

**Ethnic Chinese Remigration from  
Southeast Asian Countries since 1960s:  
A Case Study of Malaysian Chinese Outflows**

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**Abstract**

Total outflows of Chinese from Southeast Asian countries since the Second World War reached around 3 million. They headed to the developed countries such as the United States, Canada, United Kingdom, Australia, France and Singapore. As for the case of Malaysia, large number of Malaysian Chinese remigrated to Singapore, United Kingdom, United States, Canada and Australia for new residence since the end of the Second World War. They left Malaysia because of political discrimination, economic restrictions, and unequal educational and cultural treatment. According to Malaysia census data and natural population growth rate, this paper made estimation that by 2010 a total of 1.13 million ethnic Chinese had migrated out of Malaysia. After deducting the number of ethnic Chinese moving to Malaysia, the Malaysian Chinese migrating abroad reached 1.05 million. Malaysian Chinese left Malaysia in the manner of permanent residents and short-term migrants. Permanent residents include those in the skill stream,

family stream and those with special eligibility. Short-term migrants refer to visiting scholars, foreign students, guest labor, business expatriates and expatriate professionals. As a matter of fact, there has been a serious brain drain through Chinese remigration from Malaysia.

**Keywords:** *Malaysia, ethnic Chinese, remigration*

**JEL classification:** *F22, J15, J61, O15*

## **1. Introduction**

Ethnic Chinese studies among Chinese academics have been focusing much on outflows from Mainland China and these migrants' descendants for quite some time, while ethnic Chinese remigration from other parts of the world were not given enough attention. Ethnic Chinese in Southeast Asian countries were always at the center of international ethnic Chinese studies. Currently, cognition of ethnic Chinese societies in Southeast Asia is mainly in studying ethnic Chinese residents within Southeast Asia.

However, Chinese outflows from Southeast Asian countries have constituted a part of world Chinese migration and international migration in general since 1960s. It is the ethnic Chinese who earlier migrated from Mainland China to Southeast Asian countries and their descendants that make up this Chinese remigration. Such Chinese remigration has increased with in the fast development of globalization since the late 1960s. This paper intends to discuss first the numbers, distributions, causes and influences of Chinese remigration from Southeast Asian countries around the world. By drawing the whole picture of Chinese remigration, it will then be significant to learn about population migration in the Southeast Asian areas especially to explore

the Malaysian Chinese remigration, current situation of ethnic Chinese, distribution of world Chinese population and relationship between the sending countries and the receiving countries.

## **2. Ethnic Chinese Remigration from Southeast Asian Countries since 1960s**

It is the ethnic Chinese who earlier migrated from Mainland China to Southeast Asian countries and their descendants that make up this Chinese remigration. A large number of Indochinese refugees, Indonesian Chinese and Malaysian Chinese have remigrated to the European, American and Oceania countries since 1960s. Malaysia was one of main destination of Chinese migration in history. Ethnic Chinese played significant roles in Malaysian political, economic and social development. Large number of Malaysian Chinese, roughly of the second to the fifth generation, started migrating to Singapore, United Kingdom (UK), United States (US), Canada and Australia from the postwar to the recent period.

Total outflows of Chinese from Southeast Asian countries since the Second World War reached around 3 million. Specifically, outflows of Singaporean Chinese reached 260,000, Malaysian Chinese 1.05 million, Filipino Chinese 77,882; Indonesian Chinese 136,800, Thai Chinese 700,000, and outflows of Vietnamese Chinese, Lao Chinese and Cambodian Chinese altogether reached about 700,000. The estimation is just a rough calculation because of inadequate accurate statistics.

In addition, destinations of Chinese outflows from Southeast Asian countries were the developed countries such as US, Canada, UK, Australia, France and Singapore. The total ethnic Chinese remigration reached 1.63-1.66 million. Adding those migrating to other developed countries and New Zealand, the number will total more than 1.7 million.

The other destinations of ethnic Chinese remigration were Taiwan, Mainland China and Hong Kong.<sup>1</sup> Some ethnic Chinese in Southeast Asian countries were discriminated by local residents and had to return to China, but the most important reason being that China and Southeast Asian countries were having economic and trade cooperation, especially involving ethnic Chinese enterprises' investments in China. Most of them lived in the capital, big cities and commercial areas, and some others were distributed among the counties of China. In the Southeast Asian area, the more developed country like Singapore is a receiving country, while the Philippines, Indonesia, Cambodia, Laos, Myanmar and Vietnam are the sending countries. Malaysia and Thailand are ethnic Chinese migrant sending countries but are meanwhile also receiving entrants. Ethnic Chinese outflows from Southeast Asian countries lived mainly in big cities for the convenience of doing businesses.

Chinese outflows from Southeast Asian countries are much younger and more than 70% of these ethnic Chinese are at the age of 20 to 45, only 17% of them are above 65 years old. This is the typical pyramidal patterns which are broadly covered at the age of 15-19 and 55-59. Ethnic Chinese remigration is in the manner of permanent residents and short-term migrants. Permanent residents include those in the skill stream, family stream and those with special eligibility. Short-term migrants refer to visiting scholars, foreign students, guest labor, business expatriates and expatriate professionals. Ethnic Chinese from Southeast Asian countries outflowed in the manner of skilled migration, student migration, family reunion, labor migration and refugees. Those heading to developed countries such as US, Canada, UK and Australia were mainly skilled migrants, labor and students. Some others migrated through family reunion and refugee channels.

Academic level of Chinese from Southeast Asian countries was relatively high. Chinese above 25 years old with the bachelor, graduate

and professional degrees surpassed 42%. Permanent residents and students were majority of the outflows with higher academic levels. Those refugees and workers were less educated, and 44% of them were having high school diploma and below. Chinese outflows from Southeast Asian countries had widely occupational structures. The well-educated worked in management and other professions. The less educated worked in primary industries like mechanical operation, manufacturing industry and semi-skilled jobs. Students usually can work as a white-collar employee after graduation, while refugees, family reunion members and contract workers had to survive in primary labor markets.

Discriminatory policies against ethnic Chinese have led to the primary remigration of ethnic Chinese in Southeast Asian countries. Many countries in Southeast Asia experienced a wave of anti-Chinese movements after the Second World War that led to the forced migration of local Chinese to the North American and European countries. For example, Chinese from Indonesia headed to the Netherlands. Chinese from Singapore (part of Malaya/Malaysia before 1965) and Malaysia migrated to United Kingdom and ethnic Chinese refugees from Indochina flowed largely into France. Economic downturn, conflicts, political upheavals, anti-Chinese policy and social discrimination pushed Chinese out of the area. Generally speaking, the economic crisis in 1997 was one of significant driving factors for migrating to Western countries. In addition, positive immigration policy, demand of semi-skilled labor and high-level technical talents, and pressure of aging society in the destination countries were pulling Chinese outflows from Southeast Asian countries.

Chinese outflows from Southeast Asian countries are significant in the study of the current situation of the ethnic Chinese in Southeast Asia and around the world, and in evaluating ethnic Chinese talents. At the same time, economy, society, politics, culture, population, education and

religion of the sending countries and the receiving countries were deeply influenced by Chinese outflows from Southeast Asian countries. For the sending countries, Ethnic Chinese from Singapore and Malaysia represent professional talents and hence lead to loss of talents in the process of emigration. As a result, it is urgent for Singapore and Malaysia to attract science and technical talents to promote economic development. The Philippines, Indonesia and Thailand depend on labor export and receive remittances as foreign currency to promote consumption, obtain startup capital and provide knowledge and resources. There are only few Chinese among foreign workers and local Chinese families in the Southeast Asian countries are not living by remittances sent through by family members and relatives abroad. Large-scale ethnic Chinese entrepreneurial businesses made foreign investment to boost domestic economic development for the Philippines, Indonesia and Thailand. The majority of Overseas Vietnamese are ethnic Chinese, and these Chinese Vietnamese returning to Vietnam for visiting friends, making a tour, investing and doing business can bring profits for the Vietnamese economy. For the receiving countries, European and North American countries are attracting professional migrants to promote employment, production and gross domestic product (GDP), and primary labor to fill the jobs that local residents are reluctant to do. In addition, the innovative capability of well-educated migrants can upgrade the productivity of the receiving countries. However, policymakers and public opinion in the receiving countries often project passive views on migrants in terms of increasing employment pressure, creating burden on public services, leading to tension in social relationship and crime.

In the present situation, migration from the developing countries to the developed countries is the mainstream of international migration. Chinese outflows from the Southeast Asian countries to the United

States, Canada and Australia, even the migration inside the Southeast Asian areas, followed this migration pattern and policy. Chinese outflows from the Southeast Asian countries will not decrease in the short period. The push and pull factors had ensure the increase of migration all around the world. By looking at Malaysian Chinese outflows, it will help in understanding the whole picture of Southeast Asian ethnic Chinese remigration.

### 3. Quantity Assessment of Malaysian Chinese Outflows

Malaysia government did not publish the number of Chinese migrants in official publications. This paper relies on collected statistics of birth place in censuses to reveal the situation of these Malaysian migrants. However, there were not any statistics of Malaysian emigration in the census reports. According to five population censuses from 1963 to 2010, population of Malaysian Chinese was growing at a slow rate. Meanwhile, the birth rate was lower than that of Malays and Indians. In fact, one of the most important reasons of Chinese population decline was due to remigration.

According to the birth and mortality rate of Malaysian Chinese from 2009 to 2010, natural population growth rate of Chinese was 7.4‰ and 5.9‰ respectively (Table 4). At the same time, natural population growth rate of total population was 17.4‰ and 16.6‰ respectively (Table 2). Natural population growth rate of Chinese accounted 42% and 35% for the natural population growth rate of total population. This means that the natural population growth rate of Chinese was much less than that of Malays which accounted for the absolute majority of total population. Professor Saw Swee-Hock pointed out in his book, *The population of Peninsular Malaysia*, mortality rate of Malaysian Chinese was basically kept between 5.83‰ and 4.8‰ from 1969 to 2005.<sup>2</sup> This

**Table 1** Number of Malaysian Chinese

Year	Total Population (million)	Malaysian Chinese (million)	% of total
1980	13.83	3.65	26.39%
1985	15.76	4.04	25.63%
1990	18.21	4.45	24.43%
1995	20.73	4.91	23.68%
2000	23.30	5.36	23.00%
2005	26.21	5.81	22.16%
2010	28.30	6.24	22.04%

Sources: 1) Department of Statistics Malaysia, Official Portal, *Population and Housing Census, Malaysia*, 1970, 1980, 1991, 2000, 2005, 2010.

<<http://www.statistics.gov.my/portal/>>

2) Saw Swee-Hock (2007). *The population of Malaysia*. Institute of Southeast Asian Studies (ISEAS), Singapore. / Saw Swee-Hock (2007). *The population of Peninsular Malaysia*. Institute of Southeast Asian Studies (ISEAS), Singapore.

**Table 2** Birth and Mortality Rate of Malaysian Population, 1970-2010

Year	Birth Rate (‰)	Mortality Rate (‰)	Natural Population Growth Rate (‰)
1970	32.4	6.7	25.7
1975	30.7	6.0	24.8
1980	30.6	5.3	25.4
1985	31.5	5.0	26.5
1990	27.9	4.6	23.3
1995	26.1	4.6	21.5
2000	25.3	4.5	20.8
2005	23.1	4.5	18.6
2009	22.2	4.8	17.4
2010	21.4	4.8	16.6

Sources: 1) Department of Statistics Malaysia. <[http://www.statistics.gov.my/portal/download\\_Economics/files/DATA\\_SERIES/2011/pdf/21Perangkaan\\_Penduduk.pdf](http://www.statistics.gov.my/portal/download_Economics/files/DATA_SERIES/2011/pdf/21Perangkaan_Penduduk.pdf)>

2) Index Mundi. <<http://www.indexmundi.com/g/g.aspx?c=my&v=25>>



tiny change referring to the natural population growth rate of Chinese was mainly influenced by birth rate. According to the declining trend of Chinese fertility in Table 3, the natural population growth rate of Chinese showed a decreasing curve.

**Table 3** TFR of Malaysian Ethnic Groups, 1991-2010

Year	Malay (%)	Chinese (%)	Indian (%)
1991	4.2	2.5	2.8
1994	4.0	2.6	2.7
1999	3.6	2.2	2.5
2005	3.4	2.3	2.4
2009	2.8	1.7	1.9
2010	2.6	1.5	1.7

Sources: 1) Department of Statistics Malaysia, Official Portal, *Population and Housing Census, Malaysia, 1991, 2005*. <<http://www.statistics.gov.my/portal/>>

2) Saw Swee-Hock (2007). *The Population of Malaysia*. Institute of Southeast Asian Studies (ISEAS), Singapore. / Saw Swee-Hock (2007). *The Populaton of Peninsular Malaysia*. Institute of Southeast Asian Studies (ISEAS), Singapore, p. 126.

3) Department of Statistics Malaysia. <[http://www.statistics.gov.my/portal/images/stories/files/LatestReleases/vital/Vital\\_Statistics\\_Malaysia\\_2010.pdf](http://www.statistics.gov.my/portal/images/stories/files/LatestReleases/vital/Vital_Statistics_Malaysia_2010.pdf)>

**Table 4** Birth and Mortality Rate of Malaysian Chinese, 2009-2010

Year	Birth Rate (‰)	Mortality Rate (‰)	Natural Population Growth Rate (‰)
2009	12.8	5.4	7.4
2010	11.3	5.4	5.9

Source: Department of Statistics Malaysia. <[http://www.statistics.gov.my/portal/images/stories/files/LatestReleases/vital/Vital\\_Statistics\\_Malaysia\\_2010.pdf](http://www.statistics.gov.my/portal/images/stories/files/LatestReleases/vital/Vital_Statistics_Malaysia_2010.pdf)>

Malaysian population censuses from 1980 to 2010 included total population of ethnic groups and natural population growth rate. Malaysian Chinese population growth from migration (foreign Chinese immigration and local Chinese emigration) and natural population growth together determined the total number of Malaysian Chinese. Based on the available literature, this paper found there were just hundreds of thousands of Chinese moving to Malaysia during 1980-2010 including Chinese student, marriage migrants and some professional Chinese attracted by the Malaysian Silver Plan.<sup>3</sup> Most of these Chinese migrant were not officially residents and not calculated in the official population census. There was no large-scale migration of Chinese from other regions to Malaysia. Therefore, this paper concludes that the quantity change of Malaysian Chinese was basically determined by ethnic Chinese's natural growth and the volume of emigration. According to the reached quantity of population by natural growth rate and the calculated quantity of population, the difference in numbers was recognized to be the volume of emigration.

According to the report of World Population Year, 1974 – “The Population Of Malaysia”, Malaysian Chinese from the Malaysian Peninsula outflowing to other countries reached 250 thousand from the independence year of 1957 to 1970s. Meanwhile, Malaysian Chinese outflowing to Singapore totaled 64,000, while there were 185,000 Malaysian Chinese outflowing to UK, US and other countries.<sup>4</sup> Malaysian Chinese who outflowed in this period were between 15 and 29 years old. Male Chinese were the majority at 60%. Most of them were younger skilled talents with higher education background. They outflowed to continue study or seeking new employment opportunities.<sup>5</sup> In addition, according to Malaysian population statistics published by IPUMS International<sup>6</sup> ethnic Chinese totaled 3,651,196 in 1980.<sup>7</sup> Total outflows of Malaysian Chinese from 1980 to 2010 reached 876,839.

**Table 5** Volume of Chinese Outflows from Malaysia, 1980-2010

<i>Year</i>	<i>1980</i>	<i>1985</i>	<i>1990</i>	<i>1995</i>
Chinese Outflow	3,651,196	4,041,357	4,459,971	4,910,183
<i>Year</i>		<i>2000</i>	<i>2005</i>	<i>2010</i>
Chinese Outflow		5,363,139	5,810,258	6,245,361
<i>Period</i>		<i>1980-1985</i>	<i>1985-1990</i>	<i>1990-1995</i>
Natural Population Growth Rate (%)		2.85	3.17	2.57
<i>Period</i>		<i>1995-2000</i>	<i>2000-2005</i>	<i>2005-2010</i>
Natural Population Growth Rate (%)		2.33	1.85	1.73
Outflow Number	1980-1985: 160,648 Chinese; 1985-1990: 263,860 Chinese 1990-1995: 153,119 Chinese; 1995-2000: 146,366 Chinese 2000-2005: 67,669 Chinese; 2005-2010: 85,177 Chinese Total Outflows: 876,839 Chinese			

Formula of outflows: Outflow number of 1980-1985 = Number of Chinese in 1980  $\times (1+2.85\%)^5$  – Number of Chinese in 1985 (same formula for other periods).

Source: 1) Saw Swee-Hock (2007). *The population of Malaysia*. Institute of Southeast Asian Studies (ISEAS), Singapore. / Saw Swee-Hock (2007). *The populaton of Peninsular Malaysia*. Institute of Southeast Asian Studies (ISEAS), Singapore.

2) Department of Statistics, Malaysia. <<http://www.statistics.gov.my/portal/>>

3) Department of Statistics, Malaysia. *Monthly Statistical Bulletin Malaysia*.

4) IPUMS International. <<https://international.ipums.org/international/index.shtml>>

Based on the above statistics, this paper approximately predicts that the volume of Malaysian Chinese outflows during 1957-2010 was about 1.13 million. Accordingly, deducting Chinese from other countries moving to Malaysia during 1957 and 2010, the total emigration of Malaysian Chinese should be about 1.05-1.11 million.

#### **4. Quantity Assessment of Malaysian Chinese Inflows in Destination Countries**

Malaysian Chinese mainly migrated to the United States, the United Kingdom, Australia and Singapore. According to *The Asian Population: 2010*, total number of Chinese in the US was 4.01 million. Meanwhile, Malaysian migrants entering the US totaled 26,179. Given that Malaysian Chinese shared a certain proportion of 24% in total Malaysian population, it can be estimated that there were 15,095 Malaysian Chinese in the US.

The *2011 Australian Population Census* reported that Malaysian migrants were reaching 116,196. As the ratio of Malaysian Chinese was 62%, Malaysian Chinese totaled 72,157, which accounts for 8.3% of the total number of Chinese in Australia (866, 205).<sup>8</sup>

UK's population census report *Focus on Ethnicity and Religion* (October 2006) pointed out that the total number of Chinese in England and Wales was 0.4 million (0.7% of the total population).<sup>9</sup> Chinese in UK mainly came from Hong Kong (29%), Mainland China (19%), Malaysia (8%), Vietnam (4%), Singapore (3%) and Taiwan (2%).<sup>10</sup> Chinese in UK from Southeast Asia reached 60 thousand while those Chinese from Malaysian totaled 32,000.

Malaysian migrants headed to Singapore as the main destination which made Singapore the most favorable receiving country for Malaysian migrants. In Singapore, Malaysian migrants usually worked

in the transportation industries.<sup>11</sup> Large numbers of Chinese left Malaysia for Singapore and other countries in the aftermath of the May 13 ethnic conflict in 1969.<sup>12</sup> According to estimation from the Malaysian Human Resources Department, there were 0.15 million migrants from Malaysia in Singapore.<sup>13</sup> Most of the migrants were Chinese and they are highly skilled professionals working in construction and electronics industries.<sup>14</sup>

From the point of view of Singapore, Chinese migrants in Singapore were mainly from Malaysia and China. According to the estimation of Xie Meihua, a research fellow, there were 0.318 million Malaysian Chinese flowing to Singapore between 1990 and 2000. The statistics were calculated by permanent resident, non-resident, population growth rate and Malaysian Chinese population data.<sup>15</sup> In addition, former diplomat Dennis Ignatius made estimation that more than 1 million Malaysian migrants outflowed to other countries as by December 4, 2009. The *Star* newspaper reported that Malaysian migrants were distributed in the UK (0.3 million), the US (0.2 million), Australia (95000) and Canada (50000). A. Kohilan Pillay, deputy minister of Malaysia Foreign Affairs Department, indicated that there were 304,358 Malaysian migrants outflowing abroad including 50000 students from March 2008 to August 2009.<sup>16</sup> Based on the above estimation, Malaysian migrant mainly headed to the UK, the US, Australia and Canada, while only a small part (less than 0.3 million) went to Singapore after the year of 2000.<sup>17</sup> Moreover, according to the statistics of “Population and Ethnic Group” in the *Yearbook of Statistics Singapore, 2011*, Malaysian Chinese were accounting for 78.6% of Malaysian migrants in the category of Non-resident<sup>18</sup> Singaporeans.<sup>19</sup>

According to population census in Singapore, Malaysian immigrants were the largest number among immigrants in Singapore during the postwar period. In the category of Singaporean residents,

**Table 6** Malaysian Chinese in Other Countries

Years	Country	Number
1961-2006	United Kingdom	32,000
1960-2010	United States	15,095
1986-2011	Australia	116,196
1975-2010	Singapore	0.33 million
<i>Total</i>		<i>493,290</i>

Malaysians increased from 44,878 in 1947 to 233,163 in 1980. If calculating by the percentage in the total foreign-born population, Malaysians increased from 10.9% to 44.2%. Most non-residents in Singapore came from Thailand, the Philippines and India as short-term guest workers, and Europe, America, Japan and Australia as skilled professionals. The *2000 Singapore Population Census* indicated that more than 258,406 Malaysian Chinese, accounting for 59.2% of Chinese residents of foreign-born population, ranked the first in 436,756 Chinese residents of foreign-born population.<sup>20</sup> In addition, the *2010 Singapore Population Census* showed that Malaysian Chinese increased to 338,501.<sup>21</sup>

In general, Malaysian Chinese in Singapore reached more than 0.33 million, accounting for 84.6% of total number of Chinese from “Other Southeast Asian Countries” by the end of 2010.

As stated above, Malaysian Chinese remigration reached 1.05 million from the perspective of Malaysian calculation. From the perspective of receiving countries, Malaysian Chinese migrants totaled 493,290. As a matter of fact, the number of Malaysian Chinese in the receiving countries was underestimated. Malaysian Chinese statistics in the US and Australia were calculated by the percentage of Chinese

among Malaysian migrants. This percentage was according to percentage of Chinese among Malaysian ethnic groups. In addition, the paper made estimation of resident population of Malaysian Chinese in Singapore. All the other Chinese who were not registered in census, registered by birthplace rather than ethnic identity, were not counted. Finally, other receiving countries including Japan, South Korea, Germany, France, Italy, Spain, Belgium, Sweden, Austria, Russia, and New Zealand were not stated in this paper because of the difficulty of getting the accurate number or percentage of Malaysian Chinese there. Besides, Taiwan, Mainland China and Hong Kong were also most important destinations of Malaysian Chinese heading to for living, studying and doing business. For example, there were many ethnic Chinese business groups investing in Taiwan, Mainland China and Hong Kong. However, those Chinese returned to China are not discussed in this paper.

If the number of Chinese migrants not stated in this paper were added, differences in estimation of Chinese migrants between the sending country and the receiving countries are reasonable.

## **5. Causes of Malaysian Chinese Remigration**

Malaysia is a multiethnic nation-state whose population includes Malays, Chinese and Indians. Malaysia is one of the countries with the largest number of Chinese in Southeast Asia. Malaysian Chinese reached 6.24 million in 2010 accounting for 24.6% of the total population (28.30 million). Chinese is the second largest ethnic group following Malays in Malaysia.<sup>22</sup> Since independence in 1957, Malaysia gave the first priority to Bumiputera (Malays and aborigines), which led to the ethnic politics in Malaysia. Malaysian government implemented a policy of assisting Malays and limiting Chinese development, leading to the neglect of the

elementary rights of Chinese in political, economic and social life and the marginalization of the Chinese in politics. The principle of “Bumiputera First” was strengthened which established Malay as the national language, Islam as the national religion and Bumiputera as the national leader. In addition, reservation system for Bumiputera and quota system in government position were identified; moreover, Bumiputera can receive business license in special industries. As a result, the concept of “Bumiputera First” was systematically legalized.<sup>23</sup>

The NEP had the stated goal of poverty eradication and economic restructuring so as to eliminate the identification of ethnicity with economic function. The initial target was to move the ratio of economic ownership in Malaysia from a 2.4:33:63 ratio of Bumiputera, Other Malaysian, Foreigner ownership to a 30:40:30 ratio. This was to be done by redistributing the wealth to increase the ownership of enterprise by Bumiputeras from the then 2.4% to 30% of the share of national wealth. The 30% target for Bumiputera equity was proposed by after the government was unable to come to a consensus on an appropriate policy goal.<sup>24</sup>

Alongside this redistribution of wealth was the goal of increased economic growth. This economic growth would allow the non-Bumiputera share of the economy to decrease, while permitting the growth of non-Bumiputera business interests in absolute terms. In some quarters, this was referred to as “expanding pie theory”: the Bumiputera share of the pie would increase, without reducing the size of the non-Bumiputera slices of the pie. This theory was first enunciated in the Second Malaysia Plan.<sup>25</sup> In 1975 the government created incentives to expand large-scale manufacturing industries and energy-intensive industries, targeting these industries and building policies around them. The Heavy Industries Corporation of Malaysia (HICOM), for example, was formed to assist in the manufacture of pig-iron, aluminium die



casting, pulp and paper, steel, cement, motorcycle and heavy engineering. At the same time, export incentives were initiated.

This Policy was conceived as a two-pronged strategy of eradicating poverty for all Malaysians as well as reducing and subsequently eliminating identification of race by economic function and geographical location. The Policy seeks to achieve its objectives through rapid expansion of the economy over time and set its target of substantially reducing incidence of absolute poverty by 1990. To achieve this, the Policy called for aggressive improvement of economic status and quality of life for all Malaysians through access to land, physical capital, training and public facilities. Historically, Malaysian government made policies on the basis of the economic gap between Chinese and Malays. During 1957-2005, the Malaysian government pursued in turn the *laissez-faire* policy, New Economic Policy, National Development Policy and National Vision Policy in order to promote economic and political position of Malays. Although the economic gap between Chinese and Malay was shortened, the middle class and the poorest section was widening resulting in imbalance of political and economic development in Malaysia. The government promoted economic status of Bumiputera but compulsorily restrained economic development of Chinese and other ethnic groups.<sup>26</sup> Especially, the New Economic Policy hindered social and economic development of the Chinese community. On one hand, Chinese New Villages was excluded from national economic development strategy. On the other hand, Chinese in these New Villages did not receive any assistance from the policy and the traditional industry, construction, transportation and business, were faced with competition from Bumiputera which could get special assistance from the government. The New Economic Policy changed cooperation between Chinese entrepreneurs and Bumiputera who had much more protection from centralization in government policy and actual

operation. Therefore, interests of those Chinese enterprises without the protection of special political powers were jeopardized by these policies. As a result, some Chinese entrepreneurs were forced to migrate to other countries for new career opportunities and to seeking new sense of belonging.

Education is one of the more controversial aspects of the New Economic Policy because of Malay's protection in higher education policy. In order to satisfy demand for ethnic equality and for Bumiputera's education advancement, Malaysia government specifically implemented preferential treatment for Malays in higher education policy.<sup>27</sup> In 1970s, the constitution of Malaysia was amended so that the head of state (King) could designate any universities or colleges to accord quotas for admission to public universities. According to the regulation of Education Department, a hard quota system was formulated for all higher education institutions.<sup>28</sup> The guidelines for Malaysian education were to unify the system of education and promote Malay language so that the soul of national culture could be created in the nature of Bumiputera (Malay) culture.<sup>29</sup> Education policy of Malaysia has the goal of giving priority to Bumiputera in the following specific measures. Firstly, Bumiputera were accorded quotas for admission to public universities. These quotas were fixed as the ethnic population figures to allot. Meanwhile, some universities or departments were accorded quotas for Bumiputera only such as Universiti Kebangsaan Malaysia (UKM) and the National Institute of Technology. Departments of science, engineering and medicine in public universities were also trying to raise the percentage of Bumiputera. Secondly, examination subjects were adapted for Malays. Malay language replaced English as the university candidate test subjects, which benefits Malay students. Under the protection of quotas, Bumiputera were increasing rapidly in universities. As a result, the quotas were considered by many

non-Bumiputera especially Chinese and Indian students as unfairly rewarding the Bumiputera.<sup>30</sup> With the enrollment quota limitation, large number of Malaysian Chinese student studied abroad, heading to Australia, New Zealand, Singapore, Canada, UK, US and some other countries. Thirdly, Malaysian Chinese remigration had reflected a high level of professional development. Especially those migrants since 1990s, they mostly had received higher education diploma, professional training and social position. Forced to remigrate, they were also attracted by the demand for skilled professionals in the receiving countries. In addition to those Chinese who went abroad for study, most of these Chinese migrants were skilled, wealthy and with good English proficiency. Besides, they were familiar with the social development, political system and lifestyles of the receiving countries. So they can rapidly integrate into the mainstream of their local society. Moreover, there has been a serious brain drain of Chinese remigration from Malaysia. Major pull factors have included better career opportunities abroad and compensation while major push factors included corruption, social inequality, and lack of educational opportunities, and the government's Bumiputera affirmative action policies.<sup>31</sup> As of 2011, Bernama has reported that there are a million talented Malaysians working overseas.<sup>32</sup> Recently the brain drain has increased in pace: 305,000 Malaysians migrated overseas between March 2008 and August 2009, compared to 140,000 in 2007.<sup>33</sup> Non-Bumiputera, particularly Malaysian Indian and Malaysian Chinese, were over-represented in these statistics. Popular destinations included Singapore, Australia, the United States and the United Kingdom.<sup>34</sup> This has contributed to the fall of Malaysia's economic growth rate to an average of 4.6% per annum in the 2000s compared to 7.2% in the 1990s.<sup>35</sup>

In addition to internal causes in Malaysia, policy changes of the receiving countries also pulled Malaysian Chinese to outflow abroad.

Firstly, the receiving countries such as US, Australia and UK changed migration policy one after another since 1960s. US made amendment to its 1965 Immigration Law which opened the door for Asian migrants. UK issued a point system of receiving migrants, which to some extent gave special priority to migrants from Malaysia and Singapore which were formerly its colonies. Australia abandoned its White Australia Policy and welcomed international migration from Asia. These receiving countries were favourite destinations for Malaysian Chinese migrants due to their high level of economic development, huge demand of labor, and relatively equal social policy and legal environment.

## **6. Conclusion**

In conclusion, more than one million Malaysian Chinese with higher education and skills had emigrated abroad, hence creating brain drain and capital loss for Malaysia. Brain drain resulted in weak development of technology, science and industry, especially due to the lack of high-level human resources. Even though Malaysia receives remittances from migrants, migrant families often spend the remittances in unproductive consumption. Malaysian government took several kinds of measures to attract highly skilled professionals to work in Malaysia and promote economic development such as the establishment of Talent Corporation. However, compared with the racial discrimination policy, such policies to attract highly skilled professionals tend to have insignificant effects. Chinese talent and capital outflow could only be halted if the Malaysian government were to act appropriately to address the causes of Malaysian Chinese remigration.

## Notes

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1. In ethnic Chinese academic studies, ethnic Chinese in Southeast Asia flowing to Mainland China, Hong Kong and Taiwan are defined as “returned ethnic Chinese”, which is distinct from the definition of ethnic Chinese remigration. As a matter of fact, “returned ethnic Chinese” were mainly from the Laos, Vietnam and Cambodia after the Vietnam War. Many refugees had fled to Mainland China, Hong Kong and Taiwan. Ethnic Chinese from Singapore, Malaysia and the Philippines were mainly short-term entrants for business, travel, study and official work such as ambassadors and their accompany relatives. It is difficult to make estimation of short-term entrants because of less published statistics. Meanwhile, some “returned ethnic Chinese” finally remigrated to other developed countries like US, UK and Australia, which made the quantity assessment of “returned ethnic Chinese” much more difficult. Generally Speaking, it is widely accepted by ethnic Chinese scholars in China that

the “returned ethnic Chinese” from Southeast Asian countries totaled 0.3 million since 1960s and most of them were from the Indochina area and were distributed in the Guangxi Zhuang Autonomous Region and the provinces of, Guangdong, Fujian, Yunnan, Jiangxi and Hainan.

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6. “IPUMS International” is the abbreviation of “Integrated Public Use Microdata Series, International”. (当前全球最大的人口普查数据库，总部位于美国明尼苏达州大学明尼苏达州人口统计中心。IPUMS International将世界各国的人口统计微观数据整合成统一的模式，方便不同的年份和国家间进行比较。IPUMS旨在通过提供微观数据进行对比分析，方便了解全世界各国社会 and 经济发展变迁。)
7. *Malaysia Population and Housing Census 1980*. IPUMS, University of Minnesota. <<https://international.ipums.org/international>> (1980年的人口统计分类数据由马来西亚政府统计局 (Department of Statistics, Malaysia)和美国明尼苏达州人口统计中心 (Minnesota Population Center)的联合项目提供。其他年段华人人口数据见于马来西亚政府统

- 计局历年人口统计报告和苏瑞福(Saw Swee Hock)教授所著《马来西亚人口》一书。)
8. Reflecting a nation: Stories from the 2011 Census, 2012-2013. Australian Bureau of Statistics. <<http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/2011.Main+feautres902012-2013>>
  9. *National Statistics 2006*. <[http://www.ons.gov.uk/ons/downloads/theme\\_compendia/foer2006/FoER\\_Main.pdf](http://www.ons.gov.uk/ons/downloads/theme_compendia/foer2006/FoER_Main.pdf)>
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  15. Xie Meihua (谢美华) (2010). <近20年新加坡的中国新移民及其数量估算> [Chinese new migrants in Singapore in the recent 20 years and their quantity estimation]. 《华侨华人历史研究》 [history of Overseas Chinese], Vol. 3, 2010 (2010年第3期), p. 58.

16. *Malaysia Today*, Friday, 4 December 2009 <<http://www.malaysia-today.net/index.php>>. Cited in: Xie Meihua (谢美华) (2010). <近 20 年新加坡的中国新移民及其数量估算> [Chinese new migrants in Singapore in the recent 20 years and their quantity estimation]. 《华侨华人历史研究》 [history of Overseas Chinese], Vol. 3, 2010 (2010 年第 3 期), p. 58.
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18. “Residents” in Singapore’s population census include citizens, permanent residents and non-regular residents including migrants. (新加坡人口统计中的居民包括公民和获得永久居留权的居民, 以及非常住居民。移民类数据被划归至非常住居民栏进行统计。)
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20. Saw Swee Hock (苏瑞福) (2008). 《新加坡人口》 [the population of Singapore]. Xiamen: Xiamen University Press (厦门大学出版社), p. 72.
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30. The Malaysian government introduced in 1978 the “quota system” in student enrolment. (马来西亚政府在 1978 年出台了规定土著学生不超过 55% 和非土著学生不低于 45% 的学额分配制, 即 “固打制”。)
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