **Role of Cultural Orientation on Business Development**

Cultural orientation is an essential part of the entrepreneurial function. Rahman and Fee (2011) discussed the role of cultural background in the development of Bangladeshi businesses in Japan. The analysis considers the development of migrant or ethnic entrepreneurship with two approaches; cultural and social. The cultural approach points to the supply side of entrepreneurship or class and ethnic resources and structural approaches address the socio-economic context, the demand side of the entrepreneurship. The supply side of entrepreneurship includes demographic features (age, sex) and socio-cultural resources such as socially oriented action patterns, embeddedness transactions, social networks and social capital (Light & Rosenstein, 1995). The demand side explanation focuses on opportunity structure or market conditions of the host country (Light and Rosenstein, 1995). The social and cultural

factors play an essential role in the development of any Diaspora business considering the alien environment faced by migrants in the destination countries. In this context, the section is an attempt to discuss the role of cultural factors in the development of Diaspora businesses in Malaysia.

As discussed in previous chapters, development of Indian community in Malaysia is a result of ethnic relations and neighbourhood dynamics. The enterprises are primarily established to fulfil the demand of local Indian community and mostly established in a group at a different geographical location in Malaysia. As identified by Rahman and Fee (2014) these ethnic, economic concentrations possess characteristics to be termed as 'Enclave Economy'.

The role of social capital has been an essential part of enclave economies. As discussed in the previous chapters, the establishment, functioning and prospects of these enterprises largely depend on social capital. In the context of Indian Diaspora business in Malaysia, social capital denotes the existence of the trust, networks, resources, and belief among the members of the group. As described by Bourdieu (1986):

*Social Capital is the aggregate of the actual or potential resources which are linked to possession of a durable network of institutionalised relationships of mutual acquaintance and recognition which provides each of its members with the backing of the collectively owned capital.*

In the case of Indian Diaspora community in Malaysia, Social capital plays an important role. The issue was discussed with many respondents to get the more precise picture. As reflected, eight enterprises were wholly established with the help of personal savings, while 1 enterprise was established with the help of financial support from banks. Remaining 26 enterprises were established with the help of either friends & family or local community. Along with this, many respondents also received financial support from community members, in case of any financial need.

As observed, Indian Diaspora entrepreneurs in Malaysia receive continuous community support from the local community. Further, it also reflects that the relationship is a mutually beneficial affair between the community members since the support receiver also provides support to other members in case of their need.

Although the concept of social capital is highly debated considering its application and analysis, the concept mostly fits into various dimensions of sociological changes. The concept of ethnic enterprise consists adequate potential to be termed as an essential part of social capital formation among the member of the same ethnicity. In fact, any ethnic collaborative activity initiated at the destination countries with a visible degree of risk and uncertainty has a back-up of social capital. Therefore, in the case of Indian Diaspora business community in Malaysia, social capital plays an important role.

Moving further, question related to religion was also discussed with respondents. The objective was to know the importance of religious orientation in the development of businesses. The responses were mixed, some of the respondents considered religion as an essential part of business development, while some did not consider religion as an essential business development strategy. One of the respondents mentioned;

*My religion is one of the most important reasons for my business development. The focus of the business is to serve the Tamil population (Hindu). You check my products. Most of the products are Tamil ethnic products. I think, my religious affiliation has enabled me to serve the customer most appropriately. (A Religious Product Seller, Location- Little India, Date- 11.04.2017)*

Religion is an integral part of Malaysian Indian community. The Little India area has two prominent Indian temples along with some small temples. Other than temples, local Malaysian Indian also takes part in the religious festivals very actively. A similar reflection received from the responses of respondents also. The view of many of the enterprises also signifies the importance of religion in the life of Indian community. As observed in one of the enterprise, a big Shiva idol has been kept just beside cash counter. The owner openly talks about the role of religion in the development of business; he said that the shop he has developed is mostly keeping in mind the food requirement of local Tamil Hindu community. He intends to serve them primarily. Further, he is a member of the local religious committee and regularly contribute money to Hindu temple situated nearby.

The respondents' responses about religion largely depends on the customer base. Owner of the restaurant had mixed reaction about religion, although most of the respondents considered religion as an essential aspect of business development, some respondents considered religion has no direct role in the development of the business.

### **Ethnic Advantage**

Indian Diasporic entrepreneurship in Malaysia is an example of ethnic entrepreneurship. As a part of the ethnic structure, entrepreneurs are placed in a loop of economic security. As discussed in the previous section, the products sold by Indian Diaspora entrepreneurs mostly related to the community demand. As observed, nearly 68 percent of the enterprise located in Little India, Brickfields sell ethnic products, and remaining 32 percent of the enterprises also more or less relates to the demand of the ethnic community. As stated by one of the respondents;

*Little India is made of Tamil Malaysians only. Here, Tamil people in business easily get market, without any issue. Whatever shops you will open and if it related to ethnic Tamil demand, it will be successful. There is no risk involved in the business. - (A Grocery Store Owner, Location- Little India, Date- 09.04.2017)*

The narration placed above provides the idea of comfort provided by Indian Diaspora community to the entrepreneurs. The study came across many examples to support this claim. One of the prominent examples is the establishment of jewellery business by one of the respondents in Little India. The enterprise was established in 2007 with the help of personal savings. Local Tamil Community also provided part of the financial requirement. Before the establishment of the shop, the respondent had a fruit and vegetable business with two other partners. Under this business, they were collecting fruits from farmers of the suburbs and supplying to shops, hotels and restaurants. The shop was doing well. However, he intended to have better economic security with the current gold business. Even when he had no experience of jewellery business, he initiated the venture. The sole motivation behind the opening of the business was assumed ethnic demand. The assumption worked well, and the enterprise became successful.

The respondent considers his ethnic background played an important role in the development of business. His business mostly relies on Tamil community; therefore, his success largely depends on Tamil community only. However, he was not very comfortable with the question related to the role of religion in the development of his business, as he considers his shop has customers from all religious background. Entire Tamil community, irrespective of religion or caste, like to wear gold. Therefore, he does not only rely on Hindu, but he has a customer base among all Tamils. The business developed by the respondent entirely relies on the local ethnic community. In this case, the ethnicity and Tamil identity do matter a lot.

The respondent considers that the risks and uncertainties involved while opening the business because the target group is small and there is some jewellery shop already functioning in different parts of Little India and Kuala Lumpur. Therefore, initially the respondent was suspicious of the success of the business, but with the support of his family and community members, he initiated the business. He also informed that just to avoid the risk, he continued his previous business of fruits and vegetable for quite some time and left only after stability of current business.

Economic stability and better lifestyle for family members were most important reasons for him to think about establishing a business. His father worked for a significant time in another shop. He was getting a decent salary from his employer, but the income was not enough to secure better lifestyle for next generation. Therefore, establishing an enterprise was an excellent option to provide economic stability to family members. Further, community members which include friends also motivated him to think about establishing a business.

Social capital played an important role in development of business. He had no significant economic means available, and the establishment of a gold shop need a substantial amount of resources, which include business network, money, place to start a shop, etc., all of these made successful with the help of working social capital only. The respondent also discussed various strategies adopted to attract customers. These strategies include providing significant discount and various monthly savings plan. After starting of the business, for nearly 3-4 years, the shop run without a profit,

as it was vital to get customers with discounts. The idea became successful, and customer base increased over time.

The case mentioned above is indistinguishable to many another example of ethnic business advantage. A significant number of respondents informed that the location was one of the essential reasons behind the opening of the business. The location with a significant presence of Indian enterprises and community automatically place the new business entrants into an advantageous position. Therefore, in the case of Indian business development in Malaysia, ethnicity is one of the most crucial advantages for the workers.

### **Ethnic Enclaves and Employment Generation**

As compared to another form of businesses ethnic enclaves possess a different form of economic adaptation. These enclaves can be identified as an area with high density of Diaspora population, that initiate and maintain economic ventures to fulfil the need of the community and also serves general population (Wilson and Portes, 1980). The economic activities undertaken in these markets are related to the ethnic need of the Diaspora population, which include food, garments, religious products, grocery, and others. Due to this, the workers are either recruited from the Diaspora population or recruited from the homeland. The case of Indian entrepreneurship in Malaysia also reflects a similar pattern. Table 5.3 discusses the ethnic and gender composition of Diaspora population in Indian Diaspora enterprises in Malaysia.



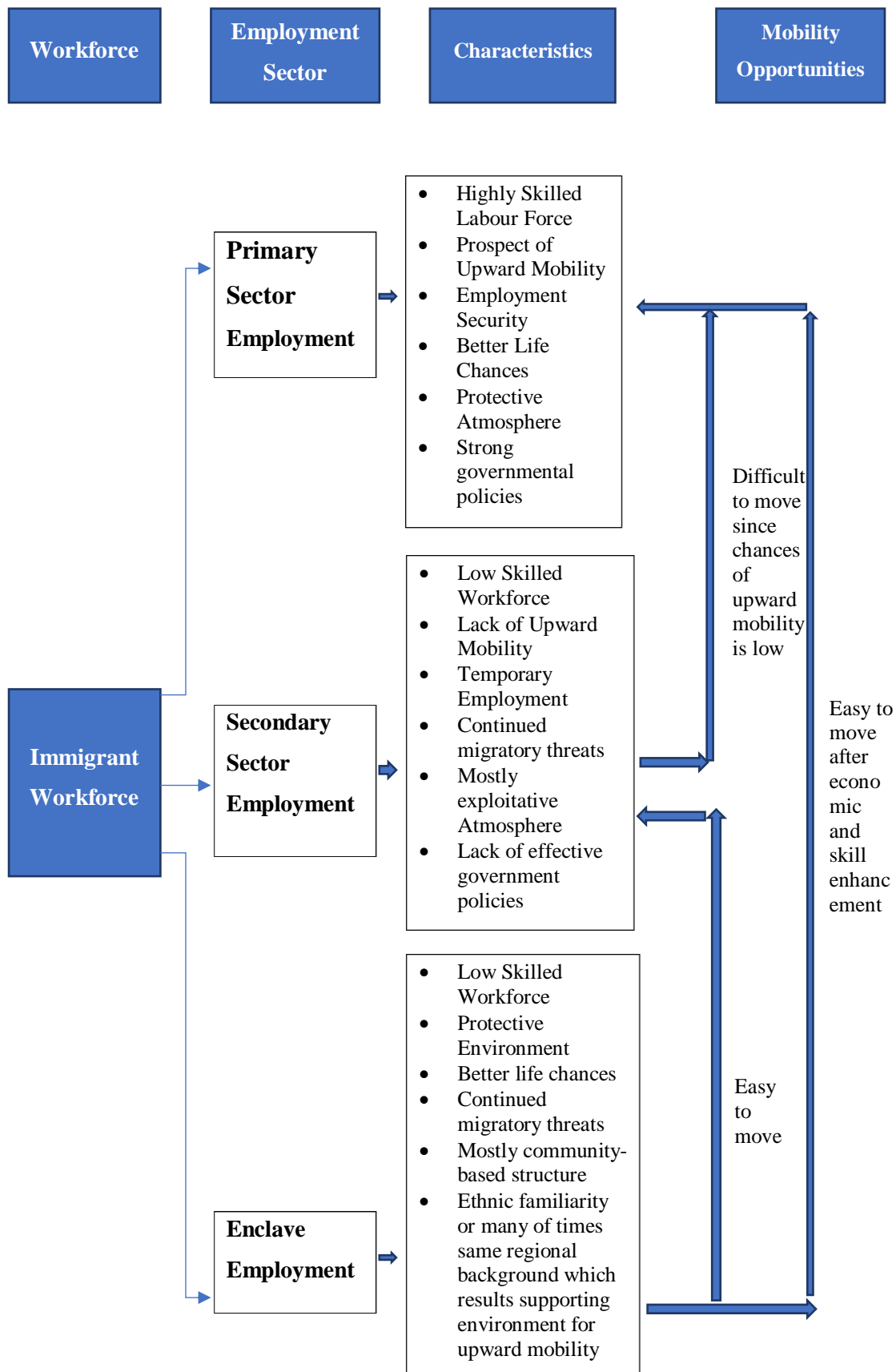
**Table 5.3: Ethnic and Gender Composition of Employees of Enterprises**

Number of Enterprises	Local Tamils	Indian Tamils	Other Indians	Bangladeshi	Chinese	Number of Employees	Male	Female
Beauty Parlour (1)	7	0	0	0	0	7	4	3
Flower (2) Shop	0	0	0	0	0	0	0	0
Garment Shop (2)	5	6	0	0	0	11	11	0
Grocery Store (5)	15	22	2	0	0	39	36	3
Hotel (1)	1	7	0	2	2	12	4	8
Jewellery (2)	5	6	0	0	0	11	9	2
Restaurant (13)	39	42	28	0	0	109	96	13
Book Store (1)	1	0	0	0	0	1	1	0
Grand Total (%)	73 (38%)	83 (44%)	30 (16%)	2 (1%)	2 (1%)	190 (100%)	161 (85%)	29 (15%)

Among 35 enterprises covered in the study, only 27 provided the details about employees. These 27 enterprises consist 190 of total employees. As reflected in Table 5.3, 38% of employees of surveyed enterprises belong to local Tamil community, while 43% of employees were hired from the Tamil Nadu, India. Nearly 15% of the employees of the enterprises belonging to the non-Tamil background. This trend is a result of India-Malaysia bilateral agreement on labour employment. In 2009, both the countries signed a Memorandum of Understanding (MoU) on the employment of workers from India and Malaysia (Ministry of External Affairs, 2016).

1% of total employee of enterprises, belongs to Non-Tamil and Non-Indian background. Among the surveyed establishments, one hotel has two Bangladeshi and two Malay Chinese employees. Considering the fact that hotels tend to serve broader population, the employee structure makes sense. As reflected from the employee pattern of the Indian Diaspora enterprises in Malaysia, nearly 82% of the workers belong to Tamil community. The Tamil dominance mainly reflects the ethnicity of the population, since 80% of the enterprises belonging to Tamil community. Among the categories of enterprises listed above, 90% of the Non-Tamil Indian employees work in the restaurant industry and remaining works for grocery stores.

**Figure 5.1: Sectoral Comparison of Upward Mobility Opportunities**



Source: Review of Literature

Preference to workers belonging to the same ethnicity is one of the significant characteristics of enclave employment as discussed by Portes & Jensen (1989). These employment avenues are separate from the primary and secondary sectors of the mainstream economy. Due to ethnic connection and trust-based employer-employee relationship, a higher percentage of community members get employment in the enclaves. Bailey & Waldinger (1991) defined the enclave employment as a training system. The workers tend to engage more productively in these sectors, in comparison to other employment avenues. The ethnic relationship between employer and employee gives a sense of belongingness to the workers. Further, these sectors also provide an opportunity for the workers to move from the position of the worker to entrepreneurs.

As reflected in figure 5.1, the employment of enclave sector has a significant difference in secondary sector employment. The chances of upward mobility have been relatively high in enclave sector as compared to secondary sector employment. The employees of enclave sector tend to have a protective environment with better life chances. Further, as ethnic belongingness plays a significant role in the employment relationship between ethnic enclave employer and employee, a sense of security provided by the enclave hinders the continued migratory threats. However, in the case of secondary sector employment of migrant workers, a sense of vulnerability always exists. Moreover, ethnic familiarity or same regional background results in supporting environment for upward mobility for the employees

However, the similar case may not exist for the workers from homeland but other community. As reflected in the response received after informal discussion with a few non-Tamil employees, they do not receive similar treatment like Tamils. They have to live in harsh and exploitative condition. In most of the cases, these workers are under regular threat from the employers and face work abuses. Example of one of the worker is discussed below:

*During the visits, an informal discussion held with one of the employees of the enterprise. The employee was appointed from Bareilly, along with three other workers on three years contract. At the time of appointment, it was informed that the workers would have to work for nine hours only on a weekly leave. The workers will also be provided with accommodation and enough rest time. The total assured salary was 1500 Ringgit. However, after coming to Malaysia, the worker was forced to submit his passport to the employer. He has to work from early morning to late night without any rest. Further, he was also not provided any accommodation separately. He has to sleep on the floor of the restaurant. The workers were even not allowed to go to Mosque on any day including Friday to do the prayers. The salary offered to the worker was also not paid entirely as he was receiving 800 ringgits per month only. While asking about, whether he asked for money from an employer, he informed that one of his co-workers once demanded full, assured salary, but he was beaten for no reason, and employer cut his one-month salary for misbehaviour. This is an example of working conditions of enterprise and ethnocentrism among Malaysian Indians, as they mostly favour Tamils and treat others as outsiders. (An Employee speaking about employer-employee relationship, Location- Outside the shop, Little India, Date- 15.01.2017)*

The case of the non-Tamil worker presented above reflects the closed ethnic acceptance among Indian Diasporic entrepreneurship. In this case, the employer was Tamil, and the worker was non-Tamil Indian worker. However, this is also true that the Indian workers cannot be homogenised. India is a country with diverse cultural and social population. The issue faced by the worker from the non-Tamil background cannot be considered as a general case since non-Tamil represent nearly 15% of workers population. Nearly 80% of the workers belong to Tamil community and tend to get benefitted with the enclave employment.

Overall, almost all the people working in the Indian Diaspora driven enterprises in Malaysia belong to same ethnicity or India. Less than 1% of the employees are from local Malay community. As stated by OECD report on immigrant entrepreneurship (2010), this can be understood as the general principle of enclave employment. The Diaspora community establishes the enclave to serve the demand of same community with the help of workers from the same community (Organisation for Economic Co-operation and Development, 2010). This similarity case can be seen in other Diaspora concentrated enterprises such as Chinatown or Koreatown. The relationship between employer and employee also mostly belongs to ethnic orientation. This ethnic relationship helps the organisation to grow with the help of trusted workforce, and in return, the employer provides adequate opportunity for the workers to gain upward

economic mobility.

This section discussed six critical enterprise-level dimensions related to Indian Diasporic entrepreneurship in Malaysia. These are; the importance of cultural factors, the role of social capital, the importance of knowledge and technology transfers in enterprise development, business development and economic empowerment, ethnic advantage and employment generation within ethnic enclaves. The sub-sections tried to discuss the enterprise level success stories with the help of case studies collected during the study. This section is an attempt to synthesise the enterprise level findings with relationship to entrepreneurial success. The next section of the chapter attempts to discuss the role of market environment.

### **5.3. Role of Market Environment**

Indian Diasporic entrepreneurship in Malaysia is mostly a community initiative to fulfil the internal demands. In the entire process of Diasporic entrepreneurship in Malaysia, the role of Malaysian Government has been considered as highly contested and ambiguous. Scholars like Anbalakan (2003), Sivakumar (2016) and Jain (2003) have questioned the intention of Malaysian Government, while pro-Government scholars like Kumararajah (2016) and Chandrasekaran (2016) have applauded the role of Government in development of Indian Diasporic entrepreneurship. Both segments of scholars have presented their evidence to support their claims, but as the analysis of this research is focussed towards empirical analysis with the help of 35 case studies, the analysis has been done with the help of observation of the respondents only.

The environment level analysis broadly looks on to mega perspectives to understand the turbulence, hostility, and complexity at the institutional level under which the enterprises operates. Immigrants with lesser political and economic capital face several environment level challenges. The establishment and functioning of the organisation changes with even a slight variation in the market environment. One of the most suitable examples can be seen as a development of KL Sentral in Little India. As noted by many of the sources (Chandrasekharan, 2016; Air BNB, 2017) the financial environment of the location saw a significant change after the development of transport hub.

One of the articles published by propertyguru.com, titled, “Brickfields was overlooked until KL Sentral was built there”. As noted by the portal,

*Brickfields had always been a very central but sleepy spot before KL Sentral was built. There were always a handful of tourists who visited the area as they wished to experience Little India for themselves with all its delicious food – but it is nothing compared to what it is today... As Kuala Lumpur Sentral took shape, Brickfields transformed. It now hosts a vibrant central business district with modern residential towers while maintaining its rich cultural heritage and “Divine Location. -(Fairlie, 2011:153)*

The article written by Chandrasekaran (2016) provides insight into the change in the market environment because of external factors. This kind of changes can lead to significant policy shift and at the same time can decrease and increase the market sell. In this context, the enterprises also utilise and tend to have a certain level of capabilities to counter the market change risk. In the context of Little India in Malaysia, the ethnic relationships are considered as an essential factor to counter the external threat of unforeseen changes. During the study, the issues related to ethnic relationships were discussed with the respondents. The responses broadly consider ethnicity as an essential catalyst of protection from external threats.

Little India, as an ethnic district provide security to the new entrepreneurs to take a risk and fight uncertainty. As the customers also belong to the same location and outside people usually avoid initiating enterprise in the area, any Tamil enterprise contains an inherited attribute of security and success. However, this also depends on individuals who open the shop. Some occasions, people start the business and leave quickly considering lack of income. However, Indian Diasporic entrepreneurship in the region has already established a customer base. While the ethnic environment can be considered an essential factor of entrepreneurship development, this is also important to consider increasing shops in the area.

Development of migrant entrepreneurship is an outcome of multifaceted community relationships. The development and functioning of the enterprise is a result of various inter-related factors such as religion, culture, language, ethnicity etc.,

*Little India is made of Tamil Malaysians only. Here Tamil businesspeople easily get market, without any issue. Whatever shop you will open and if it is related to ethnic Tamil demand, it will be successful. There is no risk involved in the business. (A Respondent, Location- Little India, Date- 11.01.2017)*

Here the statement by a respondent reflects motivational as well as risk-taking factors behind the opening of the business. As described in the statement; ethnicity comes as an essential factor of enterprise settlement and functioning, as he stated; *'whatever shop you will open and if it is related to ethnic Tamil demand, it will be successful'*. This relates to the surety of becoming successful since the product is for the use of the community. However, this leads to a number of questions; where to trace the saturation phase of enterprise opening since the population of the local community is stagnant? What will happen, if someone tries to open a non-Tamil shop? If the demand is for conventional Tamil products only, then is it possible to trace entrepreneurial innovation among Indian Diaspora entrepreneurs? Considering the presence of widespread Tamil culture, is it possible to trace the entrepreneurial activities by the non-Tamil community in Little India. These are some of the questions which come to picture along with other issues. Within the issues mentioned above, the section discusses the role of co-ethnicity in the Indian Diasporic entrepreneurship.

An elaborative discussion on innovation and risk factors need to have an analysis of the market environment. Here market represents the overall economic environment of Malaysia in general and Little India, Brickfields in particular. The analysis has been done with the help of relevant literature and collected responses from the respondents.

With the enactment of 1970s New Economic Policy and 1990s Malaysian Development Goals, the role of Malaysian Government was primarily considered biased towards local Bumiputra community by many research findings (Jain, 2003; Sasikumar, 2016). The role of Government was never progressive and supportive towards Indian ethnic community. Considering this 91% of the Indian business ventures fell into the category of microbusiness (Kumararajah, 2016:502). As discussed by (Sivakumar, 2016:492);

*The Government now in its push towards transforming Malaysia into a high economy and knowledge-based economy is rendering SMEs all the assistance they need. However, where are the Malaysian Indian Businessperson in all this? By and large, Malaysian Indians though a full citizen of the country, are left out of entire range of Government administrative policies, annual budgets and economic programmes.*

The issue related to the role of Malaysian Government in the development of business was discussed with the respondents. Most of the respondents had negative views about the role of Government in the development of the business. One of the respondents discussed the changing role of Government. He said the previous Government was very supportive of the Tamil population and appointed some Tamil people in his office however the current Government is more inclined towards Muslims and usually ignore the need of Tamils. As the employment system has no security as they directly get affected because of changing political structure, own businesses are good options for Tamils to sustain. Further, he also informed that the wealthy Tamils might not have any problem with the changes in the policies but the economically vulnerable like him may not have resources and connections to save the life. Therefore self-business is a better opportunity to secure the industrial source.

*Malaysian Government has never been reliable support for the Malaysian Indian community. Sometimes they look helpful, sometimes not. Previous Government had better policy measures than this Government. This Government is Malay centric. They only prepare policies for Bumiputra. (A Small restaurant owner outside Little India Street, Location- Little India, Date- 14.01.2017)*

Similar to the response mentioned above, another respondent, an owner of jewellery business also discussed the political system in Malaysia. He said that the Government is more inclined towards locals and usually ignore the existence of Tamils. The cultural heritage can be protected with the help of operation, with lack of interest of Government the cultural preservation has over time become a sole responsibility of community only. While the role of Malaysian Government has over time-shifted its policies to Bumiputra only (Jain, 2003), future of Indian identity in Malaysia cannot be considered as secure and without suspicion.

Another respondent also expressed a similar view. Malaysian political system is not a reliable system. The policies can change anytime. Same is the condition of market



employment. The employment system has no security as they directly get affected because of changing political structure. Establishment of business is a good option for Tamils to sustain economically. Self-business is a better opportunity to secure the industrial source.

As reflected from the responses mentioned above, three significant issues can be derived. First, the role of Government has not been favourable for the Malaysian Indian community. The issue discussed by the respondents is in line with analysis of many of the researchers (Anbalakan, 2003; Jain, 2003; Kailasam, 2015). Second, due to changing Government stance, self-employment has been considered as a most preferred choice, since the wage employment has seen some restriction for communities' other than Bumiputra. Third, respondents observed that the Government has overall policies for locals Malays only. The local Government has mostly neglected other communities.

The observation of the respondents is limited and reflects the view of few respondents. Majority of the respondents did not express any view on this matter. To understand the issue further, Malaysian Government's websites were reviewed. There is no reliable data released by the Malaysian Government on the issues related to Malaysian Indian Entrepreneurship. The scarcity of the data was also noticed by Sasikumar (2016). While it is difficult to identify any visible activities, there is a secretariat related to Indian entrepreneurs exists in the Prime Minister's Department. In 2012, the Malaysian Government established the secretariat as a part of the affirmative policies for the Malaysian Indians (Sekretariat Khas Untuk Memperkasakan Usahawan India (SEED), 2014)<sup>64</sup>.

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<sup>64</sup> The 'Secretariat for Empowerment of Indian Entrepreneurs (SEED)' is established as a unit under Malaysian Prime Minister Office to act as a specialized institution to work on the issues related to Malaysian Indian Entrepreneurs. The secretariat has been placed in the middle of public sector and private sector. The SEED has been established with an objective 'of creating sustainable systems change'. The SEED tend to achieve the underlined objective by engaging with institutions, networks, and the Malaysian Indian community.

#### **5.4. Transnational Perspectives of Diasporic Entrepreneurship: Role of Homeland**

This study also tried to understand the role of homeland in the development of Diaspora entrepreneurship. Several queries related to homeland interactions were made while discussing with the respondents. The issues such as market relationships with India, import of products from India, business partnership with India, cultural relationship with India, spiritual relationship with India and others were asked. Several perspectives were identified and analysed from the case studies.

*I do not want to have any network with Indian business people. I am not interested in going back to India. Moreover, where I will go, I have no clue about my family and lands there. Even if I go, no one will share anything with me. I am delighted here. I am not interested in keeping any business and personal network with India. (A Food Joint and Magazine Shop Owner, Location- Little India, Date- 19.01.2017)*

Almost all the respondents had strong willingness to go to India to visit Indian temples. Most of the respondents had prior experience of visiting India. Many of the respondents have visited India every year and want their next generation to visit.

The approximate idea behind the inclusion of homeland related to question was to know about the entrepreneurial partnership of Malaysian Indians with India. However, the analysis reflects that the religious pilgrimages are most crucial homeland connection among Malaysian Indians. All other categories of relationships come after this.

#### **Business Partnership with India based Enterprises**

The question about the business partnership of Malaysians Indian entrepreneurs with India had mixed reaction. Many of the respondents had maintained a business relationship with India, while many others had not maintained any relationship with India. One of the respondents, a restaurant owner, had no direct relationship with India. However, he imports some of the raw products such as spices and grains from India. He thinks, the products imported from India are more authentic product with ethnic taste. He has a few business partnerships in India. However, less than 20 percent of his reliance is on India, as he imports from India just because of his

affection towards homeland. The price margin is not very high, and most of the products can be found in Kuala Lumpur itself at the almost same rate. However, he wants to continue this relationship as far as he can. When asked about, whether he wants to go back to India, he said that he has no interest in going back. He has everything established here. He is always ready to contribute to the development of India, but he does not want to return to India in future. Similarly, his sons are also not interested in going back to India. However, he wants his sons to regularly send his grandchildren to India to aware him with the local living style. He visit almost every year to India.

*I do not think; now I will be able to go back. I have everything here. India is my home country, but I am more Malaysian now. I have established everything here. I am always ready to contribute to the home country. I am a member of a different wing of Indian political party. However, I do not think; it will be a good idea to go back to India in future. Similarly, my sons and daughters are also not thinking about going back to India. However, I want them to visit India frequently to know about Tamil culture and lifestyle. I visit India almost every year. (A restaurant owner, Location- Little India, Date- 09.04.2017)-*

Another respondent, a garment store owner has a significant relationship with India. The products sold by him are imported from the Tamil Nadu and other parts of India. He has an import arrangement with Indian businesses operating from Chennai and Mumbai. Most of his products are imported from India only. While asked about the price issue, as the import must be costing significant taxes, he said, this he has to pay as the locally prepared garments has lack of demand and Tamil population do not want to purchase. However, he informed that the product he sells has a very less price related issue. People like to wear Indian cloth, so they usually pay for it. Even after importing from India, the products are not very expensive and within the expected range.

During the field study, some of the evidence of business partnership with India was observed. The partnerships are mostly considered to maintain the homeland taste and flavours. The analysis of fieldwork outcomes reflects that the products imported by the Indian entrepreneurs in Malaysia are mostly available locally. The sole reason for the import and business partnership with India is to maintain homeland memory.

## **Need Specific Business Interactions in India**

Many respondents had minor incidental business interaction with India. One of the respondents, a restaurant owner, provided example of such engagement. He informed that the ingredients required for preparation of food are already available in the local market, so he does not need to import anything from India. However, he does want to advertise his hotel in Indian tourist sites. For this, he is in touch with many tourist agencies in India to place his hotel's details on their website. However, for his restaurant business, he has no reliance on India, neither he is planning to do so. The example mentioned above broadly provides the details of indirect reliability on the Indian market. Here, the respondent does not maintain any direct entrepreneurial relationship but intend to use Indian media mechanism for hotel advertisement.

Another example is the case of food joint cum magazine shop. The owner of the enterprise has no direct reliability on the Indian market, but the magazines are being imported from India. Most of the products needed for food joint are purchased from the local market only. However, the respondent sells magazines from Tamil Nadu, India especially local magazines. Transfer of the Indian magazines is done through people who visit Tamil Nadu. He usually requests them to come with a few of latest editions. Further, he also brings whenever he visits India. In this case, the food business is primary business of the respondent, but magazines help him to secure the regular visits of the customers.

Some of the respondents considered their enterprise as a mechanism to continue homeland identity. One of the respondents, who is an owner of the restaurant has an emotional view towards homeland relationship. The food joint plays a vital role in the maintenance of homeland identity for Tamil community. The shop sells authentic Tamil food, which is an essential resource for maintenance of homeland identity. Further his products are Tamil oriented. He does not sell any Malay or Chinese food; therefore, he helps the community to maintain the homeland identity. Here, the owner takes a community leadership role and consider his business as a mechanism to help the local Tamil people in the development of their homeland identity.

## **No Business Relationship with Homeland**

Maintenance of homeland identity is purely an individual motivation. Many of the respondents have no relationship with India. One of the respondents expressed unwillingness to continue any relationship with India. His business has no direct relationship with India. However, he has most of the customers from Indian origin only. His business activity does not directly function with India; however, he has Indian business. Most of the products he uses for his restaurant, he buys locally. Here the argument of the entrepreneur looks reliable as he does not need to rely on India for any of his products. However, at the same time, customers are from India only. Therefore, even if the entrepreneur has no willingness to continue a relationship with India, the importance of homeland cannot be ignored.

Another respondent with a slightly lenient consideration of homeland relationship stated:

*The product sold by me has nothing to do with homeland identity. However, the purpose very much relates to the ethnic background and religious identity. The flowers are mostly sold for the religious activity and cultural practices, which can be related to the identity preservation. Further culture is an essential aspect of his business development by Indian Diaspora in Malaysia. The flower business by me is directly relating to the cultural identity of Identity of Indians in Malaysia. (A Flower seller, Location- Little India, Date- 20.01.2017)*

Contrary to the consideration of many of the respondents, some of them expressed their lack of emotional or business relationship with India. One of the examples is of food joint owner. The food joint has no current relationship with India. None of his business resources is imported from India. Most of the resources needed for the eatery are purchased from the local market. He does not rely on India for customers. He connects with India, regarding food he serves as these are mostly Tamil food. The food culture is from India, but that does not need to connect with India now as most of the things are readily available here.

## Summary

The process of entrepreneurship development among Indian community in Malaysia has a long history of formation and settlement. The study is an attempt to analyse this phenomenon with the help of life histories. While the analysis has been done to view overall phenomenon of Indian Diaspora Entrepreneurship in Malaysia, the outcome needs to be examined further with comparative analysis of other geographical locations of Malaysia and other Southeast Asian countries, specifically Singapore.

The diaspora entrepreneurs function in two distinct worlds and operate as a bridge between homeland and host land. The entrepreneurs take benefit of knowledge and familiarity of homeland-based products and provide them to people from similar ethnicity at alien land. This factor shapes the pursuit of entrepreneurial opportunities and provides the advantageous platform to the entrepreneurs.

As evident from the analysis of Indian diasporic entrepreneurship in Malaysia, the enterprises are mostly oriented to fulfil the demand of customer from similar ethnicity. Some respondents talked about the familiarity or security of success before the opening of the business, since the customer base already exists. This psychological advantage helped many of the respondents to open a business without any fear of failure. Further, all the respondents have a long history of settlement in Malaysia, specifically in Kuala Lumpur. This factor proved as an essential opportunity since it provided knowledge of the field. For many of the respondents, factors like, investment, customer base, a place to get raw materials and other requirements were already known. This helped in minimisation of risk factors.

Further, as expressed by many of the respondents, the resource mobilisation was not a very difficult thing, since the size of the enterprise was usually small and needed lesser capital investment. In most of the cases, social capital played a key role. Availability of adequate social capital also helped the entrepreneurs in dealing with unforeseen threats. For example, in 2016, the local administration wanted to shift flower shops to the area with less concentration of customers. The local community protested the order and helped the flower sellers in the legal process. Because of collective protest, the administration cancelled the directive. This is one of the most

recent examples. As described by the respondents from flower seller group, the collective protest happened because of community feeling and ethnic relationship.

The entrepreneurship among Malaysian Indians is shaped by a combination of social forces at multiple levels. It is formed at the macro level by the opportunity structure and at the micro level by individuals' access to resources. The decision to transform to or engage in diaspora entrepreneurship is an outcome of a complicated decision-making process. These indicators are related to personal characteristics, firm characteristics as well as market opportunities. Diaspora entrepreneurs connect several distinctive characteristics which suggest that their position in the host and home countries is closely linked with the socio-cultural, political, and economic resources at their disposal.

The chapter was an attempt to discuss the overall picture of Indian Diasporic entrepreneurship in Malaysia. The chapter attempted to discuss the condition of Diaspora businesses in Malaysia. The analysis has been kept on the ethnic environment of the enterprises and how the ethnic relationship helps the entrepreneurs in tackling the risk factors. The Diasporic entrepreneurship in Malaysia is an outcome of inter-relationship between various factors, which include individual level, enterprise level, institutional level, and transnational level. The role of numerous factors such as psychological, cultural, social and financial are significant for the success of an enterprise. The analysis of this chapter provides the application impact of various practical factors and their impact at four levels of entrepreneurial management. Overall the Diasporic entrepreneurs connects many entrepreneurial dimensions which are linked with the socio-cultural, political, and economic resources.

## **Chapter-6 Conclusion**

This study was an attempt to understand the repositioning of Indian migrants from workers to entrepreneurs in Malaysia. In doing so, the study analysed the significance of cultural conditions, opportunity structures, innovative practices, and transnational linkages in the development of migrant businesses. The research focuses on Indian businesses in Malaysia not only provides an understanding of migrant entrepreneurship but also sheds light on the way in which such entrepreneurship has emerged.

The broader objective of this study was to look at the development of Indian Diaspora businesses in Malaysia. The predominant objective of this research was to add knowledge to the field of ethnic entrepreneurship in Malaysia and improve understanding of the economic impact and the contributions of Indian ethnic group and its economic impact in the Malaysian economy. This will contribute to the understanding of the barriers ethnic entrepreneurs have to overcome, together with knowledge about their dynamism and performance in an operating environment that is often very different to that of their country of origin.

This study tried to analyse Indian Diasporic entrepreneurship in the Southeast Asian region, with the case study of Malaysia. Its historical and current significance drives the choice of Malaysia as a location of the research study. Malaysia has been a vital labour destination during the colonial period under contract-based recruitment systems. Contrary to the phenomenon of labour migration to other plantation countries, labour migration to Malaysia has been a critical process even after independence because of the high rate of employment generation in 'Oil and Construction Sector'. Malaysia, because of the presence of old as well new migrants will offer a more diverse and meaningful research platform.



## **Methodological and Geographical Premises**

The study tried to understand the development of Indian Diasporic entrepreneurship in Malaysia. The respondents are primarily selected from Little India, Kuala Lumpur. The study focused on establishments run by Indian Diaspora, such as Indian food shops, garment shops, handicraft businesses, jewellery shops and shops dealing with the marketing of other ethnic products.

The Information regarding types of businesses were collected through mapping of entire Little India area. The demographic details of Little India achieved through enumeration completed at the time of the study. Further information was also collected from Indian residents who are living in Malaysia along with local English newspapers, migrant associations, blogs, social networking sites, online portals, and ethnic magazines (printed and online), that regularly advertised different types of migrant businesses targeting the South Asian communities. Such portals and magazines provide valuable information on the nature and extent of such businesses and the initiatives and activities of the migrant community.

The study used case study method and undertook the collection of relevant data through a sizeable number of representative case studies. As the focus of the study is to explore the subjective elements of the establishment of Indian businesses, the fieldwork was conducted with the help of an open-ended schedule. Additionally, the research also considers observation as a method to understand the functioning of Diasporic business enterprises. Review of documents related to the communities, organisations, and projects are also be included in the study.

The mixed method approach is considered as most appropriate for this study because the analysis has been done with the help of techniques posed by qualitative research as well as by quantitative research. The information has been collected using case study of 35 enterprises. The design of the research was exploratory, which include using a number of approaches and techniques to identify and analyse the macro, and micro levels aspects of Diasporic entrepreneurship. This approach is considered to focus on all related areas of Diaspora entrepreneurial activities including those who are first generation Diaspora entrepreneurs and those of the second generation. This

approach also gives independence to mix various dimensions and identify the new knowledge. Considering the diverse area of immigration entrepreneurial research, the approach also allows the researcher to process beyond individual entrepreneurs and their created organisations if needed.

## **Summary of the Chapters**

The study has a total of five chapters. The first three chapters aimed to provide the background of the study. The fourth chapter gives an overview of the nature and profile of Indian Diaspora and entrepreneurship in Malaysia. Chapter five provides the overall analysis using fieldwork information.

The introductory chapter provides the foundation for the study. The sections of the chapter provided the general background of Diasporic entrepreneurship among Indian Diaspora and others. The overriding thrust is to sketch out the emerging field of Indian Diasporic entrepreneurship by extracting from the broad thematic category of Diasporic entrepreneurship. The chapter narrows down the focus from Diasporic entrepreneurship to South Asian Diasporic entrepreneurship to further Indian Diasporic entrepreneurship.

Second chapter provides a detailed theoretical and methodological premise, on which this study is established. Given the entrepreneurial experience of Indian Diaspora community in Malaysia, the chapter reviews the concepts of Diaspora' entrepreneurship, enclave hypothesis, transnational entrepreneurship, Diaspora business networks within the geographical premise of South East Asia, specifically Malaysia. The argument of the chapter can be broadly divided into two parts. The first part of the chapter discusses the theoretical concepts and literature related to Diasporic entrepreneurship. In the second part of the chapter, the focus has been kept on the selection of the methodology. The analysis of the chapter helped to demonstrate the importance of networks in facilitating the Diaspora mobility, businesses activities and the inter-connection between ethnic entrepreneurship and Diasporic entrepreneurship.

Chapter three is an attempt to provide a background of Indian Diaspora communities and their settlements in Malaysia. The chapter is broadly divided into two parts. The first part of the chapter discusses the South Asian labour migration to South East Asia, Indian labour migration to South East Asia, Indian labour migration to Malaysia and settlement of Indians in Malaysia. The second part of the chapter discusses the economic aspect of Indian population in Malaysia. The issues faced by Indian population after Malaysian New Economic Policy. At the end, the chapter discusses the theoretical understanding for Malaysian Indian to engage in the entrepreneurial sector.

The chapter broadly usage secondary literature, which includes articles published by various scholars on Indians in Malaysia and statistical tables published by Department of Statistics, Government of Malaysia. The chapters include some statistics extracted from the websites of Government of Malaysia. All the tables have been changed as per the requirement of the study. However, no changes were made to the statistical numbers.

Fourth chapter is based on the empirical analysis. In this chapter, specific responses are tabulated and explicitly analysed. This chapter aims to provide the overview of the India ethnic market in Malaysia with the help of statistical tabulation of objective data. Sections of the chapter reflect significant categories (as per objectives of the study) of data emerged via initial data examination and subsequent outcome established in data interpretation. The chapter also explores the aspiration and motivation of the Indian Diaspora entrepreneurs in Malaysia for initiating the enterprises. The outcome of the analysis provides an inductive framework to capture the broader picture of Indian Diasporic entrepreneurship in Malaysia. The chapter also attempted to fulfil one of the most critical objectives of this study, which is to understand the process of transformation of workers to entrepreneurship. In this regard, the issues related to employment background, the reason for migration, resources required for establishment of enterprise and resource mobilisation process were discussed in detail.

Chapter five is an attempt to discuss the overall picture of Indian Diasporic entrepreneurship in Malaysia. The Diasporic entrepreneurship in Malaysia is an

outcome of inter-relationship between various levels, which include individual level, enterprise level, institutional level, and transnational level. The role of several factors psychological, cultural, social, and financial- are significant for the success of an enterprise. The analysis of this chapter provides the application impact of various practical factors and their impact at four levels of entrepreneurial management.

## **Key Findings**

The primary objective was to understand the development of Indian Diasporic entrepreneurship in Malaysia. To understand this, the study tried to create the historical mapping of the immigration, settlement, and development of Indian Diaspora community in Malaysia. Some of the important findings are listed below:

**Changing economic policies of Malaysian Government have enhanced the economic vulnerabilities among Indian workers, which has led to a considerable increase in self-employment.**

*The plantation sector employment over time became low wage occupation. Many of my known person, including my father, had to move to other areas in search of employment. Kuala Lumpur was anyway a viable option, as a capital city... We had some family relationship in Brickfields, so it was the obvious choice to search for residence here. (A Respondent, Location- Little India, Date- 11.01.2017)*

The study analysed the participation of Malaysian Indian community in paid employment and self-employment. As reflected from the different statistical sources, the trend of labour force participation among Malaysian Indians is almost like other ethnic communities. Following the overall trend, 69% of Indian community are engaged in paid employment, almost equivalent to Chinese, Bumiputra and others. As reflected in the statistics, 69% of Malaysian Indians earn their income from paid employment.

Followed by paid employment, the second highest source of income is self-employment. This source directly relates to entrepreneurial activities among Malaysian Indians. Further, the third source, related to income from property and investment may be clubbed to the income from self-employment, since broadly they

relate each other. This followed by income from the current transfer, which also represents remittance transfers among Malaysian Indians. In total, the study found that nearly 24-25% of income gained by Malaysian Indians are coming from sources other than paid employment and remittances and can be related to income from entrepreneurship.

*Malaysian Government has never been reliable support for the Malaysian Indian community. Sometimes they look helpful, sometimes not. Previous Government had better policy measures than this Government. This Government is Malay centric. They only prepare policies for Bumiputra. (A Respondent, Location- Little India, Date- 19.01.2017)*

As reflected from the number of studies quoted chapters, the role of Malaysian Government was one of the most important reasons for the economic shift of the Malaysian Indians. In the 1970s, Malaysian Government enacted New Economic Policy to benefit all Malaysians irrespective of race and religion. It was categorically stated that the programme was designed to reduce and ultimately do away with the economic imbalances between the various communities by redistributing the wealth of the nation in a having brought in tremendous economic benefits to the Malay community through NEP. However, the impact of New Economic policy on Indian has been questioned by many studies and considered as pro-Malay policy (Jain, 2004; Kaur, 2015; Mahalingam, 2016). It was observed that the NEP was primarily enacted to help the Bumiputras. The problems enhanced because of implementation of 'One District, One Industry' policy of Malaysian Government. This policy increased the industrialisation in Malaysia, which resulted in sharp decline in plantation and related employment. Due to this, the participation of Malaysian Indians, especially in plantations saw a sharp decrease. Further, many of them also moved from paid-employment to self-employment.

Many of the respondents informed that the Indian Diaspora entrepreneurial community living in Malaysia receive very little or no support from the local Government, as compared to active policies in place for their Malay counterparts. The issue related to the role of Malaysian Government in the development of business was discussed with the respondents. Most of the respondents had negative views about the role of Government in the development of the business. As observed from

the opinion expressed by the respondents, the Government is more inclined towards Bumiputra community and usually ignore the need of Tamils. Malaysian political system is not a reliable system. The policies can change anytime. Same is the condition of employment market. The employment system has no security as they directly get affected because of changing political structure.

The responses from the respondents broadly reflect three significant issues; first, the role of Government has not been favourable for the Malaysian Indian community. Second, due to changing Government stance, self-employment has been considered as a most preferred choice, since the wage employment has seen some restriction for communities' other than the Bumiputras. Third, the issue related to religious marginalisation. The respondents observe that the Government has overall policies for locals Malays only. The local Government has mostly neglected other ethnic communities.

The study finds that the entrepreneurship expansion among Malaysian Indians has been a relatively recent trend in the context of its migration history. 13 respondent/families had a generational history of living in Malaysia for more than 100 years. The number reflects family histories, where families may have arrived generations ago, and the respondent was born and brought-up in Malaysia only. Among the 35 respondents, 15 respondents/ families had spent 50-100 years before the opening of the enterprise. Out of remaining seven respondents, three respondents/families had spent 35-50 years, two respondents/ families had spent 12 & 15 years respectively and remaining two respondent/families had spent eight years and four years respectively. Overall, more than 28 respondents/families had more than one generation of experience of living in Malaysia as a paid employee. This amount of time is sufficient to provide the adequate information and knowledge of the field.

Since the ethnic entrepreneurship tends to have fewer risks the next generation of Malaysian Indians is more likely to move towards entrepreneurship as compared to paid employment. In this context, the study can generalise that the majority of Malaysian Indian entrepreneurs tend to move towards ethnic demand driven businesses and concentrate on a Malaysian Indian clientele.

**Malaysian Indians entrepreneurs functioning in Little India, Brickfields, Kuala Lumpur present a clear case of transformation from a working class in the initial stages of migration to an entrepreneurial one in recent times.**

Almost all the respondents themselves or their parents came to Malaysia as workers. These include plantation workers, railway workers, paid employees of some establishment, as employees brought by known person etc., Each of the respondents selected for the study had their unique stories of immigration. As discussed in the chapters, most of the respondents came under *Kangani* system. While few other came to Malaysia as paid workers and railway workers. Since, Brickfields was primarily a place for brick kiln workers and later after the establishment of railway yard, a significant number of railway workers were also appointed in the area from India and Sri Lanka. Therefore, it is apparent to find a presence of Railway workers family among the respondents.

The study finds that the entrepreneurs functioning from Little India, Brickfields, as a plantation or other category of paid workers. After an initial stay of few decades, next generation of these immigrants shifted to Kuala Lumpur, in search of other employment. Further, most of the workers had no entrepreneurial experience within the family history and set up their businesses themselves.

*I was in Singapore. From Singapore, I got some work opportunity in Penang, Malaysia. There I worked for five years. In between, I became friendly with many local entrepreneurs. Many of them suggested me to start this business in Kuala Lumpur. (A Respondent, Location- Little India, Date- 21.01.2017)*

As observed, many enterprises were established by the respondents without any previous experience. As informed by almost all the respondents, the establishment of the enterprise was a choice to get better economic opportunities. The process of establishment of the enterprise by the entrepreneur without any previous experience found quite common among the respondents. Most of the respondents were working in other sectors and established the shop. This process also reflects the entrepreneurial innovation and risk management by Diaspora community. Seven respondents gained entrepreneurial experience after working in another establishment as a worker.

Among the respondents, some of the respondents had previous experience of working in shops located in Little India and other places as a worker. After working there for some time, they intended to establish the organisation. Two respondents were from the new Diaspora and established the shop with the help of advice received from their friends. Among the respondents, two female respondents expressed the role of the organisation as complementary to the existing enterprise being run by other members of the family.

As reflected from the study, education qualification has no direct relationship with or bearing on entrepreneurial success among the Indian Diasporic community in Malaysia. The study considers educational background as an essential matter of analysis. However, the responses showed no correlation between level of education and entrepreneurial success. Considering the fact that the enterprises located in the Little India are mostly small and require no significant managerial skill, education play relatively lesser role.

**Personal savings have been the most crucial source of funding to set up and sustaining entrepreneurship ventures among Malaysian Indians, followed by support from friends & family**

*Things were not very expensive in Malaysia that time. It was not very difficult to buy a piece of land or to set up a shop. However, my father had very less saving of his own. That the local people (Tamil) helped him a lot. They provide whatever they can. They arranged the space for a shop, they also arranged money and helped my father to get some financial support from the local bank. Overall the role of community members was very critical for the development of the current business. (A Respondent, Location- Little India, Date- 17.04.2017)*

As reflected from the resource mobilisation process for establishing the enterprise, Indian Diasporic entrepreneurship development in Malaysia is an example of individual-driven psychological motivations of entrepreneurs. The psychological aspect is an essential part of entrepreneurial innovation and success. Psychologically empowered orientation towards entrepreneurial success leads an individual to have a sense of innovation, ability to take the risk, organisation building, vision and need for achievement. Indian Diaspora business development in Malaysia is an essential example of individual-level success. The entrepreneurs were mostly appointed as a



wage labourer. Their sole motive was to earn some money to save for family living in India. However, over time, these entrepreneurs took the risk and developed the business with the help of friends and the local community. They had no financial back-up, none of the entrepreneurs receives any financial support from Malaysian Government. Entrepreneurship was entirely an individual level affair. In general, from the planning stage to execution stage, from establishment stage to development stage and for all the future planning, the role of the psychological strength of entrepreneur can be considered as very crucial.

It was observed that social capital had been an essential factor in the development of many enterprises in Malaysia. The Social and cultural factors play an essential role in the development of any Diaspora business considering the alien environment faced by migrants in the destination countries. In this context, this study attempted to discuss the role of cultural factors, which include social capital in the development of Diaspora businesses in Malaysia. The role of social capital has been an essential part of these enclave economies. The establishment, functioning and prospects of these enterprises largely depend on social capital. In the context of Indian Diaspora business in Malaysia, social capital denotes the existence of the trust, networks, resources, and belief among the members of the group. The issue was discussed with many respondents to get the more precise picture. As reflected, six enterprises were wholly established with the help of personal savings, while only one of the enterprise was established with the help of financial support from banks. Remaining enterprises were established with the help of either friends & family or local community.

*Many people from locality supported me when I was struggling to get the license to open a shop. Many of my friends, also provided financial support at the time the joint not doing good and I had asked enough support from my father and in-laws. I have been running the shop since last 17 years; there were times, when I had to suffer finically, that time my friends and local community provided support to me, in return I also support people, whenever they have any need. (A Respondent, Location- Little India, Date- 11.01.2017)*

Although the concept of social capital is highly debated considering its application and analysis, the concept mostly fits into various dimensions of sociological changes. The concept of ethnic enterprise consists an adequate potential to be termed as an essential part of social capital formation among the member of the same ethnicity. In

fact, any ethnic collaborative activity initiated at the destination countries with a visible degree of risk and uncertainty has a back-up of social capital. Therefore, in the case of Indian Diaspora business community in Malaysia, social capital plays a key role.

In fact, the development of entrepreneurship among Malaysian Indians is a result of multifaceted community relationships. The development and functioning of the enterprise is a result of various inter-related factors such as religion, culture, language and ethnicity.

**Contrary to existing belief of entrepreneurship development among immigrant communities, Indian Diasporic entrepreneurship in Malaysia evidence minor innovation and partake in lower risk-taking ventures.**

*We established this restaurant thinking about the location. We calculated the risk and success factor, the customer base, and future changes. We also considered the shops and establishments located nearby. Therefore, we established the shop here. (A Respondent, Location- Little India, Date- 07.04.2017)*

The entrepreneurial environment of Little India, Kuala Lumpur, Malaysia does not entirely follow the entrepreneurial model of Knight or Schumpeter since the risk and uncertainty are taken care because of the ethnic neighbourhood and requested demands. However, if considered the entire enclave economy as overall entrepreneurial innovation, the risk and uncertainty are relatively less evident in the of Little India than any other entrepreneurial ventures. The enclave economy establishes based on social capital and trust. The organisations get established to fulfil the demand generated by the enclave members. Despite the continuous threat of economy, political system and security, the enterprises function to fulfil the demand. It was observed that the most of the enterprises established by Indian Diaspora are small and need relatively lesser capital. The small enterprises need less investment and are easy to function. It also involves lower risk factors, unlike the more significant business, where any change in the economy, political system and security can lead to financial adversity.

Malaysian Indian Entrepreneurship is a classic case of enclave economy and ethnic entrepreneurship. The products being utilised by the ethnic neighbourhood are fixed and traces back to their old routes in India. One single visit to the market can be sufficient to understand the functioning and cultural pattern. The market follows popular culture with no visible strategy of innovation. This is an apparent development of ethnicity-based economy because the available customer always tries to maintain their myths and memory of homeland with the help of products and rituals related to the homeland.

Indian Diasporic entrepreneurship in Malaysia has the protection of an enclave economy; therefore, no significant entrepreneurial strategies are practised for competing with fellow entrepreneurs. For the development of business, psychological willingness, knowledge and information of market environment and possession of skill needed to undertake the venture are three crucial pillars of an enterprise formation. In the case of Indian ethnic market in Malaysia, no robust business strategies were observed.

These are some of the individual level strategies adopted by the Indian entrepreneurs in Malaysia to counter any possible risk and utilise the available opportunities. In most of the cases in Malaysia, development of customer bases is not a difficulty for the entrepreneur. However, maintaining the base can be a difficult job. During the visits, not a single incident of entrepreneur failure was observed, and in fact, an increase in the enterprises was also observed. This is a fact that the Indian population has not seen a significant increase in the total Malaysian population. The percentage has gone down from nearly 8% to 6.2%, while the number of Indian enterprises has seen a significant increase, especially after enactment of New Economic Policy and Malaysian Development Plan. In this context, high level of increase in Indian enterprises can lead to higher internal competition and need for more active strategies to expand their business in changing scenario.

*Little India is made of Tamil Malaysians only. Here Tamil businesspeople easily get market, without any issue. Whatever shop you will open and if it related to ethnic Tamil demand, it will be successful. There is no risk involved in the business. (A Respondent, Location- Little India, Date- 21.01.2017)*

Further analysis of education and entrepreneurial success also reflected that the Indian Diaspora entrepreneurs in Malaysia are not an example of entrepreneurs adapting to technological innovations and still stick to traditional businesses. In the case of Indian Diasporic entrepreneurship in Malaysia technological transfer has mostly been ignored or not relevant, considering the fact that the settlement of Indian Diaspora in Malaysia is not a new phenomenon. Malaysian Indians continue some level of interaction with the homeland, but more or less, the community is settled in Malaysia. Mostly there are no significant new arrivals. Further, the entrepreneurial preferences are primarily based on community requirement. There is no demand for new products observed; instead, customers demand products related to their ethnic taste.

In general, there is no significant importance of knowledge and technology transfer on the Indian Diaspora entrepreneurs in Malaysia. However, homeland interaction does play a significant role for many of the organisations. At the enterprise level, the technological innovation is not very much evident among Indian Diaspora entrepreneurs. Some of the instances recorded are mostly related to firm-level innovation.

Unlike the areas of new Diaspora settlement, where the Diaspora have the opportunity to initiate new market strategies and products, Indians entrepreneurs in Malaysia are mostly old Diaspora. The sole motive of the entrepreneurship in Malaysia is to function as a cultural bridge with required products between homeland and host land. The importance of knowledge and technology transfer in enterprise development is not seen as very important in the existing scenario.

**Relationship of Malaysian Indians Entrepreneurs with India is more personal than professional.**

*The product sold by me has nothing to do with homeland identity. However, the purpose very much relates to the ethnic background and religious identity. The flowers are mostly sold for the religious activity and cultural practices, which can be related to the identity preservation. Further culture is an important aspect of his business development by Indian Diaspora in Malaysia. The flower business by me is directly relating to the cultural identity of Identity of Indians in Malaysia. (A Respondent, Location- Little India, Date- 16.01.2017)*

During the field study, some evidence of business partnerships with India were observed. These partnerships, however, were not very strong. The partnerships are being mainly to maintain homeland ties. The analysis of fieldwork outcome reflects that the products imported by the Indian entrepreneurs in Malaysia are mostly available locally. The sole reason for the import and business partnership with India is to maintain homeland memory. Many of the respondents expressed their lack of motivation towards a business relationship with India. One of the examples is the food joint owner. The food joint has no current relationship with India. None of his business resources is imported from India. Most of the resources required for the eatery are purchased from the local market, but he does not have any reliance on India for customers. He connects with India, regarding food he serves as these are mostly Tamil food. The food culture is from India, but that does not need to connect with India now as most of the things are readily available here.

*Indianness is a reality of Malaysian Indians. We can say, we are Malaysians, but we have a soft corner for our homeland. People do want to know about Tamil Nadu and India. They want to maintain the cultural and religious ties. (A Respondent, Location- Little India, Date- 10.01.2017)*

During the study, the homeland relationship perspectives were also considered. Several questions related to homeland interactions were asked. The issues such as market relationships with India, import of products from India, business partnership with India, cultural relationship with India, spiritual relationship with India and others were asked. Several perspectives were identified and analysed from the case studies. Among the respondents, everyone had their own experiences. While all the respondents had a different level of interaction, casual visits were seen as a most preferred way of homeland interaction. Almost all the respondents had a strong willingness to go to India to visit Indian religious places. Most of the respondents had prior experience of visiting India. Many of the respondents visit India every year and want their next generation to visit. The underlying idea behind the inclusion of homeland related questions was to know about the entrepreneurial partnership of Malaysian Indians with India. However, the analysis of responses reflects that the

religious pilgrimage is most crucial homeland connection among Malaysian Indians. All other categories of relationships come after this.

*I am not an Indian. We have been living here for hundreds of years. I have no information about India. I am a true Malaysian. I live in this country, and I am a citizen of this country. If you want to meet an Indian, then I am not the person, you want to meet. Talk to someone else. (A Respondent, Location- Little India, Date- 09.04.2017)*

Along with the dimensions mentioned above, the study brings together a number of issues related to Indian Diasporic entrepreneurship. Some of the specific findings are listed below:

1. Indian Diaspora Entrepreneurship in Malaysia evident a convincing example of Enclave Hypothesis and Neighbourhood Entrepreneurship
2. Participation of Malaysian Indians in traditional employment has seen a considerable decrease.
3. Entrepreneurship expansion among Malaysian Indians has been a slow process.
4. Entrepreneurship among Indian living in Malaysia is achieved rather than ascribed.
5. Majority of Indian diaspora entrepreneurs had no prior entrepreneurial experience.
6. Educational qualification has no direct relationship with entrepreneurial success among Indian diaspora community in Malaysia.
7. Indian diaspora entrepreneurship in Malaysia is not an example of technological innovation.
8. Indian diaspora entrepreneurship development in Malaysia is an example of individual-level psychological motivation of entrepreneurs.
9. Social capital has been an essential factor in the development of many enterprises in Malaysia.
10. Development of migrant entrepreneurship is an outcome of complex community interactions (religion, culture, language, ethnicity, etc.).
11. Next generation of Malaysian Indian entrepreneurs are more prone to move towards entrepreneurship compared to paid employment
12. Indian Diaspora Entrepreneurship in Malaysia has protection of enclave economy; therefore, no significant entrepreneurial strategies are practised to compete with fellow entrepreneurs.

Overall the study analyses the entrepreneurial practices at four levels, viz., individual level, enterprise level, institutional (market) level, and transnational level. This study tried to bring together detailed and holistic information about Diasporic entrepreneurship. The study findings reveal that the Indian Diaspora entrepreneurs are utilising their socio-cultural capital to establish and conduct their businesses despite lack of support from Malaysian government for Diasporic entrepreneurship. The economic condition of the Indian community in Malaysia has been increasingly deteriorating with the implementation of various Bumiputra centric Government policies. Diasporic entrepreneurship among ethnic Indians has become an opportunity to overcome both existing and probable vulnerabilities. By becoming an entrepreneur, the Diaspora community acquires a more economically secure path for their families and generates more secure ethnic enclave employment for other ethnic Indians in Malaysia. The study provides a noteworthy information about Diasporic entrepreneurship, Ethnic Entrepreneurship, Ethnic Studies, and Diaspora studies.

### **Research Constraints**

The most significant challenge of this study was to find suitable informants who, apart from being “Diaspora” themselves, were also running businesses in Malaysia. Since there were no statistics available about such enterprises in Malaysia, the respondents for the study were identified firstly by identifying the location of ethnic enterprises and then enumerating the enterprises by type. There was a general reluctance among respondents to talk with a “stranger” about matters related to their business, mainly because the interviews included accounts of business operations or even of business secrets. Thus, even having found the informants, the study had difficulties conducting successful interviews and obtaining the data needed for the study.

Further, language was one of the most challenging barriers to overcome. As most of the respondents speaks Tamil with very less knowledge of English, there was a conspicuous language barrier to be bridged. Finally, the financial costs involved in long-term fieldwork made it difficult to examine in detail the unfolding migratory tendency to transnational entrepreneurship that requires frequently going to Malaysia to observe and verify the claims made by informants. In this sense, the strength lies in

observations and discussion with the respondents. These have helped the research to progress swiftly and convincingly. Finally, the study is a careful attempt to gain significant, meaningful, and precise insights into the practice of entrepreneurship among Indian Diaspora in Malaysia.

### **Contribution to Knowledge**

The study has potential to provide an essential contribution in the field of Diasporic entrepreneurship in particular and sociological studies of Diaspora in general. Migration is a reality of today's society. Nearly one-third of today's world population is mobile. In this context, there is an urgent need to study this extraordinary phenomenon. Since last three-four decades, migration has evolved as an essential area of study. However, the area needs to be analysed more seriously, and a careful analysis is required to understand contemporary human settlement-related issues.

In this context, this study with a specific empirical, methodological, and theoretical frame identified to study Diasporic entrepreneurship has explored one of the prominent areas of migration studies. There are few studies that have analysed Diasporic entrepreneurship in North America and Europe, however, there has been dearth of information related to immigrant entrepreneurship in Southeast Asia. Therefore, this study has attempted to provide a preliminary analysis of Diasporic entrepreneurship in Malaysia focusing on Indian Diaspora which can be further analysed in future studies.

Methodologically, the study tried to make a meaningful attempt to record essential dimensions of Diasporic entrepreneurship through life history and oral narratives. The study is first of its kind to provide analysis of the field through narratives of respondents. This is intended that the academic community would considerably benefit from the empirical account identified in the research. Further, this study with an extensive analysis of different levels of entrepreneurship (Individual, enterprise, and Environment) can be a resource for researchers and policy makers from India and Malaysia.



## **To Sum up**

The outcomes of this research have many academic inferences. Most significantly, this is an exploratory study to examine and understand the development of entrepreneurship among Indian Diaspora living in Malaysia. The study analyses not just entrepreneurial intention and motivation but also related to operation and strategies. The study also examines the role of these businesses at transnational level and factors influencing decision making for engagements. The study with community specific information also justifies the importance of diaspora entrepreneur research instead of mainstream research (see chapter 2). The findings reveal that there is a correlation between diaspora entrepreneurship and its effect on mainstream economic policies in Malaysia.

The study is an attempt to understand the phenomenon of Indian Diasporic entrepreneurship in Malaysia. This study attempts to establish a relationship between Diaspora' psychologies and capabilities, enterprise-level dimensions, institutional behaviour, homeland relationship and their overall impact on entrepreneurial operations. The analysis has been done with the help of 35 life histories. The practical outcome has been carefully studied to discuss and analyse the objectives of the research. The outcome of the research deals with various issues related to ethnic market, social capital, resource mobilisation process, innovation and strategies utilised to develop the business and various other factors.

This study is the first step towards the development of understanding about Indian Diaspora businesses in Malaysia. The study is just an attempt to understand the Indian entrepreneurship in Malaysia. However, considering the resource and financial constraints, a number of issues could not be analysed in the process. In this context, this research can be further elaborated in future with a comparative analysis of entire South Asian Diasporic entrepreneurship. Further, a comparative analysis of Singapore and Malaysia will be a profoundly meaningful attempt to understand the settlement and Diasporic entrepreneurship among South Asian residents.

In the end, while the findings of this study could apply to other Diasporic entrepreneurs in Malaysia and Southeast Asia, any generalizability can be only

determined after further investigation. Nevertheless, this study provided some insights and added to the literature on Diaspora entrepreneurs' business activities. The study addressed many issues related to Indian Diaspora entrepreneurship in Malaysia, that have not been investigated before and hopefully; it can spur further inquiries in this area to untangle the many questions about international entrepreneurs, Diaspora entrepreneurs and entrepreneurs' network utilisation.

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## **Annexure- 1: Case Study Guidelines**

### **Personal Details**

1. Name:
2. Age:
3. Marital Status:
4. Nationality:
5. Education Level:
6. District/State of origin from India:
7. Year of immigration to Malaysia?
8. Current city of settlement:
9. Details of family members:

S. No.	Name of Family Member	Relationship	Age	Education	Location	Nationality	Occupation
1.							
2.							
3.							
4.							
5.							
6.							
7.							
8.							

### **Entrepreneurship Details**

1. Name of the Organization:
2. Current location of the organization:
3. Whether founder of the enterprise?
4. Occupations previously pursued in Malaysia?
5. When did you start your business?
6. Nature of Enterprise (explain) (Wholesale trade, Retail trade, Restaurant /Catering, travel agency, Export, and Import, etc.)
7. Type of Ownership (individual, familiar, partnership, if partnership with other, nationality of other partners)

8. Sources of Funds for opening a new Enterprise?
9. What role personal savings played in the opening of Enterprise?
10. What role friendship and ethnic networks played in the opening of Enterprise?
11. Number of Employees, country of their origin, gender structure, and their relationships with owner of Enterprise (explain)
12. Opening hours, Customers usually served, and outreach services (explain)
13. Goods available or products dealing with or services provided by your Enterprise?
14. Is this your first business? If not, what was your first business?
15. Why did you move from previous business?
16. Do you intend to switch to any other business in near future?
17. Have you acquired any landed property in Malaysia?
18. When did you acquire the property?
19. Do you have any house/apartment or residential place of your own?
20. Is your family staying with you in Malaysia?
21. Please tell me more about your religion? (Optional)
22. Please tell me more about your family's religious beliefs and practices? (Optional)
23. How do your religious belief and practices differ from local Malay community? (Optional)

### **Relationship with India**

1. Does your business establishment directly/indirectly deals with Indian products (Please provide details)?
2. Do you prepare/manufacture/create/design the product by your own, or you import from India?
3. Do you have any business partnership with Indian brands? If yes, please explain terms of partnership.
4. What percentage of reliance your business has in India? (define 0-100%)
5. What is your plan for future?

## **Ethnic Integration and Business Development**

1. How did people of Indian origin in Malaysia develop diasporic enterprises?
2. How these markets and products help in the maintenance of their homeland identity?
3. How these markets operate in Malaysia? Are these solely an individual initiative or some other collaborative community initiatives also exist?
4. Do these establishments constitute formal entrepreneurial initiatives or do they work as informal activities or both?
5. How the cultural factors (religion, culture, language) mediate between the individual entrepreneurs and institutional environment in Malaysia?
6. How do migrants, who were mostly irregular and involved in low-skilled occupations, circumvent restrictions imposed on them in operating businesses in Malaysia?
7. What makes them entrepreneurs and propels them to take risks either to start or expand their enterprises?
8. What role does social capital plays in the development of Indian Diaspora entrepreneurship in Malaysia?
9. What strategies, entrepreneurs used to enhance the entrepreneurial opportunities? What risks and uncertainty were in the mind of entrepreneur while opening the enterprise?
10. Is it possible to analyse the Indian Diaspora entrepreneurship in Malaysia, on the basis of gender, caste, religion, region and ethnicity? How to understand the Indian Diaspora entrepreneurship on the basis of variables mentioned above?
11. How the entrepreneur identified the opportunity available in opening of certain category of business? How to analyse the specific opportunities available at the time of opening of enterprise and now? What are the growth behaviours being available for the opening of enterprise?
12. How entrepreneurs collected resources for the enterprise? What are the strategies they used to develop the enterprise? How market environment helped them in development of entrepreneurship?
13. Does education matters in the development of entrepreneurship among Indian Diaspora in Malaysia. What role does education play?
14. How much time does it take to develop the enterprise from planning level? When the settling of ventures came in to mind and when it was actually started?

15. Do the entrepreneurs have any previous entrepreneurial background? How they learned the business process?

## Annexure-2: Role of Social Networking Sites in the Development of Business

Social networking sites are the reality of today's time. In order to get the broader picture of Indian Diaspora entrepreneurship in Malaysia, the study also analysed various social networking sites such as Facebook, Twitter, LinkedIn. A number of social networking sites also sell Indian products and are being run by Malaysian Indians. Some of the examples of the Facebook pages are mentioned below:

S. No.	Platform	Name of the Organization	Activities	Membership
1.	Facebook	Malaysian Indian Business Meetup <sup>65</sup>	Buy and Sell Indian products	3,332 Members
2.	Facebook	Malaysian Indian Business <sup>66</sup>	Buy and Sell products	41,841 Members
3.	Facebook	Malaysian Indian Business Portal <sup>67</sup>	Home-Based Earning Opportunity	106,627 Members
4.	Facebook	Malaysian Indian Business Executives & Directors <sup>68</sup>	Community networking and advertisement and promotion	58,571 Members
5.	Facebook	Malaysian Indian online business <sup>69</sup>	For Malaysian Indians to promote their business online	33,738 Members
6.	Facebook	Malaysian Indian Business (MIB) <sup>70</sup>	Buy and Sell products	16,491 Members
7.	Facebook	Malaysian Indian Business Portal <sup>71</sup>	Buy and Sell products	102,627 Members
8.	Facebook	Malaysian Indian Business Store <sup>72</sup>	Buy and Sell products	9,121 Members
9.	Facebook	Malaysian Indian Business - online/offline <sup>73</sup>	Buy and Sell products	35,962 Members
10.	Facebook	Malaysian Indian	Business Promotion	14,897

<sup>65</sup> Weblink- [https://www.facebook.com/groups/438857072915747/?ref=br\\_rs](https://www.facebook.com/groups/438857072915747/?ref=br_rs), accessed on 10 August 2017.

<sup>66</sup> [https://www.facebook.com/groups/myindianbusiness/?ref=br\\_rs](https://www.facebook.com/groups/myindianbusiness/?ref=br_rs), accessed on 10 August 2017.

<sup>67</sup> [https://www.facebook.com/groups/OnlineEarningAt.CA/?ref=br\\_rs](https://www.facebook.com/groups/OnlineEarningAt.CA/?ref=br_rs), accessed on 10 August 2017.

<sup>68</sup> [https://www.facebook.com/groups/229927750378191/?ref=br\\_rs](https://www.facebook.com/groups/229927750378191/?ref=br_rs), accessed on 10 August 2017.

<sup>69</sup> [https://www.facebook.com/groups/836125176443841/?ref=br\\_rs](https://www.facebook.com/groups/836125176443841/?ref=br_rs), accessed on 10 August 2017.

<sup>70</sup> [https://www.facebook.com/groups/MIBADMIN/?ref=br\\_rs](https://www.facebook.com/groups/MIBADMIN/?ref=br_rs), accessed on 10 August 2017.

<sup>71</sup> [https://www.facebook.com/groups/OnlineEarningAt.CA/?ref=br\\_rs](https://www.facebook.com/groups/OnlineEarningAt.CA/?ref=br_rs), accessed on 10 August 2017.

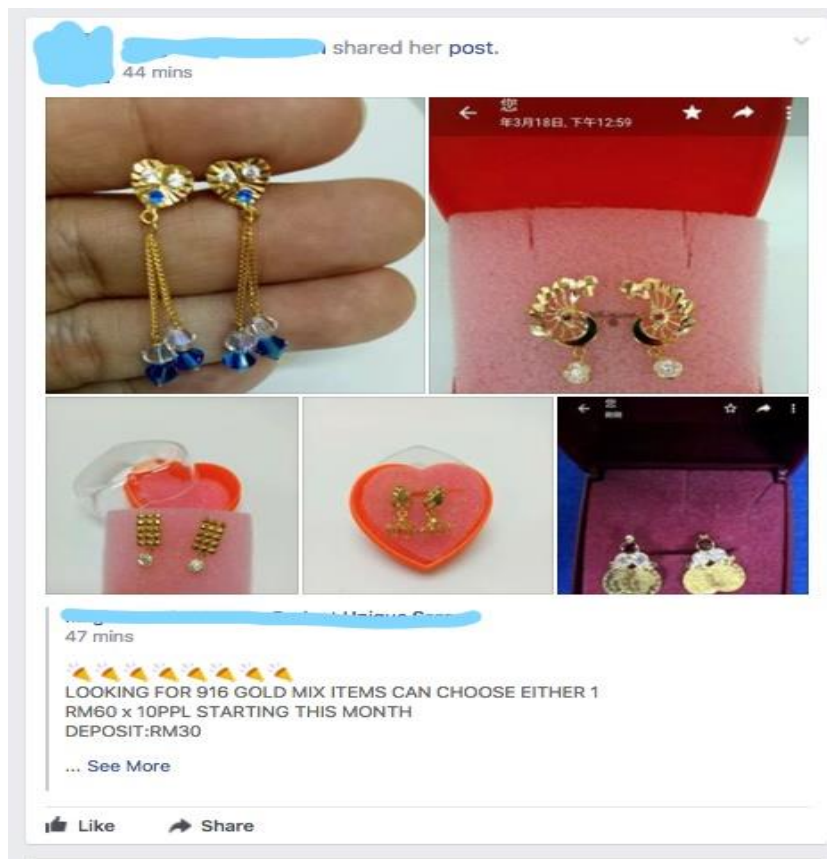
<sup>72</sup> [https://www.facebook.com/groups/1023612781069755/?ref=br\\_rs](https://www.facebook.com/groups/1023612781069755/?ref=br_rs), accessed on 10 August 2017.

<sup>73</sup> [https://www.facebook.com/groups/1656804541257504/?ref=br\\_rs](https://www.facebook.com/groups/1656804541257504/?ref=br_rs), accessed on 10 August 2017.



		Business Networks <sup>74</sup>		Members
11.	Twitter	Business Insider MY <sup>75</sup>	For aspiring professionals and business leaders	525 Followers
12.	Twitter	Malaysian Indian <sup>76</sup>	To gather all Malaysian Indians under one Twitter account	347 Followers
13.	LinkedIn	Malaysian Indian Entrepreneurs <sup>77</sup>	To share knowledge and skills and improve businesses.	1 Member

Among the social networking sites, Facebook is most popular, considering the fact that it gives independence to post detailed product advertisements, unlike other social networking sites that have word limit. The advertisements on such social networking sites highlight many ethnic products being sold by Indian Diaspora entrepreneurs. Some of the snapshots are presented below:



Source: Facebook page- Malaysian Indian Business (MIB),

<sup>74</sup> [https://www.facebook.com/groups/470465056445483/?ref=br\\_rs](https://www.facebook.com/groups/470465056445483/?ref=br_rs), accessed on 10 August 2017.

<sup>75</sup> <https://twitter.com/businsidermy?lang=en>, accessed on 10 August 2017.

<sup>76</sup> [https://twitter.com/twt\\_indian?lang=en](https://twitter.com/twt_indian?lang=en), accessed on 10 August 2017.

<sup>77</sup> <https://www.linkedin.com/groups/4397229/profile>, accessed on 10 August 2017.

[https://www.facebook.com/groups/MIBADMIN/?ref=br\\_rs](https://www.facebook.com/groups/MIBADMIN/?ref=br_rs), accessed on 10 August 2017.

2 hrs

**Tussar Kashmiri Saree DV**

RM115

Petaling Jaya, Malaysia

- Tussar Kashmiri work
- Embroidery pallu
- Plain blouse
- Saree alone RM115

FB

FB

FB

Message Seller

Source: Facebook, Malaysian Indian Business Portal,

[https://www.facebook.com/groups/OnlineEarningAt.CA/?ref=br\\_rs](https://www.facebook.com/groups/OnlineEarningAt.CA/?ref=br_rs), accessed on 10 August 2017.

 5 hrs

**Statuses**

**FREE**

📍 Penang, Malaysia

Made in marble  
Colours available  
Pm me for the best price



 Message Seller

 Like    Comment

Source: Facebook, Malaysian Indian Business Executives & Directors, [https://www.facebook.com/groups/229927750378191/?ref=br\\_rs](https://www.facebook.com/groups/229927750378191/?ref=br_rs), accessed on 10

August 2017.

 Yesterday at 9:50am

**LABOUR**  
RM1

GENERAL WORKER FOR PLANTATION CAL OR WATSUP 0163667671



[Message Seller](#)

 Like  Share

 1

  Need female worker for cafe..do u have  
Like · Yesterday at 11:49am

  Call if yes. 0163667671  
Like · Yesterday at 11:50am

   
Like · Yesterday at 11:50am

Source- Facebook- Malaysian Indian Business (MIB),

[https://www.facebook.com/groups/MIBADMIN/?ref=br\\_rs](https://www.facebook.com/groups/MIBADMIN/?ref=br_rs), accessed on 10 August 2017.

The images placed above are examples of online businesses done by Malaysian Indians. Most of these pages are created to buy and sell Indian ethnic products, specifically Saree, Jewellery, Ornaments, or beauty products. However, some of the advertisements were also found about workers' recruitment. Officially, as per the law, stated in the eMigrate section of Ministry of External Affairs, Indian workers need to have employment from India only. None of these workers can be taken from India without official copy of employment contract.

## Annexure- 3: Fieldwork Images

Little India Street, Klang



Little India, Brickfields, Kuala Lumpur



Little India Street, Penang



Little India, Brickfields



Little India Street



A Century-Old Buddhist Vihara



Grocery Store in Little India



Flower Shops in Little India



Outside View of the Restaurant



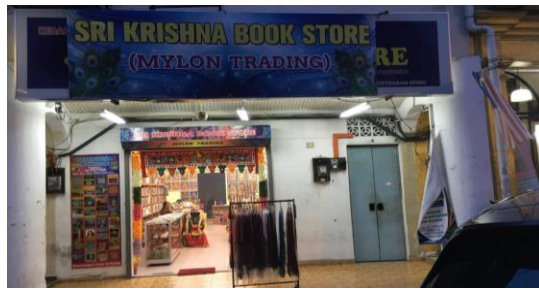
Malay Food Counter in Tamil Restaurant



A Grocery Store in Little India



Book Store in Little India, Kuala Lumpur



Garment Store in Little India



A Poster in Little India



A Restaurant in Little India



A Restaurant in Little India



A Restaurant in Little India, Penang



A Restaurant in Little India



## Annexure- 4: Indian Associations, Organisation & Communities in Malaysia

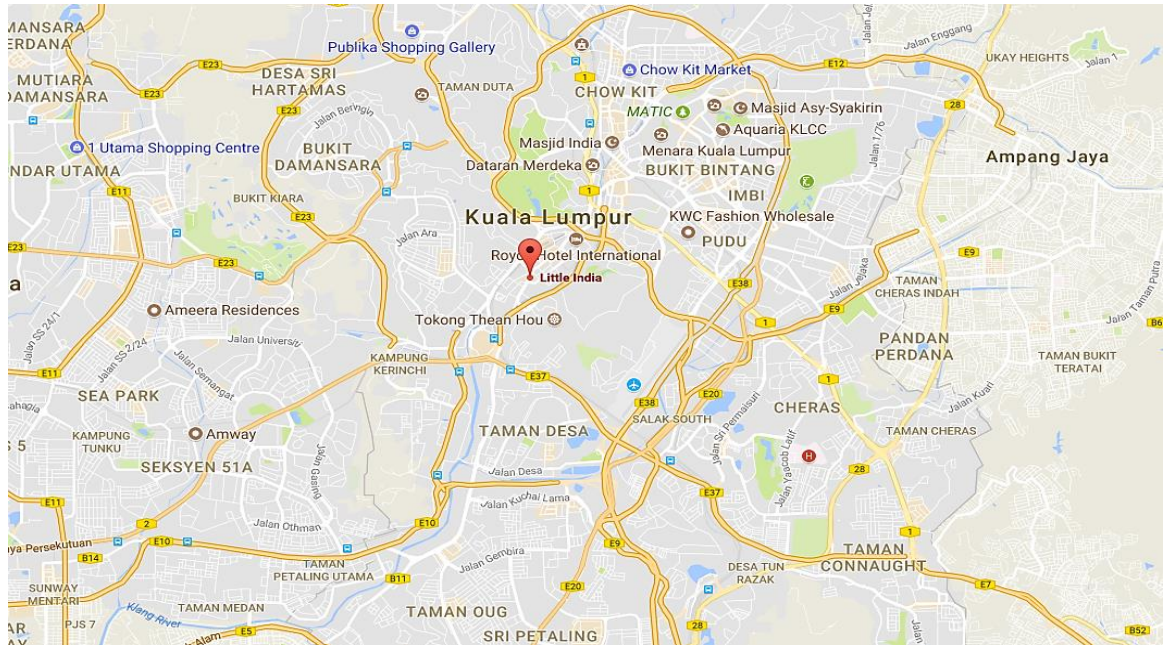
<p><b>All Malaysia Malayali Association</b> No 1155 Blossom Heights Jalan Tok Ungku Sermban, Malaysia Postal Code: 70100</p>	<p><b>All Malaysia Malayali Association</b> No. 43, Usj 9/31 Subang Jaya, Malaysia Postal Code: 47620 Fax No:603 7373921</p>
<p><b>Danavaisyar Sangam</b> 87, Jalan Sitiamurni 6 Bukit Damansara Kuala Lumpur, Malaysia Postal Code: 50490</p>	<p><b>Gujarati Seva Samaj</b> 41 Green Hall Penang Georgetown, Malaysia Postal Code: 10200</p>
<p><b>Gujarati Association</b> 14, Jalan Chenderai 2, Lucky Garden, Bangsar Kuala Lumpur, Malaysia Postal Code: 59100 Fax No:603 2224877</p>	<p><b>Hindu Sangam, Ganesh Sdn Bhd</b> Suite 22C, Bangunan Dato Zainal (MNI) Jalan Melaka Kuala Lumpur, Malaysia Postal Code: 50100</p>
<p><b>Hindu Sangam</b> 51-1, Jalan Kasipillai Off Jalan Ipoh Kuala Lumpur, Malaysia Postal Code: 51200</p>	<p><b>Hindu Sangam</b> 75 Jalan Penchala Petaling Jaya, Malaysia Postal Code: 46050 Fax No:7925213</p>
<p><b>Hindu Sangam</b> 51-1, Jalan Kasipillai Off Jalan Ipoh Kuala Lumpur, Malaysia Postal Code: 51200</p>	<p><b>Indian Muslim Association</b> Razaak Farid International Promet Building Jalan Sultan Ismail Kuala Lumpur, Malaysia</p>
<p><b>Kuala Lumpur Chinese Chamber of Commerce and Industry (KLCCI)</b> Kuala Lumpur, Malaysia</p>	<p><b>Malaysian Telugu Association</b> No 1, Jalan 1/119-A, Taynton View, Cheras Kuala Lumpur, Malaysia Postal Code: 56000 Fax No:603 9878876</p>
<p><b>Malaysian Associated Indian Chamber of Commerce And Industry (MAICCI)</b> Kuala Lumpur, Malaysia</p>	<p><b>Malaysian Indian Congress</b> Kluang Division Johor, Malaysia</p>
<p><b>Malaysian Telugu Association</b> No 502, Pakan Baru Teluk Intan, Perak, Malaysia Postal Code: 36000</p>	<p><b>Malaysian Sikh Union</b> 37, Jalan Bukit Midah Taman Midah Cheras Kuala Lumpur, Malaysia Postal Code: 56000</p>



	Telephone No. 26980710 Fax No:603 26944740
<b>Malaysian Bengali Association</b> 15F, Crescent Court Lengkok Tun Sambanthan Kuala Lumpur, Malaysia Postal Code: 50470	<b>Malaysian Bengali Association</b> 15, Jalan 14/28 Petaling Jaya, Malaysia Telephone No. 46100
<b>Malaysian Telugu Association</b> No 37, Jalan SR 8/6, Taman Putra Indah, Serdang Raya, Selangor, Malaysia Postal Code: 43300	<b>Malaysian Association of Indian University Graduates</b> No.1, Jalan 2/24B, Wangsa Melawati Ulu Klang., Malaysia Postal Code: 53300
<b>Malaysian Sikh Union</b> No 37, Jalan Bukit Midah Taman Midah, Cheras Kuala Lumpur, Malaysia Postal Code: 56000	<b>Malaysian Association of Indian University Graduates</b> 1537, Jalan 38, Taman Kepong Kuala Lumpur, Malaysia Postal Code: 52100 Telephone No. 603 22741699
<b>Malaysian Association of Indian University Graduates</b> 9, Jalan 3 Taman Sri Ukay Ampang. Malaysia Postal Code: 68000	<b>Malaysian Bengali Association</b> No 26, Jalan SS 4C/1, Taman Rasasayang Petaling Jaya, Malaysia
<b>O &amp; G Specialist</b> C/o Klikik Pakar Wanita 141 Jalan Imbi Kuala Lumpur, Malaysia Postal Code: 55100 Telephone No. 603 2425111 Fax No:603 2445911	<b>Society of Medical Graduates from India, Malaysia (Somgrim)</b> 76, Taman Zaaba Taman Tun Dr. Ismail Kuala Lumpur, Malaysia Postal Code: 60000 Telephone No. +6 03 26985837 Fax No: +6 03 26986485
<b>Wisma Harwant</b> 106, Jalan Tuanku Abdul Rahman Kuala Lumpur, Malaysia Postal Code: 50100	<b>Telgu Association of Malaysia</b> 25 Jalan Bukit Desa 6 Taman Bukit Desa Kuala Lumpur, Malaysia Postal Code: 58100

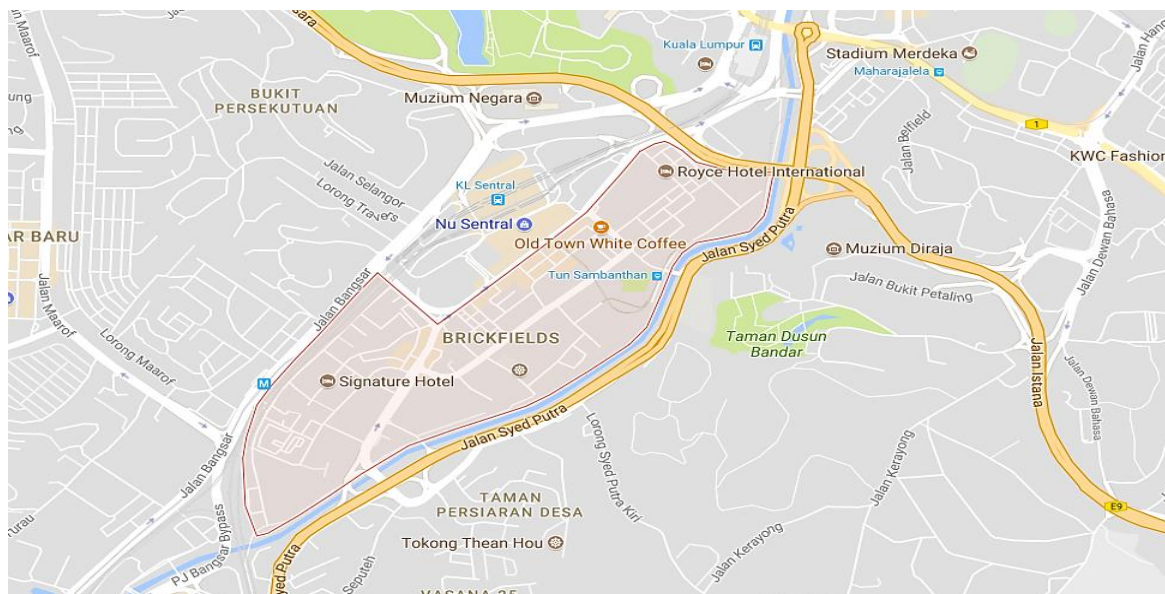
## Annexure 5: Little India: Geographic Locations

### Annexure 7.1: Location of Little India



Source: Google Maps<sup>78</sup>

### Annexure 7.2: Little India Street

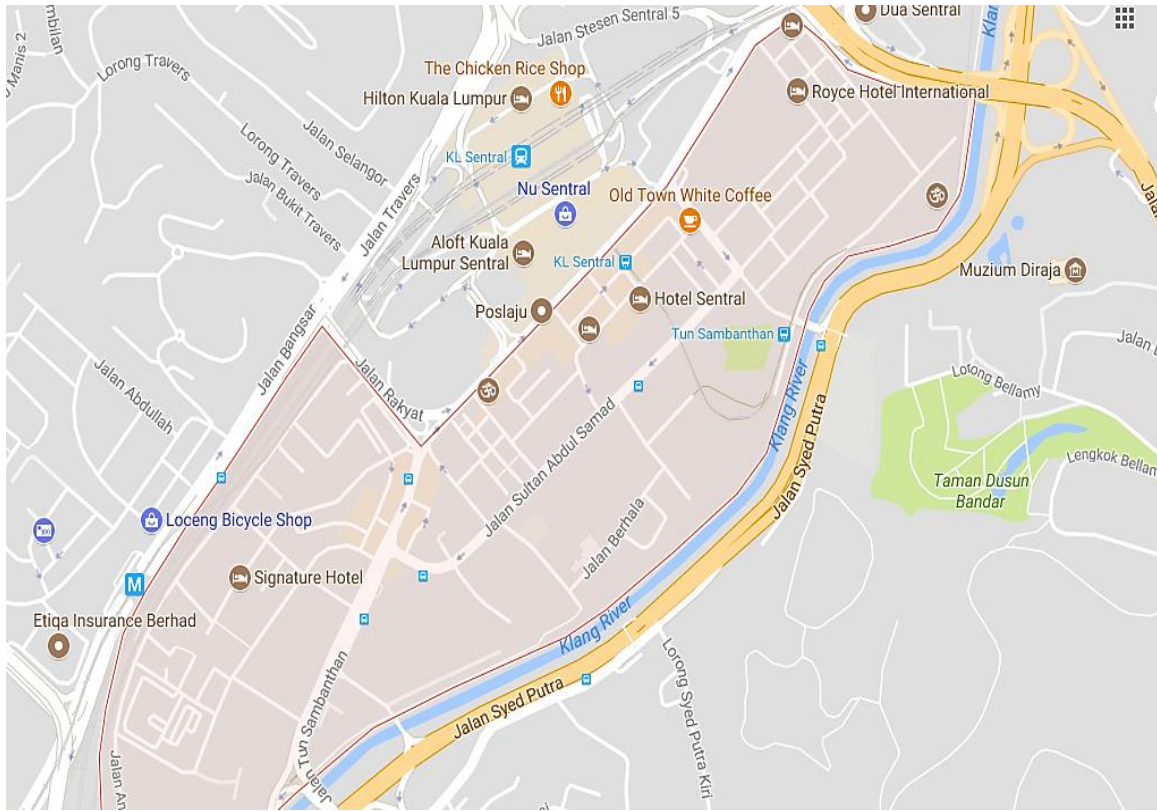


78

Screenshot captured from <https://www.google.co.in/maps/place/Brickfields,+Kuala+Lumpur,+Federal+Territory+of+Kuala+Lumpur,+Malaysia/@3.1285811,101.6750442,14.38z/data=!4m5!3m4!1s0x31cc49eb1cbfe4d7:0x87dd71c953d26dae18m2!3d3.12922514d101.6861389>

Source: Google Maps<sup>79</sup>

### Annexure 7.3: Accessibility Options to Little India



Source: Google Maps<sup>80</sup>

<sup>79</sup> Screenshot captured from <https://www.google.co.in/maps/place/Brickfields,+Kuala+Lumpur,+Federal+Territory+of+Kuala+Lumpur,+Malaysia/@3.1294232,101.6874328,15.26z/data=!4m5!3m4!1s0x31cc49eb1cbfe4d7:0x87dd71c953d26dae!8m2!3d3.129225!4d101.6861389>

<sup>80</sup> Screenshots captured from: <https://www.google.co.in/maps/place/Brickfields,+Kuala+Lumpur,+Federal+Territory+of+Kuala+Lumpur,+Malaysia/@3.1293128,101.6866221,16.07z/data=!4m5!3m4!1s0x31cc49eb1cbfe4d7:0x87dd71c953d26dae!8m2!3d3.129225!4d101.6861389>

## Annexure-6: Related Statistics

### Annexure 6.1: Mean Monthly Household Gross Income by Highest Certificate Obtained by Head of household and Ethnic Group, Malaysia, 2014 (RM)

Highest certificate obtained	Total	Bumiputra	Chinese	Indians	Others
Total	6141	5548	7666	6246	6011
Degree	13048	12179	14450	13652	16550
Diploma/certificate	7710	7120	9482	7784	7717
HSC	6407	5846	8142	6976	5240
MCE/MCVE	5416	4966	6850	5462	5585
LSAE/LCE	4445	3880	5774	4371	3857
No certificate	3585	3136	4558	3769	3906

Source: Department of Statistics, Government of Malaysia

### Annexure 6.2: Population by Ethnic Group, W.P. Kuala Lumpur, 2015 ('000)

Ethnic group	W.P. Kuala Lumpur	Percentage
Total	1780.4	100
Bumiputera	717.8	40.3
Chinese	657	36.9
Indians	153.5	8.6
Others	17.4	1.0
Non-Malaysian Citizens	234.7	13.2

Source: Department of Statistics, Government of Malaysia (2016)

### Annexure 6.3: Percentage of Income by Primary Source of Income of Head of Household and Ethnic Group, Malaysia, 2012 and 2014

Main Source of Income	2012				2014			
	Bumiputra	Chinese	Indians	Others	Bumiputra	Chinese	Indians	Others
Income from Paid Employment	69.3	61.0	69.7	54.9	67.0	60.0	69.1	60.8
Income from self-employment	14.7	22.0	15.4	30.2	14.2	20.2	12.9	21.3
Income from Property and Investment	8.9	11.4	9.4	7.4	10.3	13.7	11.5	11.0
Current transfers received	7.1	5.6	5.5	7.5	8.5	6.1	6.5	6.9

Source: HIS & BA Report 2014, Department of Statistics, 2016.

**Annexure 6.4: Composition of Indian Assisted Labour Immigration into Malays, 1844-1938**

Total Number of Arrivals	Percentage					
	Indentured			Kangani	Voluntary	Others
	Written Contract	Verbal Contract	Total			
1910820	9.5	8.0	13.5	62.5	15.3	9.5

Source: Sandhu (1969)

**Annexure 6.5: Country-wise Population of Overseas Indians (As on December 2017)<sup>81</sup>**

Sl. No.	Country	Non-Resident Indians (NRIs)	Persons of Indian Origin (PIOs)	Overseas Indians
1	Afghanistan	2,960	9	2,969
2	Albania	50	-	50
3	Algeria	3,500	16	3,516
4	Andorra	160	0	160
5	Angola	1,500	2,500	4,000
6	Anguilla	15	5	20
7	Antigua & Barbuda	250	300	550
8	Argentina	600	1,800	2,400
9	Armenia	1,477	23	1,500
10	Aruba	-	1,000	1,000
11	Australia	2,41,000	2,55,000	4,96,000
12	Austria and Montenegro	13,000	18,000	31,000
13	Azerbaijan	953	24	977
14	Bahamas	250	50	300
15	Bahrain	3,12,918	3,257	3,16,175
16	Bangladesh	10,385	6	10,391
17	Barbados	100	2,114	2,214
18	Belarus	420	67	487
19	Belgium	10,404	8,000	18,404
20	Belize	200	9,500	9,700
21	Benin	1,563	0	1,563
22	Bhutan	60,000	0	60,000
23	Bolivia	50	10	60
24	Bonaire & Smaller Islands	-	200	200
25	Bosnia & Herzegovina	20	6	26
26	Botswana	9,000	3,000	12,000
27	Brazil	4,729	344	5,073
28	British Virgin Islands	50	10	60
29	Brunei Darussalam	11,500	98	11,598
30	Bulgaria	100	62	162
31	Burkina Faso	200	5	205
32	Burundi	465	35	500
33	Cambodia	1,500	10	1,510
34	Cameroon	245	0	245
35	Canada	1,84,320	8,31,865	10,16,185
36	Cape Verde Islands	20	0	20

<sup>81</sup> Population of Overseas Indians, As on December 2016. Table downloaded from the website of Ministry of External Affairs. [http://mea.gov.in/images/attach/NRIs-and-PIOs\\_1.pdf](http://mea.gov.in/images/attach/NRIs-and-PIOs_1.pdf)

37	Cayman Islands	1,500	10	1,510
38	Central African Republic	10	0	10
39	Chad	120	0	120
40	Chile	500	1,500	2,000
41	China	55,500	520	56,020
42	China (Hong Kong)	45,000	6,430	51,430
43	China (Rep. of) (Taiwan)	2,444	128	2,572
44	Colombia	112	106	218
45	Comoros	30	200	230
46	Congo (Dem. Rep. of)	9,000	25	9,025
47	Congo (Republic of)	350	8	358
48	Cook Island	5	200	205
49	Costa Rica	230	20	250
50	Cote d'Ivoire (Ivory Coast)	1,500	0	1,500
51	Croatia	43	37	80
52	Cuba	500	200	700
53	Curacao	-	1,500	1,500
54	Cyprus	5,730	128	5,858
55	Czech Republic	1,800	600	2,400
56	Denmark	8,100	3,100	11,200
57	Djibouti	350	0	350
58	Dominica (Commonwealth of)	15	200	215
59	Dominican Republic	100	75	175
60	East Timor	70	0	70
61	Ecuador	43	47	90
62	Egypt	3,500	265	3,765
63	El Salvador	14	3	17
64	Equatorial Guinea	250	0	250
65	Eritrea	1,000	3	1,003
66	Estonia	518	400	918
67	Ethiopia	5,250	23	5,273
68	Fiji	1,400	3,13,798	3,15,198
69	Finland	5,016	6,595	11,611
70	France	19,000	90,000	1,09,000
71	France (Reunion Island)	250	2,80,000	2,80,250
72	France (Guadeloupe, Martinique, St. Martin)	420	66,800	67,220
73	Gabon	100	10	110
74	Gambia	600	15	615
75	Georgia	3,192	8	3,200
76	Germany	97,865	71,737	1,69,602
77	Ghana	10,000	0	10,000
78	Greece	12,015	485	12,500
79	Grenada	200	5,000	5,200
80	Guatemala	50	33	83
81	Guinea (Republic of)	700	0	700
82	Guinea Bissau	100	3	103
83	Guyana	300	2,97,493	2,97,793
84	Haiti	580	0	580
85	Holy See	NA	0	0
86	Honduras	15	2	17
87	Hungary	1,026	124	1,150
88	Iceland	257	76	333
89	Indonesia	7,500	1,00,000	1,07,500
90	Iran	4,000	190	4,190
91	Iraq	10,000	0	10,000
92	Ireland	13,500	20,500	34,000

93	Israel	12,467	85,000	97,467
94	Italy	1,72,301	25,000	1,97,301
95	Jamaica	5,000	75,000	80,000
96	Japan	28,047	670	28,717
97	Jordan	11,000	133	11,133
98	Kazakhstan	5,500	250	5,750
99	Kenya	20,000	60,000	80,000
100	Kiribati	-	50	50
101	Korea (DPR)	12	0	12
102	Korea (Republic of)	11,180	346	11,526
103	Kuwait	9,17,970	1,384	9,19,354
104	Kyrgyzstan	4,786	28	4,814
105	Laos, PDR	425	75	500
106	Latvia	760	25	785
107	Lebanon	8,000	30	8,030
108	Lesotho (Kingdom of)	500	1,000	1,500
109	Liberia	3,000	0	3,000
110	Libya	1,500	2	1,502
111	Liechtenstein (Principality of)	5	5	10
112	Lithuania	250	50	300
113	Luxembourg	500	500	1,000
114	Macedonia	10	5	15
115	Madagascar	2,500	15,000	17,500
116	Malaysia	2,25,000	27,50,000	29,75,000
117	Malawi	2,500	8,000	10,500
118	Maldives	25,000	108	25,108
119	Mali	299	0	299
120	Malta	300	65	365
121	Marshall Islands (Republic of)	14	1	15
122	Mauritania	60	0	60
123	Mauritius	10,500	8,84,000	8,94,500
124	Mexico	6,500	1,500	8,000
125	Micronesia	1	0	1
126	Moldova	190	10	200
127	Monaco	30	40	70
128	Mongolia	150	5	155
129	Montserrat	40	200	240
130	Morocco	258	96	354
131	Mozambique	2,500	30,000	32,500
132	Myanmar	8,690	20,00,000	20,08,690
133	Namibia	200	59	259
134	Nauru	20	0	20
135	Nepal	6,00,000	0	6,00,000
136	Netherlands	35,000	2,00,000	2,35,000
137	Netherlands Antilles	2,581	3,700	6,281
138	New Zealand	75,000	1,25,000	2,00,000
139	Nicaragua	6	6	12
140	Niger	150	0	150
141	Nigeria	40,000	35	40,035
142	Norway	7,718	12,300	20,018
143	Oman	7,83,040	919	7,83,959
144	Pakistan	0	0	0
145	Palau (Republic of)	15	0	15

146	Palestine (PLO)	20	0	20
147	Panama	4,000	9,000	13,000
148	Papua New Guinea	1,400	100	1,500
149	Paraguay	200	400	600
150	Peru	399	55	454
151	Philippines	1,05,000	15,000	1,20,000
152	Poland	4,000	600	4,600
153	Portugal	7,244	66,000	73,244
154	Qatar	6,97,000	500	6,97,500
155	Romania	500	210	710
156	Russian Federation	28,610	1,950	30,560
157	Rwanda	2,940	60	3,000
158	Samoa	40	30	70
159	San Marino	NA	0	0
160	Sao Tome and Principe (Rep. of)	50	0	50
161	Saudi Arabia (Kingdom of)	32,53,901	1,963	32,55,864
162	Senegal	380	31	411
163	Serbia	56	7	63
164	Seychelles	4,000	6,000	10,000
165	Sierra Leone	900	50	950
166	Singapore	3,50,000	3,00,000	6,50,000
167	Slovak Republic	200	50	250
168	Slovenia	80	50	130
169	Solomon Islands	20	0	20
170	Somalia	100	0	100
171	South Africa	60,000	15,00,000	15,60,000
172	Spain	35,308	20,000	55,308
173	Sri Lanka	14,000	16,00,000	16,14,000
174	St. Kitts and Nevis	250	500	750
175	St. Lucia	250	5,005	5,255
176	St. Martin	-	5,300	5,300
177	St. Vincent & the Grenadines	50	3,000	3,050
178	Sudan	3,400	100	3,500
179	South Sudan	500	Nil	500
180	Suriname	150	1,54,321	1,54,471
181	Swaziland	500	500	1,000
182	Sweden	15,349	10,370	25,719
183	Switzerland	17,403	7,164	24,567
184	Syria	107	0	107
185	Tajikistan	1,100	25	1,125
186	Tanzania	10,000	50,000	60,000
187	Thailand	20,000	1,75,000	1,95,000
188	Togo	500	10	510
189	Tonga	6	40	46



190	Trinidad & Tobago	1,800	5,55,000	5,56,800
191	Tunisia	121	16	137
192	Turkey	1,609	99	1,708
193	Turkmenistan	975	-	975
194	Turks & Caicos Islands	200	35	235
195	Tuvalu	-	50	50
196	Uganda	23,500	6,500	30,000
197	Ukraine	7,541	422	7,963
198	UAE	28,00,000	3,751	28,03,751
199	UK	3,25,000	15,00,000	18,25,000
200	USA	12,80,000	31,80,000	44,60,000
201	Uruguay	500	30	530
202	Uzbekistan	650	32	682
203	Vanuatu	10	800	810
204	Venezuela	70	40	110
205	Vietnam	2,600	2,120	4,720
206	Yemen	400	10,000	10,400
207	Zambia	5,000	18,000	23,000
208	Zimbabwe	500	9,000	9,500
	<b>Total</b>	<b>133,27,438</b>	<b>179,05,796</b>	<b>312,33,234</b>

Source: Ministry of External Affairs (2016b)

#### Annexure 6.6: Summary of Population Statistics, Malaysia, 2010-2015

	2010	2011	2012	2013	2014	2015
Total population ('000)	28,588.6	29,062.0	29,510.0	30,213.7	30,598.0	30,995.7
<i>Citizenship (%)</i>						
<i>Malaysian citizens</i>	91.9	91.6	91.4	90.4	90.4	90.4
<i>Non-Malaysian citizens</i>	8.1	8.4	8.6	9.6	9.6	9.6
<i>Ethnic group of Malaysian citizens (%)</i>						
Bumiputra	61.8	61.8	61.8	61.4	61.6	61.8
Chinese	22.5	22.3	22.1	21.7	21.5	21.4
Indians	6.7	6.7	6.6	6.5	6.5	6.4
Others	0.8	0.8	0.8	0.9	0.9	0.9

Note: Mid-Year Population Estimates based on the adjusted Population and Housing Census of Malaysia 2010.

Source: eStatistik, Department of Statistics, Government of Malaysia

**Annexure 6.7: Employed Persons by Industry and Ethnic Group, Malaysia, 2016  
(in '000)**

Industry	Total Employed	Representation of Indians	% of Indians in total employment <sup>82</sup>
Agriculture, forestry and fishing	1609.9	38.1	2.4
Mining and quarrying	96.3	4.1	4.3
Manufacturing	2390.6	200.4	8.4
Electricity, gas, steam and air conditioning supply	77.9	5.7	7.3
Water supply; sewerage, waste management and remediation activities	76.4	8.3	10.9
Construction	1251.7	60.1	4.8
Wholesale and retail trade; repair of motor vehicles and motorcycles	2428.5	120.2	4.9
Transportation and storage	630.4	94.9	15.1
Accommodation and food and beverage service activities	1260.7	46.5	3.7
Information and communication	208.7	16.3	7.8
Financial and insurance activities	346.9	32.5	9.4
Real estate activities	82.4	6.8	8.3
Professional, scientific, and technical activities	361.8	29.2	8.1
Administrative and support service activities	657	66.8	10.2
Public administration and defence; compulsory social security	748.2	21.3	2.8
Education	928.7	49.3	5.3
Human health and social work activities	570.3	39.3	6.9
Arts, entertainment and recreation	80.9	6.7	8.3
Other service activities	230.8	13.9	6.0
Activities of households as employers	124.7	1.6	1.3
Total	14163.7	861.9	6.1

Source: (Government of Malaysia. Department of Statistics, n.d.)

<sup>82</sup> The percentage has been calculated based on participation of Indian population in the specific sector.

### Annexure 6.8: Population Changes in Malaysia, Ethnicity wise (2000-2016)

Ethnic Group	2000	2005	2010	2015	2016
Total	22081.8	24171.6	26264.1	28060.0	28403.5
Bumiputra	14349.2	15947.3	17676.8	19182.7	19485.3
% of Bumiputra	65.0	66.0	67.3	68.4	68.6
Chinese	5761.7	6127.3	6430.4	6618.8	6645.7
% of Chinese	26.1	25.3	24.5	23.6	23.4
Indian	1696.1	1819.5	1924.9	1986.4	1991.6
% of Indians	7.7	7.5	7.3	7.1	7.0
Others	274.707	277.42	232.01	272.1	280.9
% of Others	1.2	1.1	0.9	1.0	1.0
Non-Malaysian Citizens	1413.1	1874.0	2324.5	3126.1	3230.0
% of Non-Malaysian	6.4	7.8	8.9	11.1	11.4

Source: Data calculated by self from statistical tables of the Population and Demography Statistics Division, Department of Statistics, Malaysia

Notes: 1. 2000-2009: Intercensal population estimates, 2001 – 2009.  
2. 2010-2016: Population estimates based on the Population and Housing Census of Malaysia 2010.

### Annexure 6.9: Comparative Statistical Table, Participation of Indians in Malaysian Workforce

Year	Total Malaysian Population	Indian Population	% of total population	Total Malaysian Workforce	Indian workforce	% of total workforce
2007	24584.9	1863.3	7.6	10889.5	781.1	7.2
2008	24584.9	1884.2	7.7	11028.1	796.9	7.2
2009	25848.3	1904.6	7.4	11315.3	810.6	7.2
2010	26264.1	1924.9	7.3	12303.9	798.9	6.5
2011	26616.9	1939.7	7.3	12740.7	831.1	6.5
2012	26961.7	1952.1	7.2	13221.7	856.6	6.5
2013	27325.6	1965.2	7.2	13980.5	873.3	6.2
2014	27696.2	1977.7	7.1	14263.6	902.4	6.3
2015	28060.0	1986.4	7.1	14518.0	907.7	6.3
2016	28403.5	1991.6	7.0	14667.8	906.1	6.2

Source: Data calculated by self from statistical tables of the Population and Demography Statistics Division, Department of Statistics, Malaysia.

**Annexure 6.10: Percentage of Income by Primary Source of Income of Head of Household and Ethnic Group, Malaysia, 2012 and 2014 (%)**

Main source of income	2012	2014
Income from paid employment <sup>83</sup>	69.7	69.1
Income from self-employed <sup>84</sup>	15.4	12.9
Income from property and investment	9.4	11.5
Current transfers received	5.5	6.5

Source: eStatistik, Department of Statistics, Government of Malaysia.

**Annexure 6.11- Official-Unofficial Little India Worldwide<sup>85</sup>**

Country	Location of Little India
Canada	Alberta, British Columbia, Manitoba, Ontario, Quebec, Saskatchewan
The United States of America	Arizona, California, Connecticut, Florida, Georgia, Illinois, Indiana, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Texas, Virginia
Bahrain	Manama
Hong Kong	Hong Kong
Indonesia	Jakarta, Medan, Yogyakarta
Japan	Tokyo
Malaysia	Klang, Kuala Lumpur, Selangor, Penang, Kedah, Ipoh, Melaka, Johor, Sarawak
Mauritius	Mauritius
Myanmar	Yangon
The Philippines	Manila
Saudi Arabia	Riyadh, Jeddah
Singapore	Singapore
Thailand	Bangkok
United Arab Emirates	Dubai, Sharjah, Abu Dhabi, Ajman
France	Paris
Germany	Frankfurt
Italy	Rome
Spain	Madrid
The Netherlands	Hague
Norway	Oslo
The United Kingdom	Birmingham, Glasgow, Nottingham, Leicestershire, Manchester, Berkshire, London, East Midlands, West

<sup>83</sup> A person who works for a public or private employer and receives regular remuneration in wages, salary, commission, tips or payment in kind. Source: Department of Statistics, Government of Malaysia

<sup>84</sup> A person who operates his own farm, business or trade without employing any paid workers in the conduct of his farm, trade or business. Source: Department of Statistics, Government of Malaysia

<sup>85</sup> The table 4.3 is prepared with the help of internet search and available secondary literature. The list of country is approximate, since the exact details could not have captured with the help of keyword search. Further each city may have more than one Little India. For example, Kuala Lumpur, Malaysia has two Little India, Brickfield, and Jalan Masjid, but to simplify the table, the name of city is mentioned instead of streets.

	Midlands, Lancashire
Australia	New South Wales, Queensland, South Australia, Adelaide
New Zealand	Auckland