



Australian Government
Refugee Review Tribunal

Country Advice

Malaysia

Malaysia – MYS37180 – Ethnic Chinese –
UMNO – Discrimination – Unemployment
– Income disparity – Violence

31 August 2010

1. Is there information indicating that the Chinese are an ethnic minority in Malaysia?

Ethnic Chinese people form a significant minority of Malaysia's population. According to the census of 2000, ethnic Chinese people constitute 26 percent of Malaysia's population. So-called Bumiputras (ethnic Malays and aboriginal peoples) constitute 65 percent of the population and ethnic Indians constitute 8 percent.¹

Malaysia's Chinese population are overwhelmingly urban, with the largest concentrations of numbers centred along peninsula Malaysia's western half. In central western states such as Perak, ethnic Chinese constitute over 30 percent of the population of the population and in major urban centres such as Kuala Lumpur and Georgetown (Penang), they constitute a slight majority.²

2. Is there information suggesting that there is discrimination of ethnic Chinese children in schools in Malaysia?

Schooling in Malaysia is divided into three tiers, primary, lower secondary, and upper secondary. Primary schools in Malaysia are divided into three types: (1) Malay language national schools; (2) type C schools, with Mandarin as the language of instruction; and (3) type T schools, where Tamil is the language of instruction. Malay and English are compulsory subjects in all three types (English is the language of instruction for maths and science in all school types). National schools are government-operated and funded, while national-type schools (C & T) are "mostly government-assisted, though some are government-operated." Parents can choose which type of school they wish to enrol their children in. The number of each school type is largely commensurate with the national demographic makeup: in 2006 there were 5,774 national (Malay) schools, 1,288 type C (Chinese) schools, and 523 type T (Tamil) schools in Malaysia.³

¹ 'CPPS Policy Factsheet: national Unity' 2008, Centre for Public Policy Studies (Malaysia), website, August <http://www.cpps.org.my/downloads/factsheets/National%20Unity%20factsheet.pdf> – Accessed 21 September 2009 – Attachment 1

² 'Chinese Malaysian: Demographics' 2010, Serving History.com http://www.servinghistory.com/topics/Chinese_Malaysian::sub::Demographics – Accessed 27 August 2010 – Attachment 2

³ UN Human Rights Council 2009, *Promotion And Protection Of All Human Rights, Civil, Political, Economic, Social And Cultural Rights, Including The Right To Development Report of the Special Rapporteur on the right to education, Vernor Muñoz Villalobos, Mission to Malaysia*, 20 March, p.8 – Attachment 3

Linguistic problems do arise once a student progresses to lower secondary, where Malay is the language of instruction for all publicly funded schools. Students can only continue to study in Mandarin or Tamil in private, and often expensive, schools. *The Straits Times* reported in 2008 that while approximately 90 percent of ethnic Chinese children in Malaysia attend Mandarin primary schools, “less than 5 percent continue on to Mandarin-medium secondary schools, which are privately-run and fee-paying. Parents prefer to send their children to government schools, where education is free.” Given that the main language of instruction in such secondary schools is Malay, many Chinese students struggle with the medium. Only 75 percent of ethnic Chinese students complete secondary school in Malaysia.⁴

While the retention rate is not a firm indicator of racial discrimination, one concern raised by the UN Human Rights Council Special Rapporteur on the right to education is that the Malaysian government does not recognise final exam results conducted in Chinese in either lower or upper secondary school. Students who attend private Chinese language schools must therefore “sit two end-of-cycle examinations”; one in Chinese, and the other in Malay.⁵

3. Is there evidence in respect of whether ethnic Chinese in Malaysia suffer difficulty in finding employment and whether they are generally paid less than the average wage?

There is no evidence that ethnic Chinese in Malaysia suffer employment and wage discrimination, with the possible exception of employment in the public service. Historically, ethnic Chinese have enjoyed significantly less unemployment rates than ethnic Malays and ethnic Indians. Between 1967 and 2005 ethnic Chinese workers endured only one year (1975) of higher unemployment than ethnic Malays in Malaysia. In 2005 the unemployment rate amongst ethnic Chinese (2.4 percent) was less than half that of ethnic Malays (5.3 percent).⁶ Furthermore, in 2004, the average monthly household income for ethnic Chinese (4437 Ringgit) was significantly higher than that of so-called Bumiputras (2711 Ringgit).⁷

In 1971 the Malaysian government introduced its New Economic Policy (NEP), which included the now infamous Bumiputra regulations. Bumiputra regulations include affirmative action rules that some observers interpret as ethnic discrimination of Chinese and Indians. Of significance are rules that favour ethnic Malays for employment in the public service. Amnesty International argues that “in some cases [these laws] resulted in the complete exclusion of other groups.”⁸ Ethnic Chinese are, therefore, less likely to find employment in the Malaysian public service or in state-owned enterprises.

⁴ Chow, K.H 2008, ‘Battle to save Malaysia’s Chinese dropouts’, *AsiaOneNews*, source: *The Straits Times*, 31 January <http://www.asiaone.com/News/Education/Story/A1Story20080130-47357.html> – Accessed 27 August 2010 – Attachment 4

⁵ UN Human Rights Council 2009, *Promotion And Protection Of All Human Rights, Civil, Political, Economic, Social And Cultural Rights, Including The Right To Development Report of the Special Rapporteur on the right to education, Vernor Muñoz Villalobos, Mission to Malaysia*, 20 March, p.9 – Attachment 3

⁶ Jomo, K.S. & Wee, C.H. 2009, *Policy Coherence Initiative on Growth, Investment and Employment: The Case of Malaysia*, 2 December, p.50 http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/meetingdocument/wcms_101733.pdf – Accessed 30 August 2010 – Attachment 5

⁷ Jomo, K.S. & Wee, C.H. 2009, *Policy Coherence Initiative on Growth, Investment and Employment: The Case of Malaysia*, 2 December, p.62 http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/meetingdocument/wcms_101733.pdf – Accessed 30 August 2010 – Attachment 5

⁸ Amnesty International 2009, *Amnesty International Report 2009: The State of the World’s Human Rights – Malaysia* <http://www.amnesty.org/en/region/malaysia/report-2009> – Accessed 24 May 2010 – Attachment 6

With fewer public service options than ethnic Malays, ethnic Chinese in Malaysia have relied on entrepreneurship to generate employment and household income. Consequently, ethnic Chinese entrepreneurs “dominate” Malaysia’s business sector.⁹ In 2007 Malaysian enterprises owned by ethnic Chinese generated 40 percent of Gross Domestic Product (GDP), despite constituting approximately 25 percent of the population.¹⁰

4. Is there any evidence in respect of the attitude by the Malaysian government towards the ethnic Chinese in Malaysia?

Malaysia’s governing coalition, known as the Barisan Nasional (BN), is overwhelmingly dominated by the United Malays National Organisation (UMNO), formed to serve the political and economic interests of ethnic Malays.¹¹ However, also included in the BN coalition is the Malaysian Chinese Association (MCA) and the Malaysian Indian Congress (MIC).¹² UMNO and its BN allies have ruled Malaysia since 1957.¹³ A number of Malaysia observers are of the firm opinion that the BN coalition is designed “to ensure at least a veneer of inter-ethnic fraternity”.¹⁴

The introduction of the New Economic Policy (NEP) in 1971 by UMNO and the subsequent Bumiputra ‘affirmative action’ policies and laws do not necessarily indicate a hostile or negative attitude towards ethnic Chinese and other, non-Malay, ethnic groups in Malaysia by the government. UMNO stalwarts have in the past argued that affirmative action and other rules introduced were designed to improve the standard of living of Malays and therefore reduce the economic tensions that led to the events of 13 May 1969. On that day, many hundreds of ethnic Chinese were killed and thousands of businesses were damaged or destroyed, purportedly fuelled by Malay anger in the disparities in wealth between the two ethnic groups. However, there are also historians who believe that the 13 May violence was orchestrated by UMNO politician Abdul Razak Hussein, as part of a bid to oust Prime Minister Tunku Abdul Rahman.¹⁵

Whether the violence was orchestrated by UMNO politicians is not certain. However, what is clear is that the 13 May violence still causes great distrust of UMNO by many ethnic Chinese. This suspicion and distrust was renewed during the 2006 UMNO conference, when “[s]everal high-profile speakers... referred to the need to defend their race and religion with their own blood and warned non-Malays (especially the Chinese) against any threats to the special rights for Bumiputeras.”¹⁶ Kua Kia Soong, director of Malaysia’s human rights organisation Suara

⁹ Immigration and Refugee Board of Canada 2008, *MYS102643.E – Malaysia: Reports of discrimination against Malaysians of Chinese descent (June 2004 – October 2007)*, – Attachment 7

¹⁰ Hodgson, A. 2007, ‘Malaysia – wealth gap along ethnic lines’, *Euromonitor International*, 16 April http://www.euromonitor.com/Malaysia_wealth_gap_along_ethnic_lines – Accessed 21 September 2009 – Attachment 8

¹¹ Case, W. 2010, *Countries at the Crossroads 2010 – Malaysia*, Freedom House, 7 April, p.4 – Attachment 9

¹² UK Home Office 2009, *Country of Origin Information key Documents – Malaysia*, 22 December, p.5 – Attachment 10

¹³ US Department of State 2010, *Country Reports on Human Rights Practices for 2009 – Malaysia*, 11 March, Section 6 – Attachment 11

¹⁴ Roughneen, S. 2009, ‘Malaysia: Democracy Suffers’, International Relations & Security Network website, 31 March <http://www.isn.ethz.ch/isn/Current-Affairs/Security-Watch/Detail/?lng=en&id=98384> – Accessed 30 August 2010 – Attachment 12

¹⁵ Soong, K.K. 2008, ‘Racial conflict in Malaysia: against the official history’, *Race & Class*, vol. 49: no. 3, pp.34-35 – Attachment 13

¹⁶ ‘World Directory of Minorities: Malaysia – Chinese’ 2009, Minority Rights Group International website <http://www.minorityrights.org/4528/malaysia/chinese.html> - Accessed 17 October 2008 – Attachment 14

Rakyat Malaysia (Suaram) states that “[i]n the course of the proceedings, Malaysians were warned not to question the status quo ‘or else... May 13 might happen again!’ One delegate after another proceeded to issue racist and patently seditious threats to non-Malays in the country.”¹⁷

Despite the fiery speeches at the 2006 UMNO conference, in 2009 Malaysia’s new Prime Minister, Najib Razak, jettisoned one infamous Bumiputra rule requiring that foreign investors in the service sector enterprises must include at least 30 percent ownership by ethnic-Malay partners.¹⁸ In response to the racist rhetoric of the 2006 conference, Razak reportedly ensured that there was “no verbal bashing of Chinese and Indian minorities” during the 2009 UMNO conference. Furthermore, Razak reportedly told the four thousand UMNO delegates that they “could no longer be arrogant and look down on other races and still lead the country.”¹⁹ Such words may, however, simply be to allay international concerns about Razak’s own past rhetoric; in July 2007 the then deputy Prime Minister caused concern among ethnic Chinese and Indians by describing Malaysia an “Islamic state”. Many interpreted this remark as meaning that Malaysia belongs to Muslim Malays only. Freedom House reports that following these comments the Internal Security Ministry banned any reporting of Najib Razak’s remarks.²⁰

An article in *The Economist* on the eve of Malaysia’s fiftieth anniversary of independence celebrations in 2007 stated that resentment among ethnic Chinese and Indians towards their treatment and official status, as well as concern at “creeping ‘Islamisation’ among the Malay Muslim majority of what has been a largely secular country”, has left these ethnic minorities feeling increasingly marginalised. *The Economist* actually suggests that segregation of the races in Malaysia is now greater than what it was at independence.²¹

5. Is there evidence that the Malaysian government does not represent the ethnic Chinese minority in Malaysia?

As stated previously, Malaysia’s governing coalition, the Barisan Nasional (BN), is dominated by the United Malays National Organization (UMNO). UMNO was formed as the political machine of the ethnic Malays and controls much of the judiciary and the bureaucracy.²² UMNO also owns Malaysia’s main national newspaper, *The New Straits Times*. Included in the BN coalition is the Malaysian Chinese Association (MCA) and the Malaysian Indian Congress (MIC).²³ However, the MCA and the MIC are largely designed to allow a façade of ethnic diversity within the government. In recent years, however, ethnic Chinese support for the MCA has fallen significantly. This loss of support has not necessarily translated into support for the opposition coalition due to the suspicion among ethnic Chinese that they have a hidden Islamist agenda. Historically, ethnic Chinese in Malaysia have supported the BN by default as leaders such as Mahathir Mohammed were seen as a bulwark against Islamisation. Most of Malaysia’s ethnic Chinese are either Buddhists or Christians.

¹⁷ Soong, K.K. 2008, ‘Racial conflict in Malaysia: against the official history’, *Race & Class*, vol. 49: no. 3, p.34

¹⁸ ‘Malaysia relaxes racial policies’ 2009, *Wall Street Journal*, 23 April – Attachment 15

¹⁹ Kuppusamy, B. 2009, ‘Umno searches its soul amid waning support’ *South China Morning Post*, 2 November – Attachment 16

²⁰ Case, W. 2010, *Countries at the Crossroads 2010 – Malaysia*, Freedom House, 7 April, p.6 – Attachment 9

²¹ ‘Tall buildings, narrow minds – Malaysia at 50’ 2007, *The Economist*, 1 September – Attachment 17

²² Case, W. 2010, *Countries at the Crossroads 2010 – Malaysia*, Freedom House, 7 April, p.4 – Attachment 9

²³ UK Home Office 2009, *Country of Origin Information key Documents – Malaysia*, 22 December, p.5 – Attachment 10

6. Is there information in respect of extremists who launch anti-Chinese protests and burn Chinese restaurants and grocery stores, molest Chinese women and assault Chinese men?

As mentioned previously, in May 1969 hundreds of ethnic Chinese citizens of Malaysia were killed by rioting ethnic Malays in what appears to have been politically orchestrated violence. Furthermore, thousands of Chinese businesses and property were destroyed in the violence. Despite the threats of a repeat of the May 1969 violence from an UMNO delegate at the 2006 conference, there is no information indicating that mobs or gangs of anti-Chinese extremists regularly stage anti-Chinese demonstrations, burn Chinese businesses, sexually assault Chinese women, or physically harm Chinese men.

There are numerous reports of Relawan Ikatan Rakyat (RELA), the ethnic Malay volunteer corps, overstepping its power and committing human rights abuses; however, hitherto, refugees have been the overwhelming targets/victims of RELA vigilantes.^{24 25 26} The US Department of State reported that in 2009 the Malaysian government announced that RELA will now assist police in combating general crime. It is estimated that there are approximately six hundred thousand members of RELA and a number of NGOs are concerned that the inadequately trained RELA volunteers are ill-equipped to provide professional assistance to police. RELA are already accused of committing abuses such as “beatings, extortion, theft, pilfering items from homes, destroying individuals’ UNHCR and other status documents, and pillaging refugee settlements.”²⁷ There is, therefore, a real danger that at least some of these RELA members may commit acts against other vulnerable members of the community with some impunity.

In September 2008 the police detained ethnic Chinese MP Teresa Kok, a senior Selangor State cabinet minister, and senior member of the opposition Democratic Action Party, under Malaysia’s notorious the Internal Security Act (ISA) for “causing tension and conflict among races.” The US Department of State reports that Kok was released after seven days in detention and that “in October 2008 the Malay-language newspaper Utusan published a fictional article condoning the assassination of a female Chinese politician who supported anti-Malay policies. Kok filed a lawsuit against the newspaper in December 2008, claiming the article was a veiled smear campaign against her that endangered her life. At year’s end the lawsuit was pending. On October 1, an anonymous person left a death threat against Kok in a comment region on her blog.”²⁸

²⁴ Women’s Commission for Refugee Women and Children 2008, *Desperate Lives: Burmese Refugee Women Struggle to Make a Living in Malaysia*, UNHCR Refworld, May

<http://www.unhcr.org/refworld/docid/490719042.html> – Accessed 23 September 2009 – Attachment 18

²⁵ Amnesty International 2009, *Amnesty International Annual Report 2009 – Malaysia*, AI website

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²⁶ ‘Being refugees in Malaysia increasingly unsafe’ 2008, *Kachin News Group* website, 19 February

http://kachinnews.com/index.php?option=com_content&view=article&id=166%3A-being-refugees-in-malaysia-increasingly-unsafe&Itemid=1 – Accessed 23 September 2009 – Attachment 19

²⁷ US Department of State 2010, *Country Reports on Human Rights Practices for 2009 – Malaysia*, 11 March, Section 1.d – Attachment 11

²⁸ US Department of State 2010, *Country Reports on Human Rights Practices for 2009 – Malaysia*, 11 March, Section 3 – Attachment 11

Attachments

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