MALAYSIAN INDIAN CONGRESS'S (MIC) ECONOMIC SEMINARS AND ITS RELEVANCE TO THE PROBLEMS OF THE INDIAN COMMUNITY TODAY

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This paper seeks to review the two MIC economic seminar held in 1974 and 1980 respectively, with the view to discuss issues constraining the Indian community in the period after independence, as well as the duration of the New Economic Policy in 1971. MIC, as the third most important component party in Barisan Nasional (National Front) undertook urgent steps to submit key resolutions to upgrade the Indian community's standard of living in the 70s and 80s. Such seminars were deemed necessary given the fact that the Malay community, through its first economic congress in 1965, and the second (1968), had submitted a memorandum to Government to improve its welfare. As a result of both these seminars, was the establishment of Government agencies to assist Malays. Both MIC's early seminars were of significant importance as they identified the major problem faced by the community then, but which received little response from the Government. The emergence of Hindraf in 2007, and the 18 issues raised in its memorandum to the government, are in fact based on the original resolutions put forward by MIC in 1974 and 1980. Government has indirectly fulfilled some of Hindraf's requests following the 2008 elections, which in fact were MIC's original requests made by MIC in the 70s and 80s.

National Economic Development Since 1969 until the establishment of Barisan Nasional in 1974

Background

Malaya's economic development after independence was based on several 5-yearly development plans, implemented to tackle various socio-economic problems which arose from British colonial policies. National economic plans can be divided into two phases, first (1956-1970), and the second (1971-1990) which was based on the New Economic Policy.

The Alliance Government's development policy after independence was to bring economic development to all citizens of Malaya and to improve the economic position of the backward Malays, a moral responsibility of all parties of the Alliance.² At that point of time, not much money was allocated for national economic development. Nearly half of government expenditure was channelled for defence and domestic security (to contain communist threats).³ Government at that stage was directly involved in improving the economic position of the Malays, given the pressure everted by the middle-class urban Malays on the Government for greater Malay participation in business.⁴ Government allocated a total of RM124 million to develop the economic position of Malays in the first Malaya Plan (1956-1960).⁵

In the 1965 and 1968, two Malay Economic Congresses were held to propose policies and ways to improve the economy of Malays. Both congresses were sponsored by the Ministry of Unity and Rural Development under the leadership of its minister, Tun Abdul Razak. The First Congress submitted 69 proposals to government seeking assistance to uplift the Malay economy. The Second Congress also urged for greater government involvement in improving Malay well being. As a result of this Congress, several government agencies to assist the Malays were set up. Tun Abdul Razak realised that for the economic development of the country, Government would have to avoid racial conflicts. As such the Alliance party was widened, and in 1974, the Barisan Nasional (BN) or the National Front was formed. BN involved more parties, and reduced politicking. The main objective of this programme was to strengthen Chinese support and this political strategy was titled 'ethnic corporatism'. PAS, the opposition party, joined BN between 1973-1976.

Status of Indian Community in the 1950's and 1960's

The fate of Indians in Malaya from the economic perspective in the 1950's was indeed very unsatisfactory. The Indian community had no political voice, economically weak and frequently oppressed / suppressed by the British government.

The newly independent Goverment's policy of nationalising foreign-owned plantations had serious repercussions on estate labourers. The western industrialists were also selling off their plantations to return home. By 1972, 85% of all plantations in Peninsular was subdivided/ fragmented into smaller units of five acres or less. These smaller units were not termed estates, but smallholdings. According to Stenson, between 1950-1967, approximately 324,931 acres of estate involving 28,363 workers had been fragmented. This opportunity was capitalised upon by Chinese businessmen to buy and futher sub-divide the land into smaller units to obtain larger profits. The repercussions of this was severely felt by the Indian labourers. The owners of the new plantations were also more keen on recruting Malay labourers and on contract basis to curb worker unions among indian labourers. It also fulfilled post-independent Goverment policy which required the presence of Malay workers on all sectors.

Fragmentation led to thousands of Indian labourers losing their jobs. Those who chose to stay in the estates had to settle for lower wages, and were denied health and other facilities. ¹² Government's work permit policy adopted in 1969 further jeopardised the economic position of Indian labourers. ¹³ The policy required non Malaysian citizens to apply for work permit, which in turn was only to be given to citizens with no jobs. The effects of the policy were felt deeply by the Indian labourers as most of them had not applied for citizenship due to sheer ignorance, though many were born and raised in Malaya. Many of the estate workers became victims as they were non-citizens. This policy was announced by Government to tackle the problem of unemployment, as well to fulfill Malay

sentiments.¹⁴ It resulted in nearly 60,000 Indian labourers leaving Malaysia, while more than 50,000 decided to remain in the estates. Those who stayed on were forced to live with much anxiety and uncertainity, fearing being sent back in the event on non-renewal of their contracts.¹⁵ MIC attempted to protect the welfare of Indian labour by buying over small estates through the establishment of NLFCS (National Land Finance Co-operative Society) in 1960.¹⁶ Between 1961-1969, NLFCS bought 18 estates.¹⁷ MIC and NLFCS urged the Government to draft laws controlling the sale of estates exceeding 100 acres.¹⁸

Indian labourers who comprised only 8% of the Malaysian population after the May 13th Tragedy, was the weakest community economically. The economic well-being of these labourers changed little during the '70s. The nationalisation of mining companies, and foreign-owned plantations such as Sime Darby and others by Perbadanan Nasional (Pernas), had effects on the Indian community. These companies then started selling their shares to Permodalan Nasional Berhad (PNB). This policy subsequently became a compulsion.¹⁹

With PNB's take-over of foreign-owned plantations, the Indians hoped for security in terms of better wages and working conditions, but this was not to be in reality. The new management was only interested in multiplying profits, and ensuring wages remained low. They also started recruiting labour from Indonesia and other countries. The plantation management complained of labour shortages, resulting in Government becoming flexible in allowing the entry of Indonesian labour in large numbers.²⁰

Though Indian labourers had worked in their plantations for several years, their wages had not increased significantly. Many were forced to hold more than two jobs to survive; could not own houses; and experienced difficult and depressing basic living conditions.²¹ In 1970, 46.5% of Indian labourers worked in estates, and 24.8% in non-skilled jobs. Unemployment among Indians was relatively high in comparison with others (Indians 11%; Malays 8% and Chinese 7.4%). Indians involved in commerce was 10.7%; Malays 23.5%; dan Chinese 65.3%. Indian business was concentrated in restaurant management, retail and petty shops.²² They did not have sufficient capital nor a sound industrial base.

MIC First Economic Seminar in 1974

MIC organised its first economic seminar on 11-12 May 1974 to put forward proposals to government for improving Indian Laboures' welfare. Various proposals were made to elevate the Indian community's standard of living in the service, economic and social sectors. The proposals in fact predicted the unfortunate circumstances that the Indian community may experience in the 80's, 90's, and early 21 century, if no concrete measures were to be taken by Government and MIC to address the community's problems. The seminar proposals can be detailed in term of the following aspects;

- 1. Asset Ownership: Target set for Indians to own at least 18% of national assets within 20 years.²³
- 2. Small Industries and Business: Request made that Indian investment be encouraged through Government agencies such as Federal Industrial Development Authorithy (FIDA), Malaysian Industrial Development Finance Berhad (MIDF), Credit Guarantee Corporation, and others offering consultancy and advisory services. Such institutions were called upon to provide positive response to the needs of Indian investors. More stable financial institutions were requested to assist Indians to promote their small businesses.²⁴
- 3. Poverty Eradication Programme: Government was called upon to focus on poverty eradication in the rural sector and cities, through land development programmes, credit, drainage and irrigation facilities, roads, housing and health facilities. Special attention to be given to the plantation sector as most of the Malaysian poor were then found here. Government was requested to publish data on development programmes, and list of recepients enjoying the benefits of development, by race.²⁵
- 4. MIC's Role and Community Organisations: MIC and community bodies were called upon to create both formal and informal coordination machinery in requesting Government to organise well structured/coordinated programme to uplift the socio-economic position of the Indian community under NEP.²⁶
- 5. Inbalance in Employment: MIC identified the main problems of the Indian community as high unemployment, low employment in the economic/trading sectors; higher concentrations of employment in manual and low skilled/unskilled jobs; as well as an insignificant number employed in civil service. The seminar recommendations were;
 - (i) Worker recruiment records to reflect status by race i.e Malay, Chinese and Indian, not under the categories of bumiputera and non-bumiputera. This made analysis of progress of Indian employment difficult, more so when they were not reprensented adequately in modern sectors.²⁷
- 6. Education and Training Programmes: Given the high employment of Indians in unskilled sectors, Government was requested to increase the intake of Indians in training institutions such as vocational schools, agricultural institutions, National Productivity Centre, and other institutions.
- 7. Land Development: About 47% of Indians were involved in the agricultural sector, of which 3/4 was in plantations. Economic development as well as several other changes could force a large number to become unemployed in 10-15 years. They could also face problems of developing more productive land in other sectors. Proposals of the Congress were as below:

- (i) The Indian community be allocated about 10% in Felda's land development programmes. This programme were estimated to represent about 1,400 settler families per year or 28,000 settler families in a period of 20 years. Felda at that time pioneered the opening up of about 100,000 acres of land annually.²⁸
- (ii) At that point of time, the intake of Indians by Felda did not exceed 2%. In the year 1973, it was reported that of the total 24,000 applications made to open Felda land, 3,300 or 14% of the total applications were from Indian applications.²⁹
- 8. Civil Service: A larger Indian intake in civil service will reflect more balanced/fairer racial representation.³⁰
- 9. Citizenship and Work Permit: Many eligible Indians who qualified to become Malaysian citizens, faced problems in seeking employment, given the weakness on the part of Government, as well as other reasons. Many Indians born in Malaysia failed to produce the necessary documents as proof, in line with Government requirements. Many were refused/rejected citizenship because of the links with their mother land; committing petty crimes; unable to converse in Malay; a as well as being slow in applying for citizenship. MIC called upon the Ministry of Home Affairs to review these cases, and issue them work permits in the mean time while their applications were being processed.³¹
- 10. Training Programme: Given the concentration of Indian labour in the unskill and semi-skilled employment categories, Government was urged to increase the intake of Indian candidates in training institutions such as National Youth Training Centre (NYTC), Vocational School, National Productivity Centre, Foresty Training School, Rural Agricultural Training Centre, Logging Industry Training Centre, Fisheries Training School, and others.³²
- 11. Education: Government was called upon to revamp/improve Tamil schools; efforts were taken to upgrade academic and profesional qualifications of Tamil school teachers; a 10% quota allocated to Indian students to enter university; provide more interest free loans and scholarships to Indian students.³³

Analysis

In evualuating the various recommendations submitted, the seminar had in fact prepared a comprehensive plan to improve the well-being of the Indian community. The major proposal was to absorb unemployed laboures into Felda schemes and estates placed under the jurisdiction of the Ministry of Rural Development.³⁴ All issues discussed at the seminar were submitted to Government in a report titled "NEP and the Malayan Indians: MIC Blue Print.³⁵ The report however failed to obtained serious attention from the Government. The backward economic position of the Indians was however acknowledged in the Third Malaysia Plan.³⁶

In the 1970's, MIC acted on its own initiative. Under the leadership of its president Manikavasagam, it established several cooperatives and unit trusts; with the objective pooling the savings of Indians , and to increase the community's corporate equity in business and investments. This initiative was not however succesful. The relevant unit trusts and corporatives were MIC Unit Trust (1976), NESA Cooperative (1974), Maju Jaya Cooperative (1978), Pekerja Jaya Cooperative (1978) and Sempoorna (1978).³⁷

Indian Community Problems in the 1980s

In the '80s, the fall in prices of primary commodities such as rubber and palm oil led to plantation owners selling their plantations for purposes of conversion into housing projects. This reduced the acreage of land planted with agricultural produce, from 906,106 hectres to 204,127 hectares in 1992.³⁸ Labourers employed in rubber plantations also declined from 104,898 to 59,127. This development led to several families leaving the plantations in the early '80s, a trend which continues till todate.³⁹ Furthermore, the new firms managing oil palm plantations were more keen on recruiting Indonesian labourers under contracts of 2-4 years, at rather low wages. This dealt a strong blow to Indian labourers who frequently claimed being paid unfair wages, and resulted in them being increasingly side-lined. Furthermore, those who shifted to towns/cities faced untold problems in seeking emoployment, given the lack of skills.

MIC Second Economic Seminar in 1980

Once again, MIC through its Second Economic seminar held on 13th July 1980, attempted to analyse the community's problems, and ways Government could help the community. The proposals were incorporated in the the Fourth Malaysia Plan (1981-1985). This seminar was officiated by the Minister of Finance, Tengku Razaleigh Hamzah, who assured and guaranteed Government's support in undertaking the necessary measures to solve the community's problems. ⁴⁰ Papers presented at the seminar were by party leaders, cabinet ministers, academicians and entrepreneurs. Proposals submitted at the seminar were more concrete and it was clearly evident that Government in the 3 Malaysian Plan did not succeed on overcoming the Indians community's problems. The following are the major proposals presented at the seminar.

- D. P. Vijandran in his paper titled, "The NEP and Malaysian Indians: An Overview" presented the following recommendations;⁴¹
 - (i) Target wealth equity ownership to increase from 1 % (1970) to 6% (1990)
 - (ii) Government to be made aware of the Indian community's problems
 - (iii) MIC to strengthen its bargaining power in the Barisan Nasional
 - (iv) Main problem faced by Indians in Government programmes was in terms of policy and implementation

(v) Tamil schools still in poor/pathetic conditions

Vijandran was of the opinion that MIC's requests should be given consideration under NEP based on the following factors:

- (i) Historical Bases The contributions of Indians to national development can be traced since pre-independence times
- (ii) The Barisan Nasional Alliance MIC has been the earlier political party, a strong supporter of the Alliance, and continues being a major component of Barisan Nasional
- (iii) The most loyal community to the nation The Indian community is firmly committed to national unity, the yardstick being the percentage attending national unity classes. In 1977, of the total 69,833 who attended the classes 10,619 were Malays, 29,171 Chinese, 25,433 Indians while 4,601 comprised other races.
- (iv) Victory Vote in Elections MIC contributed the victory vote in both state and federal elections. Contributed 10% of voting strength.
- R. Rajoo in his working paper titled "Poverty in the Indian Community" presented the following recommendations;⁴²
 - (i) The migration of Indian youth from estates to city, with little skills, jeopardised the welfare of the community. Many ended up living in squatter areas, a scenario which was said to create negative implications in the long term.
 - (ii) With regards to housing and other basic amenities in estates, the 3 Malaysian Plan Review (3MP) reported progress, but this was not in reality. In fact, only estates owned by large companies or corporations were supllied with electricity, water and good housing facilities (estimated to be between 30-40%) the remaining experienced no change.
 - (iii) More employment oppurtunities be opened up for Indian youth, and those in the low income categories.
 - (iv) Increase skills training for Indian youth by offering more places in vocational and other institutions.
- Dr. T. Marimuthu in his paper titled "Education" concluded that the Indian community has been sidelined in both education and skills training, compared to other races. 43 Education opportunities were linked to socio-economic problems such as poverty, low income, high unemployment, poor nutrition, lack of motivation and low selfesteem. 44

The 3MP Review (1976-1978) highlighted measures taken to reduce the gap in education opportunities between those in the rural and urban areas, as well as Government's assurance on increased education opportunities. However, this data was rather general in nature, and presented difficulties in evaluating the

actual effect of the new education development programmes on the Indian community.⁴⁵

The Cabinet Committee Report on Education in 1979 recommended a total of 173 proposals on the creation of equal education opportunities for all races in Malaysia. A key proposal was the integration of smaller schools; provision of transport facilities in estates by management, for small schools which cannot be integrated – such cases be given special consideration and be provided facilities as enjoyed by other schools. However, a weakness of the Report was its statement that physical facilities for all schools was the Government's responsibility, except for those on private land. Given the fact that a majority of Tamil schools were located on private land, their fate would thus definitely not change. As such, this issue was to be further examined by Government.⁴⁶

Dato K. Pathmanaban as the Deputy Minister of the Labour and Human Resource Ministry in his paper titled "Employment – A Malaysian Indian Perspective" identified some patterns in Indian labour employment. In his opinion, employment was linked to training and employability. His discussion was linked to training provided by Government institutions between 1970-1979. Industrial training institutions in Kuala Lumpur and Butterworth provided various skills training, but intake of Indians was unsatisfactory. Of the total 7,961 trainees between 1970-79, only 705 (8.9%) were Indians. Meanwhile, in the Dusun Tua Youth Traning Centre which povided courses in 5 fields, i.e motor mechanics, construction, agriculture, electric and other fields, of the 5,125 trainees (1970-79), only 274 or 5.35% were Indians. This means that only a very small number of Indians youth obtained the necessary skills for recruitment into employment.

The intake of Indian students into Government schools at Form 6 level was also not satisfactory. In 1978, of the total 11,400 students in Form 6 of these schools, only 400 were Indians. The percentage of Indian students in college and university in the same year, only constituted 4%. Of the 13,384 students who were offered diploma courses in various institutions, only 1.4% were Indians, compared to 17.3% (Chinese) and 81.3% (Malays). Recruitment of Indians in public service was also low, with those who retired not being replaced by Indians. He urged Government to increase the recruitment of Indians in all sectors. Government was also called upon to grant small loans to Indians under its assistance programme.⁵⁰

Agriculture training centres such Universiti Pertanian, Institut Pertanian and vocational schools should consider applications from Indians with the minimum qualifications, for proposes of training. Industrial and vocational training institutions should increase intake of Indian candidates to provide them with skills training as required by the job market as done by MARA, which prepares Malay youth with skills training; other similar training institutions should open up more opportunities for Indians.⁵¹

Lourdesamay in his paper "Indian Participation in Commerce Business and Equity Capital" highlighted difficulties in obtaining data on the Indian community. This was due to the fact that data gathered was categorised by Bumiputera and non-bumiputera. MIC should request Government to supply information on the Indian community to its headquarters, when Government undertakes data gathering exercises. MIC itself should also prepare an efficient machinery to collect data for purposes of analysis of the community's progress.⁵²

In his opinion, programmes to improve the Indian community in socioeconomic position should be Government's responsibility, and not solely in MIC's hands, given the organisation's limited resources. It was said that the community will not progress without Government intervention. Government was urged to formulate concrete policies, projects and programmes to be incorporated in national plans as done for the bumiputera community.⁵³

Evaluation

The second seminar did not discuss the outcome of the proposals put forward at the earlier one. Several key proposals were deemed important and if accepted, would definetely elevate the economic status of the Indians. Among them were to allocate quotas commensurate with the the composition of Indian population in employments, land development, company share equity, and entry into Institutions of Higher Learning. The seminar in short concluded that the NEP did not succeed in changing the economic status of the Indian community.

Of special mention was that during the First Seminar, MIC had set an optimistic target of 10% equity ownership, valued RM 46,821 million in 1990. This target was then reduced to 6% in the Second Seminar. An interesting observation was that in 1990 itself, Indian equity totalled RM10,68 million, i.e 22% targetted by MIC. Between 1970-2004, national equity increased from RM 52,89 million to RM 529,768 million. Of this Chinese equity increased by 22.5% to 39.0%, Malay equity (1.9% to 18.9%) while Indians only managed to increase theirs from 1.0% to 1.2%. It is to be noted that Indian equity fell from 1.5% in 2000 to 1.2% in 2004.

Evaluation of Both MIC Economic Seminars

The recommendations of both seminars not only exposed Government weakness, but MIC's failure as well in undertaking concrete measures to make it a more proactive organisations. Supposing MIC had given attention to recommendations to overhaul the party organisation; establish a committee comprising academicians to evaluate Government programmes; appoint well-qualified and experienced individuals in cooperative bodies such as NESA and others, these measures would definetely have converted it into an income generating body. The following are several key proposals from both seminars which were not given attention by MIC,

and which were the source of the community's problems well into the 21st century, with no solutions. Recommendations to revamp MIC's image are as follows:

- 1. Establish Official and Unofficial Coordination Machinery: MIC and community organisations were requested to establish both official and unofficial coordination machinery, to ensure all Government programmes are effective in uplifting the socio-economic position of the Indian community in the NEP programme.⁵⁶
- 2. Establish Panel of Educated Group: MIC was urged to establish a panel comprising the educated and experienced group to assist the Indian community, and economic organisations serving them. This was expected to provide good guidance for the community.⁵⁷
- 3. Establish Economic Panel: MIC at state and branch levels were requested to set up Economic Panels to assist in the improvement of the economic position of Indians, as well as channel imformation on the community's progress to headquarters.⁵⁸
- **4. Monitor Government Policy Implementation:** MIC was urged to monitor the intake of Indians into the civil service. For this purpose, the party was requested to prepare a yearly report recording these developments for discussion at the party's annual congress each year.⁵⁹
- 5. Set Up Employment Counselling Bureau: MIC was asked to set up an Employment Counselling Bureau at headquarters and panels in each state and branch, to provide information on jobs, training offered by Government and vocational guidance to those seeking employment. Bureau members to comprise those from the professional and intellectual group. They should collect, store and publish current and up-dated information on Indians in employment. Bureau members to also undertake periodic visits to plantations, and the poorer urban areas to provide motivation to Indian youths in such areas.⁶⁰
- **6. Obtain Assistance of Professional Group:** MIC was called upon to obtain the assistance of the professional group to get involved in strategy formulation, as well as in project and programme planning to improve the socio-economic position of the Indian community.⁶¹
- 7. Cooperate with Community Organisations' of Other Races: Suggested a panel be set up for mutual co-operation with non-Indian community organisations', to identify measures to overcome problems faced by any one race. 62
- 8. Cooperate with Government Ministries and Agencies: MIC to work with all Ministries, government agencies, and non-Indian media to obtain their services to disserminate information which could bring forth and social changes in the community's attitudes, lifestyle and quality of life.⁶³

- 9. Monitor the Third Malaysia Plan: MIC to monitor effects of Government plans, particulary programs under 3MP and the Cabinet Committee report, and to disseminate the information to party members. It should also convey the community's views to Government on projects implemented and to be implemented. Thus, MIC will be able to assist Government to play a more effective role in development. This measure would also provide the party more credibility. "If this two-way process of communication is kept up regularly, then MIC will have greater effectiveness and credibility amongst its own members in particular and the Malaysian Indian community in general." 64
- 10. Financial Management: Financial resources mobilised by the Indian community were not managed well, as seen in the management of National Land Finance Cooperative Society (NLFCS) and National Union Plantation Workers (NUPW). Both these, as well as other organisations should ensure that investments are not made in sectors which bring less returns. It was recommended that the organisations concerned are led by qualified individuals and not politicians.⁶⁵
- 11. Establish Business Sevices Unit: Proposed that MIC set up a Business and Services Unit to gather data on the involvement of Indians in development and financial sectors; to provide advice, information and services to Indians traders and businessmen, particularly the small scale individuals; and organise short-term business and management courses for both Indian entrepeneurs and businessmen.⁶⁶
- 12. Establish Dialogue Committee between Indian Organisations and Action Committee: MIC urged to establish Dialogue Committee between Indian organisations and an Action Committee be formed. The Committee to comprise major organisations such as MIC, NLFCS and NUPW which possess large assets. The Committee should prepare a forum to discuss the Indian community's problems and act jointly. According to Lourdes, "Many of the problems discussed earlier require a package of measures for their solutions administrative, financial and political. The Committee can provide the vehicle for discussion and packaging of such measures. The Committee can also provide the instrument for minimizing duplication of efforts among Indian organizations and ensuring complementary of effects". 67

It is to be remembered that both seminars were not just to discuss ways the Government can play a more positive role to uplift the socio-economic position of Indians, but also the need for MIC itself to change its functioning style to become more effective and relevant to the community. Its failure to change led to the emergence of radical voices under new organisations such as Hindraf, which successfully captured the hearts of the Indian community.

The Indian Community in National Development under the leadership of Dr Mahathir Mohamad

Problems which impeded the Indian community continued from the 1980's well into the 21st century. Both MIC's economic seminars in actual fact submitted valuable proposals to solve the Indian community's problems, but failed to get the serious attention of Government and MIC itself.

In the 1980's, for porposes of increasing the Indian community's equity, Samy Vellu established Maika Holding (in 1982) with the objective of pooling the community's savings for involvement in business and investments. He successfully raised RM 106 million, which unnfortunately was insvested in unprofitable sectors. By the year 2000, its assets had deteriorated from RM106 million to between RM30-40 million. This perfomance was contributed to wrong investments and weak management. According to Tate, "... almost from the outset Maika Holdings failed to meet its high expectations. Investing mainly in insurance, land and rubber estates, it steadily lost money every year and did not issue its first dividend to its shareholders until 1992; even then when it was still making loss. The reasons for the failure of Maika Holdings to meet its objectives lay in an unfortunate mixture of mismanagement, poor judgement in investment policy and lack of Government support". 68

In 1989, Government set up the National Economic Council (MAPEN) to voice its concern regarding the fate of Indians being neglected under NEP, and proposed measures to formulate an economic policy for the period 1991-2000. The Council called upon Government to undertake measures to promote Indian under the National Development Policy, which would replace the NEP.⁶⁹ Among the proposals submitted were fixed wages for estate workers; opening up of kindergartens in plantations; convert the status of Tamil schools from partial capital assistance to full aid; open a bank for Indians, set up a unit trust to provide credit facilities for Indians to invest in shares.⁷⁰ It was also recommended that Government provide scholarships specifically for Indians to obtain higher education overseas. The recommendations forwarded by MAPEN in 1989 were not considered by the Government. A major part of the recommendations were indeed fought for by MIC since the 70's. MIC failed to presure Government to fullfil the recommendations forwarded by MAPEN.

It was indeed clearly evident that, a lot of Government promises and proposals in the Third Outline Perspective Plan (OPP3) (2001-2010) and the 8MP (2001-2005) with regards to Indians were not implemented. This scenario led to some analysts being critical of Government in not preparing systematic programmes to improve Indian well-being in Malaysia.⁷¹ According to Prof. Ramasamy, "Unless and until systematic steps are adopted to end racial discrimination, there is no way etnically powerless groups like Indians can make any meaningful heading in the economic realm. As far as the community is concerned, the enrichment of a few

Indians might not make much of an impact in terms of improving the overall economic performance of the community".⁷²

In the period following 2000, several criminal cases including Indian youth were witnessed. Many died in prison and the parents victims failed to obtain assurance from police how their children died while in custody. All these was indicative of the hopeless situation of the Indian community. The rising incidence of crime among the community can also be linked to the weak economic position experienced by them, following displacement upon moving into urban areas, from estates. Prof. Ramasamy who undertook several studies on Indians in the lower income categories, was of the opinion that the root of crime was urbanisation, commersialisation and ethnic discrimination against them.⁷³

According to Ramasamy, the Indians generally faced difficulties in obtaining business licenses, contracts and tenders without good relations/contacts with UMNO leaders. Government contracts from privatised projects were on the other hand only granted to those with links with the ruling party. Lack of capital and economic contacts/links were obstacle to the Indian community in effectively participating in the private sector.⁷⁴

MIC Economic Seminar 21st century

Into the 21st century, MIC organised a national seminar to discuss issues concerning the Indian community. The seminar held on 1 June 2002, was themed "The Malaysian Indian in the New Millennium: Rebuilding Community". It discussed issues not much different from those discussed at the earlier two seminars. As usual, the proposals made at this seminar did not become reality. Tate was critical of the seminar conclusions. He said, "The great debate was informative and revealing, and it produced some sound recommendations. What was forever lacking was effective action to implement these recommendations. The Indians of the alternative establishment had only their pens and their voices; they did not have their hands on the instruments of power to determine and direct events". 75

9th Malaysian Plan and MICs Proposals

MIC organised the "Indian Community & 9thMP" forum on 25 Febuary 2005 to discuss issues affecting the community. The forum forwarded 10 proposals to Government for the consideration of 9 Malaysia Plan (2006-2010). If analysed, these proposals were similar to the MIC Economic Seminars of 1974 and 1980 respectively. The following sums up the gist of the proposals:

- 1. Government to improve the implementation mechanism of policy/program
- 2. Government to ensure effective monitoring of plan, and undertake reviews of impact of programmes
- 3. Enable obtainability, and ensure credibility of data

- 4. Increase Indian equity
- 5. Expand employment opportunities for the Indian community
- 6. Increase recruitment into public service and upgrading of posts
- 7. Focus on the Indian poor in urban areas
- 8. Government to provide pre-school education in Tamil schools, and convert status of Tamil schools from partially aided to fully aided status
- 9. Government to improve welfare of estate workers who lost their jobs; focus on their housing problems, and provision of basic amenities
- 10. Open up more oppurtunities for Indian students in Institutions of Higher Learning.⁷⁶

MIC held a dialogue with the Economic Planning unit (EPU) on 9th Malaysian Plan on 8th May 2006, with regards to programmes organised for the Indian community. Indian community leaders who participated in the dialogue were Tan Sri Dato R. Navaratnam, Datuk. P. Kasi, Datuk Sahadevan and Mr. Pardip Kumar Kukreja as well as higher officials of the Social Strategic Foundation (Yayasan Sosial Strategik) of MIC.⁷⁷ MIC tabled 5 working papers under the topic (1) Indian Equity (2) Business Development (3) recruitment into Public Services (4) Poverty and Social Problems (5) Opportunities in Skills Training.⁷⁸ Director of EPU (Distribution Division) Dr. Ali Hamsa who chaired the dialogue promised to submit MICs recommendations to EPU's management and invite all Government agencies to evaluate MIC's proposals. MIC was on its part urged to contact the agencies concerned personally to discuss the issue of implementation. MIC in this meeting requested that a working committee be set up in EPU to meet at least once in three months to review the progress of the Indian community under 9MP.⁷⁹ Such proposals had already been forwarded in the previous MIC seminars.

Scenario Before 2008 Elections

Since Dato' Seri Abdullah Ahmad Badawi became the Prime Minister, the Indian community continued to make demands that its well being be protected by Government. Dissatisfaction increasingly mounted and peaked when there occured several cases of Indian youth dying in prison, with some being shot dead without being given a chance to defend themselves. There was increasing gangsterism within the community, basically given the failure of Government to formulate an effective plan for the community. The problems worsened with the conversion to Islam by certain individuals, a phenomenon viewed with unease by the Indian community. Examples include the cases of M. Moorthy (the Everest mountaineer) ⁸⁰ and Shamala.⁸¹

Amidst these circumstances rose Hindraf, an organisation formed to fight for Hindu religious rights. Hindraf was not a registered organisation but obtained massive support given the issues fought for, which remained close to the hearts of the Indian community. Many were unhappy with Government's action to destroy Hindu temples in several states without giving prior notice to the temple authorities.

On 17th August 2007, Hindraf submitted a memorandum⁸² containing 18 issues to the Malaysian Prime Minister, expressing the unhappiness of Hindu's on the issues of temples given notice for destruction early in the year, and other issues related to the socio-economic position of the Indian community.⁸³

Hindraf's 18 Proposal Memorandum 84

Of the total 18 proposals contained in the memorandum, several had earlier been forwarded by MIC through its early seminars in 1974 and 1980. The proposals concerned are summarised below:

Fourth Proposal

Request that all Tamil schools totaling 523 be converted from partial capital aid to full Government aid.

Fifth Proposal

Provide assistance in the form of financial loans and scholarship so that the Indian community will be able to obtain oppurtunities for higher education as enjoyed by other communities. This would enable Indian students to continue their higher education programmes both in and outside the country; in institutions providing expertise in trade and skills; and science colleges, particularly those from poorer families.

Sixth Proposal

Provide opportunities similar to that enjoyed by other communities to acquire wealth; participate in business; trading; industrial sector; small and medium scale industry, corporate sector; obtain government contracts; obtain contractor's license, lorry permits'; loans and licences to participate in trading, banking and corporate sector, particulary from those in the poorer categories. Government was requested to allocate RM 100 billion, with RM 20 billion annually beginning 2007.

Hindraf's memorandum was not given due consideration by Government (or ignored by Government). This culminated in a large scale demonstration being held at Jalan Ampang on 25 November 2007, consisting about 50,000 Indians gathering to strive for their rights. This was also linked to the demands made to the British Government, particulary Queen Elizabeth II. Hindraf lawyers namely M.Manoharan (Chairman), P. Uthayakumar, K. Ganghadaran, Waytha Moorthy Ponnusamy and S.Ganapathi Rao filed a summon at the Royal Court of Justice on 30th August 207 against the British Government on their 'sinful' act of bringing Indian citizens to Malaysia as rubber plantation labourers, and exploiting them for

150 years. Workers from India were brought in through the Indenture and Kangani System in the 1990's till early 20th century. The British Government was requested to pay 4 trillion British pound (RM27.7 trillion), or RM 1 million per Indian residing in Malaysia, as total claims.⁸⁵

The Indian groups which gathered in Kuala Lumpur totalling thousands (an estimated 50,0000) was forced to driperse by police and Federal Reserve Unit. The participants were mainly professionals and non-professionals. Government should in fact evaluate this matter seriously, as well-put by Prof. Ramasamy, "If we go back to Hindraf and take a survey of the people who came, we will find that it was not just the poor plantation people but rather professionals such as lawyers and businessmen who felt they were short-changed. The question here is, can we brush away all these things?⁸⁶

On 13 December 2007, several Hindraf leaders were detained under the Internal Security Act (ISA) as their activities were deemed to be a threat of national security. They were R. Manoharan, P. Uthayakumar, R. Kenghadharan, V. Ganabatirao and K. Vasantha Kumar. Following this incidents, Hindraf distributed CD's higlighting MICs total lameness since its establishment until 2007, resulting in the Indian community losing faith in the party. MIC was accused of a political party which failed to voice and strive for the Indian community's rights. Samy Vellu as a cabinet minister for 28 years was considered as a 'yesman' and adopted an iron-hand method in controlling/ruling the party. Deputy Ministers, Parlimentary Secretaries and MIC parliament representatives were not given the autonomy to act indipendantly, and had to refer to the President before any announcements on strategy or party policies.

Samy Vellu's insensitiveness in handling issues raised by Hindraf resulted in the Indian community losing patience, and awaiting the time to topple the MIC leaders in elections. This situation was further aided by Hindraf's strategy of distributing CD's exposing MIC's failure to champion Indian welfare since independence till now. The weak position of Tamil schools, estate workers fate, limited opportunities for further education to universities, and parents lamenting their children dying while in police custody, were explicitly shown to the public at large, in the CD.

Racial sentiments were mounting, and Indian community was requested by Hindraf not to vote for BN, but any other opposition party, be it PAS, DAP or PKR. The symbols of these parties were displayed repeately, Hindraf's objective being to deny the ruling party of obtaining a 2/3's majority in Parliament.

All these developments became reality when MIC lost badly in the 2008 elections. Of the 9 parliament constituencies contested, MIC only won 3. Many MIC stalwarts were defeated, including MIC President, Samy Vellu, Vice President, G. Palanivel, and MIC Secretary, S. Sothinathan. A similar situation was witnessed at the state legislative Assembly (ADUN), of the 19 ADUN seats contested, MIC only won 7.88

Hindraf's 18-Point memorandum and MIC Economic Seminar

In analysing the 18-point memorandum forwarded by Hindraf, it is clearly evident that MIC had strove for a major part of them since the 1970's. As Government did not consider MIC as a strong organisation, failed to consider all the demands made in this seminars. Furthermore, many other resolutions made by MIC in its annual congresses, had also been ignored by Government. These weaknesses paved the way for the emergence of Hindraf, an organisation clearly radical, but with succeeded in amassing integrated support from all levels of the Indian community. Only after the large scale demonstrations held on 24 November 2007, did Government began to realise that something had to be done to protect the well-being of the Indian community.

Financial Measures to Improve the Community's Welfare after 2008 Elections

Following Barisan Nasional's massive losses in the 12th elections, Government realised that the Indian community's support was increasingly lost to opposition parties. Given that, various announcements were made indicative of Government's concern for the Indian community after 50 years of independence. Among these was the establishment of a Cabinet Committee to study the social problems faced by Indians. Based on discussion at the Committee, Government promised to convert the status of partially aided (*bantuan modal*) Tamil schools totalling 523, to fully aided status, and integrate schools with less then 50 students, through the provision of basic facilities. Government also promised to provide financial assistance to AIMST (Asian Institute for Medicine and Technology) in efforts at increasing the intake of Indian students in critical sectors such as medicine and engineering; enable the institution's students to apply for JPA scholarships', and upgrade the status of AIMST to university. AIMST to university.

Government has also allocated RM 120 million, specifically for the social development of the Indian community over a period of 4 years, with an initial amount of RM30 million. According to Samy Vellu, this amount was part of the RM 300 million earlier requested from Government to overcome the community's social problems. Government also promised to increase bus and taxi permits to Indian Companies, more job opportunities and concessionary loans for Indian entrepreneurs, as well as more vocational training for Indian youth.⁹¹

It was clearly evident that Government's measures actually fulfilled MIC's resolutions formulated in its earlier seminars in 1974 and 1980. MIC had not been as bold as Hindraf, and had to wait fo 40 years to achive its resolutions, brought alive by Hindraf through its 18-point memorandum. At MIC's 62nd General Assembly held on 13 July 2008, Samy Vellu personally admitted that MIC's failure to obtain support during the elections was due to his failure to act urgently on several problems constraining the Indian community. According to him, "The real cause of this [lack of support from Indians for the Barisan Nasional coalition] was

poverty, and difficulty in obtaining loans and places in universities. All of these reasons are correct. These are issues against us. We raised this a long time ago with the government but the government was slow to take action. My question is why was it so delayed?" ⁹²

Although Government's announcements may apparently appear as victories to MIC, the Indian community knows that if not for Hindraf, Government will not fulfill MIC's requests put forward since the 1970s.

Conclusion

Based on the discussion, it is clear that MIC's Economic Seminars 1974 and 1980 are indeed very relevant to the community's problems till to-date. As stated by Jose Rizal, a Filipino leader of the 19th century, "In order to read the destiny of the people it is necessary to open the book of its past". By reviewing the contents of the earlier MIC seminars, many historical lessons can be learnt which could serve as a guide to both the community and Government. Part of the 18-point Hindraf Memorandum was in actual fact a repetition of MIC's demands forwarded to Government in the 70's and 80's. As MIC was not as radical as Hindraf, and its reluctance to change from within, opened up avenues for the distinct voices of dissent to grow outside the party, demanding that the right of the Indian community be protected. Hindraf succeeded in undertaking this in a period of 2 years, something MIC failed to do for 50 years. Government's announcements to provide financial assistance of RM300 million and change the status of 523 Tamil schools to full aid are responses to Hindraf's memorandum.

Notes

- 1. The third Bumiputera Economic Congress was held between 10-12 January 1992.
- 'The constitutional contract obliged the government to improve the Malay share in the economy. They were committed to it, but decided that gains obtained by one group would not be at the expense of others' (Cheah Boon Kheng, *The Making of a Nation*, ISEAS, Singapore, 2002, p. 83).
- 3. *Ibid*.
- 4. James V.Jesudason, Ethnicity and the Economy, The State, Chinese Business, and Multinationals in Malaysia (Singapore: Oxford University Press, 1990), p. 51.
- 5. Ibid.
- 6. James V.Jesudason, *Ethnicity and the Economy*, p. 65 and Chin Yee Wah, 'Ethnicity and the Transformation of the Ali-Baba Partnership in the Chinese Business Culture in Malaysia', in *The Challenge of Ethnicity, Building a Nation in Malaysia*, ed., Cheah Boon Kheng (Singapore: Marshall Cavendish International Private Ltd., 2004), p. 73.
- 7. Ibid., p. 77.
- 8. S. Nagarajan, 'A Community in Transition: Tamil Displacements in Malaysia' (Ph.D. diss., University of Malaya, Kuala Lumpur, 2004), p. 36.

MALAYSIAN INDIAN CONGRESS'S (MIC) ECONOMIC SEMINARS... 387

- 9. Michael Stenson, *Class, Race and Colonialism in West Malaysia, The Indian Case* (Sydney: University of Queensland Press, 1980), p. 203.
- Ibid., p. 204 quoted from Nagarajan, 'A Community in Transition: Tamil Displacements in Malaysia', p. 268. Refer also Ummadevi Suppiah, *Tun V.T.Sambanthan* (Kuala Lumpur: Penerbit Universiti Malaya, 2004), pp. 66-73.
- 11. Stenson, Class, Race ... p. 36.
- 12. Chandra Muzaffar, 'Political Marginalization in Malaysia', in K. S. Sandhu and A. Mani, *Communities in Southeast Asia*, Singapore (ISEAS: 1993), p. 222.
- 13 *Ibid*.
- 14. Ibid.
- 15. Kernial Singh Sandhu, 'The Coming of the Indians to Malaysia', in K.S.Sandhu dan A.Mani, *Communities in Southeast Asia*, Singapore (ISEAS: 1993), p. 186.
- 16. S. Nagarajan, 'A Community in Transition: Tamil Displacements in Malaysia', p. 37.
- 17. K. Anbalakan, 'Pembentukan Identiti Di Kalangan Masyarakat India Di Malaysia' (Ph.D. diss, Universiti Kebangsaan Malaysia, Bangi, 2001), p. 267.
- 18. Ibid., p. 266.
- 19. S. Nagarajan, 'A Community in Transition: Tamil Displacements in Malaysia', p. 40.
- 20 Ibid., p. 41.
- 21. S. Nagarajan, 'A Community in Transition: Tamil Displacements in Malaysia', p. 37.
- 22. Ibid., p. 63.
- 23. Malaysian Indian Congress National Seminar on the New Economic Policy, The Second Malaysia Plan, The Mid-Term Review and the Role of MIC (Kuala Lumpur, Dewan Bahasa and Pustaka: 11-12 May 1974), p. 15.
- 24. Ibid., p. 19.
- 25. Ibid., p. 20.
- 26. *Ibid*.
- 27. Ibid., p. 31.
- 28. Ibid., p. 40.
- 29. Ibid., p. 41.
- 30. Ibid., p. 32.
- 31. *Ibid.*, p. 33.
- 32. Ibid., p. 32.
- 33. Ibid., p. 59.
- 34. Government's allocation for rural development in all its economic activities was about 35%. If the plantation sector was categorized as the rural sector, the Indians livelihood would have definately been protected. According to Anba, "... the estimated development expenditure for rural and agricultural development was RM2,279,000 under the Second Malaysia Plan. In the next three plans the allocations had been significantly increased to RM 6,448,250, RM 7,888,200 and 11,799,850 respectively (see 2MP-5MP). The major share of the allocations for the eradication of rural poverty was utilized specifically for the alleviation of the lot of the Malays only" (K.Anbalakan, 'The New Economic Policy and

- the Further Marginalisation of the Indians', in *Kajian Malaysia*, Vol. 21, No. 1 &2, July/Decemberr, 2004, p. 395).
- 35. Muzafar Desmond Tate, *The Malaysian Indians History, Problems and Future* (Kuala Lumpur: Strategic Information and Research Development Centre, 2008), p. 135.
- 36. *Ibid*
- 37. Ibid., p. 137.
- 38. S. Nagarajan, 'A Community in Transition...', p. 41.
- 39. Ibid.
- 40. K. Anbalakan, 'Pembentukan Identiti Di Kalangan Masyarakat India Di Malaysia', p. 389.
- D. P. Vijandran, 'The NEP and Malaysian Indians: An Overview', Working Papers, Second Malaysian Indian Economic Seminar (Regent Hotel, Kuala Lumpur, 13th July 1980), pp. 11-14.
- 42. T. Marimuthu, 'Education', Working Papers, Second Malaysian Indian Economic Seminar, p. 1.
- 43 R. Rajoo, 'Poverty in the Indian Community', Working Papers, Second Malaysian Indian Economic Seminar, p. 7 and 15.
- 44. T. Marimuthu, 'Education', Working Papers, Second Malaysian Indian Economic Seminar, p. 1.
- 45. Ibid.
- 46. Ibid., p. 9.
- 47. Ibid., p. 12.
- 48. K. Pathmanaban , 'Employment A Malaysian Indian Perspective', *Working Papers, Second Malaysian Indian Economic Seminar*, p. 3.
- 49. *Ibid*.
- 50. Ibid., p. 4.
- 51. Ibid., p. 22.
- 52. Ibid.
- 53. Lourdesamy, 'Indian Participation in Commerce Business and Equity Capital', Working Papers, Second Malaysian Indian Economic Seminar, p. 2.
- 54. Ibid., pp. 9-11.
- 55. Jayanath Appadurai and G.A.David Dass, *Malaysian Indians:Looking Forward* (Kuala Lumpur: Strtaegic Information and Research Development Centre, 2008), p. 23.
- Denison Jayasooria, 'Ninth Malaysia Plan and Recommendations', in *Social Development* and Indians in Malaysia, An Agenda for Social Inclusion (Kuala Lumpur: Yayasan Strategik Sosial, 2008), p. 200.
- 57. Malaysian Indian Congress National Seminar on The New Economic Policy, The Second Malaysia Plan, The Mid-Term Review and the Role of MIC (Kuala Lumpur: Dewan Bahasa and Pustaka, Kuala Lumpur, 11-12 May 1974), p. 20.
- 58. Ibid., p. 20.
- 59. Ibid., p. 21.
- 60. Ibid., p. 35.

MALAYSIAN INDIAN CONGRESS'S (MIC) ECONOMIC SEMINARS... 389

- 61. Ibid., pp. 35-6.
- 62. D. P. Vijandran, 'The NEP and Malaysian Indians: An Overview' p. 9 and R. Rajoo 'Poverty in the Indian Community', p. 18 (Working *Papers, Second Malaysian Indian Economic Seminar*, 13th July 1980, Regent Hotel, Kuala Lumpur).
- 63. Ibid., Rajoo, p. 16.
- 64. Ibid., p. 17.
- 65. T. Marimuthu, 'Education', p. 15.
- 66. Lourdesamy, 'Indian Participation in Commerce Business and Equity Capital', p. 9.
- 67. Ibid., p. 12.
- 68. Ibid.
- 69. Muzafar Desmond Tate, The Malaysian Indians, p. 154.
- 70. S. Nagarajan, 'A Community in Transition...', p. 67.
- 71. K.Anbalakan, 'Pembentukan Identiti....', p. 297.
- 72. For examples on this issue please refer, S. Nagarajan, 'A Community in Transition...', pp. 69-71. For more examples on the subject please refer S. Nagarajan, 'A Community in Transition...', pp. 69-71.
- 73. P. Ramasamy, 'Nation-Building in Malaysia: Victimization of Indians?', p. 156.
- 74. Ibid., p. 145.
- 75. Ibid., p. 156.
- 76. Muzafar Desmond Tate, The Malaysian Indians, p. 155.
- 77. Denison Jayasooria, 'Ninth Malaysia Plan and Recommendations', in *Social Development and Indians in Malaysia, An Agenda for Social Inclusion* (Kuala Lumpur: Yayasan Strategik Sosial, 2008), pp. 198-99.
- 78. Denison Jayasooria, 'Ninth Malaysia Plan and Follow Through Action', in *Social Development and Indians in Malaysia, An Agenda for Social Inclusion* (Kuala Lumpur: Yayasan Strategik Sosial, 2008), p. 215.
- 79. Ibid., p. 216.
- 80. Ibid., p. 215.
- 81. Sergent M.Moorty converted to muslim without informing his own family. When he died, conflict arose with regard to cremation matters. His widow demanded that her husband be cremated according to Hindu customs. Her request was rejected by the High Court and the Appeal Court retain the High Court's decision.
- 82. In the case of Shamala, her husband Jayaganesh converted to muslim but did not nullify his Hindu wedding. Shamala made an application to the court to declare her husbands wedding not valid but her application was rejected.
- 83. http://ms.wikipedia.org/Wki/Hindraf
- 84. MIC in 2005 has anticipated that there might be a possibility the oppressed lot among the Indian community would seek help from other groups if their problems are not solved by the government. According to Denison Jayasooria, "In my opinion if Government fails to take the concerns of the bottom 30 percent [low-income families largely residing in public housing, squatters and long houses in urban poor neighbourhoods] seriously in the 9MP, it

will provide the fertile ground for these groups and communities to seek assistance else where. Dato Seri Anwar Ibrahim is a master mobiliser and civil society activist. This is changing landscape of Malaysian politics" (Working Paper submitted in 'Panel on Political Outlook for Malaysia, Post UMNO/General Elections and Anwar Release', The Malaysian Strategic Conference 2005, organized by ASLI, on 3 February at Hotel Renaissance, Kuala Lumpur. Quoted from Denison Jayasooria, Social Development and Indians in Malaysia), pp. 11-12.

- 85. Ibid.
- 86. *Ibid*.
- 87. 'What The Indians Want', Café Latte Chat (Sunday Star, 10 February 2008).
- 88. Utusan Malaysia (13 December 2007.
- 89. New Sunday Times (9 March, 2008).
- 90. Statement by Deputy Prime Minister, Dato Seri Najib Abd. Razak (*New Straits Times*, 2 July 2008).
- 91. New Straits Times (13 July 2008).
- 92. Ibid.
- 93. The Sun (31 March 2008).