ETHNIC RELATIONS IN MALAYSIA: A CASE STUDY OF THE INDIAN COMMUNITY 1969-2009

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DECLARATION

I declare that the dissertation entitled "**Ethnic Relations in Malaysia: A Case Study of the Indian Community 1969-2009**" submitted by me for the award of the degree of **MASTER OF PHILOSOPHY** of Jawaharlal Nehru University is my own work. The dissertation has not been previously submitted for any other degree of this university or any other University.

Nabamita De Bhowmik
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CERTIFICATE

We recommend that this dissertation may be placed before the examiner for evaluation.

Prof. G. V. C. Naidu
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4/1/13

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INTRODUCTION

Thamilan illatha Nadu illai
Thaminaku endru oru Nadu illai[1]

(There is no state without a Tamil, but there is no state for the Tamils)

Anxiety, lamentation and grievance – these are some of the terms that befit such an expression that conveys the grief of deprivation as experienced by the Tamil community, the deprivation of the sense of belonging to a land. It would do well to situate the same in the context of evaluating the status of the subject population of a nation, which often willingly or unwillingly, finds itself at the beck and call of a higher authority that holds the reins of power by virtue of the fact of enjoying the numerical majority in the ethnic composition of the society and consciously attempting to discriminate one against the other in terms of socio-political-economic standing. The subject in question is none other than the minority community of Indians, pre-dominantly constituted by the Tamils, and implicitly found to be in contestation with the majority community of Malays within the multiethnic mosaic of the Malaysian society. But before one delves deep into the dynamics of ethnic relations in the state of Malaysia, it is necessary to make it clear at the very outset that the topic deals with a state that is not just a "typical" slice of South East Asia but as Milne and Mauzy would like to say, has a distinct individuality of its own (Milne & Mauzy 1980: 3). This is the state where the four divisions of *bangsa* or the Malay equivalent of race or ethnic group, namely the MCIO (or the Malays, Chinese, Indians and the Others in order of numerical superiority) have always been a matter of fact with an omnipotent presence since the times of colonial rule and yet, the absence of any major instance of inter-ethnic physical violence since 1969 has made it exemplary enough to be labelled as a 'role model' system for other countries, in the political as well as the scholastic circles. More than anything else, it is the racial composition of Malaysia that has always provided the key to understanding the whole picture. The importance of evaluating the Malaysian state system in this light can however be gauged only when one is well versed with the history and the dynamics of nation building in the Third World as will be discussed forth, which will help to understand the case of the unique existence of the Malaysian social kaleidoscope.

1 www.tamilnation.org

THE RISE OF NATION-STATES IN THE THIRD WORLD

If the words of Ernest Gellner (1983: 6) are to be considered, then nations, like states, are a 'contingency' and therefore, the product of historical changes that emerge in response to particular circumstances. Such could be said of nationalism too. In essence, both imply a sense of community, which evolves through time and experiences to either replace or rather enhance what can be said to be an earlier sense of community. Any understanding of the phenomena of nations and nationalism was at first however, relatable only in the perspective of the Europe of 17th and later centuries, the history of which had been shrouded with the gradual political changes, witnessing the fall of empires and the rise of modern sovereign states.

It should be noted at this juncture that the meaning of 'nation' and of all its co-relatives like 'nationalism', 'nationhood' etc. has changed over time and context, as Hans Kohn (1944) puts it. This implies that an understanding of 'nation' in Europe has evolved from one century to another, from a sense of communal 'bond' of medieval Europe to a phase when the sense of a gap in the logic of community compelled men to transfer his political loyalty to a higher body, something they previously gave to other structures, which could range from anything like kinship or the village to looking upon ethnic identity as the ultimate source of status and the highest form of loyalty. In the opinion of Paul Collier, nation-building has been seen as the decline of ethnic or local loyalties and their replacement by allegiance to a nation.

Coming to the context of Asia, one does observe a form of allegiance to the idea of nation in the post-colonial states that was moulded as a result of the process of decolonisation. But the 'nation' in Asia never carried the same notion as it did in Europe. This was because the birth of the modern concept of nation as was found in Europe was the result of centuries of evolution of an idea that ultimately culminated in the Treaty of Westphalia in 1648 and the Concert of Vienna two centuries later, in 1815 and lastly the rearrangements of territories post the two World Wars. But nations and nationalism in case of the latter were two of the many ideas, institutions and structures that were imported to Asia at the onset of colonial rule. Ideologically foreign in origin, yet traces of nationalism were in existence here but only with regard to its communitarian connotation, which was in any case, too parochial and narrow in its scope and application here (Bayly 2001). Instead of being a natural outgrowth of time and consequences, the tenets of nationalism and later of nation-building, merely came to

be implanted in due course onto the socio-political structure of Asia where matters of loyalty repeatedly contradicted the actual or the Western concept of a nation. And as E. Kadourie explains it,

"*The destructive effect of European administrative methods – whether applied by European officials, as in India and Burma, or by native ones, as in the Ottoman Empire – was greatly magnified by the increasing involvement of these traditional societies with the world economy.*" (Kadourie 1970: 24)

Numerous debates have held several factors responsible for the drastic changes in the native societies which occurred in response to the political developments which were in turn, reactions to colonial rule on the foreign soil, of which the Marxist notion of economic change is still the most accepted one. Nonetheless, other issues like war, conquest, imperial rule too have held their own. However, following the argument of John Breuilly, disruptions in the society were a result of "development of capitalism and new sorts of capitalism in Europe" and "the traumatic experience of colonialism". (Breuilly 1970: 301)

Even as the erstwhile territorial units started to take shape into modern states and dot the landscape of Asia, it took moments to mark the differences between nation building in Europe and that in Asia. Taking cue from Nicholas Tarling's idea that the drawing of boundaries in Asia had elements of paradoxes in it, it would not be impertinent to say that the boundaries of territorial states were found to be mostly inconsistent with the frontiers of ethnic entities, something which was in sharp contrast to those in Europe. In fact,

"*In Europe, the concept dealt with subjects and citizens in terms of their geographical locality rather than their personal allegiance.*" (Tarling 1994: 6)

It is necessary in this context to reflect on the Weberian thought which seeks to make a connection between nation and the state –

"*The nation is a community of sentiment, which could find its expression only in a state of its own, and which thus normally strives to create one.*" (Cubitt 1998: 22)

Where capricious decisions divide ties that had withstood for centuries and such broken communal ties lead to a situation where men fail to identify with each other on every ground, be it language, religion, culture and most necessarily the construction of elements that

emphasise commonalty, the growth and nutriment of nationalism becomes a far cry especially when 'nationalism' is taken to mean an active endeavour to create a nation by "casting its human raw material into a fundamentally new form" characterised by several commonalties. What is left therefore resembles a jigsaw puzzle with no possible solutions. This is because nationalism in this newfound Third World is an identity 'constructed' and not primordial like the West. And this was nowhere more evident than in the outcomes of European management of Asian affairs – the birth of new states and the challenges posed by many new nations within a single state.

Among all the states that arose as a result of decolonisation, the Federation of Malaysia typified such a muddle like many of its other counterparts in the continent. For the convenience of research, the discussion is however, restricted to the western parts of Malaysia, otherwise known as Peninsular Malaysia. It also follows from the fact that European control was "*first established along the western side of the peninsula and it was here that the greatest economic growth took place*" (Freedman 1960: 161)

The first question that arises in the context of Malaysia or any such similar state that houses a multiplicity of ethnicities is that, how does it become possible for the governing authority in such a state to be recognised as the ultimate political legitimate authority? If we look into the current political trends in the context of Malaysia, it becomes apparent that the norms of subjugation and co-option go hand-in-hand. Some time back, the largest party United Malay National Organisation (UMNO), through the Barisan Nasional (National Front) coalition, was found to be exercising its control over state power through "semi-democratic" procedures. In the words of William Case (1995), this was a stable regime in operation with little use of force, and oversaw a nation-state whose validity is contested, if any, mostly on the regional edges. He clearly observed that such restraint was either an exception or devoid of longevity in the case of most other South East Asian nations but for Malaysia. Any detailed discussion on the matter however requires a brief study on the Malaysian social dynamics that goes on to explain the political repercussions of the peculiar state of affairs in a former colony-turned modern multicultural state.

THE ETHNIC ARRANGEMENT IN THE MALAYSIAN SOCIETY

The multi-ethnic state of Malaysia is home to three of the major ethnicities of the world namely, the Malays, Chinese and the Indians. According to the 1996 estimates, the total population of peninsular Malaysia stood at 16.48 million. Of these, 12.13 million or approximately 59% were *Bhumiputeras* or ethnic Malays, 5.5 million or approximately 26% comprised of Chinese while Indians clumped up just about 8% of the total populace.[2] The Malaysian society, as we see, upholds a melange of several cultures, an attribute which has earned Malaysia the status of a 'plural society' by social scientists.

Interestingly, political alignments in a society as plural as Malaysia have never obeyed the theory of 'ethnic blocs' as could be expected from the ethnic composition of the society but been witness to 'ethnic categories within which small groups emerged to form social ties inside and across ethnic boundaries'. According to Maurice Freedman, the social fabric of Malaysia that happens to be variegated in nature had small culturally defined units, rearranging themselves in accordance to local conditions and therefore, none of the major communities (the Malays, Chinese and the Indians) ever constituted a totally distinct and homogenous unit[3] (Freedman 1960: 167). It might be apt to introduce a new concept in here which does justice to the reality of social relations in Malaysia. It is the concept of sub-ethnicity as the basis of interest and identity formation, which according to Ravindra Jain, is the outstanding reality of group segmentation in Malaysia. Hence one is most certain to come across various categories of people under an overarching identity of being Malay or a Chinese or an Indian. Even if one narrows down the focus to the Indian Malaysians, one is to find not only Tamil, Malayalee, Sikh/Punjabi, Telegus and 'Other Indians' but also Sri Lankan Tamils, Sinhalese, Bangladeshi and Pakistani ethnic groups on the Malaysian soil for purposes of enumeration in the 1991 Malaysian Census.

It would appear from the above discussion that possibilities for a single racial group in Malaysia to readily claim a clear majority by virtue of which one could dominate over the

2 Jain, Ravindra K. (2007), "DIMENSIONS OF CONTESTED AND COMPOSITE CULTURE IN MALAYSIA: A CASE STUDY OF THE INDIAN DIASPORA", in Bipan Chandra and Sucheta Mahajan (eds.) *Composite Culture In A Multicultural Society,* Delhi: National Book Trust, Pearson-Longman.

3 According to Maurice Freedman (1960), "'The Malays' did not interact with the 'The Chinese' and the 'The Indians'. Some Malays interacted with some Chinese and some Indians.", 'The Growth of a Plural Society in Malaya', *Pacific Affairs,* Vol.33, 1960, pp. 158-68.

other was extremely remote and on the contrary, there were high chances of being overwhelmed by the superior strength of the other groups combining against it in the event of such an occurrence. But reality conveyed a different picture. In fact, the post-independence politics in Malaysia has been shrouded by instances of assertion of special status by the Malays and other indigenous peoples from time to time. The Malays felt that they had a special claim to be prominent, if not dominant, in the government of the country only because they were indigenous and therefore the 'sons of the soil' (Milne and Mauzy 1980: 3). The result was the *Bhumiputera* policy of 1971.

The idea of where they stood in the society had its inception with regard to the mechanism that the British employed in the peninsula during their stay and thereafter, this defined the inter-ethnic relations in the years to come. This was the Divide-and-Rule policy that in course of time made 'race' and 'ethnicity' such a dominant force in the life of every Malaysian.

Historically speaking, the whole of South East Asia and the especially the peninsular state of Malaysia has always been the melting pot of Indian as well as Chinese cultures and it is for this reason that the Malaysian society has in general, been constituted by diasporic communities. Even the category of 'Malay' which is of mixed Mongoloid and Polynesian origin comprises groups whose ancestors came from Indo-China and Yunnan over 3500 years ago and it was with the founding of the Malacca Sultanate in 1402 C.E. that the Malays established a complete socio-political community. Later, the colonial intervention around sixteenth century not only brought the disparate territories of what was roughly known as the Malay Peninsula under a single political jurisdiction, the administrative measures also made it certain as to what would constitute the population of the future nation-state in the making (Jain 2007: 123-4). The result was a society, segmented on the basis of a conscious effort to create a division of labour as a part of colonial policy of 'Divide-and-Rule' along ethnic lines – there were the Malays, the Chinese and the Indians in significant proportions to one another in the society – and a gradual process of identity-formation was in action according to the professions assigned to each respectively. Thus the Malays by virtue of their indigenousness monopolized and mastered their hold over the administrative mechanism while the Chinese blessed with acumen for business worked their way up in the commercial sector. It was the Indians who were left in one of the then most important yet considerably, the most degradable sector of Malaysian economic life – the plantation sector.

It must be mentioned that the policies of ethnicization, race and segregation based on colour, social status or even common belief are usually traced back to the advent of colonial powers in South East Asia and other parts of the world. It was not that the pre-colonial world was a world of homogeneity or one of communal harmony. But it was for the first time that people of different cultures were being coagulated into one single entity against their own accord by a higher authority that bore no resemblance to any of the cultures in coagulation.

As one follows the history of Malaysia since the advent of colonialism, into the period of its independence to the formation of government, one is to find instances of antagonism between the members of the various ethnicities as an obvious and inescapable reality. That these archetypal divisions in the society which had been long in existence since the colonial times were still the central point of reference was made apparent by Mahathir Mohammed, Malaysia's longest serving Prime Minister, in his comment that there was nothing that could make anyone forget the fact of race and the ones who "forget race", to quote him, were either "naïve or knaves". An observation by the Malaysian economist Rajah Rasiah could not have been more apt in this context when he says that it was the internal political rule from the incipient state that led to the convergence of the three ethnic groups who could meet little and therefore had developed their spheres of influence along separate lines during the colonial period. So far from integrating them, this confluence was more significant in bringing to light the stark socio-cultural and economic differences between the groups. Class relations had taken on ethnic dimensions as a consequence (Rasiah 1999: 126). Now the question is, how similar is the idea of 'ethnicity' to the idea of 'race' which is naturally followed by our quest to know why and how 'race' and 'ethnicity' became synonymous to the very idea of Malaysia.

ETHNICITY AND RACE AS RELATED CONCEPTS

Discrimination on ethnic grounds, as was manifest in the British colonies one of which was the Malay Peninsula, in one way or the other came to be related to the establishment of the idea of race. Race and the subsequent development of racial categories were among the various modes of differentiation and discrimination that have existed in most of the societies of the world for centuries, but realised only when the Europeans came into contact with people who bore certain dissimilar physical traits. According to Banton, (1977: 13) "*these contacts were important to the development by Europeans of racial categories.*" Having

started its journey on the basis of scientific foundations that lent a biological perspective on human development, the future of the existence of race was legitimised in the action policies of the ruling bureaucracies like that of the Malaysian government who argued in favour of race as being the outcome of a social and political process and its necessity to highlight the position of those who have been oppressed by racial policies in the past.

However, race and ethnicity differ on certain grounds if the observation of Tonkin and colleagues (1989: 15) is taken into account. Race emphasises on the point that within its discourse, everybody had one and everybody belonged to one while the very idea of belonging to an "ethnic group" or having an "ethnicity" implied a strong bias towards "difference" and "otherness". In addition, it was this aspect of difference or otherness that was protracted by the colonial system when the scholars from within the system attached a definition of ethnic group to a certain set of people with reference to its usage to define "peoples, who, like animals, belong to some group unlike one's own" (Hutchinson and Smith 1996: 4). In the process, the term ethnic group became synonymous with mostly non-white minorities in certain contexts. But then again it becomes a kindred concept to race when identity with an ethnic group calls for a common myth of origin, which relates ethnicity to the matters of descent. To sum it all, ethnic identity in most cases actually turns out to be a matter of construction through discourses in order to establish a central point of reference in a community or society. And to do this, it requires the construction of this identity upon certain notions of ethnicity that might not have existed in actuality in concept for the group concerned. It was this form of identity construction that characterized group formation in the former colonies with due credit to the colonial powers that introduced the concepts of race and ethnicity. Once the strategy was implemented, the following procedure charted a two-pronged trajectory. One was 'racialization' as a process of establishing and attaching racial attributes followed by 'othering' as a process of creating imaginative "us" versus "them" (Holst 2012: 18).

In the context of Malaysia, this process of 'racialization' became a process by which groups were categorised, selectively privileged and marginalised without necessarily imposing the claims of supremacy, violence and outright repression (Mandal 2004: 53). On the other hand, the creation of the 'Other' in the form of 'us' and 'them' as well as the perceived incompatibilities between ethnic groups as majorities and minorities attributed their manifestation to a number of factors of which the role of numerical supremacy had been

given utmost importance in some scholarly circles while the equations of power and dominance had an equal say in the opinion of others. According to the latter, it was always possible for a group constituting the largest entity to be pushed to the brink if it is marginalized in other aspects. In the words of Platvoet and van der Toon,

"*Pluralism cannot be studied in abstraction from issues of power and dominance…there is always competition to gain access to the limited resources available – however varied in nature. Such competition occurs at all levels, that is, between the different groups themselves, as well as between factions within those groups.* (Platvoet and van der Toon 1995: 351)

T. H. Eriksen had further argued that resources that are perceived as scarce – such as territory, political power, economic gain, employment, or recognition – were rights or resources in a wider sense. These rights had in common a

"*…successful appeal to collective identities perceived locally as imperative and primordial … associated with a deep moral commitment, whether ethnic (based on notions of kinship and descent), regional (based on place), or religious (based on beliefs and forms of worship)*" (Eriksen 2001: 60)

In this context one must make mention of what Arjun Appadorai prefers to call, the "predatory identities", that is, "*those identities whose social construction and mobilization require the extinction of other, proximate social categories, defined as threats to the very existence of some group, defined as we"* (Appadorai 2006: 51)

The New Economic Policy of 1971 also known in popular parlance as *Bhumiputera* policy was meant to achieve national unity by "eradicating poverty" irrespective of race, and by "restructuring society" to achieve inter-ethnic economic parity between the pre-dominantly Malay *bhumiputeras* and pre-dominantly Chinese non-*Bhumiputeras*. But if one examines the causes and effects of the *Bhumiputera* (son of the soil) policy, it becomes evident that the matter of the existence of "predatory identities" comes to the fore because there exists, according to Appadorai (2006: 52), an "anxiousness of incompleteness" among the Malay ethnic people who constitute the numerical majority in terms of religion, *ethnie,* or language, which contributes to the development of mutual animosities between various strands of the multi-ethnic population. It also renders true the belief that, all forms of majoritarianism,

however liberal they might be, "have in them the seeds of genocide, since they are invariably connected with the ideas about the singularity and completeness of the national ethos."

The British from the very beginning had consciously showered divided attention to the subject population under their aegis and thus established the primacy of race and ethnicity in the context of Malaysia. The whites including the British and their racial compatriots had always occupied the highest rung in the social ladder that followed from their political and economic power. One can see that, from the very inception of the colonial rule in the Malay Peninsula, preferential politics was in vogue where racial attributes like those as physical characteristics, in addition to ethnic barometers like language, culture etc. were taken into consideration. This was exemplified by the Malayan civil services that hardly had any Malays in the top rank or in any respectable positions except for the rich and influential Asians and Malay rulers and aristocratic Malays who could occasionally be allowed to mix with whites and the Caucasians at social functions (Kheng 2009).

The Chinese and the Indians on the other hand, were employed in all those sectors of the economy that neither the whites nor the Malays had the willingness to take up or show any interest in (Kheng 2009). In this way, each of the different ethnic communities had carved a niche for themselves in the various different sectors of the economy and as a result, the situation never arose where either of the Chinese or the Indians or in that case, the Malays would be in a position to interject into each other's sphere.

This arrangement of the economy along ethnic lines had been to the advantage of the British – not only it helped to reap the maximum benefits for their own good, it removed any chance of possible threats to the overall administration because it would not only sustain a monopoly control over labour supply but prevent any single group from gaining numerical strength in relation to the other groups. To be more explicit,

"*The fragmented structure of the colonial 'plural society' ensured that the most intense conflicts occurred within and between the various elements of Asian society rather than unitedly against the colonial regime…*" (Stenson 1980: 39)

But it actually spelt doom for the political development of the country that was to come up post-decolonisation. Reiterating the words of Maurice Freedman, there was very little integration and very limited interaction among the ethnic communities (1960: 167). The fact

that the Chinese busied themselves in the urban-based tin mines, the Indians in the self-contained, semi-rural plantations and the Malays retained their positions as commonplace peasants in major numbers, was borne out and also the outcome of the circumstance where the communities "*were largely kept apart and separated by the fact of economic specialisation*" (Gomez and Jomo 1997: 11).

It also mattered that none of the two immigrant communities looked forward to their lasting accommodation in the peninsula after their economic needs were met and hence the temporariness of their stay factored in their not feeling the requirement to get familiar with each other on social terms. This lack of feeling of oneness came to be reflected in the political sphere as well. According to Gomez and Jomo (1997), the formation of the tripartite Alliance in the early 1950s comprising the Malay-based UMNO, the Chinese-based Malaysian Chinese Association and the Indian-based Malaysian Indian Congress was linked directly to the British colonial government's development of the Malayan economy. Notably, UMNO as a coalition of Malay clubs, associations and political organisations was moulded as an opposition to the British-formulated Union, which came forth with the goal of providing citizenship with equal rights to all Malayans, which could mean anybody who would pledge loyalty to the nation, with minimum regard for the respective racial affinities. The proposal actually had an economic turn to it. As James P. Ongkili (1985) points out, an economic problem that was borne out of the Malayan Union proposals contributed to the rise of Malay nationalism in 1946. It so happened that the Malays feared the loss of their birth-right when land, according to the proposals, was being taken over by the British when in fact, land was the one "stable anchorage of the Malays". To the Malays, the abrogation of their special rights which had been recognized by the metropolitan power since the inception of colonial rule was not only a political event, but even more, an economic threat. The nature of the Malayan economy therefore, becomes the key to the understanding of their fear of loss of traditional rights, including special rights over land ownership because this would have meant the submergence of their community *vis-à-vis* the others in their own country. As we have already observed, the Malays had very little role to play in the economy. Instead, economic expansion saw the simultaneous participation of the Chinese and the Indians who became associated with the expansion of the mercantile, plantation and mining sectors unlike the Malays who stuck to the rural sector with subsistence farming (Ongkili 1985).

The consociational arrangement which therefore, characterised the post-independence politics was an arrangement of compromise with ulterior motives. The very fact that the transfer of power came with a condition that made the grant of independence a possibility only in the event of the formation of a multi-ethnic leadership, made the Alliance a natural outcome of political negotiations but on superficial ties.

Secondly, a multi-racial coalition of parties, in every way held more appeal to the electorate to that of a single multi-racial party. The reasons, as enumerated by Gomez and Jomo, centre on certain political expediencies. For one, UMNO, whose members then mainly comprised peasants and teachers, was heavily dependent on the wealthy MCA for financial support while the MCA, having not much support even among the Chinese, needed UMNO to secure victory for its candidates during elections. And most notably, -

"By participating in the coalition, the three parties were able to retain their communal identities and bases while achieving elitist, multi-ethnic co-operation."

(Gomez and Jomo 1997: 12).

In this situation, a tilt in the balance towards any particular community, especially in economic and political terms, could only be expected to create ripples in the otherwise peaceful domain of the Malaysian life. And as the Malaysians gradually came to realise the markedly growing disparity between them and the Chinese on economic grounds, it became hard for them to accept the reason of compromise even if that meant throwing apart the principle of co-option and veer towards a control model of politics that would give greater leverage to the sons of the soil, the Malay *Bhumiputeras.* This culminated in the riot of 1969 and then the New Economic Policy, which was implemented in 1971 and consequently led to a change in the language of ethnic politics in Malaysia for once and all. Any kind of national policy that the state enacts is bound to affect the subject population, favourably or adversely. NEP, as has already been said, started off as a well-intentioned effort to eradicate poverty with special attention given to that of the Malays who, owing to historical reasons, had fallen far behind the Chinese and even the Indians to consolidate their position in the Malaysian economy. It was however, the Indians in this case who bore the brunt of the pro-Malay clauses of the NEP.

TAMILS IN MALAYA AND THEIR POSITION IN THE AFTERMATH OF N.E.P.

Colonialism and inception of plantation agriculture were the two simultaneous developments in the economic history of Malay Peninsula and any discussion on the Malayan estate economy is incomplete without the mention of Indians or to be specific, the South Indian labourers. K. S. Sandhu had in fact, emphasised the fact over and again, that in-spite of the mass obliteration of the population through natural deaths and other circumstances, South Indians have always remained to occupy the dominant position in the overall Indian populace in Malaysia (Sandhu 2006: 160). And it was the Tamil group that led the pack.

"*The Tamil group has been the largest in Malaya since the early days of Penang, and in 1931 formed nearly 87% of the South Indian and more than 82% of the total Indian population of Malaya... Any change in the Tamil population thus affects the whole of the South Indian population.*" (Sandhu 2006: 160)

A case study of the Indians hence, invariably, entails a study on the Tamils, who incidentally were largely a labouring population, employed on the estates other than those in the clerical, professional as well as mercantile sectors (Sandhu 2006: 160). A discussion on the effects of NEP on the Indians henceforth, brings into focus the estate segment of the Tamils as well as the non-estate Tamils who were certainly not immune to its effects, whatever they were.

To begin with, "*although many non-Malays resented the policies which seemed to favour the less successful in business and make things harder for the more successful, most of them have accepted the NEP, at least in a formal sense.*" (Milne 1976: 250)

The Indians, represented by the Malaysian Indian Congress in the ruling coalition had a diminished influence on the government post the riot of 1969 and their attempts to redress the grievances of the community did not yield the desired results (Wah 2003). The grievances ranged from lack of proper education facilities to opportunities available for the non-Malays in the job sector, both government and private. Although the government had admittedly undertaken the course of 'positive discrimination', yet its implementation had such derogatory effects on the community that it was not long before the academic as well journalistic writings were abound with references to the Indians as the "disenfranchised", "marginalized", the "new underclass" or the "forgotten community" (Nagarajan 2008: 376). Deriving information from the Fourth and Fifth Malaysia Plans as well the Third Outline

Perspective Plan, the study finds phased depletion of the Indian presence in the clerical sector, the one line of job in which the Indians were over represented in the 1970s. By 2000, they became an under-represented lot, presumably for reasons that ranged from lack of formal education and subsequently, proper training in the areas of audit and accounts (Thillainathan 2008: 325-327). A detailed argument on this topic has been carried out in the third chapter of the dissertation.

REVIEW OF LITERATURE

The sources of information have been classified in accordance to the themes as follows:-

a) Ethnic politics in colonial Malaya.

b) Post-colonial political developments - multiculturalism, consociationalism and the 1969 riots.

c) Inter-ethnic relations in the aftermath of 1969 riots.

a) Ethnic Politics in Colonial Malaya

A comprehensive study of literature on the socio-politico-economic conditions of the Malaysian-Indian community requires one to look back into the times when it all began and this takes us back to the colonial times when colonial administrative behaviour in the Malay Peninsula was committed to a regime of Divide-and-Rule along ethnic lines. This policy of Divide-and-Rule, initiated as well as provoked the mutual animosities between Malays and the non-Malays, especially Indians, and it was with the growing political consciousness since the early decades of 20th century that the animosities became very obvious. **Khoo Kay Kim** (2006) traced this back to the 20s when Malays had started refraining from associating with Indians initially on cultural and later on political and economic grounds. The observation was first made in Singapore when the Singapore Malay Union was founded in 1926 with its membership exclusively confined to the Malays, those who belonged to the archipelago and not originating from India. It was, according to **Cheah Boon Kheng** (2009), the British bias that paved the path for racial antagonism. The greatest threat to Britain's continued presence in Malaya was the rising Malay nationalism, that spanned several decades preceding the *Merdeka* and this was sought to be appeased by discriminating against the Chinese as well as

the Indians with pro-Malay policies that protected the community. Yet as a matter of incongruity, as **Lim Teck Ghee** (1977) gathered, the economic pro-Malay policies – especially on land reservations, padi cultivation and protection of Malay rubber smallholders – did not go far enough to assist the Malays. Instead, "the colonial government by its cynical use of Chinese interests to divert attention from its own shortcomings and as a scapegoat to explain the economic impoverishment of the Malays was guilty of contributing to racial polarization and discord."

Others like **Colin Abraham** (1997) reiterated in a similar vein that the 'pro-Malay' policies in the 30s had "distinct racial overtones because they discriminated against the Chinese and Indians as races" and this led to group formations along lines of racial identities and racial consciousness between groups.

It was however, the Indian community that was affected the worst - colonialism deprived the Indians of the economic foundation necessary for a politically significant role. In the words of **Chandra Muzaffar** (2006), right from the outset, with the method of recruiting labour from South India for plantation purposes, the Indian was destined to remain poor and exploited. It was, more specifically, the riots of 1969 and the consequent New Economic Policy of 1971 that aggravated the situation.

b) **Post-colonial state policies - multiculturalism, consociationalism and the 1969 riots**

The colonial legacy of discrimination along ethnic lines had continued even after decolonisation but not in an unabated manner. The Malay Peninsula went on to become the Malay Federation and finally the independent state of Malaysia in 1957. The colonial bureaucracy was replaced by an indigenous bureaucracy that was left to face with an old problem in the new state. The problem had its roots in the colonial administration. It should be noted that colonial authorities had prioritised their administrative convenience over other considerations by drawing arbitrary boundary lines across territories in all the colonies under their jurisdiction, crisscrossing ethno-cultural affinities and what followed was a multiplicity of nations within a single state. The subject of ethnic differences came to the fore once again now that the Asian state exemplified a problematic collage of multi-ethnic populace as against what **Jerry Z. Muller** (2008) calls, "single ethnic nationality" as was exemplified by the European nation-state. **Robert G. Wirsingh** (2010) makes us aware of the post-colonial

attempts at striking a right balance between the territorially defined 'state' and the ethnically defined 'nation' and the resultant challenges posed to the territorial integrity of the modern state system, which was always understood to be the *raison d'etre* of the state, courtesy the Treaty of Westphalia of 1648. Thereby, it becomes imperative in this context to introduce the concept of multiculturalism and understand its implication in the context of Malaysia. Multiculturalism was originally applicable to the states of Canada, USA and the UK and it explained how people belonging to different cultures co-habited within the framework of a nation-state. The fact that it was being applied in the context of a Third World country like Malaysia met with opposition from certain scholars. **D. T. Goldberg** (1994) and **David Brown (**1994**)** had questioned the relevance of multiculturalism in the orientalist context as both differentiated between multiculturalism being solely a Western issue as against ethno-pluralism, a Third World development. However, its importance could not be downgraded when it came to the matter of dealing with a multi-ethnic populace and accordingly, political scientists have come up with various nation-building models where democratic means are applied through trial-and-error method, seeking to cope with the multi-ethnic presence with harmony. **Ian Lustick** (1979) contrasted two kinds of political models found in multi-ethnic societies – "Control Model" and the "Consensus Model" or "Consociationalism". However, it was Consociationalism, a concept developed by **Arendt Lijphart** (1977, 1999) that was found to be of particular advantage for deeply divided societies where it made way for the ethnic majority and the minority sections of society to come to a mutual understanding to facilitate peaceful co-habitation. It bode well for Malaysia as well. **Palanisamy Ramasamy** (2001) and **Edmund Terence Gomez** (2007) inform that even though the political elite relied heavily on the British tradition in terms of creating and sustaining certain formal democratic institutions, the elements that went into determining the nature of nation-building were largely based on local circumstances. The political elites had realized that if the option of co-opting the various ethnic groups was not exercised, it would not be possible to ensure political and economic stability in the long run. In an attempt to avoid the spectre of conflicts they adopted the apparatus of consociationalism as the mode of governance which manifested itself in the formation of the Alliance government. But the experience of 1969 compelled a rethinking and modification of the political model. The result was the replacement of the consociational model with the "Control Model" of democracy.

c) **Inter-ethnic relations in the aftermath of 1969 riots**

The last segment of the review is the summary of the literature available on the inter-ethnic relations effected by this new model of governance on the major ethnic groups of Malaysia grouped under the umbrella term of CMIO (Chinese, Malays, Indians and the Others).

According to **J. Weinstein, A. Habyarimana, M Humphreys** and **D. Posner** (2008), in a state, characterised by ethnic separatism and sometimes bloody civil wars or even exhibiting the slightest inkling of a riotous clash, the barriers to inter-ethnic cooperation were most often a product of that society's institutional deficiencies, in particular, the lack of institutional opportunities for inter-ethnic cooperation rather than any deeply rooted tribal antipathies. The reason for the lack of such institutional apparatus in Malaysia can be traced back to their origins in the colonial administrative mechanisms. Moreover, as **Palanisamy Ramasamy** (2001) observes, the post-independence consociational form of government was all in all an elite arrangement with the common mass nowhere in consideration and its failure was mainly attributed to this factor. However, it was the New Economic Policy of 1971 that rung the death knell for an already divided society; as an instrument of state policy NEP divided the ethnic communities further. With the original motive of economic restructuring and subsequently strengthening national unity, the government's official commitment to addressing to addressing the problems of the poor Chinese in the new villages and predominantly Indian workers in the plantation sector however, turned out to be weak (**Tridib Chakraborti,** 2004). The deteriorating conditions of the Indians post-NEP even compelled the MIC to propose a new positive discrimination to be established specifically for Indians. The **Seventh Malaysia Plan** (1996-2000) which was released in 1996 presented an appalling picture of the economic condition of the Indians by making a comparison between their economic stand in 1970 and in 1990 where a drastic decrease in their employment in every sector was starkly conspicuous. Their misery was neither addressed in the New Development Plan of 1991 which was brought out as a follow-up to the NEP with its primary thrust of 'balanced development'. Moreover as **Tim Bunnell, S. Nagarajan and Andrew Willford** (2010) would show, ex-plantation workers are symbolically marginalized in their day-to-day life with their focus on the latter's eviction and displacement for the construction of Malaysia's federal government administrative centre, *Putrajaya*. In this context, the essays

by **Andrew Willford** (2006, 2008) help to gauge the effect of the discriminatory stance of the state over the minds of victims of discrimination followed by **Vijay Devadas's** (2009) reflection on the HINDRAF rally of 2007. It becomes clear that ignorance, the most coveted instrument of the state machinery has lost its importance as Devadas points out the significance of this one rally which has inflicted a blow over the election result for the Barisan Nasional since its hold over politics of Malaysia since the *Merdeka*.

RATIONALE AND SCOPE OF THE STUDY

The middle decades of the 20th century had been marked by the historic events of decolonisation and formation of new states in Asia, the future of some of which gradually came to be marred by the ethnic conflicts and civil wars leading to genocidal activities. However, Malaysia had maintained a unique identity in-spite of being a part of the crowd of such multiracial as well as multi-'national' states. Malaysia, in fact came to be considered as a model for all multi-ethnic and multicultural states to be emulated. The ethnic riots of 1969 however, tainted this picture-perfect arrangement, marking the beginning of the formulation of a state policy that catered to the benefit of one but to the detriment of the other thus contributing to the sensitisation of the ethnic question in a multi-ethnic state. The study would trace the unique trajectory of ethnic relations in Malaysian society as well as politics hereafter.

Malaysian Tamil population is majorly constituted of an uneducated and politically backward lot of plantation workers while the politically active section of the population owes their existence to the majoritarian party itself. Recent events however, draw a different picture where we have an upcoming discontented group who have just started out in expressing their agony against the state. A descriptive as well as an analytical study will help to understand the causes and outcome of the underlying currents of discontent among the Indian population.

The study would focus on the time period between 1969 and 2009. The choice for this time period is attributed to the fact that 1969 marks the landmark year when Malaysia became witness to the first ever ethnic riot in its post-independence history and the consequence of which was the New Economic Policy of 1971. The year 2007 proved to be a turning point not only for the Indian population but Malaysian politics as a whole. The garb of a model state

was brought down in one single instance. The study ends in 2009 taking account of the aftermath of the HINDRAF rally and understands the current trends.

RESEARCH OBJECTIVES

The current study proposes to take a descriptive as well as an analytical approach to the understanding the causes and possible outcomes of the underlying currents of discontent among the Indians especially the working population. This will be enabled by striving to know –

- To know the perception of the Malaysian Government about the Indian community in general and the workers in particular post the riots of 1969.
- The policies adopted by the state authorities with respect to the political, social and economic well-being of the minority Indians.
- The inter-ethnic relations and its dynamics within the Malaysian society
- Remedial measures taken up by the government post-HINDRAF disturbances.

RESEARCH QUESTIONS

- How does the majoritarian Malay government perceive the non-Malay population especially the Indians and its working class community over the years since 1969?
- How has it affected the Indian community with respect to their socio-political and economic stand in the Malaysian society?
- In light of the recent reaction on the part of the Indians, what are the remedial measures taken up by the authorities if any, and how effectively these might have impact on the targeted community?

HYPOTHESES

1. Introduction of *Bhumiputera* policy changed the balance of inter-ethnic relations, where Malays benefited at the cost of the Chinese and the Indians.

2. MIC's failure to address the aspirations of the Indian community directly influenced the rise of groups like HINDRAF which have taken a more belligerent position.

RESEARCH METHODOLOGY

This study will adopt a historically descriptive as well as an analytical approach. It aims to start from certain general premise to reach a conclusion, thereby applying a deductive method in the research. In this process the study aims to test and ascertain the validity of the hypothesis.

Accordingly primary and secondary sources would be collected from reports, agreements, declarations, books, articles, newspaper clippings and electronic websites.

TENTATIVE CHAPTERISATION

The dissertation consists of five chapters on the whole. The first chapter mainly examines in detail the introduction to the manner in which the dissertation is presented. Attempts have been made here to give a detailed analysis and a comparative understanding of the aspects of nation building in the Third World and the subsequent challenges in the instance of independent state of Malaysia. Having explained that ethnic relations in Malaysia is a part of the colonial legacy, a comparative study of the theoretical concepts of ethnicity and race also finds mention in this context only because of the fact that both are intertwined with the very idea of Malaysian society and politics as well as economy but with a difference. This has followed up with a brief detailing on the Indians and their current status in the Malaysian society.

After having laid the background for understanding the ethnic relations in the post-independence Malaysia, the second chapter follows it up with a small background which helps to understand how the stage was set to formulate the New Economic Policy in 1971 along with the effects it had on the constituent population of Malaysia thereafter.

The third chapter elucidates as well as evaluates the socio-economic conditions of the Indian community in general and the Tamils in particular. The Tamil population occupies a major chunk among the resident Indians in Malaysia which makes them credible enough to be eligible for a case study on the general conditions of the Indian community there.

The fourth chapter will be the result of the work dealing with evolution of the HINDRAF in the light of the failure of MIC to represent Indian community as also the impact of HINDRAF on the Tamil community and the government's repressive measures.

The concluding chapter of the dissertation or the Conclusion will pick up the questions addressed throughout the research work. It will thus seek to test the hypotheses and highlight the main findings of the study.

CHAPTER II

NEW ECONOMIC POLICY: BACKGROUND, OBJECTIVES AND EFFECTS ON THE ETHNIC GROUPS OF MALAYSIA

"*I and others believed that the backward Malays should be … assisted to attain parity with non-Malays to forge a united Malayan Nation of equals."*

(Dato E. E. C. Thuraisingham, 20th November, 1973)

"*The NEP was never about robbing Peter to pay Paul*"

(State Assembly politician Datuk Sanusi Junid)[4]

The New Economic Policy or the *Bhumiputera*[5] Policy as it is also known as, was announced in 1970, as an aftermath to the racial clashes of May 1969 in the capital city of Kuala Lumpur. The racial riots were said to be the culmination of underlying inter-ethnic antagonisms and the New Economic Policy was therefore, apparently formulated to fulfil the objective of achieving national unity by means of 'eradicating poverty', irrespective of race, and by 'restructuring society' to achieve inter-ethnic economic parity between the pre-dominantly Malay *Bhumiputeras* and the pre-dominantly Chinese non-*Bhumiputeras.* This question of economic parity however, encompassed more than what was assumed to be the economic well-being of a community in relation to other communities. Indeed, the objective of obtaining parity was in response to the implicit demand for special rights, something that the Malay *Bhumiputeras* sought to claim from their own soil by virtue of having their origins in this very land that was Malaysia. It is for this reason that the NEP has been essentially interpreted as more than just an economic policy – it was precisely one of the measures adopted by the government to achieve the objective of national unity, with a hope to avoid similar such outbreaks in the future (Milne 1976). James Morgan (1971), a political commentator, went as far as to say that the NEP was actually "Malaysia's real national

[4] *Far Eastern Economic Review*, December 21, 1995, p.24.

[5] A term used to include Malays and other indigenous people.

ideology". But before anything more must be said, a brief assessment of the turn of events since independence would suffice to understand what led to the build-up to such a disruption of national solidarity and therefore evaluate the very ground on which it made its appearance.

To start with, the decision of granting independence came with the additional responsibility of working out the constitutional and national foundations of an independent Malaya. This also included the working out of what came to be regarded as a 'bargain', political and economic, between the Malays and the non-Malays when measures were in progress for self-rule and achieving independence in the 1950s. What was so significant about the 'bargain' was that it was conditioned by the Communities Liaison Committee to bring the ethnic communities to a mutual agreement where the "*Malays would sacrifice their privileged position only if they could be aided in securing a greater share of their country's wealth"* (Means 1976: 130). When the very basis of a new nation was being built on the premise of a compromise, it would not seem impertinent to say in this context that the edifice of social equity could therefore, not be immune to the forces of erosion. What is more important at this point is to assess the very reasons that could have led the nation-builders to reach for a compromise.

First and foremost, Malaysia was always an amalgamation of different ethnicities in terms of population content *viz.* the indigenous population majorly constituted by the Malays and then the Indians and Chinese. With the onset of colonialism, it was observed that the social equation between them underwent a considerable change in relation to the changes that were introduced in the society. The changes were majorly the effects of the economic measures adopted by the colonial authorities in order to boost the colonial economy. So, with the gradual development and stabilisation of the economy, each of the latter two communities managed to carve a niche in respective spheres that ranged from plantation to trade and commerce while the indigenous Malays stuck to subsistence farming. However, a minuscule section of them had by this time also made their way up to the ranks of administrators. According to R. S. Milne (1976: 235), under the British the Malays had a share in the formal structure of government explained by their being "indigenous" and by the British system of largely indirect rule. They were represented at the highest level by the Ruler in each state and at the lowest level by the village headman. The Chinese, on the contrary, had a very little share in the matters of governance save for some professional and technical positions in the

civil service, as they developed their clout in the sector of business economy that was not yet carried on by the Europeans, in particular, retail trade.

With the approach of the era of decolonisation, the constituent population of Malaysia remained almost unchanged with much of the immigrant working population having to stay back instead of returning back to their respective lands of origin. In this situation, the community leaders had to enter into a mutual understanding among themselves, majorly constituted by the Malays and the Chinese, on a condition that none would encroach into each other's sphere in order to maintain an ethnic balance with some modifications, as and when required. This new arrangement would allow for a considerable increase in the number of Chinese as well as Indian citizens according to the new citizenship laws, with provisions for access to security and right to vote. On the other hand, the Malays were to be given certain social and economic advantages by law, and it was contemplated that gradually they would be helped to go into business in increasing numbers (Milne 1976: 236). As the formation of the ruling coalition of the Alliance gathered momentum around mid-50s, this inter-communal understanding became a cardinal formula in its life and –

"*In time, a guiding theme and informal quid pro quo emerged in this elite bargaining forum: exchange of Chinese co-operation in improving the Malay economic position, in return for Malay cooperation in improving the Chinese political position.*" (Gagliano 1970: 5)

This arrangement embodied what was popularly ascribed to be consociational form of democracy. This was a political mechanism ideally modelled to suit the needs of the multi-ethnic states like Malaysia in order to refrain from inter-ethnic conflicts. What made this different from the established idea of democracy was that unlike the Western model of democracy which was most suited to the nearly homogenous states and naturally implied a sense of exclusion what with the majority-minority dichotomy as well as government-versus-opposition structure, Consociationalism or the Consensus model worked best for the most heterogeneous or to be precise, plural societies of the world that were sharply divided along religious, linguistic, cultural, ethnic as well as racial lines. This was because such societies required a democratic set-up that laid more emphasis on consensus instead of opposition, inclusion rather than exclusion and last but not the least, maximisation of the size of the ruling majority instead of remaining satisfied with a bare majority (Lijphart 1999: 33).

Hence flexibility of rule was a pre-requisite in the current situation so as to provide the minorities, proper access to power and thereby, gain their allegiance towards the regime.

However, to the detriment of the policy-makers as well as the state on the whole, things did not go according to expectation. To begin with, as Gordon Means (1972) have said, the economic advantages given to the Malays by law were not taken in good light by the non-Malays, more so because of its unlimited tenure. The Malays, as they criticised, were not only unfairly favoured over land reservations, they also had a upper hand over the non-Malays in various other spheres as were stated in section 153 of the 1957 Constitution. The truth on the contrary, as Ongkili pointed out, had a different story to tell. He refutes that Malays were often given privileges in government jobs to the *exclusion* of non-Malays and that the Malays dominated the higher echelons of the administrative and the uniformed services. Having taken his cue from the NOC Report post-1969 riots, he emphasises on the fact that in-spite of the narrow majority of the Malays in the Division I of the Administrative Services and in larger proportions in the Division I of the Armed Forces, the Malays did not actually benefit from measures taken. The quotas reserved for the Malays applied only to some Division I appointments and therefore, in numerical terms, this meant that about 796 out of 4308 Division I posts would go to the Malays. Otherwise, "*the most publicized preference was often 'incorrectly' publicized, in the form that the ratio of Malays to non-Malays in the civil service must be 4:1."* (Gibbons and Ahmad 1971: 345).

Table: 1

FIGURES RELATING TO DIVISION ONE GOVERNMENT OFFICERS BY RACIAL GROUPS, AS ON 1 NOVEMBER 1968

Total - 3,392 *(Excluding Armed Forces and the Police)*		
Malays - 1,142		36.26%
Non-Malays – 2,250		63.74%
Administrative Services		
Total	1,221	
Malays	706	57.8%
Non-Malays	515	42.2%
Professional Services (Excluding Education)		
Total	1,998	
Malays	385	19.2%
Non-Malays	1,613	80.8%
Education Officers		
Total	173	
Malays	51	29.9%
Non-Malays	122	70.1%
Police (absolute figures withheld for security reasons)		
Malays		38.76%
Non-Malays		61.24%
Armed Forces (absolute figs. withheld for security reasons)		
Malays		64.5%
Non-Malays		35.5%

These figures are reproduced from *National Operations Council Report*, pp. 22-3, cited in *Nation-Building in Malaysia 1946-1974*, James P. Ongkili, Singapore: Oxford University Press, 1985.

As for the issue of licenses that were stated in section 153, most were concerned with taxis, buses and lorries. All in all, the Malays did gain something out of all these, but it pertained mostly to monetary gains rather than any enhancement in the business experience.

Even in the sphere of scholarships, the Malays did not stand to gain much. Although quotas did help to boost the number of Malays in the universities, they remained concentrated mainly in the Arts section. The science division of the University of Malaya saw a dismal presence of 79 Malays compared to 228 non-Malays. The Malay ratio in Engineering and Year I of Medicine was even lower. In the Faculty of Economics and Administration three non-Malays were enrolled for every two Malays.

Developmental programmes were also abound in the rural sector to improve the economic lot of the Malays, who were in a majority there and constantly being portrayed as had fallen behind the non-Malays, notwithstanding the truism that there were also non-Malay poor members of society, mainly in urban areas. National development outlays increased from $5,050 million in the Second Malayan Five Year Plan (1961-65) to $10,500 million in the first Malaysia Plan (1966-70) out of which fund allocation saw a staggering growth in the latter plan towards rural development from $712 million to $1,087 million (Ongkili 1985: 218). The First Malaysia Plan had also made a clear declaration regarding its aims at public development expenditure and that which pertained to the rural sector of the economy and nation in the 1960s went as –

"*The substantial increases in expenditure on drainage and irrigation, land development, rural industry and certain social services, such as schools and rural health centres, will have direct effects in raising the productivity of resources in the rural economy… The purpose of the emphasis on rural development in the public investment programme has been to provide a more balanced distribution of economic benefits and opportunities between the rural and urban sectors of the economy.* "[6]

[6] Malaysia, *First Malaysia Plan, 1966-1970,* Kuala Lumpur: Government Printers, 1965, p.v.

TABLE: 2

Expenditure on Rural Development
Second Malayan Five Year Plan, 1961-1965
($ Thousand)

Rural Health Centres	39,390
Rural Roads	163,773
Rubber Replanting Scheme	104,768
Rural Electrifications	15,000
Land Development Authority	191,707
Rural Industries	7,600
Minor Rural Development Schemes	12,177
Group Development Schemes	29,293
Agriculture	28,506
Co-operative Development	66,839
Drainage and Irrigation	120,615
Fisheries	7,273
Forestry	4,805
Veterinary	10,333
Total	712,079

Source: *Interim Review of Development in Malaya Under the Second Five-Year Plan,* Kuala Lumpur: Di-Chetak di-Jabatan Chetak Kerajaan Thor leh Beng Cheng, Penchetak Kerajaan, 1964, p.7.

The drive for rural development was later taken up by the Alliance. In the political history of modern Malaysia the Alliance was the prime mover in the process of nation-building and particularly in the constitutional and political negotiations leading to the *Merdeka* in 1957 and the formation of Malaysia in 1963. In this situation they certainly had to be aware of the 'bargain' struck among the community leaders to improve the social and economic position of the Malays and other *Bhumiputeras.*

The efforts however, did not yield the anticipated results in the long run. As Ongkili points out, despite the visible signs of progress or continued exhortations on development or even the impressive figures and projections that featured in the development Plans, major defects in the very exercise of the plans rendered them nearly impractical. In the first place, going by the figures in Table 2, the plans hardly paid attention in financial terms to the very sectors that had the capacity to augment the social and economic conditions of the rural farmers – rural industries, fisheries, cooperative development, agricultural education and extension, rural credit and marketing. On the contrary, the sectors which had amassed majority of the resources went on to benefit the big businesses, non-Malay contractors and middlemen in the long run. Even the large expenditure on drainage and irrigation did nothing much for the earnings of the tenant farmers in virtual contrast to the landlords. To put in a nutshell, the national and the rural development programmes were undeniably extensive, yet their implementation lacked introspection while "*some of the priorities lacked realism.*" (Ongkili 1985: 220).

Also, rural poverty and economic handicaps remained starkly conspicuous as were the rates of unemployment which rose from 6% in 1962 to 6.3% in 1965 and 6.8% in 1967-8. This in turn, drove hordes from villages to the cities. These factors had repercussions over the mutual relations and the subsequent distinctions between the *Bhumiputeras* and the non-*Bhumiputeras* because as migration became rampant by the end of 60s, so did the growing differences between the living standards of the urban and rural population. Incidentally, most of the urban dwellers were Chinese, whereas rural population made up for the bulk of the nation's population, most of which was constituted by the Malays (Chee 1968: 3). Along with the growing disparities between the urban and rural population which coincided with that of *Bhumiputera* and non-*Bhumiputera* communities, in-spite of the development activities of government, a newfound realisation struck the Malays during the same decade that they held 'only around one per cent of investment in registered business; Malay

unemployment in 1965 was running at 11.2%, compared with 5.6% for Chinese and 9.6% for Indians; the Government's much vaunted rural development scheme had failed to lift living standards in rural areas' (Funston 1974: 7). This, in spite of the fact that the two economic congresses that were held for the Malays by the government, was followed by a bank and a financial aiding organization along with instituting quotas for the Malays in the foreign-owned pioneering industries. However, even these non-rural measures did not take off as expected or, at least these did not have the desired effects on the Malays as they found them to be non-apparent. It seemed to them that it was the Chinese who had mainly benefitted and that independent Malaya had opened up for Chinese businessmen "more and better avenues for the acquisition of unlimited wealth" (Mahathir bin Mohammad 1970: 42). The words of Alex Lee, a Chinese 'Young Turk' of Malaysian origin in the MCA aptly describes the overall impression that the policies of the government had garnered since independence upon every segment of the Malaysian society, especially the Malays –

"*The twelve years following Merdeka did not, in fact, bring forth the wealth and power which the Malays had expected. They found themselves still to be the rural people with control of the towns very much in the hands of the non-Malays. Even in the rural areas their position was being encroached upon by the Chinese New Villages, the prosperous Chinese tin miners and the large European dredges and large foreign plantations… their only area of control, therefore, was in the political arena, especially in Parliament where they controlled two-thirds of the seats. However, the 1969 election results gave the impression that even this political control was being threatened, and in some States the balance of power seemed to shift to political parties which appealed to Chinese chauvinism.*" (Lee 1972: 562-3).

The balance was already tilted in favour of the non-Malays with perceivably lesser gains on the part of the Malays and this was a comprehension that certainly did not find favour with the latter; the fact that the Chinese were equally unhappy with their own position in the society because they felt that the government was literally going beyond its capacity to pull the Malays out of the rut gave them reasons enough to voice protests against the Article 153 (of the 1957 Constitution) that embodied the 'Malay Special Rights'. The situation was therefore, most liable to turn volatile enough to manifest into a riotous clash, an event not uncalled for in the least. In any case, this was to bring to light the inadequacy of the measures that were essentially meant to lift up rather than let down those who took pride in their identity as the 'sons-of-the-soil'. Henceforth, it was in recognition of the continuing

imbalance between the position of the Malays and other *Bhumiputeras* that the NEP made its appearance.

As the government under Tun Abdul Razak set down to redress the unfulfilled part of the 'bargain', the New Economic Policy became the newest instrument in their hands. As Ungku Aziz would say, the decision to embark on the NEP was a measure of realization on the part of the Malaysian Government of the simple fact that "*Poverty arises because of the inequality in the distribution of income and inequality in the distribution of wealth."* (Aziz 1964: 75). Therefore to mend the damages inflicted by what became the political manifestation of an economic ill, the *Second Malaysia Plan* (1971-1975) incorporated the NEP which has been aptly expressed in the following words:

"*The Plan incorporates a two-pronged New Economic Policy for development. The first prong is to reduce and eventually eradicate poverty, by raising income levels and increasing employment opportunities for all Malaysians, irrespective of race. The second prong aims at accelerating the process of restructuring Malaysian society to correct economic imbalance, so as to reduce and eventually eliminate the identification of race with economic function.*"[7]

The distinctive features which made the NEP stand out from its predecessors were mostly concerned with matters of industry and commerce rather than agriculture. As per the *Mid-Term Review*[8], the *Second Malaysia Plan* had to be revised accordingly from its original format so as to incur a rise in expenditure for commerce and industry by 65%, greater than the increase for agriculture. In fact, the government had actually set a target of 30% of commercial and industrial activities to be managed and owned by the Malays and the indigenous people within a period of 20 years, starting from 1971 to 1990 (Milne 1976: 240).

With the greater goal of national unity at its helm, an Outline Prospective Plan for the period 1971-90 was therefore, announced for implementing the NEP with the motive of achieving the:

- Reduction and eradication of poverty, by raising income levels and increasing employment opportunities irrespective if race.

[7] Malaysia, *Second Malaysia Plan 1971-75,* Kuala Lumpur, 1971, para. 2.

[8] *Mid-Term Review of the Second Malaysia Plan 1971-75,* Kuala Lumpur: Government Press, 1973, p.97

- Restructuring Malaysian society to correct economic imbalance so that no one race could be identified with a particular economic function.

In accordance with this strategy and its subsequent implementation, the elemental features of the NEP came to be categorised under five heads as (Milne 1976: 240; Milne & Mauzy 1980: 328):

- Incomes and poverty
- Encouragement of measures to produce Malay managers and relevant professionals
- Malays in other types of employment
- Malay ownership of capital
- Education for Malays
- Malay and urbanization

There were also elements that pertained to the rural areas and were equally important for the whole plan yet the government was seemingly more set on reforming the industrial and commercial sectors which apparently showed greater promise.

ERADICATION OF POVERTY

This essentially pertains to the first point of income and poverty. Poverty, rural and urban, was viewed by the government in absolute terms in relation to a poverty line rather than in relative terms, for example inequality (Gomez and Jomo 1997: 27). But as a matter of fact, intra-community differences in income existed in such a wide manner that any form of generalisation could never have shed proper light on the actual condition of distribution of income, even while adjudging the inter-community disparities. The general information that the average Malay household income was usually half of that of an average non-Malay household in 1970 overshadowed certain particulars like the income-gap that existed between the Malays and the non-Malays was more pronounced in the rural settlements than in the urban areas because the rural population, majority of which was constituted by the Malays, tended to be concentrated in the most backward economic sectors like fishing, single-or-share cropping in padi cultivation or coconut and rubber smallholdings (Milne and Mauzy 1980: 328). However, when poverty was being evaluated by the government in

absolute terms, income inequality as Jomo conjectured, could grow even as the poverty rate declined if the economy registered high growth and interestingly enough, during the 1970s, the average real incomes of the bottom 40% of the income groups increased while overall inequalities kept on growing (Jomo 1994: 4-5).

Nonetheless, the extent of the success of the NEP has always raised a storm over the cup. When an analysis of data showed that by 1989 the official poverty rate for Peninsular Malaysia was down to 15%, it was actually on par with the official projection of the OPP regarding the reduction of poverty rate from 49% in 1970 to 16% in 1990. Moreover, poverty rate calculated in terms of per capita rather than by household showed a steeper decline to 1.3% by 1987 (Gomez and Jomo 1997: 27-28). Tremendous economic growth and trickle-down from the massive increase in public expenditure were attributed to this development and yet, it was the efficacy of government expenditure to eradicate poverty that became the very subject of criticism on NEP public expenditure. In fact, the government had itself admitted to its failure to bridge the gap between planning and implementation of the poverty alleviation scheme that manifested in a mere 40% of the RM30 billion reaching the target groups until 1988.

It was during the launch of the *Third Malaysia Plan* (1976-80) that the policymakers could properly comprehend the extent of poverty in the state and the means to eradicate it. According to *Mid-Term Review of the Fourth Malaysia Plan*, poverty between 1980 and 1983 had actually increased in Peninsular Malaysia from 29% to 30.3% and this was attributable to none other than rural poverty (Milne 1986: 1365-66). The main beneficiaries of this effort were therefore, not the poor (Gomez and Jomo 1997: 28).

Rampant politicisation over the years was yet another factor that had led to political nepotism as well as patronage at the grass-root level and in the process hindered the realisation of the objective of poverty eradication in a fundamental manner.

RESTRUCTURING OF THE MALAYSIAN SOCIETY

The two most important aspects of "restructuring" involved wealth redistribution and *Bhumiputera* human resource development – that is, enhanced educational employment as well as promotional opportunities (Jomo 1990-91: 474). So, just as a discourse on the NEP's aim of social restructuring requires a reiteration of the industrial and commercial sectors that

the government had laid emphasis on, so does the educational sector, especially at the tertiary level. This was reinforced by the fact that economic imbalance that was the core of all problems was most obvious in the industrial and commercial ownership, especially in the corporate sector. With reference to ownership of the share capital of limited companies, the starting years of the NEP saw the Malays owning around 1.9%, the Chinese 22.5% and the Indians 1.0% while the foreign percentage was 60.7%. As per the *Mid-Term Review*[9], a very high rate of overall growth was targeted to enable the Malays to exceed their claim of corporate ownership to around 30% while this would simultaneously enhance the ownership of the Malays, non-Malays as well as the foreigners in absolute terms. In fact it was under NEP that Malaysia embarked on the plan to redistribute 30% of the nation's assets to the *Bhumiputer*as by 1990. Along with this, non-Malays were assured that there would be no deprivation of their rights or prospects.

While it must be noted that the government did fall short of achieving the 30% target because only 20.3% of the assets had been transformed to the *Bhumiputeras*, it could certainly fall back on the surge in living standards and corporate earnings since the end of 1985-86 recession that had made the attainment of specific numerical targets less urgent since the launch of the policy (Tsuruka and Vatikiotis 1991: 16).

Table 3

OWNERSHIP OF CORPORATE EQUITY

%	**1970**	**1990 target**	**Achieved**
*Bhumiputera	2.4	30	20.3
Other Malaysians	32.3	40	46.2
Foreigners	63.3	30	25.1
Nominee Companies	2.0	-	8.4

*Includes trust agencies and other related institutions

Source: Economic Planning Unit, Malaysia (*Far Eastern Economic Review*, 27 June, 1991).

[9] *Ibid.*, pp.81-88.

Going by the data presented in the Mid-Term Review[10], only 7% of the professional and managerial group were Malays, compared to 68% Chinese, 4% Indians and 18% foreigners in 1970. Malays were on the contrary more concentrated in the small retail trade. Hence, racial imbalance was similarly conspicuous in the managerial posts which needed to be remedied by the application of target of 30%.

As for the other types of employment,[11] the government projected policies that would "*ensure that employment in the various sectors of the economy and employment by occupational levels will reflect the racial composition of the country.*" Yet, none of these policies had any numerical target nor was there any specification in timing. As Milne had stated, the different degree of imbalance in particular sectors made a uniform target hard to arrive at (Milne 1976: 241).

With a view to develop human resource, educational imbalance and Malay presence in the urban areas were sought to be corrected and enhanced respectively through various means. As a matter of fact, education was the largest item in the Malaysian federal government expenditure, with half the budgetary cost being incurred on tertiary education. As a result, the pattern of funding in education could hardly have been 'egalitarian' and therefore was most liable to re-produce social and income differences inter-generationally in all ethnic groups with special reference to the Malays with the non-Malays (Jomo 1990-91: 475). The Plan proposed an increase in the proportion of Malays pursuing courses in science, technology, economics and business administration and other professional courses and a remarkable improvement was clearly visible by the late 80s when Bhumiputera representation in eight prized professions – doctors, lawyers, engineers, veterinary surgeons, dentists, accountants, surveyors, architects – rose from a bare 5% in 1970 to 25% in 1988 (Jomo 1990-91: 475).

Balanced growth in the urban sector was sought to be achieved by encouraging Malay migration into the cities through participation in business matters which were to be fostered via a number of governmental organizations. Urbanisation was nearly inexplicit in the SMP – the process was occurring on its own accord. In this manner, Peninsular Malaysia recorded a growth in Malayan presence from 14.9% in 1970 to 18% in 1975 and this percentage rate was

[10] *Ibid*., pp.10

[11] *Ibid*., pp. 9-10

higher for Malays than for Chinese or Indians. Notably, the proportion of Malays in urban areas was already on the rise so much so that their presence doubled from 7.3% in 1947 to 14.9% in 1970 (Milne and Mauzy 1980: 340). According to one view, urbanisation was to be so much of an all-encompassing phenomenon for the Malays that no Malay would ever feel alien in a city atmosphere[12].

CRITICAL EVALUATION OF THE NEP

NEP was formulated as an instrument to relieve poverty and improve the economic position of the Malays who constituted a politically dominant but an economically backward community in the Malaysian society. Its main objective has therefore been to increase the proportion of Malay ownership in the economy. But as the tenure of NEP neared the end, not only was there dearth of well-trained Malay expertise in the economy, what was more important was that the policy was said to be successful only because Malay statistics contained information of those bodies like PERNAS (Perbadanan Nasional or National Corporation) which strove to buy and develop companies and hold them for Bhumiputeras and subsequently sell them off to private Bhumiputera interests. Some observers Adam and Cavendish (1994) even went to the extent of commenting that NEP was actually a stumbling block on the path of genuine economic growth:

"*While the real GDP growth had been impressive (during the two decades of the NEP) and the standard of living of the Bumiputeras as a whole had improved dramatically, the overall performance of the economy had not been outstanding by regional standards. It has been widely argued that growth was hampered by the NEP. When it was introduced, Malaysia ranked third only to Japan and Singapore among East Asian nations in terms of GDP per capita; by 1990, it had fallen behind South Korea, Taiwan and Hong Kong as well. Had growth not been constrained by the NEP, it is argued, the economic performance and welfare of the Bumiputera would have been even more greatly enhanced*" (Adam and Cavendish 1994: 15).

In the context of this paper, NEP however needs to be evaluated in terms of ethnic relations as an aftermath of its implementation because economic disparities played a catalytic role in aggravating the already existing divisions in the society. It cannot be denied that the 'grand

[12] Tan Sri Ghazali bin Shafie, *Straits Times*, Singapore, August 1, 1970.

social experiment' of NEP to achieve the goal of preventing further bloodshed did succeed to some extent. To quote a social scientist in Kuala Lumpur –

"*During the 1969 riots, some Malays torched Chinese buildings. It was easy because all the buildings were Chinese-owned. Now it would be difficult. No one can really tell which are Chinese, which are Malay, and which are both.*" (Jayasankaran 1995: 25)

In the evaluation of the position of the Malays, one might well agree that NEP had been a mixed bag. In the first place, the policy made it obligatory for non-Malay-controlled companies who wanted to bid for government work or publicise their stakes to "restructure", which meant that they had to sell off 30% of the stock at a discount to eligible *Bhumiputeras* (Jayasankaran 1995: 25). In this context mention must be made of one aspect of the implementation of NEP which was, the concentration of the use of *organizations.* These organizations came up to "stand for" the individual Malays so as to enable them to stand for themselves in the non-Malay dominated scenario. The result was outright patronisation of institutions like MARA (Council of Trust for the Indigenous Peoples) and later PERNAS.

The system however, had its own faults. Subjecting it to use and abuse, many privileged Malays made exorbitant gains by getting discounted shares and selling them promptly. Moreover, these benefits extended to even those companies where Chinese owners (Baba) simply went on with their business by employing Malay frontmen (Ali) and made a kill in the economy.

Doubts had also been raised regarding most of the other aspects that the NEP had touched and worked on, one of the most important of them being education, after industry and commerce. Education, believed to be one of the keys to the NEP's success, saw the universalization of primary education leading to the formation of a new Malay middle class from the skilled and professional university pass-outs. In an interview to S. Jayasankaran, eminent political analyst Chandra Muzaffar viewed the matter from a point of optimism for the fact that it allowed the people from the rural backgrounds to be whoever they wanted to be (Jayasankaran 1995: 26). But then, it was again the protectionist attitude of the government that to some extent undid the good done to the Malays through the various measures.

The NEP was enforced by a vast array of government regulations, in collusion with a system of quotas, scholarships, licences, outright grants and special privileges to the Malays. It certainly did uplift them but then at the cost of excellence or merit – in the words of Jayasankaran (1995: 26), "*a swollen bureaucracy, economic efficiency and resentment among the Chinese and other non-Malays.*" NEP quota created what some Malaysians called a culture of mediocrity, especially in the universities. Above and all, what it really did was to foster unrealistic expectation among the sons-of-the-soil who took these opportunities for granted.

However, it deserves to be mentioned that NEP over and above everything else, contributed to the ideology of Malay '*Bhumiputeraism'* – institutionalising the ideal of racial superiority and thereby establishing Malay political dominance. Incidentally, this was one of the causal factors behind the riot of 1969 that was gradually being reinforced into the daily lives of every Malaysian once again but latently. This went against the official declaration regarding the NEP that it would not hinder the economic growth for the non-Malay segment of the population. And this was not more evident than in the matter of relative ignorance on the part of the government when addressing the problems of the poor Chinese in new villages and the predominantly Indian workers in the plantation sector, a deficiency which raised a storm even within the ruling Barisan Nasional coalition. This pro-Malay bias of the NEP called for a review, even among the non-Malay *Bhumiputeras*, the Orang Asli – the aboriginal communities in Sabah-Sarawak who felt deprived of the poverty eradication measures of the government (Gomez and Jomo 1997: 39-40).

If spoken of the derogatory effects of the policy, it was however the Indians, who had fared the worst. To begin with, the share of wealth held by the ethnic Indians fell from 1.1% to 1% between 1970 and 1992. The decline was even more conspicuous in the sphere of employment where their proportion decreased by more than 3% as illustrated by Tables 4 (a) and (b) as an after-effect of the NEP implementation. By the late 1980s the MIC had even gone to the extent of proposing a new positive discrimination policy solely for the redressal of the Indian condition which was found to have deteriorated dramatically under the NEP (Gomez 1994: 277). If expressed explicitly then, "*The Indians have become marginalised. They are in a position of the Malays in the '50s.*" – Malay company CEO (Jayasankaran 1995: 26). The Transport Minister Datuk Ling Liong Sik even went to the extent of saying that it would not be long before a NEP would have to be devised exclusively for the Indians.

Table 4(a)

PENINSULAR MALAYSIA: EMPLOYMENT BY OCCUPATION AND RACE, 1970 (%)

Occupation	***Bhumiputera***	***Chinese***	***Indian***	***Others***
Professional and technical	47.0	39.5	10.8	2.7
Administrative and managerial	24.1	62.9	7.8	5.2
Clerical and related workers	35.4	45.9	17.2	1.5
Sales and related workers	26.7	61.7	11.1	0.4
Service workers	44.3	39.6	14.6	1.5
Agricultural workers	72.0	17.3	9.7	1.0
Production, transport & other workers	34.2	55.9	9.6	0.3
Total	51.8	36.6	10.6	1.0
Ethnic proportions	52.7	35.8	10.7	0.8

Source: Fourth Malaysia Plan 1981-85, cited in "Whither Malaysia's New Economic Policy", K. S. Jomo, *Pacific Affairs,* Volume 63, No. 4, 1990-91, p. 496.

Table 4(b)

MALAYSIA: EMPLOYMENT BY OCCUPATION AND RACE, 1988 (%)

Occupation	***Bhumiputera***	***Chinese***	***Indian***	***Others***
Professional and technical	55.6	30.8	11.5	2.1
Administrative and managerial	28.4	66.0	4.6	1.0
Clerical and related workers	55.1	35.6	8.8	0.5
Sales and related workers	36.5	57.5	5.9	0.1
Service workers	58.7	30.2	9.9	1.2
Agricultural workers	75.8	16.6	7.2	0.4
Production, transport & other workers	45.9	42.8	10.8	0.5
Total	56.9	33.7	8.7	0.7
Ethnic proportions	61.2	30.0	8.2	0.6

Source: Mid-Term Review of the Fifth Malaysia Plan, 1986-1990, cited in "Whither Malaysia's New Economic Policy", K. S. Jomo, *Pacific Affairs*, Volume 63, No. 4, 1990-91, p. 496.

On a concluding note, the New Economic Policy was a typical case of an effort with good intentions but with not so good implications. The policy was formulated with the sole objective of fostering national unity in a multi-communitarian society by means of pulling up the living standards of the Malay community. And going by the statistical results, it nearly achieved the results as desired by the policy-makers. But it also accomplished the deed of undoing the social cohesion that had been in existence since the formation of the new modern state of Malaysia and later, the consociational form of democratic government. Most importantly, a kind of hierarchy seemed to have come into effect with the varying outcomes of the policy. While the Malays got to savour the fruit of the labour that went into

implementing the policy, by virtue of their economic condition since the time of independence as also of their birth-right, the minorities especially the non-Malay *Bhumiputeras* as well as the non-Chinese non-*Bhumiputeras* were left with a bitter taste in the tongue. This resulted in their constant efforts since then to assert their own particular interests. It must also be mentioned that the expiry of the New Economic Policy by 1990 did not however, bring their miseries to an end. Rather, it left back a legacy of discrimination that was carried on with conviction by the future plans of the Malaysian government. A detailed case study of the Indian community seeks to establish this point which has been carried on the following chapter.

CHAPTER III

INDIANS IN MALAYSIA: A CASE STUDY OF THE TAMIL COMMUNITY

Indians have been a part of the Malaysian population since the time of Chola conquests on the peninsular region of South East Asia and maybe even before. However, it was more or less, an economically motivated mass of people whose influence was solely confined to the matters of culture and civilisation. However, the subject of our case study attributes their being in Malaysia not to this aforementioned mass but to what K. S. Sandhu calls the 'modern Indian immigration'(Sandhu 2006: 151).

Indian transmigration to Malaysia occurred in two main phases. The bulk of the population that arrived during the early medieval period was mainly concerned with matters of trade and hence its after-effects were not significantly perceived, neither in political terms nor demographically. It was the second phase of their immigration that draws our attention. Occurring after a gap of several centuries, this flow of immigrants left an indelible mark not only on the subsequent history of what had once been a British colony but also on the future of the nation-state that is now Malaysia. For one, there seldom had been Indians in large numbers prior to the age of colonialism and whatever the current estimate of their numbers in Malaysia and Singapore is, is solely attributable to the immigration during this period which fell nearly around the time when the whole of Malay Peninsula came into the grips of the British administration.

This chapter makes a case study of the Indian community in Malaysia with reference to the Tamil community. This is because the Tamils make up for an overwhelming majority in the diasporic Indian population that currently resides in Malaysia and henceforth any discussion on the social, political or economic status of Indians would invariably bring up the Tamil question. The study will elucidate on the social composition of the community which time and again will make brief references to the history of their migration so as to understand the dynamics of their relation among themselves as well as with the overall Malaysian society. The discussion will then lead to the evaluation of the current position of the Indian-Tamils in terms of politics and economy.

INDIANS IN MALAYSIA: PRIVILEGED BUT MARGINALIZED

Malaysia, as has already been discussed, is a plural society – a kaleidoscope of different ethnic communities governed by a coalition government within a single territorial unit. Numerically, the Indians constitute the third largest group in a society dominated by the Malays, followed closely on its heels by the Chinese. It is of general belief that the Chinese dominate the Malaysian economy while the Malays have strayed to agrarian and government employment, thus leaving the Indians to fend for themselves in the lower salaried occupations and remain trapped in poverty. In the words of Tridib Chakraborty (1996: 193), the Indians have traditionally been playing the second fiddle in Malaysian societal structure for long and in the process, have become marginalised in the society as they lag behind the Chinese as well as the Malays in every sphere namely, economic, trade and commerce, entrepreneurship, education and in overall social status. Incidentally, both Indians and Chinese in Malaysia belong to the category of immigrants to the land and yet the marked differences in their position. This can be more or less validated by the Malaysian government's own summary on the condition of Indians in the Second Outline Perspective Plan (OPP2), 1991-2000 –

"*The socio-economic position of the Indians … has lagged behind and the progress achieved by these communities has not been in tandem with the achievements of the other communities. [T]hey haven't been given adequate attention in the government's development efforts despite the improvement in levels of income and standards of living for the country as a whole*."[13]

The issue of marginalisation of Indian is however, hardly as simple as it sounds. According to Francis Loh Kok Wah, marginalisation happens to be more of a class than an ethnic issue although majority of Indians fall in the category of poor. He had distinguished between those who had actually made personal gains through the pro-*Bhumiputera* NEP like the political elites of Malaysian Indian Congress and those who were still making a living of 300-500 *ringgit* a month out of hard labour in the rubber plantations and arrived at the conclusion that the generalized idea of a poor Malaysian Indian did not do justice to the very categorisation and its usage was more of a political ploy to rally the Indians behind the MIC (Wah 2003: 231). It must be mentioned that Indian poor were however, not merely confined to the rubber

[13] *Malaysia, The Second Outline Perspective Plan, 1991-2000*, Kuala Lumpur: Government Printers, 1991, p.16.

estates. There were also those who were domiciled in the urban areas as a result of the 'sub-division' or fragmentation of about 340 small plantations in the 1950s-60s because of British sales and ownership sub-divisions due to uncertainties over post-independence economic policies as well as conversion of certain estates into developmental areas like industrial estates, golf courses or commercial projects.

That the Indians are mostly in a deplorable state of existence is of general acceptance, but it's a matter not of current occurrence but one, the roots of which can be traced back to the time when Indians were brought in mass numbers to the Malay Peninsula, mainly as labourers, through indenture and the '*kangani'* systems.

HISTORY OF INDIAN IMMIGRATION INTO MALAYA

There is no precise date to mark the arrival of the first Indian on the soil of Malaya. As for the subject of our study, it was certain that they made their appearance in the 19th century as plantation labourers, when sugar and coffee estates were being developed as a major drive to boost up the colonial economy.

The acquisition of Penang in 1786, followed by the Straits Settlements and then the whole of Malaya by 1909, gave a head-start to the British in the peninsular region which manifested in their attempts to gain a foothold in every profitable arena available to them. With the conclusion of the Anglo-Dutch Treaty of 1824, the British saw to the transfer of the Indian convicts, previously confined to the British settlement of Bencoolen to the Straits Settlements and recruited them to perform public works. However, the mass immigration in real terms begins when the rulers happened to strike gold with plantation agriculture, which coincided with the 'rubber rush' of the early 19th century, after trying their hands in other fields like the cultivation of spices and pepper in the 1820s and beverages in late 19th century (Sandhu 2006: 151). Investments were being made for higher profits, which implied a push for higher production. Given the time and place, the availability of labour-saving machines was a rarity and the plantation job required more of manual labour than mechanical, especially unskilled labour. In a situation where "*the Malays proving to be unmotivated, the Chinese finding other better remunerative occupations, African and European labour alike unpracticable, and the Javanese being both difficult and expensive to acquire, the Indians became indispensable.*" (Sandhu 1993: 152).

It should be noted in this context that the emigration of Indians was more than the emigration of just unskilled labour. Along with contract labourers who emigrated under indenture and '*kangani*' systems, there were also the 'free' or 'passage' emigration of traders, clerks, bureaucrats and professionals[14].

Speaking of emigration, the valleys of Tamil Nadu became the largest supplier, so to say, of large numbers of unskilled labour to the rubber estates of Malaya. Reasons behind this can be evaluated from two standpoints – one that analyses the internal social dynamics that dictated the overwhelming emigration and the other which analyses the factors that made these Tamil labourers the obvious choice for the plantation owners.

The early 19th century society in Tamil Nadu was a caste-ridden society. There were the *Brahmins* and *vellalas* on one extreme and the *paraiyan* and *palla* on the other, the latter mostly constituting the untouchables and later the emigrant labourers to Malaya. What made them emigrate to such faraway lands, far removed from their immediate families was nothing more than desperation to look for alternative employment after having been dominated for years on end by the '*Mirasidars'* and landed groups. The dwindling fortunes of '*Mirasi* system' and the demand for overseas labour therefore offered the necessary opportunities to the untouchable labouring classes to escape from subordination and from all other systems of bondage (Baker 1984: 179).

The fact that British administration had been established in India before the penetration of British capital into Malaya, it naturally occurred to them to rely on Indian rather than Chinese labour and make these men the obvious choice for them to employ on the estates. Moreover, the fact that they were British subjects, also made them better known to the British than the Chinese, who in any case bore the notorious reputation of forming secret societies and therefore liable to form the most turbulent element among the local population (Kim 2006: 267). There were also other factors like adaptability to weather conditions on the plantations which did not differ much from that of Tamil Nadu hence making it easier for them to adapt to local conditions. There was also the factor of lack of ambition that characterised these people, thus rendering them malleable, easy to supervise as well as to manage. An Indian labour had little of the self-reliance of the Chinese, was most amenable to the comparatively

[14] Report of the High Level Committee on the Indian Diaspora: South East Asia (http://indiandiaspora.nic.in/diasporapdf/chapter20.pdf).

lowly paid and rather regimented life of estates and government departments. Moreover, as Sandhu points out, the Malays had been historically and contemporaneously involved in subsistence farming and agriculture while the Chinese were becoming ever more clearly identifiable with urban life and commercial activities that also involved trade. Such combination of affiliations had therefore, left very little workforce for the development of Malay's plantations and hence was felt the necessity of incorporating the Indians.

The British had also considered the advantage of their knowledge of the language of the Indian labourers or that of the English-speaking subordinates who did, over that of Chinese and this could have facilitated direct contact and control.

Lastly, the British not only welcomed the immigration of Indian labourers to Malaya, but the colonial government often openly lobbied for it with the ulterior motive of seeing the Indians remain a labouring and subordinate class, deprived of a position to "*... upset or undermine the Raj"* (Sandhu 1969: 45-46).

Almost like a death-trap, the process of recruitment as well as the employment at the plantations nearly killed their chances of ever being a part of the mainstream society. In absence of market mobility, the plantation labourers as a whole failed to improve their economic status from one generation to another (Muzaffar 2006: 212). As a consequence, it became impossible for a large segment of the Indian migrant population (constituted by the plantation workers) to form or become a part of the middle class.

The overwhelming presence of the Tamil community was evident even in the post-independence Malaysian society as per Table 1.

Table: 1

Indian Sub-ethnic Groups in Peninsular Malaysia

Year	**1947**	**1957**	**1970**
Sub-Groups	As % of Total Indians	As % of Total Indians	As % of Total Indians
Indian Tamils	78.9	78.7	80.0
Malayalis	6.5	7.2	4.7
Telegus	4.5	3.8	3.4
Others	10.1	10.3	11.9
Total	100.0	100.0	100.0

Source: 1957 and 1970 Population Census Reports, Department of Statistics, Kuala Lumpur.

While a major portion of the Indian community, namely the Tamils came to be and still is employed in the rubber and palm plantations, a small section which includes people from other regions like Punjab, Gujarat and also Tamils, Telugus, Malayalees from the south, is involved in services like police, railways and food business as well as legal and medical professions. It was this section of Indians who formed a minuscule part of the educated class who were well-versed in Western lifestyle and looked upon themselves as the permanent residents of Malaya since colonial times and formed a distinct class of people, far removed from the realities of harshness of life experienced in the confines of plantations (Arasaratnam 2006: 197). The significance of this class of educated Indians was that they were instrumental in forming the first Indian organizations to integrate themselves on the basis of Indian identity in major cities and towns where the leadership was taken by wealthy and independent members of the community. As Michael Stenson says,

"*Organizationally, the developing social cohesion and political consciousness of the English-educated administrators and professional men was first expressed in the formation of Indian associations ... Membership included a large body of English-educated administrative and clerical staff ... and eventually a few doctors or lawyers. Much criticized in the late 1930s for*

their emphasis upon sport and social activity, the associations commonly performed some charitable welfare work amongst the labouring population. " (Stenson 1980: 42)

Although initially these refrained from getting politically active, it was the middle and upper-class Indians, working through these ineffective associations to reach to the heart of the colonial system, who took the initiative to fight for the cause of submerged mass of Indian labour and put themselves forward as their spokesmen. "*This meant identifying themselves with labour in terms of an Indian communal identity, in place of the gulf that had been deliberately created so far between labour and the upper classes.*" (Arasaratnam 2006: 198)

On a more positive note, Stenson goes on to say that these associations were undoubtedly value additions to the efforts of the nationalist movement in Malaya in the interest of the Indians because "*although representative only of the small English educated section of Indian society and inhibited by the caution of the many members who were in government employment, the Indian Associations played a key role in developing pan-Malayan political organization for Indians from 1928 to 1941*." (Stenson 1980: 42-43)

INFLUENCE OF INDIAN NATIONAL MOVEMENT ON THE MALAYAN INDIANS

The first few decades of the twentieth century were witnesses to the most tumultuous period in the history of struggle for freedom in the colonized lands, especially in the Indian subcontinent. At the same time, it was found that the growth of Indian nationalism in the 1930s subsequently influenced the overseas territories which had an adverse effect on the Indian community in general and particularly, in Malaya. First of all, as Dravidian populism of the Tamil districts of Madras state in the 1920s made its way to Malaya, its tenets were moulded in local terms by the local intelligentsia which included school-teachers as well the labour-brokers. This led to the development and spread of a kind of radicalism among the labouring community that gave rise to working-class consciousness and a degree of militancy in organization and activity (Arasaratnam 2006: 200). Such a development coincided with the discriminatory policies of the colonial government and its effect on the Indian community which, when taken account in the words of an Indian journalist went as –

"*The pro-Malay policy pursued in recent years and the policy of discrimination showed against Indians by the governments here has created suspicion in the minds of the Indian*

public men, that in the course of time the history of Indians in South Africa will be re-enacted here too." (Nair 1937: 47-48)

One of the most important outcomes of all these was that the onus to voice the concerns of plantation workers shifted from the distant middle-to-upper class leaders to those lived among the labourers and were a part of that society. This reflected a future trend where the elite-dominated Malaysian Indian Congress represented the Indian opinion in the Alliance coalition yet was disconnected from the general opinion that was mostly concerned with the working population. This was because the political group formation was helmed by such people who had the least emotional connection with the land of origin and the only tie they felt with other fellow Indians was only owing to the spread of nationalism in the 1930s and "*an identity with the struggle of Indians against British imperialism.*"

Hence, it becomes implicated that ethnic compartmentalization within a multiracial society like that of Malaysia was not able to produce a homogenous Indian community except during times of crisis. Most importantly, the increase in proportion of Indians between 1911 and 1921 in comparison to Chinese as well as Malays did not factor much in the face of the antagonistic divisions caused by cultural schisms within a caste-ridden community. This is in reckoning with Chandra Muzaffar's argument that the numerical superiority of a particular group will matter only when there is considerable coherence within the group which will ensure its strength of opinion –

"*The demographic factor was perhaps not as significant as the antagonistic divisions caused by cultural schisms within a caste-ridden community.*" (Muzaffar 2006: 215)

Thus, the 'small percentage' factor put forward by Michael Stenson (1980: 70) could not explain the weakness of an economically disadvantaged community when in fact the demographic increase in the initial decades could have pushed forward the grievances of the community . Lack of inner coherence affected the development of political clout. Not only was there a schism between the politically and economically better-off and the plantation workers but also within the working class itself where the labourers were divided even on caste and village ties. As Chandra Muzaffar laments, it was the Tamil labourers, "*compelled by circumstances to cringe and crawl before the others, who became the objects of contempt and ridicule. Indeed, the rigid hierarchy in the plantations was reminiscent of the caste system, with the lowest group being treated like animals. This is why it has been argued –*

given the pathetic condition of the Tamil labourers during the colonial period – that few others groups in the country had experienced such a total annihilation of human integrity and social dignity." (Muzaffar 2006: 215).

As Malay Peninsula went on to become the Malaysian Federation, situation for the Tamils remained nearly unchanged. The next section elucidates the status of the Indian Tamils in the post-independence era.

TAMILS IN POST-INDEPENDENCE ERA

Unfortunately, and in comparison to the migrant Indian communities around the world, especially the post-colonial societies in Indian Ocean area, in the Fiji and the Caribbean, majority of Indians had experienced a belated socio-economic mobility in Malaysia in the 20th century (Jain 2009: 81-82).

Speaking of upward mobility, one of the major drivers in this area had been the formulation and the implementation of the New Economic Policy, the details of which had already been discussed in the second chapter. Recapitulating in short, the overall outcome of the whole process was not satisfactory. Upon the expiry of the policy in 1990, it was found that the "*business elite were no longer composed of non-Bumiputera and foreigners only.*" By now it came to be "*mainly dominated by certain politically well connected Bumiputera and non-Bumiputera*." (Jain 2009: 82)

The NEP had also failed to achieve its goal of equitable distribution of wealth and as per the Malaysian Human Rights Report (1998: 10-11), "*Poverty among Malays is still widespread as it is among urban settlers, indigenous peoples, plantation workers (mainly Indians) and New Village residents (mainly Chinese). The NEP thus did not achieve its objective of interethnic economic parity. It also failed to achieve equitable distribution of wealth among all Malaysians.*"

As for the Indian population in Malaysia, Tamils have gone on as always, to claim a dominant position among the Indian presence, with most of them either in rubber estates or in the urban squatters, who also happen to be at the receiving end of untold miseries. The very first problem that has continued to afflict them has been the matter of real wages which in-spite of increases in daily expenses has continued to remain constant. This has been a persistent problem since the colonial times and in-spite of the fact that workers' union and

later associations like NUPW (National Union of Plantation Workers) had fought for their increment time and again, the situation hardly seems to have changed.

Secondly, there exists a constant threat of eviction and homelessness for the elderly former workers and their families. This pertains to the problem of housing, for, with the sole exception of a few estates, workers continue to live in quarters or lines provided by the employers, with most devoid of basic amenities like electricity. Moreover, workers have to vacate their quarters upon retirement only and unless their children are also employed in the estates, which is rarely the case now because the current generation prefer to migrate to the urban areas to look for alternative employment.

Thirdly, the re-introduction and increasing use of the "third party contract system" in the estates is another cause for concern (Ramasamy 1994: 288). This is because the system introduces foreign workers into the estate sector, which includes even the unionized estates and is characterised by the non-entitlement of the foreign workers to the infinitesimal benefits and protection won by NUPW in collective agreements. Hence, this provides a cheaper option for the employers to recruit the foreign workers. But this happens at the cost of employment of local workers who are at a loss with increasing pressure to work under less remunerative conditions.

These aforementioned difficulties have induced some of the workers to venture out of the confines of their estates to the urban areas. But given the sparse wages and therefore, minimal savings, most of these migrants were unable to afford decent urban housing. A study on Penang by SERI best explains the situation where housing and rentals are pitched at high rates complementing the fact that land is scarce. Hence most of the displaced lot of Indians ended up in squatter settlements and has later gone on to constitute most of this squatter population. Even here they seem to live in constant fear of getting evicted owing to the untimely encroachments by the state developmental activities.

Looking beyond the living conditions in the estates, one finds an equally dismal picture in the general education and employment sector. Deriving information from the SERI reports, Francis Wah had found that the rapid industrialisation and the expansion of the service sector in Penang and Klang Valley that began since the implementation of the New Economic Policy, had created profuse employment opportunities but only for those with adequate years of schooling and working skills. Poor Indian students attended Tamil primary schools in

Penang had registered the lowest passing rate in the Standard Six examination in 1996-97[15] while in 1999, all the students from the 22 Tamil primary schools in Selangor who sat for the same examination failed in all subjects.

The plight of the community is also explicable by the implication of the New Economic Policy on the wage-earners. In general, majority of Indians hardly made it to the upper echelons of income group and as Table 2 shows, they had a very a strong place in the low-middle income group in the pre-NEP period.

Table: 2

Percentage Distribution of Households by Income and Race in Peninsular Malaysia

Monthly Income Group ($)	**Malays**	**Chinese**	**Indians**	**Others**
1-99	40.3	8.3	11.6	25.0
100-199	33.7	25.0	39.3	12.5
200-399	18.3	38.0	31.3	12.5
400-699	5.3	17.0	10.7	12.5
700-1499	2.0	9.2	5.3	12.5
1500-2999	0.4	2.2	0.9	12.5
3000 or more	negligible	0.3	0.9	12.5
Total	100.0	100.0	100.0	100.0

Source: Mid-Term Review of the Second Malaysia Plan, 1971-75, Government Printer, Kuala Lumpur, 1973, p.3.

[15] SERI, *Socio-Economic Study of the Indian Community in Penang*, Penang: Socio-economic and Environmental Research Institute, 1999, Ch. 6.

There has been considerable number of debates regarding the overall effect of the NEP on the Indians, describing them as the poverty group, the subculture of poverty as well as "third in the race".

The data of nearly four decades from 1970-2005 gives a dismal picture of the economic performance of the Indians through an examination of the several Key Performance Indicators or KPI which range from mean monthly income to share of jobs as well as educational attainment.

Coming to the first indicator, the mean monthly income of an Indian household has shown a relative decline to that of a Malaysian household.

Table: 3

Mean Monthly Household Income by Ethnic Group

(in Current Prices)

	1973*	1976*	1979*	1984*	1990	1995	1999	2004
Bumi/Chinese	0.453	0.438	0.525	0.567	0.576	0.555	0.574	0.611
Indian/Chinese	0.764	0.684	0.806	0.728	0.741	0.740	0.782	0.779
Bumiputra/All	0.669	0.671	0.710	0.778	0.805	0.794	0.803	0.834
Chinese/All	1.475	1.531	1.354	1.372	1.398	1.431	1.398	1.366
Indian/All	1.127	1.047	1.091	0.999	1.036	1.059	1.093	1.064

Note: *Denotes data for Peninsula Malaysia. The ratios are computed from data given in the various plan documents.

Source: Malaysia, *Malaysia Plans,* various plan periods. Cited in R. Thillainathan (2008), "A Critical Review of Indian Economic Performance and Priorities for Action", in K. Kesavapany, A. Mani and P. Ramasamy (eds.) *Rising Indian and Indian Communities in East Asia*, Singapore: ISEAS.

Its share of jobs in the broad professional and managerial categories had also showed a decline and went below its employment share. The decline is more marked among registered professionals including doctors, lawyers and engineers.

Table: 4

Changes in Occupational Profile of Individual Ethnic Groups vs. Malaysian Workforce, 1970-2000

	Indian			
	1970	1980	1990	2000
Professional & Technical	1.02	1.13	0.90	0.92
Teachers & Nurses	-	0.85	0.76	0.83
Admin & Managerial	0.74	0.53	0.46	0.67
Clerical Workers	1.63	0.98	1.00	1.04
Sale Workers	1.05	0.73	0.80	0.82
Service Workers	1.38	1.10	1.11	1.03
Agri. Workers	0.91	0.96	0.86	0.83
Production Workers	0.91	1.11	1.26	1.20
TOTAL	**1.00**	**1.00**	**1.00**	**1.00**

Notes:

1. *The ratios in the various cells in the above table are derived by dividing the proportion of the workforce of a particular group in a given occupation by the corresponding number of the Malaysian workforce. Where the ratio is below one then this indicates that the proportion of the workforce of the group is below that of the proportion of Malaysian workforce and vice versa.*

2. *This classification is based on Malaysia Standard Classification of Occupation, 1998.*

Source: Computed from data given in Fourth and Fifth Malaysia Plans and The Third Outline Perspective Plan. Cited in R. Thillainathan (2008), "A Critical Review of Indian Economic Performance and Priorities for Action", in K. Kesavapany, A. Mani and P. Ramasamy (eds.) *Rising Indian and Indian Communities in East Asia,* Singapore: ISEAS.

Moving over data representations, focus has to be given to the general scenario. As S. Nagarajan informs, the plantation community, mostly constituted by the Tamils, seldom had the good fortune of receiving the state rural development funds and anti-poverty programmes because of the fact that plantations were classified as private property (Nagarajan 2008: 381). Even after the recognition of the plantation resident communities as a poverty group, the government remained almost nonchalant regarding the formulation and realisation of its five-year development plans to improve their socio-economic situation as it was during their eviction from the plantations. This helpless lot of the population had only the plantation companies to turn to for provisions of housing and adequate compensation, which in turn had the weak policy declarations of the government to pressurize them to work.

Having said that the government policies never came to their rescue, rampant illiteracy among these people also became a major stumbling block to any hope of their upliftment (Kuppuswamy 2003). It was their ignorance, born out of poverty, which led to their deprivation from taking advantage of the offer of citizenship that the government brought forward in 1957. Thereafter, lack of citizenship prevented most of them from acquiring proper employment outside the confines of plantation.

Nonetheless, it has already been said that the picture was hardly a homogenous one. So while on the one hand there were traditional Indian businesses such as in textiles, pharmaceuticals and book trade, displaying a steady decline post-NEP because they tended to be small, overcautious, family-centred units mostly lacking a sound economic base and capital to expand into sectors dominated by the Chinese and the state-sponsored Malay-capitalists, on the other hand, there was also a small group of Indian businessmen with political patronage who made their way up to prosper in services, construction and related activities. They could also slip into the positions vacated otherwise by the Chinese.

Cultural marginalization is also a sphere of concern that has come to plague the Hindu community of Malaysia. Amidst the Islamization drive of the UMNO and infringement of non-Muslim rights by the Muslim religious bureaucrats and the *Sharia* court decisions, there has been an alarming development of action groups to defend the practise of Hinduism against this encroachment on basic individual rights. Further details will be dealt on this matter in the next chapter.

In a nutshell, the current generation of Indians owes its presence in Malaysia to the advent of colonial rule and the subsequent changes in the world economy. The colonial legacy and its maintenance was however, the work of the modern state and Malaysia on its part has in most ways been in an experimental mode to bend and preserve the legacy with a local turn. The case of the Indians has nonetheless been a case of concern and therefore, whatever has been their general condition for the past hundred years under colonial rule has continued for the next hundred years of colonial independence. This was most conspicuous in the economic standing of the group entailed by their political position in a state that held sway over its subject components by virtue of the ethnic majoritarianism. The most glaring instance of this consistency was set by the implementation of the New Economic Policy that was set out to mend the indiscrepancies of standard of living but ended up widening the gap without any further attempts to rectify the mistakes. So as Malaysia moves ahead in the world, Indians have continued to lag behind with no clear solution in sight. The miseries have now crossed the boundaries of mere economic well-being and have taken a communal turn which has not gone down well with the community in question.

CHAPTER IV

EVOLUTION AND DEVELOPMENT OF OPPOSITION MOVEMENTS: THE RISE OF HINDRAF

"Social and cultural, political and economic, public and private, emotional and psychological factors all play a part and they are all interrelated (in the achievement of national unity). National unity is unattainable without greater equity and balance among Malaysia's social and ethnic groups in their participation in the development of the country and in the sharing of the benefits from modernisation and economic growth. National unity cannot be fostered if vast section of the population remains poor and if sufficient productive employment opportunities are not created for the expanding labour force."

(Second Malaysia Plan 1971-75: 3-4)

"Islam is the official religion and Malaysia is an Islamic state"

(Deputy Prime Minister Najib Tun Razak, July 2007)[16]

'National Unity' – the two core words that were to summarise the attempts undertaken by the Malaysian government post the racial riots of 1969, broadly known as the New Economic Policy. Unfortunately, the outcome of the plan fell far short of their understanding as well as expectation of the foreseeable future of the nation, especially with regard to its effects on the Indians and particularly the Tamils. Statistics as well as general observation have also put to the forefront the fact that Indians have become the 'third class race' (Kuppuswamy 2003). As a matter of fact, Indians had not only been relegated to nearly the lowest rung of the social ladder in terms of opportunities and their performance, but marginalization as a word has become intertwined with the status of a general Indian, an important dimension of which was political. Yet, as Chandra Muzaffar (2006: 227) would say, political marginalisation did not

[16] Clarence Fernandez, "Islamic State Label Sparks Controversy in Malaysia", *Reuters News Agency*, July 25 2007, http://www.reuters.com/article/email/iduSKLR232935

happen as a lone concept but socio-cultural and economic concepts of marginalization also contributed to the marginalization in the political arena. And it was thereafter the reasons of marginalization that saw the Malaysian citizens swarming into Kuala Lumpur "*in their tens of thousands to participate in demonstrations on 25 November 2007 in defiance of a police ban, a court restraining order and repeated official warnings*" (Bunnell, Nagarajan and Willford 2010: 1257). It was not just any other mass demonstration but a multitude reclaiming the streets of the state capital with the sole purpose of claiming rights as an "*ethnic minority in post-colonial Malaysia*" (Bunnell, Nagarajan and Willford 2010: 1258)

BACKGROUND

Given their economic backwardness, the Indians had habitually refrained from any sort of racial clashes, either in May 1969 or later, except for a few incidents of clashes on account of religious sentiments. However, the ethnic clashes of March 2001 between Indians and Malays in Kampung Medan, a village lying in the outskirts of Kuala Lumpur, brought the plight of the Malaysian-Indian community into stark limelight. The incident has since been forgotten on the assumption that the clashes resulted on account of poor living conditions in the villages than the racial differences. Neither the Government nor the Malaysian Indian Congress (MIC), the leading political party of the Indians found the event or its implications important enough to retrospect on the conditions of the community (Kuppuswamy 2003).

Along with this, there was the constant threat of being demeaned on the religious front. In fact as the UMNO's drive towards Islamization gathered steam since the 1980s, the non-Malay population of the country began to perceive growing encroachment of the state into their personal space. The situation reached a height when the Article 121 (1) of the Federal Constitution[17] was amended under controversial circumstances in 1988 to give more power to the *Shariah* courts and thereafter, a conference of *ulama* (Muslim religious scholars) even went to the extent of purporting the audacity to declare that liberalism, pluralism and the Malaysian tradition of holding open house during religious festivals were against Islam (Nagarajan 2008: 385).

[17] Under the Federal Constitution, Islam is the official religion but Islamic law is applied to Muslims in personal and family matters while the general civil code is enforced universally.

It was henceforth imperative that the Indians were not going to take in this neglect lying down but make retaliation inevitable. The effect of this was felt in the outcome of the General Election of 2008, compelling the government to take a step back and review and revise its policies.

The importance of the General Election of 2008 lay mostly in the fact that it saw the downfall of the *Barisan Nasional*, a political coalition that had been ruling the roost since the disappearance of the Alliance and consociationalism into obscurity and the rise of control model of politics in Malaysia in 1970. If critics and political analysts are to be believed, then, this was a decisive moment in the political life of the multi-ethnic state because not only did it mark the fall of nearly four decades of hegemonic rule which had diverse implications on the different communities of the state, the implications were in fact, themselves responsible in one way or the other in bringing about this downfall. However for sake of convenience of research, the discussion has to be narrowed down to the role of resistance movements that impacted the on-going political events of the nation, most importantly that of HINDRAF.

A BRIEF IDEA OF HINDRAF

HINDRAF began as a coalition of 30 Hindu non-governmental organisations, committed to the preservation and protection of the rights of the Hindu community in Malaysia. Paramjit S. Sahai (2008: 50) considers it incomplete to even discuss the political developments surrounding the 2008 election in Malaysia without mentioning the role of HINDRAF (Hindu Rights Action Force), the members and supporters of which participated in a banned rally on November 25, 2007 that had brought the city to a standstill. In fact, the initial objective of this rally, which was to deliver a petition to the Queen of England through the British High Commission, in order to demand a redressal to their grievance of leaving the Hindu-majority Indian population at the mercy of a Malay-Muslim dominated nation-state, actually got overshadowed by the real agenda of HINDRAF. HINDRAF in reality, was about the struggle "*against the perceived injustice and racism of contemporary Malaysian politics and society associated in particular with UMNO*" (Bunnell, Nagarajan and Willford 2010: 1258). It is generally believed that the HINDRAF was the result of government policies that worsened rather than bettered the conditions of the Indians and precisely speaking, led not only to political and economic marginalization but also of cultural marginalization of the Indians. This chapter thereby aims to trace and elucidate the background to the formation,

development and subsequent strengthening of HINDRAF movement that came to champion the Tamil cause in the ensuing years.

Before entering into the details, it must be mentioned that HINDRAF's original target was UMNO, the party holding the largest majority in the *Barisan Nasional* coalition and therefore at the centre of all their miseries. But unfortunate turn of events resulted in making the forum an anti-MIC and anti-Samy Velu one (Sahai 2008: 50). It is in this context that one therefore needs to understand the importance of the Malaysian Indian Congress in the life of the Malaysian Tamil citizens as well as the non-citizen residents which goes hand in hand with the respective position of the MIC in the national politics of Malaysia.

MALAYSIAN INDIAN CONGRESS

The Malaysian Indian Congress was formed in 1946 among the spate of political organizations that had cropped up simultaneously or prior to its foundation. Interestingly, MIC became a standalone champion of the Indian community in Malaysia unlike those that had preceded it. This was because most of those organizations which had been predominantly Left leaning, had by the end of the Second World War faced annihilation, because of the re-ascendance of the British to power, which was followed by the subsequent erasure of any Communist influences in the land, considered to be detrimental to the interests of both the British as well as the moderate UMNO. It must be mentioned that the inclination to the Left ideology was notably most conspicuous among the trade and labour unions, assuming radical proportions in the wartime period. The mission of elimination of the Left by the British had subsequently resulted in the rise of trade unions that were meek and mild in their respective approaches, for example, *Negri Sembilan Estate and Other Workers Union*, led by P. P. Narayanan which worked in collusion with the government and the employers rather than the workers themselves (Muzaffar 2006: 219). In this situation, the purpose of forming unions, especially in the plantations, was defined by their ability to ensure the interests of capitalism even as the sceptre of state power passed on from the British to the Malaysians.

On a similar vein, the British desired to implement such conservative approach towards national politics, which implied promotion of conservative politics among the various political parties (Muzaffar 2006: 219). The result was a MIC that was shorn of the initial radicalism of its foundation days and was now eager to earn the favour of the government.

According to Chandra Muzaffar (2006: 219), "*it was now run by professional elite for whom cooperation with the authorities was of primary importance*".

However, what was not desirable was a conservative-driven MIC and that its ideology of economic conservatism was merely a subset of the larger idea of communalism and conservatism actually happens to be both the cause and condition of communalism. As Muzaffar puts it, -

> "*By stressing the virtues of communal unity, internal class dichotomies would remain concealed. This in turn, would serve the class interests of the elite who dominated these communal outfits.*" (Muzaffar 2006: 219)

And it was in this capacity that it joined the UMNO-MCA Alliance in 1954 which was in anyway an arrangement for the elites and by the elites. It certainly did try to generate a mass base among Indians and especially the Tamils like those of UMNO among Malays and MCA among Chinese (Muzaffar 2006: 219-220), but where representing the community mattered so far as the question was about gaining a foothold in the Federal Election as well as making a dent during elections, it could not be so much about fulfilling the aspirations of the general masses that they were supposed to cater to.

Moreover, having become a part of the consociational structure of government, both MCA and the MIC had to concede certain rights and privileges to the UMNO in lieu of some others. So at the very beginning, the community leaders accepted the fact that not only was Islam to be accepted as the state religion and Malay as the language of the state but the Malays as well as the other indigenous communities of Malaysia were to be given precedence over and above the other communities, namely the Chinese and the Indians (Dasgupta and Singh: 2008).

This 'social contract' system that they entered into however, had a serious implication for the MIC and the Indians. With regard to the terms of the contract, three ethno-based parties had agreed to share power according to population ratios of each ethnic group. Occupying just a mere 7%-8% of the total population, the Indians therefore stood no chance in the face of Chinese who stood at 33% at the time of this arrangement, otherwise leaving aside the Malay majority population. And it was also for this reason that the MIC support to the Alliance did not really count in the final tally, also made obvious by the fact that MIC candidates were

returned from Malay majority constituencies with active help from the UMNO (Muzaffar 2006: 220).

Secondly, the MIC hardly had a significant role to play in the drafting of the 1957 Merdeka Constitution as well the negotiation and finalisation of independence. To quote Muzaffar in this context, -

"*When it came to controversial issues like jus soli, the special position of the Malays and the national language, the MIC merely echoed positions held by the MCA and other non-Malay groups outside the Alliance. After some compromise was reached between them and the UMNO, the MIC would invariably provide unquestioning support to the UMNO leadership. In other words, the MIC played the role of an obedient, submissive junior partner*" (Muzaffar 2006: 220).

In terms of leadership, it was not until 1955 that MIC was being helmed by a Tamil. The first three presidents of the party were English-speaking non-Tamil professionals, which consequently limited the membership exclusively to the middle class (Arasaratnam 1980). As the fourth in line but the first Tamil to be appointed as the president, it was V. T. Sambanthan who resorted to Tamil communal appeals to develop a mass base. Having begun on a positive note, Tamilization did result in garnering popular support for MIC and facilitating its entry into electoral politics as well (Wah 2003: 232). However, as the political history of Malaysia became divided into the pre- and post-1969 eras, so did the functioning strategy of the party in question. As the New Economic Policy became the order of the day, change in the leadership of the party saw a corresponding shift in and adoption of an ideology that was far less radical in approach in contrast to its former position. Manikavasagam and Samy Velu, as it were, had started recruiting English-speaking middle class South Indians to the party who formerly found themselves alienated owing to the communal stance of the MIC. It was on account of this that MIC failed to deliver on various other fronts that could have led to the betterment of the Indian-Tamil community.

With the transition from colonisation to decolonisation, there was a parallel shift in the approach of the government towards the structuring of the economy that however, followed the lines of capitalistic principles, without any fundamental difference from that of the colonial economy. First of all, trade and investments continued as usual and according to some, Malaya remained a province within the international capitalist system, fulfilling its

particular role as a producer of much-needed raw materials for the Western industrial economies.

"*This global division of labour between 'developed' and 'developing' countries, however, permitted the nation to embark upon a programme of industrialisation of sorts.*"

(Muzaffar 2006: 221)

The unique feature about this industrialisation was that it did not bring about any essential changes in the economic structure, which was emphasised by the existence and pre-dominance of the plantation culture in this economy so much so that the government sought pride in Malaysia's standing as the world's largest producer of rubber. Inevitably, the situation for the Tamil plantation workers, constituting a major workforce within the community as well as the state, did not change. The situation worsened when the new orientation on the contrary, benefited the local capitalists who in turn looked out for ways to make their money work and the plantation estates seemed like a viable option to them (Muzaffar 2006). This resulted in the acquisition of the estates from the European companies by some wealthy Chinese businessmen as well as Indian business tycoons which was subsequently followed by their fragmentation owing to financial disability on their part and henceforth, leading to loss of jobs for thousands of workers. Incidentally, none of the two representative parties of the Indians, namely the NUPW and MIC could come to their rescue. The government not only did respond inadequately to the demands placed by them, there were hardly attempts worth mentioning from its side to rehabilitate the displaced workers in newer occupations.

The efficacy of the organisation once again, came under trial when the post-riot coalition government developed the New Economic Policy in 1970. Here the Indians became a part of its strategy of 'positive discrimination' which postulated the lowering of the level of poverty to 16% in Peninsular Malaysia and increase in Bhumiputera share of equity to 30% by 1990. In response to this, the MIC had then adopted a 2-pronged strategy for protecting Indian interests – first, it tried to persuade the BN government to classify Indians as a separate and distinct group so that their particular problems as a minority community would be recognized and thereby make them the beneficiaries of separate quotas allocated for them. This went hand in hand with the MIC argument that Indians had poor representation in the private sector unlike the Chinese (Wah 2003). The concerned authorities responded

lukewarmly and in reaction to this, the MIC made its own efforts under Manikavasagam to raise the community on the corporate field. But unavailability of adequate funds limited its viability and therefore, this effort went futile.

The second attempt to promote Indian involvement in the corporate sector was made under Samy Velu's leadership when a unit trust along the lines of the *Amanah Saham National* (set up in 1981 to promote *Bhumiputera* participation in the share market) was launched in the 1980s. But its outcome did not differ from the first one and this scheme was again a miserable failure (Wah 2003: 233).

The situation therefore stands that, the MIC reflected the flailing status of the Indian community on the whole with regard to its political prowess. This was coupled with the fact that the endeavours by the MIC were by nature half-baked ones and in the process made no difference to their existence at all. In this context, the leadership made another glaring debacle in its attempt to uplift the Indian-Tamil community in the educational sphere.

It so happened that the party had succeeded in raising a massive amount of capital from the shareholders by virtue of a corporation launched in 1983 – Maika Holdings (Gomez 1996: 139-40). But instead of making use of this fund in rehabilitating the Tamil primary schools or providing scholarships to the needy but meritorious students so as to enable them to study in the existing public institutions, what MIC did was divert it to the setting up of tertiary institutions like two technical colleges in the 1990s and a private university in 2001 that could cater only to the middle class Indians. Moreover, as per the persuasive argument of Gomez, the involvement of the BN political parties in business led to a scramble for access to business interests among the politicians which generated overwhelming tendencies of factionalism within. Such access also fuelled patronage networks, which in turn facilitated control of the parties. MIC was no exception. Having begun to register losses since 1988, it was the party leaders who became the subject of scrutiny after Samy Velu himself alleged them to have misappropriated funds of Maika Holdings coupled with poor fiscal management and high operating costs (Gomez 1996: 144).

Moving over to the issue of work permits, Indians became a deprived lot once again as the government made efforts to appease the Malay ethnic sentiments by making work permits a compulsory matter for the non-citizens. This time the Indians were required to be a citizen of

the state in order to acquire a job but rampant illiteracy across a vast section of this population did not allow them to do so. To put in a nutshell,

"*.. the continuing problem of stateless residents – estimated by some sources to be as high as 200,000 – is a clear manifestation of the utter inability of even 'establishment' and 'pro-system' groups among the Indians to exercise any significant influence over the decision-making process.*" (Muzaffar 2006: 222)

Hence, it becomes understandably evident that internal factionalism and disregard beyond self-interests mired the politics of MIC so much that collaborating for collective bargaining almost became an impossibility and years of rampant negligence and inefficiency on the part of the MIC and the lesser counterpart, NUPW had therefore, only succeeded in alienating the Indians, who not only withdrew their support from these self-proclaimed representative organisations which otherwise had no grass-root representation to speak of, but on the contrary, shifted their allegiance to the Chinese-led Democratic Action Party (DAP). Disparate groups also made their appearance to fill the void generated by the inadequacy of the MIC and this time, group interests took precedence over the agendas of each. The one that finds mention the most is the Hindu Rights Action Force or the HINDRAF.

THE RISE OF HINDRAF

It has already been made certain that the rise of HINDRAF was attributable to the failure of a 'socially uprooted faction-ridden' and 'non-performing' MIC. Incidentally, this rang true for some other organizations like the Indian Progressive Front for example, an organisation that claimed to represent the Dalit section of the Indian community, post the tussle for MIC leadership between Samy Velu and his deputy Pandithan that resulted in the latter's ouster from the MIC itself (Shekhar 2008: 25). HINDRAF on the contrary, owes its origin to the repeated blows inflicted on the Indian community, 80% of which is constituted of the Hindus.

Discrimination or what came to be termed as 'positive discrimination' had become a norm when the government had decided to implement the New Economic Policy to bring up the economic status of the *Bhumiputeras* to the level of the non-*Bhumiputeras.* The New Economic Policy was succeeded by the New Development Policy (1991-2000) and then the New Vision Policy (2000-2010) and all with the purpose of socio-economic support and upliftment of the Malays. At the same time, taking opportunity of the contractual negotiation

of the Alliance, the Malay-dominated UMNO, also the largest party in the coalition, applied its weight on the subsequent politics of the nation. Thus, moving over the economic aspects of the BN agendas for the development of the 'ethnic democracy', one finds gradual consolidation of the UMNO over national politics which on the one hand, resulted in its monopoly over the two topmost positions in the state – those of Prime Minister and of the Deputy Prime Minister. In 2004, more than 70% of ministerial posts were filled by UMNO members (Shekhar 2008: 24). The Malay dominance in the coalition framework forestalled any possibility of a non-Malay influence in the national political and economic discourses, complemented by the fact that Chinese and Indian representation in the BN-led government continued to dwindle. However, it was the encroachment into the personal space of the citizens by the UMNO policies that disrupted the social fabric of the nation. In the words of Dilip Lahiri,

"*The latent discontent over discrimination was exacerbated by more recent religious tension stemming from Malaysia's creeping Islamization. Malaysian politics has adopted an increasingly religious flavour reflected in developments such as the expansion of the Sharia courts vis-à-vis civil institution*" (Lahiri 2008: 3)

The new millennium heralded more unpleasant surprises for the non-Muslim Malaysian population when Mahathir declared Malaysia as an Islamic state at a political gathering in 2001. Although this was a political ploy to outwit opposition Parti Islam Se-Malaysia (PAS) in the battle for Malay-Muslim votes and had no legal force, it had far reaching consequences for ethnic relations in the new environment where Muslim perceptions have changed, attitudes have narrowed and expectations have widened (Nagarajan 2008: 385). This was followed by the introduction of Islam Hadhari, literally translated as Civilizational Islam, into the Ninth Malaysian Plan as a "*comprehensive and universal framework for the nation.*" (Lahiri 2008: 3)

However, what caught the community off-balance were the twin incidents of S. Shamala and M. Moorthy. In the first instance, Shamala, a Hindu mother who had filed a suit in the civil high court to declare that her two sons' conversion to Islam by her estranged Muslim convert husband without her knowledge and consent was invalid. She also sought custodial rights of her children. Unfortunately, the civil court declined to make a decision on the suit on the

ground that it was incapable of doing so and that only a *Sharia* court was the qualified forum to determine the status of her two children.

As for the second one, M. Moorthy was given a Muslim burial by strangers from the Islamic Affairs Department, disregarding the protests of his widow, S Kaliammal, in December 2005 who contended that he was a practising Hindu until death. Even here the civil court left her in the lurch by shifting the responsibility to the Sharia court. What was worse, she was denied justice on the ground of her being a non-Muslim who could not come before the court and the state won hands down.

The Hindu community was further offended by the inconsiderate demolition of the hundreds of Hindu temples in the name of development just because they were allegedly built on squatter lands.

Hence, Malaysia has become a breeding ground for a discriminative culture which pushed the Indian Tamil community to the brink of over-exploitation and the result was the outright retaliation on the 25th of November, 2007 when HINDRAF organized a rally to submit a petition to the British High Commission addressed to the Queen Elizabeth II of United Kingdom under the aegis of the three HINDRAF lawyers - P. Uthayakumar, P. Waytha Moorthy and V. Ganabatirau "*to protest the unofficial state policy of Hindu temple demolition, the colonial wrong committed on the Indian community, and the encroachment of Shariah law (Islamic law) into the lives of the citizenry*." (Devadas 2009: 86).

Marking the implementation of the NEP as the benchmark, HINDRAF had taken note of the fact that, "*15 per cent of Malaysia's juvenile delinquents are Indians, about 50 per cent of all convicts in prisons in 2004 and 41 per cent of the beggars in 2003 were Indians. The percentage of Indians in the civil service fell from 40 per cent in 1957 to less than 2 per cent in 2005. According to official records, 30-35 Indian origin Malaysians per 100,000 committed or attempted to commit suicide annually, as compared to 10-12 Malaysians per 100,000 in 2006. In education, Indian origin Malaysians made up less than 5 per cent of the total university intake of over 45,000 annually.*" (Lahiri 2008: 4).

Accordingly, HINDRAF had put forward their 'eighteen points' which ranged variously from demands for ending 52 years of violation of the Malaysian Federal Constitution to transforming around 523 Tamil schools to fully aided government schools. One of the clauses

even went as "*End Racism, end Islamic extremism and end Malay privileges on the 50th year golden jubilee mega Independence celebrations of Malaysia on 31st August 2007.*" [18]

Above all else, HINDRAF stands for '*Makkal Sakthi*' or people's power and it is in accordance with this idea that the whole movement has gathered momentum. But since "*it is precisely because the nation-state operates under the regime of semi-democracy that the non-violent rally, mobilised around the question of civil liberties, was quickly dealt with by the police with the use of tear-gas and water-cannon to disperse the crowd*." (Devadas 2009: 87). Hence detention of the activists under draconian laws like Internal Security Act that was implemented with the seal of the Prime Minister comes as no surprise. It is another matter that weak evidence against the lawyers-activists could not make a strong case against them for the state to detain them any longer, coupled with the fact that the state had to face enough criticism from the international community for manhandling the matter.

The whole incident of the rise of HINDRAF and the subsequent manner in which the state has come to terms with it makes way for the study to therefore, conclude that majoritarianism is not for long to stay and the maintenance of an ethnic democracy does come at a cost although not to the detriment of the elements that constitute the nation-state. Hence, constant disregard for the Indian community had to have dire consequences, the result of which was the rally of 2007 and its subsequent effects on the 2008 Election result.

[18] http://www.hindraf.org/18-points-demand.html

CONCLUSION

Having come to the end of the study, it is but natural to recapitulate and summarise the contents and arguments of the study. It was the aim of the first chapter to look into the dynamics of nation building in the Third World that traces its history to the time when European powers set foot on the soils of Asia and Africa. Since the idea of nationalism and nation-state were almost alien to the political landscape of Asia at the time colonialism was about to become the order of the day, the outcome of its implementation did not articulate in the manner that it did in the land of their origin. Hence the Asian state system was in many ways dissimilar to that of the European state system. So as monarchy came to be succeeded by the democratic way of governing the subjects, it also became imperative on the part of the governing authority to stick to the true features of a democracy. However, where majority rule gains precedence, it becomes equally important to pay heed to the non-majority segment of the subject population for the sole purpose of bring harmony and stability to the rule and complete legitimacy to the ruling authority.

But situation was different in the case of the Third World countries. First of all, every state became a multi-ethnic jumble which tested the very tenets of democratic state structure. This is because democracy as was founded on the territories that housed nearly homogenous population and therefore did not cut across lines of ethnicity and other cultural affinities. On the contrary, Asian states were not only homes to various ethnicities at one point, what made the situation difficult was the fact that representatives from every group epitomised the aspirations of a trans-ethnic population who were not only part of a single state but many states at one time. Most importantly, accommodation of and for all became the buzz word for the functioning of the state system. In this scenario, the study brings in the Tamil question.

The coming of Tamils to Malaysia was no accident. It was at one point of time an event of historical concurrence and later of economic compulsion. The British had come to Malaya for necessities of trade and their administrative mechanism was therefore, dictated by the

anomalies of matters of profit and loss. This in turn, led to their exercise of Indirect Rule on the Malayan Peninsula which would save them the opportunities of exploiting advantages that the land held for them.

The divergences of the world economy in the 19th century offered profound opportunities for the British to check every avenue that the economy had to offer. In this while, they also gathered a strong foothold on the other parts of the continent which facilitated them to fulfil their dreams of reaping the maximum benefits at the minimum cost possible. The result was the opening up of plantation economy and the subsequent import of labour from the other colonies. The extent of British supremacy aided the fact that the abolition of slavery did not matter in the least when the matter was of procuring manpower. The Tamil population in India offered them the ready solution. Therefore, when it becomes obvious that colonalsim and inception of plantation agriculture supplemented one another, particularly in the case of Peninsular Malaysia, then any discussion on the Malayan estate economy is incomplete without the mentions of Indians, or to be specific, the South Indian labourers.

The abolition of slavery between 1834 and 1873 was followed by the system of indentured labour. The Indian labour class constituted a major chunk of this emigrating mass of indentured labour who agreed to work for a fixed tenure in exchange for a meagre wage, and in the course of time it became nearly synonymous with the plantation/estate economy that came up in Penang and Province Wellesley. Settled in the rubber belt extending along the western coastal plain and foothills from southern Kedah to the southern tip of Johore, the total labour population comprised nearly 80% of Tamils while the rest was constituted of Telugus, Malayalees etc. whose numerical strength was insignificant enough to designate this South Indian Hindu labour migration as majorly a Tamil movement.

Concurrently, the estate economy had opened up opportunities for a different set of immigrants, one that comprised of non-labour professionals and were fewer in numerical strength but went on to exercise a monopoly on the political, economic and social influence in the Indian community. The most notable among them were the English-educated ‘literate’ class who joined the administrative ranks in the estates and later the state services in independent Malaysia.

Thus the emigrant Indian community had both labour and non-labour classes, a fact that was deeply rooted in the history of migration. The euphemistic distinction of ‘labour’ and ‘non-

labour' has continued till date and more than 50% of this 'labour populace' are still found on the rubber plantations. Going by the Census reports, Tamils are found to have constituted an overwhelming majority of 80%-85% of the total mass of Indians, out of which a large number are still estate workers.

Post independent political dynamics offered a new challenge to the Malaysian political scenario. The UMNO, the Malay majoritarian party had struck a bargain during the transfer of power which enabled them to construct a political mechanism where all the ethnic groups, represented by a political party affiliated to the group, would have some share in the functioning of the state. Following this, the respective parties, namely the MCA (Malaysian Chinese Association), representing the Chinese and MIC (Malaysian Indian Congress), representing the Indians formed a coalition with the UMNO in order to derive from the bargain. It was thereby expected that this could provide a model for the contemporary multi-ethnic nation states where none of the constituent ethnic groups would be deprived of a say in the government policies save for some where the lesser numericals were to give up some to enjoy some.

The future did not turn up as was devised by those who did the paperwork for the smooth operation of the state apparatus. The continual sense of deprivation which plagued both the Chinese as well the Malay communities culminated into the brutal riot of 1969. This one incident eventually altered the political trajectory of the whole nation. And this change was brought about by the formulation and implementation of a particular device in the Second Malaysia plan which came to be known as the New Economic Policy or more popularly known as the *Bhumiputera* policy.

A discussion on its effects on the general population eventually brings in the fact that it was a mechanism of 'positive discrimination' that did not mean to push a group forward at the cost of the others. But in reality, it worked otherwise. The second and third chapters of the study highlights how it gradually worked to the disadvantage of the Indian-Tamil community although at the same time it did neither have a uniform effect of the Malay population on the whole. Besides, uniformity did not feature in the case of Indians too. So while a handful looted the benefits, the majority fell back to suffer the detrimental effects.

The fortunate handfuls were inappropriately constituted by the representative party members of the MIC over and above the business tycoons who had always been eating the cream. The

worst was that, these party members already having been remove from the reality did not identify nor worked for the benefits of the majority poor Indians. As Indians went on being pushed to the brink of poverty, so did their anger and despair increased at the failure of the government and more of their representative party. Their anger ultimately spilled over into the formation and increasing support to the HINDRAF rally of 2007 that shook the establishment to the core so much so that the nation, having never been struck by global terrorism feared its coming from this group.

To draw a conclusion, it did not matter that HINDRAF was a formation of just some non-governmental organisations who did not wish for anything more than conditions for a better world for the Indians who had been for decades did never have the state to aid them in their miseries. In short, this can also be called the clarion call to the government and more so, to those who had been claiming the roost for what they did not actually deserve.

Henceforth, the study concludes that much remains to be seen and perceived for the state to render the HINDRAF movement to its ultimate success in the future.

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