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# **THE POLITICAL ECONOMY OF BRAIN DRAIN AND TALENT CAPTURE**

**EVIDENCE FROM MALAYSIA AND SINGAPORE**

Edited by  
Adam Tyson



**ROUTLEDGE**  


# The Political Economy of Brain Drain and Talent Capture

Brain drain and talent capture are important issues globally, and especially crucial in countries such as Malaysia and Singapore, which aspire to be innovation-driven advanced economies. This book provides a thorough analysis of the impact of brain drain on middle-income Malaysia and high-income Singapore, where the political salience of the problem in both countries is high. It discusses the wider issues associated with brain drain, such as when rich countries increase their already plentiful stocks of, for example, medical practitioners and engineers at the expense of relatively poor countries, examines the policies put in place in Malaysia and Singapore to counter the problem and explores how the situation is further complicated in Malaysia and Singapore because of these countries' extensive state interventionism and sociopolitical tensions and hierarchies based on ethnicity, religion and nationality. Overall, the book contends that talent enrichment initiatives serve to construct and secure privilege and ethnic hierarchy within and between countries, as well as to reinforce the political power base of governments.

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# **The Political Economy of Brain Drain and Talent Capture**

Evidence from Malaysia and Singapore

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# Acronyms and glossary

|                 |   |
|-----------------|---|
| Biro Tatanegara | National Civics Bureau  |
| Bumiputera      | Malays and other ‘sons of the soil’   |
| CMIO            | Chinese, Malay, Indian and Other  |
| FDI             | Foreign direct investment   |
| Gaige kaifang   | China’s reform and opening policy   |
| GDP             | Gross domestic product  |
| IKIM            | Institut Kefahaman Islam Malaysia (Institute for Islamic Understanding Malaysia)                        |
| JAKIM           | Jabatan Kemajuan Islam Malaysia (Islamic Development Department of Malaysia)                            |
| Ketuanan Melayu | Malay supremacy   |
| MCA             | Malaysian Chinese Association   |
| MUIS            | Majlis Ugama Islam Singapura (Islamic Religious Council of Singapore)                                   |
| NEAC            | National Economic Advisory Council  |
| NEM             | New Economic Model  |
| NEP             | New Economic Policy   |
| OECD            | Organisation for Economic Co-operation and Development  |
| OSU             | Overseas Singaporean Unit   |
| Pakatan Harapan | Alliance of Hope  |
| PAP             | People’s Action Party   |
| Pendatang       | Immigrants, sojourners  |
| PTPTN           | Perbadanan Tabung Pendidikan Tinggi Nasional (National Higher Education Fund)                           |
| SIOPS           | Standard International Occupational Prestige Scale  |
| STPM            | Sijil Tinggi Persekolahan Malaysia (Malaysia Higher Certificate of Education – for university entrance) |
| UMNO            | United Malays National Organization   |
| UNCTAD          | United Nations Conference on Trade and Development  |
| UNESCO          | United Nations Educational, Scientific and Cultural Organisation  |
| USPTO           | United States Patent and Trademark Office   |



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# 1 Introduction

## The political economy of brain drain and talent capture

*Adam Tyson*

Talented individuals are sought after in novel ways in today's globalized economy because of their capacity to make 'exceptional direct contributions' in terms of economic productivity, innovations and scientific discoveries.<sup>1</sup> Global talent flows are shaped by factors ranging from the recruitment patterns of firms, to the migration policies of governments, to the preferences of individuals.<sup>2</sup> The political dynamics of brain drain and talent capture policies are examined in this book through a paired analysis of Malaysia and Singapore. The comparison is justified given the shared colonial experience, geographical proximity and cultural affinity in these two countries, as well as the interventionist and highly competitive nature of their respective talent capture policies. In 1963 Singapore became a constituent state of Malaysia, but after two stormy years the arrangement ended with Singapore's expulsion from the federation.<sup>3</sup> The expulsion forced Singapore to pronounce itself a republic, highlighting the 'different imaginary versions of nation' that leaders Lee Kuan Yew and Tengku Abdul Rahman sought to impose upon each other.<sup>4</sup> Singapore's exit from the Malay federal constitutional monarchy allowed for the emergence of 'disciplinarian' rule based upon a social reality constructed and reproduced by (and for) the political elite.<sup>5</sup>

Today the highly mobile citizens of Malaysia and Singapore are politically divided but economically interlinked, and both the physical and psychological distances between them are shrinking. While the one kilometre Johor Causeway and the newer two kilometre Second Link enable cross border linkages and create economic opportunities, these busy border crossings also discourage certain flows of goods and labour, and reveal significant 'collision points' between the different policy regimes in each country.<sup>6</sup> Singapore is Southeast Asia's global economic hub, with comparative advantages in talent, technology and innovation, although the Malaysian government is promoting Iskandar as a rival growth and innovation corridor. A review of the development master plans for Iskandar Malaysia (in Johor Bahru) and Singapore reveals divergent economic strategies and little effort to treat the two cities as 'one integrated urban region'.<sup>7</sup> Collision points occur as different policy regimes compete over investment and exchange opportunities. Local elites in Johor Bahru are caught between competing centres of power in Kuala Lumpur and Singapore, with national-level policymakers in Kuala Lumpur attempting to impose their agenda on local

authorities and residents in Johor Bahru, who benefit from the ‘voluminous transnational exchange of commuters and freight’ across the Causeway and therefore seek to capitalize on their natural location advantage.<sup>8</sup>

Malaysia and Singapore have the most comprehensive talent capture policies in Southeast Asia. The city-state of Singapore has a population of 5.6 million, with a roughly 75 per cent Chinese ethnic majority and a gross domestic product (GDP) per capita of US\$52,962 in 2016 (in current prices).<sup>9</sup> Neighbouring Malaysia has a population of some 31.2 million, with an indigenous Malay majority of 67 per cent and a GDP per capita of US\$9,508 in 2016.<sup>10</sup> Given this wealth differential, Malaysians tend to consider Singapore as a possible destination when weighing career options. Singapore is the top destination for Malaysians, with 61 per cent of all Malaysian migrants bound for the neighbouring city-state (Table 1.1). By contrast, only 24 per cent of Singaporean emigres end up in Malaysia (Table 1.3). The Singapore Ministry of Manpower does not provide country specific data, although Malaysians clearly make up a considerable proportion of the 1.4 million foreign workers in Singapore, from professional employment pass holders, to semi-skilled S Pass holders, to lower skilled Foreign Domestic Workers such as construction workers and maids.<sup>11</sup> To appreciate the complexity of migratory flows across the Malaysia-Singapore corridor, attention should be paid to the ways in which particular Malaysians arrive in Singapore (the migration mechanism), the nature of their experience in Singapore, the extent to which foreign workers engage with (and are accepted by) their host society and the impact of shifting government policy that either encourages or discourages migration.<sup>12</sup>

The presence of foreign labour in Singapore has been ‘carefully orchestrated through state policies’ that are informed by an idealized vision of the ‘Singaporean family’, leading at times to the ‘social quarantine’ of less desirable (lower skilled) immigrant communities.<sup>13</sup> Chapter 3 in this edited volume offers further analysis of desirability and the citizen–foreigner divide, as well as the history behind Singapore’s carefully constructed ethnic ratio that privileges the ethnic Chinese majority. Foreign Domestic Workers are needed in Singapore because of the country’s persistent labour shortages and low fertility rates, though this furtive class of migrant exists in stark contrast to the visible and relatively desirable class of professional migrants. Following the 2011 general elections the People’s Action Party (PAP), which has been in power since 1959, has been more attuned to the concerns of Singaporean nationalists and immigration sceptics and have adjusted their liberal immigration policies as a result. Tensions in Singapore centre on the identity and future of the corporate nation, sometimes referred to as Singapore Ltd. (see Chapter 4), where the demands of some citizens for closure (the protection of the ‘Singaporean core’) disrupt the image and functioning of a global city that is supposed to be ‘animated by transnational flows of people, commodities, and ideas’.<sup>14</sup>

Malaysia has experienced its own labour shortages since the 1970s, resulting in the arrival of large numbers of migrant workers from Indonesia that give rise to social tensions as well as calls for crackdowns against undocumented

migrants. The complexities of migration and talent capture have produced a number of contradictions in the Malaysian policy framework. Efforts to regulate immigration emanate from the need to restrict labour flows and impose penalties when violations occur, while at the same time allowing degrees of flexibility for guest workers and the use of recruitment agencies that sometimes collude with employers, immigration officers and the police, in what is referred to as the ‘migration industry’.<sup>15</sup> Efforts to limit the emigration of highly skilled Malaysians (particularly ethnic Chinese Malaysians), and to entice Malaysian experts to return from overseas, are led by Talent Corporation Malaysia. Talent Corporation is a quasi-government agency that serves to replenish the nation’s human capital stock, offering financial incentives in the hope of repatriating top talent from the Malaysian diaspora.<sup>16</sup>

Carefully designed talent capture policies are often constrained by the political situation in Malaysia. Longstanding ethnic and religious tensions impact on decisions to migrate, and often problematize such basic notions as rational choice. In the run-up to Malaysia’s 14th general election in May 2018, the United Malays National Organization (UMNO) seemed determined to reinforce a ‘Malay first’ policy regime that combines Malay ethno-nationalism with Islamic supremacy and royal assertiveness (an empowered Malay monarchy).<sup>17</sup> Malay first *bumiputera* policies seem to create the conditions for ‘differentiated citizenship’ to emerge, perpetuating experiences of exclusion and the curtailment of rights for some minorities.<sup>18</sup> While the 2018 return of Prime Minister Mahathir Mohamad<sup>19</sup> has broken the electoral monopoly enjoyed (and cynically engineered) by the UMNO since 1957, it is unlikely that drastic changes will be made to the *bumiputera* policy. For all of the dynamic policies that have been proposed by Talent Corporation this decade, they still struggle to address the deeply rooted ethno-religious tensions that underpin Malaysia’s highly politicized brain drain.<sup>20</sup>

## **An overview of brain drain and talent capture**

Talent loss, now widely referred to as ‘brain drain’, became a major public interest issue when the findings of a 1963 Royal Society report concerning the emigration of United Kingdom-trained physicians were covered by daily newspapers and cited by cabinet ministers as well as peers in the United Kingdom House of Lords.<sup>21</sup> The motive to migrate can be framed in ideological terms, where British-trained doctors opposed the post-war socialization of medicine, or in rational terms, where the National Health Service offered relatively poor economic prospects.<sup>22</sup> One of the United Kingdom’s responses was to attract professionals from less developed countries, leading in some cases to extreme outcomes such as Malawi losing 12 per cent of all resident nurses to the United Kingdom in 2002.<sup>23</sup> The value of professionals such as biologists, physicians and engineers is understood in the context of human capital structures, where the aggregate number of professionals is less important than their distribution within a national structure, which determines the socio-economic and productive roles



that professionals play in specific contexts.<sup>24</sup> Chapter 6 explains that talented people often leave their countries of origin because of the mismatch between the skilled labour force and market demand. In the concluding chapter of this book, William S. Harvey highlights the importance of a joined-up approach that links the talent capture activities of governments to regulatory bodies and intermediary organizations to ensure that professionals (lawyers or physicians) can actually practice in the host country.

This edited book analyses talent capture policies in middle-income Malaysia and high-income Singapore, where the political salience of the brain drain is high, where policy options are constrained by particular national structures and political interests and where individual preferences are shaped by complex factors that are not easily captured by any single theory or dataset. The enduring determinants of the brain drain are assessed by Alejandro Portes, who argued that theories of differential preferences can explain patterns of migration and talent flows only if they are examined within a tripartite framework that covers trends in international political economy, national structural forces and the configuration of individual choices.<sup>25</sup> Such a framework can be used to compare and contrast between four sets of differentials that are listed as economic, logistical, prestige and residual.<sup>26</sup> Economic and logistical differentials follow a rational choice model, whereas prestige and residual differentials are ideologically grounded and less predictable. One of the contributions of this edited volume is the undertaking of a comparative analysis of brain drain and talent capture policy in Malaysia and Singapore, where the differential preferences of emigres are understood in the context of highly politicized and hierarchical notions of citizenship, identity, rights and entitlements.

The operational definition of talent preferred by World Bank analysts is one of tertiary-educated individuals, aged 25 years or above, with professional or highly marketable skillsets that encourage mobility and result in intensive competition and various manifestations of the brain drain.<sup>27</sup> Countries such as Malaysia can be considered net losers in this context, with talent steadily leaking to preferred destinations such as Singapore and Australia (Table 1.1) and lower skilled migrants arriving from Indonesia and the Philippines (Table 1.2). Roughly one-third of the Malaysian diaspora is considered skilled, and these skilled migrants are concentrated in Singapore (the core of the brain drain).<sup>28</sup> The economic costs of the brain drain are difficult to measure, although some studies find that the loss of skilled workers has only a minimal impact on GDP growth.<sup>29</sup> It is also recognized that high-skilled emigrants tend to establish unique connections to global sources of knowledge, capital and goods, bringing these assets back with them when returning to their countries of origin.<sup>30</sup> Emigration can boost foreign investment, trade and remittances, while driving out regime critics, political opponents and discontented citizens (including the unemployed), which in some contexts leaves behind 'a more loyal population'.<sup>31</sup> There seems to be no shortage of loyalty and deference in semi-authoritarian countries such as Malaysia and Singapore, but what is arguably needed to drive innovation and growth is more diversity of opinion, not less. While there is

evidence of an active Malaysian diaspora that engages in politics and philanthropy, the impacts of transnational activism (on electoral outcomes, for instance) are still limited in Malaysia.<sup>32</sup>

World Bank approaches to brain drain can be criticized for overlooking alternative types of talent (beyond tertiary educated individuals) that contribute to economic development in novel ways, for example in the creative sector. Dynamic endogenous growth models reveal the links between brain drain, productivity and poverty although these models are constrained by the somewhat narrow rational-economic and managerial definitions of talent and skilled migrant 'stocks'.<sup>33</sup> Ideological and political framings of brain drain allow for a more nuanced analysis of prestige and residual differentials that have implications for contemporary debates about the nature of citizenship, loyalty, identity and ethnic hierarchy. For example, Gaik Cheng Khoo frames and analyzes talent alongside trends such as the rise of new 'ethnoscapes' in Malaysia, questioning whether cosmopolitan solidarity is the new Malaysian political reality.<sup>34</sup> While accepting that new solidarities are emerging, Juliet Pietsch and Marshall Clark offer a reminder that citizenship comes at a cost for Malaysia's ethnic minorities, if measured by everyday experiences of institutional exclusion and social discrimination.<sup>35</sup> These patterns of exclusion and discrimination are systematically examined by Riho Tanaka in Chapter 5. Gregor Benton and Edmund Terence Gomez find that citizenship in ethnically plural settings is always contested and incomplete, with diasporic minorities in particular encountering ethnic stigmatizations and forms of identity denial that raise fundamental questions about what it means to 'belong' to a nation.<sup>36</sup>

Patterns of exclusion, identity politics and the reproduction of privilege in Malaysia stem from the pro-Malay *bumiputera* economic policy established in the 1970s.<sup>37</sup> In technocratic authoritarian Singapore, where the political leaders of the ruling PAP are described by Garry Rodan<sup>38</sup> as the 'moral guardians of society', the problems of exclusion are related to class divisions as well as notions of civic correctness, desirability and preferred types of citizens. Talent capture in many parts of Southeast Asia is meant to increase national competitiveness without jeopardizing the position of political elites or those who benefit from the maintenance of a carefully calibrated ethnic ratio that corresponds with voter intentions and party loyalties. With these tensions in mind, Malaysia and Singapore are competing along reputational lines, hoping to successfully rebrand their countries in order to attract and retain talent, as well as to discipline their citizens through the promotion of education, training and patriotic national campaigns. Revisiting the tripartite framework proposed by Alejandro Portes, this chapter will explore the international, national and individual dimensions of the brain drain, and conclude with a commentary on the overall structure of the book by introducing the main themes and arguments in each of the substantive chapters.

## International political economy

Scholars of international political economy are attempting to offer systematic assessments of the challenges posed by increased mass migration and brain drain, with realists and liberals debating the extent to which state and international institutions are able to control migration flows.<sup>39</sup> Debates about brain drain and ‘talent wars’ have featured in global business leadership and management studies since the late 1990s, when Elizabeth Chambers *et al.* warned that United States talent-building philosophies and practices were inadequate, based on research with 77 large United States companies across a range of industries.<sup>40</sup> Talent wars are now synonymous with national competitiveness, national pride and national identity. Countries such as Malaysia and Singapore are locked in a struggle to capture ‘talent’, those highly skilled, mobile, tertiary educated and innovative individuals with exceptional value-creating capacities. The migration patterns of Malaysia and Singapore, two countries that are heavily dependent on foreign labour, are depicted in the tables below. Migration flows in Southeast Asia are asymmetrical and generally involve unskilled labour for construction, agriculture and domestic work,<sup>41</sup> although a significant proportion of Malaysian migration to Singapore includes highly skilled workers and professionals.

The majority of foreign workers in Malaysia are semi-skilled or unskilled, and the largest source countries are Indonesia and the Philippines (Table 1.2). Singapore attracts a larger proportion of high-skilled, tertiary-educated foreign workers, including migrants from Organisation for Economic Co-operation and Development countries, and is the destination country of choice for Malaysian migrants (Table 1.4).<sup>42</sup> Singapore’s foreign talent policy is calibrated to preserve the country’s precise ethnic ratio, where the 75 per cent Chinese majority is a longstanding political imperative.

Competition is intensifying all the time because talented people are often responsive to, and able to exploit, economic opportunities and political conditions abroad.<sup>43</sup> According to Frédéric Docquier and Joël Machado, key global economic trends such as skill-biased technical changes and specialist skill

*Table 1.1* Bilateral estimates of migrant stocks from Malaysia in 2017 (top ten)

|              |                  |                  |
|--------------|------------------|------------------|
| 1            | Singapore        | 1,158,890        |
| 2            | Bangladesh       | 229,245          |
| 3            | Australia        | 166,150          |
| 4            | United States    | 78,459           |
| 5            | United Kingdom   | 58,000           |
| 6            | Brunei           | 51,048           |
| 7            | Canada           | 26,127           |
| 8            | New Zealand      | 17,443           |
| 9            | Hong Kong        | 15,511           |
| 10           | India            | 12,317           |
| <b>Total</b> | <b>Worldwide</b> | <b>1,892,736</b> |

Source: The World Bank Bilateral Migration Matrix 2018.

Table 1.2 Bilateral estimates of migrant stocks to Malaysia in 2017 (top ten)

|              |                  |                  |
|--------------|------------------|------------------|
| 1            | Indonesia        | 1,091,841        |
| 2            | Philippines      | 410,149          |
| 3            | Bangladesh       | 365,600          |
| 4            | Myanmar          | 308,337          |
| 5            | Nepal            | 209,121          |
| 6            | India            | 135,352          |
| 7            | Thailand         | 93,635           |
| 8            | Vietnam          | 89,017           |
| 9            | Singapore        | 81,109           |
| 10           | China            | 54,980           |
| <b>Total</b> | <b>Worldwide</b> | <b>3,249,192</b> |

Source: The World Bank Bilateral Migration Matrix 2018.

Table 1.3 Bilateral estimates of migrant stocks from Singapore in 2017 (top ten)

|              |                  |                |
|--------------|------------------|----------------|
| 1            | Malaysia         | 81,109         |
| 2            | Australia        | 72,860         |
| 3            | United Kingdom   | 46,000         |
| 4            | United States    | 28,940         |
| 5            | Indonesia        | 23,045         |
| 6            | Canada           | 12,789         |
| 7            | China            | 12,191         |
| 8            | Hong Kong        | 10,033         |
| 9            | Bangladesh       | 9,811          |
| 10           | New Zealand      | 5,727          |
| <b>Total</b> | <b>Worldwide</b> | <b>337,924</b> |

Source: The World Bank Bilateral Migration Matrix 2018.

Table 1.4 Bilateral estimates of migrant stocks to Singapore in 2017 (top ten)

|              |                  |                  |
|--------------|------------------|------------------|
| 1            | Malaysia         | 1,158,890        |
| 2            | China            | 462,632          |
| 3            | Indonesia        | 168,355          |
| 4            | India            | 154,788          |
| 5            | Pakistan         | 133,306          |
| 6            | Bangladesh       | 83,279           |
| 7            | Hong Kong        | 63,912           |
| 8            | Macao (PRC)      | 22,903           |
| 9            | Thailand         | 19,873           |
| 10           | United States    | 17,699           |
| <b>Total</b> | <b>Worldwide</b> | <b>2,623,404</b> |

Source: The World Bank Bilateral Migration Matrix 2018.

deficits indicate that talent wars will intensify in the future. Given the current imbalances in the global economy, the continued liberalization of high-skilled migration will generally benefit developed countries (although gains are unevenly distributed), while having a negative impact on developing countries, even after taking into account greater investments in higher education.<sup>44</sup>

In the struggle for relative gains, countries are increasingly focused on talent policy, and some big thinking is underway in the leading knowledge networks of Kuala Lumpur and Singapore. Talent Corporation Malaysia has established a Returning Expert Programme as well as a special resident pass for talent (RP-T), with mixed results, and is implementing a number of key recommendations from the World Bank to meet Malaysia's talent needs.<sup>45</sup> A report entitled *The Future of Talent in Singapore 2030* reveals that the Ministry of Manpower in Singapore is collaborating with the United Kingdom Chartered Institute of Personnel and Development and the Human Capital Leadership Institute to develop a strategy to keep Singapore secure and competitive for the foreseeable future.<sup>46</sup> Talent is positioned at the centre of a strategy designed to rebrand Singapore and ensure the city-state is well-positioned to cope with global challenges such as labour mobility and emerging industries, which require new skills and training, as well as domestic challenges such as an ageing population and intergenerational changes in political values and social norms. All scenarios point to Singapore's continued reliance on foreign talent, which brings risks associated with discrimination (social attitudes toward 'otherness') and integration at home, as well as regional competition as neighbours in Southeast Asia continue to develop and retain greater proportions of their home-grown talent.<sup>47</sup>

### **National structural forces**

Talent capture is a highly salient issue in the competitive economies of Malaysia and Singapore. In 2011, under the administration of Najib Razak, Talent Corporation Malaysia was established as the main inter-governmental agency responsible for the creation and oversight of talent policy. The Singapore Economic Development Board, an agency under the Ministry of Trade and Industry, serves a similar high-profile function. In today's shrinking world it is to be expected that national governments feel anxious about the loss of talent. In liberalized market economies, governments are competing to preserve existing talent stocks, but invariably every country faces talent leakages and shortages. One response has been the substitution effect, where replacement training, recruitment of foreign labour and technological innovations are expected to compensate for losses or shortages of domestic talent, offsetting some concerns about negative economic impacts and the 'debt to society' that is apparently owed by emigres.<sup>48</sup>

Malaysia and Singapore are the subject of a wide range of studies concerned with the comparative features of hierarchical state capitalism. In a recent study, Richard Carney re-examines the nature of state and family-led models of corporate ownership, talent management and governance by comparing Malaysia and Singapore with rival East Asian economies.<sup>49</sup> Gavin Shatkin suggests that the

Singaporean government's control of approximately 85 per cent of the land in the country has 'generated enormous financial gains through commercial exploitation', which partially explains the government's longstanding political and economic dominance.<sup>50</sup> There seems to be a process of state-corporate fusion taking place in Singapore, where the state, in both form and practice, is increasingly modelled on corporate organizational and managerial ideals, which sustains a set of oligarchic features that allow for relatively exclusive control of economic resources.<sup>51</sup> Cheryl Narumi Naruse contributes to this field, offering a timely critique of the Singaporean 'corporate nation' in Chapter 4.

In the context of Singapore's developmental corporate state, Peidong Yang highlights the 'rising social tensions over the presence of foreigners and immigrants', where the government is under pressure to find the right mix of assimilationist versus integrationist policies.<sup>52</sup> Brenda Yeoh and Theodora Lam examine the tensions related to assimilation and integration with reference to government initiatives such as Singapore's National Integration Council (established in 2009), and note the 'currents of unhappiness within public discourse related to foreign talent' that are exacerbated by the lack of official data on the proportion of foreign lawyers and doctors practising in Singapore, or the presence of foreign professional and managerial elites in the banking and finance industry.<sup>53</sup> This edited volume acknowledges the value of such comparative studies and provides further analysis of the outcomes of talent policy in the context of East Asia's hierarchical economies.

During a parliamentary session in February 2017 the effectiveness of Singapore's Professional Conversion Programme (PCP), which is designed to limit employee redundancy, was scrutinized. Transcripts of the parliamentary proceedings reveal the persistence of what David Lim calls the 'passion for race' in Malaysian politics, which also applies in the case of Singapore.<sup>54</sup> Zaqy Mohamad, a Malay Muslim Member of Parliament representing Chua Chu Kang district in the northwest of Singapore, asked the minister of manpower to report on the PCP uptake rates by workers from different race groups, to which the minister replied 'data on take-up by race is not available'.<sup>55</sup> The fact that requests for data disaggregation based on race are still considered legitimate in Singapore today points to the continued relevance of David Lim's argument about race. Despite being a 'false index of natural sameness, an invention of European modernity to catalogue and hierarchize putative human difference', essentialist beliefs about race not only persist, but are actively reproduced through everyday discourses and interactions.<sup>56</sup> In this context, rational arguments and civil dialogues about the falsehoods and reductionisms of race are curtailed, particularly when politicians, driven by their own interests and ambitions, frame race and religion as 'sensitive issues' that carry a public security risk and should be censored.<sup>57</sup> As in Malaysia, citizenship projects in ethnically-divided and socially stratified Singapore are heavily imbued with value judgements and notions of desirability and undesirability.<sup>58</sup>

The contributors to this edited volume find that political identities and ethnic hierarchies are important components of regional talent flows, particularly in the context of Malaysia and Singapore. Brenda Yeoh and Shirlena Huang's<sup>59</sup> work

on the discursive construction and everyday cultural politics of hyper-mobile talent is an important contribution to the field, which has been reinvigorated by Juanita Elias and Lena Rethel's<sup>60</sup> comparative work on the everyday political economy of Southeast Asia. Talent enrichment initiatives serve to construct and secure spaces of privilege and ethnic hierarchy within and between countries, as well as to reinforce the political power base of ruling parties such as the UMNO in Malaysia and the PAP in Singapore. As a result, talent capture policies are shaped by political considerations that go beyond the talent-building and retention philosophies designed to improve employee value propositions and managerial performances, as envisioned by Elizabeth Chambers *et al.* in their influential comparative study of the war for talent.<sup>61</sup>

### **Individual agency and configurations of identity**

Migration flows in general, and the brain drain in particular, spark debates about the complex nature of talent capture policy, with a focus on structural constraints and individual agency. The decisions made by self-initiated migrants are based on variable personal responses to the economic, logistical, prestige and residual differentials that they observe. Devesh Kapur and John McHale argue that there is an important but rather neglected element of human capital mobility that involves educated and skilled people who would likely demand improvements in institutions if they remained in their home country, serving as crucial voices in the struggle for reform and pressing to change the status quo.<sup>62</sup> It is likely that a significant proportion of Malaysian emigres contribute to this form of intangible loss, and the current electoral authoritarian system seems to benefit from the absence of their critical views on politics and society. A related risk is that the 'protective firewall' erected by Singaporean and Malaysian elites gradually erodes their competency to govern and leads to systemic failure, as elites who are drawn from the same socio-economic and ethnic circles, attend the same privileged schools and follow the same insular pathways to power, are seen as publicly unaccountable and overly reliant on patronage networks.<sup>63</sup>

The contributors to this edited volume find that ethnic privileges remain a central feature of Malaysian and Singaporean political life. It seems that tightly controlled hierarchical forms of privilege are linked to political patronage and constitute a significant residual differential that causes brain drain. One implication is that the bilateral migrant flows in Tables 1.1–1.4 are influenced by ethnic policies such as the idealized 'Singapore family' that requires a Chinese majority of 75 per cent, and the 'Malay Malaysia' formulation that hinges on preferential treatment and ethnic quotas for *bumiputera* citizens. In order to offset risks associated with talent retention, there are ambitious government efforts in Malaysia and Singapore to discover, cultivate and attract new generations of talent. One example is the national gems (*permata negara*) programme led by former Prime Minister Najib's wife Rosmah Mansor, which strives to achieve optimal performance in youth. In a related development, Malaysia's National Civics Bureau (Biro Tatanegara) has been tasked with maintaining the country's spirit of



patriotism, for instance by requiring students with government scholarships to attend training and leadership camps that are designed to test their loyalty.<sup>64</sup> In Singapore the construction of a socially cohesive, authoritarian civic national identity has been a government project since the late 1980s.<sup>65</sup> The result in both countries is a narrowing of national identity and the creation of carefully managed parameters for ‘good’ or ethnically desirable citizens, a trend that is often challenged and resisted by certain groups in society, particularly youth.<sup>66</sup>

### Synopsis of the book

There are pervasive problems in Malaysian and Singaporean public life linked to migration and talent flows. These two case studies show the importance of ethnic hierarchy and exclusionary politics in stratified societies with high levels of dependence on foreign labour. This book contributes to studies such as Brenda Yeoh and Shirlena Huang’s<sup>67</sup> that reframes ethnicity as fluid, fragmented and politically contested by examining the latest manifestations of the talent war in Southeast Asia, with a focus on established and emerging ethnic hierarchies. Thematic approaches combined with data from case studies reveal heightened tensions between countries in Southeast Asia, where for instance the Malaysian government is competing with Singapore to retain and attract regional talent in order to increase national competitiveness and capture emerging markets.

In Chapter 2 of this edited volume, the authors suggest that the peculiarities of Malaysian history and policy conspire to produce the conditions within which talent circulation (brain drain and gain) takes place. Historically, Malaysia has had an open economy, an abundance of low-cost labour, a highly internationalized education system and the experience of intense competition from high-income Singapore. In response to the 1997–1998 Asian Financial Crisis triggered by currency manipulation and short-selling, Singapore’s leaders sought to rebrand the city-state as a knowledge hub and talent capital, and as discussed in Chapter 3, the decade that followed saw the intensification of talent capture and recruitment initiatives. The PAP seems firmly wedded to idea that the city-state achieved its current level of stability and prosperity by staying true to a rigid ethnic ratio that places Chinese Singaporeans at the top of the ethnic hierarchy.<sup>68</sup>

Chapter 3 examines the ongoing tensions in Singapore as the country’s dynamic economic model requires the sustained presence of foreign talent, creating a citizen–foreigner divide that is illuminated by the stories of three different categories of Chinese foreign talents who are living in, working in and navigating their way through the ethno-political landscapes of Singapore. In a complementary study, Chapter 4 examines the convergence of corporations and the state in Singapore, focusing on the citizen subjectivities that arise as Singaporeans consider their current and future roles (modes of participation) in the economic life of the city-state. Chapter 4 contributes to debates about ethnicity, talent and citizenship with reference to the *bildungsroman* tradition, the social processes of ‘self-cultivation’ necessary to become a good citizen (or a good foreign worker) in Singapore by ‘adding economic value’ to the country.



Chapter 5 charts the transformation of education and employment policy in Malaysia since the 1970s. The changing patterns of youth career formation are examined with a focus on talent, along with the factors that influence youth decisions to either stay or leave the country. Decennial data from the Malaysia Population and Housing Census as well as data provided by the Malaysian Department of Statistics and the results of the Global Career Survey published in Tokyo are used in Chapter 5 to analyse the effects of ethnicity on occupational status and access to education. For instance, the author performs a multiple regression analysis using occupational prestige scores as the dependent variable and other factors including ethnicity as independent variables. The author finds that degrees of ethnic segregation and hierarchy still exist in education and employment, although the extent to which these factors impact upon Malaysia's ability to retain talent and manage the brain drain is subject to debate. Through the investigation of policies, institutional factors and empirical data, the author concludes that there is a strong possibility that being non-*bumiputera* (meaning part of the non-Malay, non-Muslim minority) does not significantly restrict one's opportunities in Malaysia at the present time. Despite these highly original findings, the brain drain is still influenced by residual factors such as national politics, differentiated citizenship and the politicization of ethnicity and identity in the context of Malaysia's electoral authoritarianism.<sup>69</sup>

Technological innovation is a powerful marker of modernity, and expectations are rising for techno-talent and experienced professionals to make economic contributions by sharing and applying their sectoral knowledge. Chapters 6 and 7 reflect on the interconnectedness of talent, technology, political identity and ethnic hierarchy, and consider the impact of various preferential policies on competition in China, Malaysia and Singapore. Malaysia's policies of ethnic preferentialism include strict moral codes and ethno-religious considerations that impact on opportunity structures for talented individuals to participate in economic affairs and make contributions to the advancement of technology, with implications for emigration patterns and national development. Chapter 6 examines the determinants and consequences of talent shortages for middle-income countries such as China and Malaysia. The loss of talented individuals can be highly significant when, on aggregate, they should form the critical mass needed to transform an economic structure dependent on low value-added activities to one based on knowledge, technological innovation and high value-added activities. In their evaluation of alternative developmental pathways for Malaysia, the authors compare industrial policies, incentives and productivity factors in China, and present data in order to map the co-evolution process between the wealth of an economy and the political will to strive for technological advancement.

Chapter 7 examines talent capture and competition in the context of highly regulated halal markets and halal financing models. Malaysian 'modernity' as embodied in the national Vision 2020 development strategy includes an official representation of Islamic values, and promotes the Islamization of knowledge more generally, in order to create a new 'avenue to advance the Malaysian economy'.<sup>70</sup> Particular attention is paid in Chapter 7 to the ways in which

workers and employees are valued according to their communication, teamwork and leadership skills, as well as the extent to which these skillsets formulate aspects of personhood and modes of sociality as productive labour. Evidence of the evolving concept of ‘halal talent’ in Malaysia comes from the author’s direct observations of training events led by the Islamic Development Department of Malaysia (Jabatan Kemajuan Islam Malaysia), a detailed review of auditing and halal compliance standards, as well as interviews with company managers about their staffing requirements. It is found that only Malay Muslims are eligible for certain roles in this industry, and that they control the evolving halal certification standards and procedures that apply to food manufacturing by multinational companies operating in Malaysia.

Ultimately, it is clear that there are a number of initiatives currently underway to counteract negative domestic and international perceptions of elitism and ethnic preferentialism in Malaysia and Singapore. The Ministry of Manpower in Singapore has a programme called Contact Singapore designed to recruit and retain talent, while Talent Corporation Malaysia has a mandate to nurture domestic talent and to recapture Malaysian experts working overseas, particularly in Singapore and Australia (Table 1.1). In line with Malaysia’s ambitions to rise above the middle-income trap, the official language of talent is increasingly individualized and stripped of reference to ethnic difference or citizenship hierarchies.<sup>71</sup> Nevertheless, as David Lim argues, these racial hierarchies persist, radiating throughout society and reproduced in lecture halls, office boardrooms and marketplaces on a daily basis.<sup>72</sup> The point is reinforced by scholars concerned with Malaysia’s modernization project more generally, where a powerful and rigid ‘race paradigm’ is central to debates about the country’s gradual transformation toward high-income status.<sup>73</sup>

There is a critical disjuncture between costly government efforts to cultivate and retain talent on the one hand, and the ways in which citizens interpret and respond to heavily instrumentalist talent enhancement schemes on the other. With these challenges in mind, the contributors to this edited volume provide new empirical findings and insights into the complex negotiations and political relations that underpin talent, identity and ethnic hierarchies in Malaysia and Singapore. Drawing on a range of specialisms within the social sciences, this edited volume focuses on themes of political economy, citizenship, technology, education and employment policy in order to question some of the mainstream economic assumptions that underpin debates about talent capture policy, skilled migration patterns (brain drain) and the nature of ethnic hierarchies.

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## 2 Brain drain and talent capture in Malaysia

### Rethinking conventional narratives

*Kee-Cheok Cheong, Kim-Leng Goh and Ran Li*

The term ‘brain drain’, first coined in the early 1960s, conjures a negative image of the loss of skilled workers by one country and the gain by another. This simplistic view is far from reality in most cases, with arguments being made and examples cited of the benefits of this ‘drain’. Clearly, too, specific circumstances complicate the picture. Nowhere is this better illustrated than in Malaysia, where authoritatively documented rising outflows of talent are attributed primarily to such push factors as discriminatory policies, affirmative action and a deteriorating education system. This negativity has caused alarm, both in government and among its critics, yet this dominant narrative needs to be understood from two perspectives. The first is context, a set of factors particular to Malaysia that are conducive to or obstruct brain drain and include Malaysia’s historically open economy, a reliance on low-cost labour, a tradition of international education and the proximity of high-income Singapore. The other is policy: government strategies that directly or indirectly impact on the outflow of skilled migrants. In Malaysia there is a complex situation in which historical antagonisms towards out-migrants, a failure to recognize network prospects and ethnic affirmative action policies that are often ratcheted up through jingoistic rhetoric exist simultaneously alongside new policies offering incentives for returnees.

The general negativity surrounding the brain drain is based on claims about the scarcity of skills and talent, claims that are clearly associated with the ‘talent wars’ literature.<sup>1</sup> The loss of talent can be presented as a threat to source countries, which are at risk of losing their creative edge, stagnating and falling behind the competition. According to this reasoning, recipient countries benefit not only from greater access to skills but also positive externalities from not having to bear the costs of education or training. The reality is of course much more complex. In its original conception the brain drain was used by the British Royal Society to refer to the loss of British talent (mainly physicians) who relocated to Canada and the United States.<sup>2</sup> The rising significance of the brain drain, and the growing alarm in some countries, stems from an increase in scale as the highly skilled are becoming increasingly mobile, willing and able to relocate. One of the reasons for the new hypermobility of talented people is the global recruitment strategies being devised by companies and the incentives being offered by countries, as well as the abundance of accessible information and seemingly



boundless technologies that reinforce the idea of a ‘shrinking world’.<sup>3</sup> The focus on economic advancement through technology has naturally increased the demand for high quality human capital to fill gaps in established as well as niche sectors, as highlighted in Chapter 6 of this edited volume.

Gillian Brock and Michael Blake have recently argued for the inclusion of justice in the debate about brain drain because of the fact that developing countries stand to suffer disproportionate losses, and should therefore consider more robust (and contentious) policies of ‘managed migration’.<sup>4</sup> The potential losses for source countries can be considerable, although there is no universal agreement as to how best to quantify losses resulting from talent flows and brain drain. Economists are finding it difficult to quantify the magnitude of losses in terms of impact, even when impact is reduced to productivity or a measure of gross domestic product (GDP). Any measure of the economic impact of the brain drain must take into account the level of remittances that skilled migrants send to their home countries or to some other offshore destination.

The scale and intensity of a country’s brain drain depends on structural constraints that are beyond the control of the individual as well as highly personalized motivating factors. It comes as little surprise that highly qualified and ambitious individuals explore employment prospects beyond their own borders. While some skilled migrants are permanently lost to the source country, there are instances of reversals and returns, Taiwan being an outstanding example. Even when the talented choose not to return, they have the potential to share the knowledge they gained through networking with their peers in the source country, giving rise to debates about the potential impact of ‘brain banks’.<sup>5</sup> Emigration patterns are often sporadic and unpredictable, although it is well established that social and familial ties to one’s homeland are the main reason for brain drain reversals and the eventual return of highly skilled migrants. In addition, adaptation problems in recipient countries exert emotional and other pressures on emigrants, which complicates decision making processes and impacts on the likelihood of return. Recent advances in information and communications technology that allow for user-driven news and media, accessible in real-time almost anywhere across the globe, can have a shrinking effect that impacts on the desire and preparedness of highly skilled migrants to return to their home country.<sup>6</sup> All of these factors are contingent and contextual, making global estimates of economic losses and gains from the brain drain extremely difficult, not least because of the lack of data at the cross-country level.<sup>7</sup>

The context for this chapter is Malaysia, a multi-ethnic and highly diverse country that has been shaped over the years by skilled and unskilled and voluntary and forced migration flows. In the nineteenth and early twentieth century during the British colonial era, Malaya received many able-bodied migrants of working age from China and India. The economic and political turmoil in China drove many to relocate to the fertile tropics of Nanyang, or modern day Southeast Asia. Migration patterns from India were driven by British colonial policy, for instance the need to fill labour shortages in key agribusiness sectors. Malaysia today is experiencing a significant brain drain caused by a number of



economic, political, social and educational factors which will be explored in more detail in the third subsection. Prior to this, we will provide a concise literature review in an attempt to reach a more balanced narrative of the brain drain process. The fourth subsection provides an estimate of the scale of Malaysia's brain drain, followed by an analysis of the various combinations of push and pull factors that include the role of government policy. In conclusion, this chapter discusses various policy options that, if not able to reverse the outflow of talent in Malaysia, should help to rebalance the narrative surrounding Malaysia by comparing the evidence of positive externalities in cases such as India, South Korea and Taiwan.

### **Debating the brain drain**

Brain drain rates are compared simply by measuring the share of tertiary educated individuals born in a given (source) country who are living (and presumably working) abroad.<sup>8</sup> As early as the 1960s it was recognized that the assumed losses in human capital stocks faced by source countries, supposedly jeopardizing their military and economic power, were the product of 'outmoded nationalist' concepts.<sup>9</sup> The argument against the dire losses facing source countries is based on the substitution effect, where highly skilled emigrants can be replaced by new recruitment (in an open market) or by new technologies, and where the impact of the brain drain on either per capita income or aggregate national output cannot be determined with any precision. The economic and military losses that may or may not occur as a result of brain drain are shaped, to some extent, by the assumption that highly educated workers contribute more to society than others, which implies that their emigration robs the source country of a range of positive externalities.<sup>10</sup> More recent models take into account a spate of potential gains for source countries, including increased returns to education leading to greater investment prospects, the so-called 'incentive effect'. This effect is manifested through the emigration of skilled labour raising the rate of return on human capital in the source country, thus increasing the incentive for its citizens to be educated.<sup>11</sup> For instance, Dilek Cinar and Frédéric Docquier find that the global effect of the brain drain can be positive but only under very specific conditions such as high returns to education and high volumes of remittances.<sup>12</sup> Sonja Haug studies the influence of social capital from migrant networks on the decision to migrate, finding that social capital at destinations has a positive impact on the migration decision and return migration.<sup>13</sup>

Whatever their predictions, models such as these should be set within the larger context of migration, of which the movement of highly educated and skilled people is just one part. We recognize that 'talent' does not necessarily equal 'highly educated'; there are plenty of tertiary educated people who are far from talented and there are many people with only secondary education who are extremely talented and can contribute to economic and social development in a multiplicity of ways. Nevertheless, while distinctions have been made between education, skill<sup>14</sup> and talent,<sup>15</sup> the reality is that without education or skills, the

talented are unlikely to be considered by destination countries for immigration. Thus, brain drain, like other migration flows, is typically motivated by wage differentials between countries and by a variety of push factors.<sup>16</sup> There are limits to the push-pull theory of international migration that assumes, based on a rational cost-benefit analysis, that talented professionals from the poorest countries are the most likely to emigrate. Alejandro Portes and Adrienne Celaya find that highly skilled migrants predominantly come from middle-income countries such as Argentina, Colombia, Mexico and Turkey, rather than the poorest countries, and they survey a range of contemporary economic theories in order to explain this phenomenon.<sup>17</sup>

Political factors certainly influence the brain drain. Political repression, inequality, the curbing of civil liberties, corruption and a range of other factors influence the migration decisions of talented people. Indeed, it has been found that the suboptimal patterns of social mobility and the economic damage (to working and living conditions, for instance) caused by corruption will affect the calculus of a potential migrant.<sup>18</sup> Moreover, while all migration is affected by the immigration policies of host (more developed) countries, it is their discrimination in favour of the highly educated or skilled and against all others that has perpetuated the brain drain.<sup>19</sup> The severity of the brain drain impact on remittances, productivity gains and reductions in poverty, and among other things, on sending and receiving countries, varies. For instance, skill selectivity means developing countries have to bear a greater fiscal burden from educating emigrants only to lose them to advanced countries.<sup>20</sup> Healthcare workers are a commonly cited example.<sup>21</sup> Questioning the actual value of brain banks and feedback effects from emigres, there are some concerns about the lack of knowledge transfers back to home governments or businesses.<sup>22</sup>

In common with general trends in migration, some take the view that the liberalization of labour markets reflected in brain drain leads to global welfare gains,<sup>23</sup> while others allude to the tangible benefits of remittance flows to source countries.<sup>24</sup> Richard Adams constructed datasets for 24 large labour-exporting countries and found that international migration does not involve a large proportion of the best educated, as no more than 10 per cent of the tertiary educated in these countries were international migrants.<sup>25</sup> Even when it is apparent that countries are losing their 'best and brightest' and that this loss is having a negative domestic impact, an increasing number of researchers argue that brain drain is a dynamic process that, given the right circumstances, can be reversed.<sup>26</sup> Taiwan is one of the best known cases of this reversal, with the government and private firms taking effective measures to recapture talent (mainly overseas Taiwanese) since the 1980s.<sup>27</sup>

### **Contextualizing the brain drain: the case of Malaysia**

Several contextual factors frame the discussion of brain drain in Malaysia. First, Malaysia is no stranger to migratory flows. Many of the early migrant settlements have blossomed and since declined. Prominent examples include the early Hindu kingdoms centred in or near peninsular Malaysia, such as *Gangga Negara*

(second to the eleventh century) founded by traders from India, Langkasuka (second to the fourteenth century) founded by the Mon people from Myanmar and Srivijaya (seventh to the thirteenth century) centred in Sumatra.<sup>28</sup> Also important were Arab traders who arrived as early as the fifth century and who brought Islam with them to the region.<sup>29</sup>

The modern history of Malaysia is likewise marked by epochs and waves of migration. The first wave, from the middle of the nineteenth century to the outbreak of the Second World War, saw large numbers of migrants from China and India arriving on the shores of the Malay peninsula. The Indians often arrived as contract workers in colonial Malaya's booming rubber plantation industry,<sup>30</sup> while Chinese migrants came to seek their fortunes in Nanyang, driven by crop failures and political turmoil, and were responsible for the early tin mining industry<sup>31</sup> and modern banking<sup>32</sup> system. Although estimates of migrant numbers are imprecise, British colonial reports suggest that net arrivals peaked at over 200,000 during the period from 1922 to 1935.<sup>33</sup> It is clear that the political economy of modern Malaysia has been shaped and continues to be influenced by these early developments. Despite the divisive claims about the special rights of Malay-Muslim communities (*ketuanan Melayu*) that have resurfaced since the political unrest of 1969, Malaysia remains a diverse and heterogeneous polity with a highly mobile population.<sup>34</sup>

A second highly transient wave of immigration took place in the 1970s when an estimated 240,000 Vietnamese refugees fled their homeland during the Vietnamese war with the United States.<sup>35</sup> These refugees were not welcomed by the Malaysian government, who kept them confined to internment camps until they were shipped out to third countries. The third and most recent wave from the 1990s coincided with Malaysia's heightened demand for labour that has not been met by domestic supply. This new demand was caused by a decade of rapid growth that earned Malaysia membership of what the World Bank has referred to as high-performing Asian economies.<sup>36</sup> The shortfall of domestic labour was the result of a rapid expansion in education enrolment and low labour force participation among females of working age. Migrant workers were either brought in to fill the gap through labour contracts or entered illegally through eastern Malaysia, most notably the state of Sabah.

The scale of migrant flows is a reflection of the historical openness of the Malaysian economy. The first wave of migrants came to a Malaya in the nineteenth century without border controls. During the British colonial era and after independence in 1957, Malaysia remained dependent on the export of primary commodities (rubber, tin and gradually palm oil) which was labour intensive. Diversification into manufacturing from the mid-1970s saw Malaysia become trade dependent. Using trade as a percentage of GDP as an indicator, Malaysia was, until recently, the second most open economy in Southeast Asia after Singapore, although Malaysia has recently been overtaken by Vietnam. The rapid economic growth that Malaysia experienced since the 1980s was built on low-cost labour with modest technology embodiment. Malaysia has continued to rely on this model, importing low-cost labour from neighbouring countries, Indonesia

being the most important source, followed by Nepal and then Bangladesh.<sup>37</sup> While limiting the need for talent (well-educated, high-skill labour), this model also reduces the incentive and capability of Malaysian firms to upgrade their industrial technological capability (see Chapter 6). These factors, it has been argued, have led the country into a middle-income trap,<sup>38</sup> making it difficult to achieve the Vision 2020 goals first set out by Prime Minister Mahathir Mohammad to enable Malaysia to become a high-income country by the year 2020.<sup>39</sup> For the highly educated in Malaysia, this model has limited their career prospects in that both the technological capability of Malaysian industry remains low, as has been found in the electronics industry,<sup>40</sup> and the demand for high-skill, technology-related labour is limited. The brain drain of already scarce human capital should be understood in this context.

### The magnitude of Malaysia's brain drain

The most extensive research to date on the brain drain in Malaysia has been undertaken by the World Bank with its Malaysia Monitor report published in April 2011.<sup>41</sup> This report provides estimates of the magnitude of the brain drain by focusing on the loss of Malaysian-born talent, defined by the World Bank as migrants aged 25 years or above with a tertiary education, as distinguished from the term 'diaspora' that encompasses all persons of all ages and qualifications who settle in a foreign country. For the first time, systematic details regarding migrant characteristics, destinations and motivations have been analysed. Table 2.1 shows the total number of skilled migrants and diaspora as well as countries of destination in 2010. An estimated one million Malaysians were overseas, of whom over half were in Singapore. One-third of this diasporic stock was considered brain drain, of whom, again, over half were in Singapore. But

Table 2.1 Malaysia's brain drain and diaspora, numbers and percentage distribution by countries of destination, 2010

| <i>Destination</i>     | <i>Diaspora (%)</i> | <i>Brain drain (%)</i> | <i>Brain drain as % of diaspora*</i> |
|------------------------|---------------------|------------------------|--------------------------------------|
| Singapore              | 57                  | 54                     | 31.5                                 |
| Australia              | 10                  | 15                     | 50.8                                 |
| Brunei                 | 7                   | 3                      | 13.3                                 |
| United Kingdom         | 6                   | 5                      | 25.4                                 |
| United States          | 6                   | 10                     | 55.7                                 |
| Canada                 | 2                   | 4                      | 53.2                                 |
| New Zealand            | 2                   | 2                      | 41.9                                 |
| Total all destinations | 100                 | 100                    | 34.2                                 |
| Total numbers          | 1,023,000           | 335,000                | –                                    |

Source: The World Bank. 2011. *Malaysian Economic Monitor: Brain Drain*. Washington, DC: The World Bank. [Data from pp. 98, 103–104].

Note

\* Diaspora aged 25 and above only. For Singapore, residents only.

Singapore's numbers also have a low skill intensity, measured by the share of the Malaysian diaspora aged 25 and above that constitutes brain drain. The 31.5 per cent figure is well below corresponding numbers for Malaysians in Australia, Canada, New Zealand and the United States.

In several respects, Malaysia's susceptibility to brain drain is in line with global trends. Emigration rates are the highest in middle-income countries, whose populations (people of working age) have both the incentive and the means to migrate. Geographically, the region most affected by brain drain within Asia is Southeast Asia.<sup>42</sup> Malaysia is both a major exporter of talent and an importer of low-skill labour from the region, especially Indonesia<sup>43</sup> and Gregory Foo projects an upward trend of high-skilled migrants leaving Malaysia.<sup>44</sup> The Philippines, by contrast, is a major exporter of service workers, mainly in the health and domestic services sectors, creating a complex politics of diasporic belonging, identity and community dynamics.<sup>45</sup> Malaysia's experience stands out because of the high skill intensity of the brain drain. According to the World Bank, high skill intensity is determined by the ratio of those with high skills overseas to those with these skills at home. Malaysia's intensity of 10.5 per cent (20 per cent if Malaysian non-residents in Singapore are included) in 2000 compares with 3.7 per cent for China and 7.5 per cent in South Korea.<sup>46</sup> This high intensity is attributed to skill selectivity (a high proportion of the migrants were tertiary educated) and Malaysia's relatively narrow skills base, the product of modest enrolment rates in tertiary education.

If brain drain is to be equated with the loss of talent, and talent is not equivalent to having a tertiary education, it is possible that the use of tertiary education as a benchmark may understate the magnitude of the brain drain. There also exists specific skills that countries demand for which a tertiary education is not required. However, the extent of this underestimation is difficult to ascertain. And while such workers are not captured by brain drain figures, they are captured by the World Bank measures of diaspora, which is the stock of all Malaysian-born immigrants.<sup>47</sup> The skill-intensity of the brain drain can sometimes be exaggerated by media reports of high profile cases. As the summary of several reports in Table 2.2 shows, reliance on media reports can lead to the general impression that top brains are being drained and that push factors are mainly responsible for skilled emigration. It must be said, however, that such reports also paint pictures, portray situations and capture perceptions at specific points in time.<sup>48</sup> As an example, although Khoo Gaik Cheng was reported to have emigrated, she is in fact back in Malaysia, working at the University of Nottingham Malaysia campus, having returned in 2012. The personal vignettes of migrants can yield insights that point to broader challenges related to ethnic discrimination and hierarchy. While these are salient features of the political debate surrounding brain drain and talent capture, we caution against unwarranted generalizations based on small sample data. For example, Sin Yee Koh is careful to state that her findings are based on small sample surveys, whereas Xiaoli Kang applies the discrimination label more generally to the stock of Chinese Malaysian emigrants from Malaysia.<sup>49</sup>

Table 2.2 Selected cases of brain drain in Malaysia

| Name            | Case details  |
|-----------------|---|
| Pua Khein Seng  | Selangor-born Chief Executive Officer (CEO) of Phison Electronics Corp, Taiwan. Obtained his bachelor degree in electrical control engineering from the National Chiao Tung University, Taiwan. Was offered employment opportunity in Taiwan upon completion of his Master's degree. Received funding and support that led to the development of the USB flash drive. Was given the title <i>datuk</i> by the Malaysian government as one means to entice him to return. <sup>1</sup> |
| Khoo Gaik Ch    | Former lecturer at the Australian National University College of Asia and the Pacific Australian National University. Obtained her PhD from University of British Columbia. Studied and worked in Australia, Canada, Singapore and the United States from 1990 to 2012. Reasons for working and staying overseas included equal opportunity, diversity, being valued as a minority, autonomy at the workplace, and better quality of life. <sup>2</sup>                               |
| Farid Tan       | President and CEO, Metro City Bank, Atlanta, Georgia. Educated at Polytechnic Ungku Omar, Malaysia where he received a diploma in accounting. Left Malaysia with his family in 1993 because of concerns about his children's education opportunities, work opportunities and ethnic politics and hierarchies. <sup>3</sup>  |
| Ng Cheong Choon | Unable to enter a local public university, he proceeded to the United States where he completed his Master's degree in Mechanical Engineering, his childhood dream. He invented 'Rainbow Loom' while working in the United States. Sales reached US\$40 million in 2013. <sup>4</sup>   |
| Julian Tan      | Chinese Malaysian who was bypassed as top student despite grades. Entered Oxford University. Scored top 4 per cent but turned down for Khazanah scholarship. Completed his PhD in composites engineering at Cambridge under a Cambridge scholarship in 2014. Tan states that his intention is to challenge 'institutionalized racism' in Malaysia. <sup>5</sup>   |
| Tam Hwa Yaw     | Grew up in Sandakan with Permanent Resident (PR) status because he was born in Brunei. PR renewal was rejected while studying in the United Kingdom, forcing him to take up British citizenship. Now a professor at Hong Kong Polytechnic University and winner of many awards for his inventions. <sup>6</sup>   |

## Notes

- 1 Lee Kian Seong. 2009. 'Up close & personal with Pua Khein-Seng'. The Star Online. 5 September. Available at: [www.thestar.com.my/business/business-news/2009/09/05/up-close-personal-with-pua-kheinseng/](http://www.thestar.com.my/business/business-news/2009/09/05/up-close-personal-with-pua-kheinseng/) (accessed 10 May 2018); Kow Kwan Yee. 2012. "'Father of pen drive" now a datuk'. The Star Online. 17 July. Available at: [www.thestar.com.my/news/nation/2012/07/17/father-of-pen-drive-now-a-datuk/](http://www.thestar.com.my/news/nation/2012/07/17/father-of-pen-drive-now-a-datuk/) (accessed 10 May 2018).
- 2 Aidila Razak. 2010. 'Why I left Malaysia: emigrants tell their tale'. *Malaysiakini*. 9 April. Available at: [www.malaysiakini.com/news/128735](http://www.malaysiakini.com/news/128735) (accessed 10 May 2018).
- 3 Ibid.
- 4 Malay Mail Online. 2014. 'In tale of "Rainbow Loom" maker, racial quota rears its head again'. *Malay Mail*. 27 September. Available at: [www.themalaymailonline.com/malaysia/article/in-tale-of-rainbow-loom-maker-racial-quota-rears-its-head-again](http://www.themalaymailonline.com/malaysia/article/in-tale-of-rainbow-loom-maker-racial-quota-rears-its-head-again) (accessed 10 May 2018).
- 5 Julian Tan. 2014. "Why I had to travel halfway across the globe for university". *The World Post*. 23 January. Available at: [www.huffingtonpost.com/julian-tan/why-i-had-to-travel-halfw\\_b\\_4636283.html](http://www.huffingtonpost.com/julian-tan/why-i-had-to-travel-halfw_b_4636283.html) (accessed 10 May 2018).
- 6 Daily Express. 2016. 'A genius that Malaysia didn't want'. *Daily Express*. 9 July. Available at: [www.dailyexpress.com.my/news.cfm?NewsID=111184](http://www.dailyexpress.com.my/news.cfm?NewsID=111184) (accessed 10 May 2018).

## Analysing Malaysia's brain drain

The World Bank brain drain study provides an explanation of the Malaysian brain drain from the participants' perspective.<sup>50</sup> As shown in Table 2.3, both pull and push factors are at work. The attraction of better career prospects is the most significant factor, with higher salaries ranked third. These drivers were also the most important in another survey conducted by Patrick Lee around the same time, except that social injustice took first place.<sup>51</sup> A 'positive business environment' was cited by 57 per cent of the respondents, with 'better education' in the host country cited by 54 per cent.<sup>52</sup> These facts are supported by Gregory Foo's survey findings where income-linked factors including better career prospects and attractive remuneration emerged as key drivers for emigration, along with social justice, safety and security.<sup>53</sup> Other studies corroborate these findings, although not necessarily according these factors the same rankings, as for instance the quality of Malaysian education was also highlighted as a key issue (see Table 2.3).

While all these factors motivate brain drain, the ability to move is determined by access to resources, for example financial and social/familial ties in destination countries, and constrained by costs. For Malaysians, the cost constraint has been reduced by two contextual factors. First, the country's proximity to

*Table 2.3 Drivers of brain drain from participants' perspectives*

| <i>Cause of migration</i> | <i>Percentage of respondents in diaspora survey listing item as one of three top reasons for brain drain in Malaysia.</i> |  |  |
|---------------------------|---|--|--|
|                           | <i>World Bank<sup>1</sup></i>   | <i>Wake Up Call Malaysia<sup>2</sup></i> | <i>Independent* survey<sup>3</sup></i> |
| Career prospects          | 66  | 76                                       | 55** Malaysia's future                 |
| Social injustice          | 60  | 80                                       | 58 Inter-racial harmony                |
| Compensation              | 54  | 73                                       | 56 Malaysia's current situation        |
| Study and stay on         | 30  | –  | –                                      |
| Safety and security       | 28  | –  | –                                      |
| Politics                  | 23  | –  | 63                                     |
| Study and return          | 19  | –  | 69                                     |
| Liveability               | 12  | –  | –                                      |
| Better education          | –   | 54                                       | 62                                     |
| Number of respondents     | 194   | 518                                      | 854                                    |

### Notes

\* Causes that are not exact matches of those in the other two surveys are listed.

\*\* Refers to the percentage of those who score 4 and 5 (out of a scale of 0 to 5) signifying strong agreement.

1 The World Bank. 2011. *Malaysian Economic Monitor: Brain Drain*. Washington, DC: The World Bank. [See p. 121].

2 Wake Up Call Malaysia. 2012. *Wake Up Call Malaysia Report*. Formerly available at: <http://wakeupcallmalaysia.com/wuc-malaysia-memorandum/> (accessed 12 November 2014). For more see the Wake Up Call Malaysia Facebook page, available at: [www.facebook.com/wakeupcallmalaysia/](http://www.facebook.com/wakeupcallmalaysia/) (accessed 10 May 2018).

3 Evelyn Wong. 2010. *Will You Come Back to Malaysia?* Available at: <https://pluggingthebrain drain.wordpress.com/about/> (accessed 10 May 2018).



Singapore has lowered considerably both the physical and social costs of migration. Separated by a strip of water less than a mile wide and bridged at two points, Singapore is naturally a favourite destination for skilled migrants. Viola Thimm estimates that as many as 150,000 Malaysian workers commute daily from Johor Baru to Singapore, and finds that Singapore's work environment, education system and culture is familiar to many Malaysians.<sup>54</sup> There are clear similarities in socio-cultural terms, as many Singaporean citizens and their forebearers originated from, and many still have close relatives in, peninsular Malaysia. This absence of cultural distance has made migration to Singapore much easier than to Australia, Europe and the United States, where significant cultural adjustment is necessary both at work and socially. The relatively low skill intensity of migrants to Singapore reflects the ease with which these migrants can bring their families with them.

Singapore's per capita GDP (in current prices) of US\$52,962 in 2016 is over five times that of Malaysia's, which is US\$9,508 according to World Bank indicators.<sup>55</sup> The government in Singapore has in place a policy that attracts skilled and highly educated labour through incentives that include permanent residence and citizenship.<sup>56</sup> Singapore's education system is reputed to be among the best in the world, with its students top-scoring repeatedly in international tests like TIMSS and PISA.<sup>57</sup> The National University of Singapore is ranked twelfth in the QS World University Rankings 2016/2017, compared with 133 for the University of Malaya, the oldest and most prestigious in Malaysia. The relative struggles of Malaysia's universities are explained in part by the politicized and poor-performing education system. The New Economic Model (NEM) proposed by the National Economic Advisory Council focused on Malaysia's human capital deficiency, noting that 'we are not developing talent' and acknowledging the tendency for the talented in Malaysia to leave.<sup>58</sup> Two years later, but without referencing this problem, the Malaysian Education Blueprint was published with promises to upgrade the country's education system.<sup>59</sup>

Another contextual factor to consider is Malaysia's highly internationalized tertiary education system. Since the colonial era, Malaysia has had a tradition of sending students to the United Kingdom for higher education and teacher training. Until shortly after independence in 1957, the Malaysian school curriculum was dovetailed with the British through national examinations at the secondary and pre-university levels.<sup>60</sup> Teacher training was also undertaken at colleges in the United Kingdom with the specific task of training Malaysian teachers. The tradition of sending students overseas has continued, driven by the availability of both private funding and public scholarships, although study destinations have diversified from traditional British universities to those in Australia, Singapore and the United States. Figures from the Malaysian Ministry of Higher Education show Malaysian students abroad increasing from approximately 43,000 in 2002 to 55,000 in 2007 and then upwards of 79,000 by 2010.<sup>61</sup> Given that a significant number of those who are part of the brain drain are educated overseas and are reluctant to return (see Table 2.3), the growing demand for overseas study increases the likelihood of a continual brain drain.



The internationalization of higher education had been given a major boost with Malaysia's policy to transform the country into an educational hub for Southeast Asia. This policy stance followed the liberalization of the country's tertiary education sector with the passage of the Private Higher Education Institutions Act 1996. This liberalization has seen a rapid expansion of the number of programmes and enrolment in private tertiary education. Enrolment in these institutions doubled between 1996 and 2007, to account for 42 per cent of total post-secondary enrolment.<sup>62</sup> Many are students in transnational education (TNE) with programmes such as twinning, franchising, articulating and joint degree awards that would give them qualifications issued by or associated with foreign tertiary education institutions. While TNE graduates have less exposure compared with those who study overseas to the environment in countries where Malaysian private university partners are located, their possession of a foreign or internationally recognized qualification would still have eased their path to migration.

It has been argued that the opening up of private tertiary education has effectively taken care of unmet demand for higher education of those not granted admission to public universities, and hence has contributed to stemming the outflow of skilled migrants. This is correct insofar as non-*bumiputera* students with the means are now given the opportunity to pursue higher studies. However, with private sector fees much higher than those for the public sector, the sense of being discriminated against has not been diminished among even the fortunate non-*bumiputera* with the means to pursue private education. And, as described above, private sector education has made it easier for them to pursue overseas study. For those non-*bumiputera* shut out from the public system and unable to afford private higher education, the sense of injustice will have been felt most intensely. Private higher education may be at best a short-term palliative for out-migration but tends to have the opposite effect in the longer term.

A range of government policies beyond higher education are relevant to Malaysia's brain drain. The New Economic Policy (NEP), a comprehensive state developmental policy introduced in 1971 to achieve national unity and poverty alleviation,<sup>63</sup> mandated among other things preferential access for *bumiputera* (Malays and other 'sons of the soil') to secure positions in local public universities and scholarships for overseas study.<sup>64</sup> Non-*bumiputera* (mainly Chinese and Indian) students in Malaysia, with limited access to public universities, had few alternatives but to join TNE programmes or, family circumstances permitting, move overseas for their education. TNE programmes taught in English have become the choice of many students and their families in their efforts to compensate for a deteriorating public education system. To meet the growing demand, foreign universities such as Monash, Nottingham and Xiamen have established campuses in Malaysia. In Chapter 5 of this edited volume, Riho Tanaka offers further analysis of education and ethnic hierarchy in Malaysia.

Along with education, the NEP has acted as a push factor for brain drain, with affirmative action extending to employment and to the granting of government contracts for large projects as well as to small and medium enterprises. Major

sectors have also been dominated by government-linked companies or entrepreneurs close to the (recently ousted) United Malays National Organization (UMNO) party. Diminished opportunities for work as well as for entrepreneurship thus provides added incentives for educated and skilled non-*bumiputera* citizens to emigrate.<sup>65</sup> The problem is amplified by the fact that the government and leadership (prior to the May 2018 election) have been seen to be indifferent or even hostile toward those who have left Malaysia.<sup>66</sup> In a damage limitation effort this negative attitude appears to have been reversed with the government publication of the New Economic Model (NEM) for Malaysia, followed by the establishment of Talent Corporation with its mandate to bring talent back to Malaysia.<sup>67</sup> Deeply entrenched structural obstacles and economic distortions, as well as periodic tirades by Malay rights organizations such as Perkasa against ethnic Chinese, Indians and non-Muslims in general, left unchecked by the government, have not been helpful in convincing overseas Malaysians to return.<sup>68</sup> Using an endogenous growth model, Johann Daniel Harnoss shows that while the outflow of skilled migrants can be reduced if the high-growth scenario under the NEM is achieved, the ongoing emigration trends will not be reversed.<sup>69</sup> These findings led him to conclude that ‘addressing the economic root causes will only provide a partial solution’ and that the decision to emigrate ‘is shaped not only by economic, but also political and social factors’.<sup>70</sup>

It is rather surprising that in its eagerness to bring Malaysians home, the government seems not to be fully aware of the pool of foreign talent already in the country, the result of the country’s success in internationalizing its higher education.<sup>71</sup> Malaysia’s lack of preparedness to leverage the presence of international students, shown by the tedious processes and delays in granting them work permits, stands in sharp contrast to Singapore’s strategy of prolonging the stay rate of international students and absorbing them into the workforce. This is helped by the strategy of expanding study options and building the reputation of Singapore’s tertiary education institutions, which Malaysian authorities need to respond to and benchmark against.<sup>72</sup>

## **Conclusion**

Malaysia is not unique in suffering a brain drain, although the magnitude of this drain is a cause for national concern. The attraction of higher income and better prospects, combined with selective immigration policies, are factors common to all developing and emerging economies that lose skilled and well-educated labour to advanced economies. What makes the Malaysian case compelling is the extent to which this narrative has become politicized. This chapter argued that a balanced narrative of Malaysia’s brain drain falls between prevailing commentary that puts the blame entirely on government policies and flat denial of its existence. Just prior to the publication of the World Bank’s report on Malaysia’s brain drain, the talent problem was dismissed by Prime Minister Mahathir as politically motivated and inaccurate.<sup>73</sup> More guarded, however, was the response of former Prime Minister Najib Razak who, while asserting that the report’s contents were

'not quite correct', nevertheless established the National Economic Action Council that authored the report *A New Economic Model for Malaysia* in which brain drain was explicitly acknowledged as a national problem.

While the magnitude and skill intensity of Malaysia's brain drain is undoubtedly serious, a set of contextual factors have facilitated this talent outflow. It can also be concluded that ethnic selectivity had been helped by the predominance of non-*bumiputera* in TNE. Malaysia's efforts to bring talent home are part of a wider trend in East Asia and many parts of the world. Talent Corporation, established in 2011 by the Prime Minister's Department to attract returnees and retain talent, mirror policy efforts in countries like China that have had only limited success thus far. Reversals of brain drain are occurring, but these should be seen in the context of rising prosperity and growing technological capability that brighten career prospects in home countries for returnees. Taiwan, for instance, recorded a graduate return rate of 10 per cent in the 1960s and 1970s but reversed the trend in the 1980s as the economy boomed and Taiwan became a major force in information and communication technologies.<sup>74</sup> China, with 1.5 million having left for further studies since 1978, is likewise experiencing a brain drain reversal thanks to its three-decade economic boom and continued economic growth.<sup>75</sup> The South Korean government, likewise, experienced great difficulty in persuading those who studied overseas to return in the 1960s and 1970s, but as the economic gap between home and study destination narrowed, cultural and psychological factors became important in luring foreign resident Koreans to return.<sup>76</sup>

What lessons do these cases of success offer Malaysian policymakers? Arguably the most obvious is that with rising prosperity the brain drain trend can reverse itself. Committing resources to halt this drain is unlikely to work until the economic gap between country of origin and destination narrows.<sup>77</sup> Even without the economic gap narrowing, however, promoting networking between those who stay abroad and those who return can yield results. Efforts to encourage this form of 'brain circulation' are likely to be more effective than trying to bring people home. However, a subtext in both the above is the appeal of cultural, social and familial affinity. To be able to reap similar gains, Malaysian policy needs to be overhauled to eliminate the somewhat self-defeating approach of offering incentives to returnees on the one hand while de-incentivizing them through affirmative action on the other. This will take stronger political will than the Malaysian leadership has been able to muster thus far.

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### 3 Singapore's quest for foreign talent

#### Chinese migrant workers and the growing citizen–foreigner divide

*Jean Michel Montsion*

The city-state of Singapore has relied on skilled migrant workers from East Asia, South Asia, Southeast Asia and western countries since the 1980s as a way to fulfil its industrialization and modernization plans.<sup>1</sup> As a small country with significant economic power, Singapore has used foreign workers over the last few decades 'to balance shifting economic imperatives with public order and security'.<sup>2</sup> A soft-authoritarian and state-corporatist political regime ruled by the People's Action Party (PAP) since 1959, the city-state has used foreign labour as part of the promise to its citizens to achieve and sustain economic prosperity as well as peace and stability.<sup>3</sup> Under the sophisticated leadership of the PAP and its governing elite,<sup>4</sup> Singapore made particularly strategic choices in response to the Asian Financial Crisis of 1997–1998 and explicitly rebranded the city-state as a knowledge hub and talent capital.<sup>5</sup> The city-state's quest for migrant labourers was defined further by its need for globally competitive foreign talent, understood as knowledge workers, innovators, highly skilled professionals and business people<sup>6</sup> in order to 'maintain its competitive and comparative advantage over its neighbors [and] move toward the creation of a knowledge-based economy'.<sup>7</sup>

Singaporean state authorities adjusted their recruitment of foreign talent in the post-Asian Financial Crisis era in order to re-position the city-state as a knowledge hub and talent capital, while at the same time designing an immigration policy that supported other domestic objectives. There is a belief among Singaporean state authorities that the city-state has achieved its current stability and prosperity due to its ethnic composition, as it was defined back in the nineteenth century. With a commitment to maintaining this stability and prosperity, state authorities established an immigration policy that helped compensate for domestic ethnic imbalances, including the very low fertility rate of the Chinese majority.<sup>8</sup> This foreign talent policy has not only sustained the city-state's historical ethnic ratio at approximately 76 per cent Chinese, 13 per cent Malay, 7 per cent Indian and 4 per cent 'other' (read Caucasian), but it is actually skewed in favour of recruiting highly skilled Chinese migrant workers, especially from Southeast Asia and East Asia, due to their perceived cultural similarities to local Chinese populations.<sup>9</sup>

Census data showing the ethnic profiles and occupations of immigrants to Singapore has not been made available since 1990, but the 2010 census data

shows that 68.3 per cent of Singapore's foreign-born residents are of Chinese descent, and that 37.5 per cent of Chinese workers are found in the professional and technical skills category, with both numbers being significantly higher than those for other ethnic groups.<sup>10</sup> Even if the majority of Chinese immigration falls under the category of low and unskilled work, the privileging of Chinese skilled and highly skilled migrant workers is also significant and speaks to industry and state needs for specific talents, as well as to ethnic profiles favoured by the state.<sup>11</sup> Chinese foreign talent immigration is historically constructed and strategically perceived to be beneficial to the city-state, and is understood in contrast to the immigration of other Singaporean ethnic groups such as Malays and Indians whose contribution to the city-state is less impactful in terms of numbers and in terms of skilled and highly skilled activities.<sup>12</sup>

Singapore's many unique features and contradictions – including its claim of having both British and Chinese heritage, the rapid economic success of its illiberal postcolonial regime and the institutionalization of its ethnic categories, such as Tamil-speaking Indians – now have an added twist on local ethnic politics, with the increased presence and visibility of Chinese migrant workers, which has divided Singapore's 'Chinese category' and produced a growing citizen–foreigner divide.<sup>13</sup> This chapter explores how Chinese foreign talent supports the various priorities of state authorities, while also worsening tensions in Singaporean society. The author focuses on the stories of three Chinese foreign talents from Malaysia, Hong Kong and mainland China, and argues that they navigate local ethnic politics as foreign talent in Singapore differently based on their specific Chinese ethnicities and national backgrounds. Alongside other key identity markers, such as gender, age and occupation, these specific ethnicities and nationalities shape their engagement with the city-state, their relationships to their home societies and relationships with various community actors in different ways, while providing unique perspectives on the limitations of the city-state's foreign talent policy.

### **The talent narrative in Singapore**

As then Prime Minister Goh Chok Tong indicated during his 1997 National Day rally speech, 'Talent makes all the difference. To be a successful knowledge-based economy, we need intellectual capital. In the information age, human capital, not physical resources or financial capital, is the key to economic competitiveness and success'.<sup>14</sup> With the disruptions created by the 1997–1998 Asian Financial Crisis, state authorities took the opportunity to restructure their labour market through a 'foreign-led and foreign-linked'<sup>15</sup> strategy. This strategy helped the city-state adapt to various regional changes, including the now-dominant position of the People's Republic of China as a manufacturing hub, the increasingly strong qualifications of midlevel professionals coming out of China and India and its own re-positioning as provider of higher added value industries.<sup>16</sup> In line with its ambition to become the talent capital of Southeast Asia, Singapore sought to 'leverage its international business hub, training for and sourcing

for other economies as well as promoting quality education and skills training as an exportable service consistent with its R&D [research and development] orientation'.<sup>17</sup> This allowed the city-state to carve a space in the regional political economy in terms of providing knowledge-based expertise in targeted industries, meeting global standards through the use of foreign talent as industry benchmarks and synchronizing the skills of its labour force to the development plans of various transnational corporations active in Southeast Asia.<sup>18</sup>

Attracting foreign talent in Singapore is a strategy that goes well beyond immigration needs, and is integrated into a complex local matrix of challenges and state priorities that include responding to the outflow of local talent and low fertility rates.<sup>19</sup> Singapore's quest for foreign talent is carefully designed and implemented with concern for demographic trends, geopolitical strategies, medium- to long-term economic development plans and a desire to maintain the country's socio-economic balance.<sup>20</sup> As Peidong Yang indicates, Singaporean state authorities have adopted a very pragmatic approach to immigration policy: 'subtly colored by cultural ideologies and imaginaries' in which maintaining the ethnic ratio is as sacrosanct as privileging economic prosperity to ensure its citizens' continued acceptance of its soft-authoritarian approach.<sup>21</sup> The city-state's immigration policy therefore takes shape through various formal and informal selection criteria as a way to address these concerns, including a preference for younger professionals and students that transition to the workforce after their studies, as well as gender, class and ethnic preferences.<sup>22</sup> These criteria are understood as one of the ways state authorities maintain the social and political harmony of the city-state.

The following sections explore some of the tensions resulting from Singapore's foreign talent policy by deconstructing the profile of Chinese foreign talent. Although their ethnic and occupational profiles support many government priorities, Chinese foreign talents nonetheless navigate local ethnic politics in different ways due to their specific Chinese ethnicities and national backgrounds. The author also maintains that these identity markers lead to different modes of engagement with the city-state, as well as with their home societies and with various community actors (keeping in mind, of course, the role of other identity differences, including gender, age and occupation).<sup>23</sup> After discussing some of the tensions that have arisen over the last 20 years with respect to the socio-economic impacts of the city-state's foreign talent policy, the chapter turns to the stories of three Chinese foreign workers from Malaysia, Hong Kong and mainland China to discuss their migration experiences, their varied levels of integration into Singaporean society and their understandings of their role as Chinese foreign talent.

On a methodological note, the in-depth interviews with Chinese foreign talents working and living in Singapore are from qualitative research conducted in Singapore from January to April 2008 when the author was interviewing individuals involved in the city-state's internationalization strategies, notably young professionals and representatives of social institutions such as migrant and trade associations. These interviews are utilized heuristically and with no claims that

they have any representative value. They serve, rather, to problematize the public debates on Singapore's narrative about foreign talent.

### **Singapore's foreign talent policy and social tensions**

Singapore's adjustment of its foreign talent policy after the Asian Financial Crisis fuelled a citizen–foreigner divide due to perceptions by citizens that foreigners get the best employment opportunities and that their loyalty to the city-state is superficial.<sup>24</sup> In a context in which the city-state was created not through a 'hatred of foreigners' but as a 'society of immigrants',<sup>25</sup> scholars such as Aaron Koh point out the incompatibilities between the promotion of foreign talent schemes and government approaches to multiculturalism and ethnic pluralism that may exacerbate the citizen–foreigner divide.<sup>26</sup> This divide arises from an intolerance of foreigners who are perceived as unwilling to learn about the city-state's history or to integrate into its unique traditions and customs.<sup>27</sup> Local reactions have highlighted the importance for foreigners to understand and respect Singapore's milestones, including its historical flows of Chinese immigration before and during European colonialism, its departure from the Federation of Malaysia in 1965 due to ethnic tensions, the city-state's decision that it would ensure that its ethnic ratio is maintained as a guarantor of internal peace and stability and the various meaningful stances the PAP took against so-called western vices and outside influences in the 1970s and 1980s.<sup>28</sup> In this section the city-state's foreign talent policy is put into the broader perspective of existing government priorities and platforms. The author explores the main tensions that have emerged in the last 20 years and highlights some of the socio-economic impacts of talent policy in Singapore.<sup>29</sup>

#### ***Foreign talents and work permits***

Foreign talent recruitment is compatible with the city-state's main goal of utilizing migration policy to achieve 'industrial upgrading and technological change' while maintaining competitiveness.<sup>30</sup> Peidong Yang goes further by characterizing the city-state's increasing reliance on foreign talent since the 1980s as a survival strategy.<sup>31</sup> Singapore's immigration policy is thus determined and implemented through a formal and planned working pass system, which serves as a 'tiered schedule of rights, with unskilled labour at the bottom and highly paid professionals at the top'.<sup>32</sup> Through the working pass system, talent is funnelled through the city-state's labour market based on formal, skills-based criteria but also on informal ethnic criteria, thus setting the stage for tensions between national immigration policy and local social dynamics.

Singapore's employment system links a migrant worker's monthly income to the privileges and restrictions imposed on her or him. Since 1998, it has included R passes for semi-skilled and unskilled workers who cannot, for instance, bring family members with them or apply to stay longer. It also provides Q, P and S passes for technicians, skilled workers, professionals, managers and

entrepreneurs. These passes give their holders access to privileges such as applying for a Dependant's Pass and applying to stay longer, with the highest-paid workers obtaining more freedoms and opportunities and facing fewer restrictions.<sup>33</sup> In 2007, a Personalized Employment Pass (EP) work permit was created to allow the most desirable foreign talent to stay in Singapore after the termination of their employment in order to give them time to find work with another company.<sup>34</sup> In 2010, 12.5 per cent of the approximately 1.3 million foreign workers in Singapore were in possession of an S pass, and 17.5 per cent were holders of either an EP or a Dependant's pass.<sup>35</sup>

With a rise in the proportion of foreign talent, from 11 per cent in 1970 to approximately 40 per cent in 1999, this system is based on a strong history of utilizing foreign workers to support local economic development. Part of the incentive built into the Singaporean immigration system is the possibility for the most desirable and highly skilled workers to transition to permanent residency or citizenship, as well as to obtain educational, healthcare and housing benefits.<sup>36</sup> In 2008, 77 per cent of foreigners who had obtained permanent residency had a postsecondary education, whereas for the same education level, 61 per cent had obtained Singaporean citizenship.<sup>37</sup> Starting in 2011, the government reformed the eligibility criteria for foreign workers in response to some local criticisms that the immigration policy was too liberal. Although no numbers have been released, this policy change introduced higher standards and a harder path towards obtaining permanent residency and citizenship, even for highly skilled workers.<sup>38</sup> In this way, this system has shown some flexibility in order to meet the city-state's evolving industry needs, social demands and strategic priorities, and to respond to some of the system's unintended consequences.

The working pass system has evolved in congruence with other parameters and government priorities, including ethnic harmony and social integration. According to Linda Low, the

political economy of migrant labour policy has changed in character largely in terms of skills need, sourcing from traditional to non-traditional countries affecting the nationality and ethnicity base while simultaneously maintaining an implicit ethnic equation of a largely Chinese population.<sup>39</sup>

These selection criteria for highly skilled foreign workers have changed over time, with a shift from globally competitive top foreign talent, mostly from western countries, to midlevel professional talent, mostly from China and India, in the late 1990s and early 2000s. These changes are not only led by state authorities; other actors involved in facilitating the immigration of foreign talent have favoured specific ethnic groups in support of their own agendas, namely, Chinese family-owned corporations that have recruited Chinese foreign talent and Chinese clan associations that have offered bursaries and immigration and integration support to different types of 'desirable' Chinese workers.<sup>40</sup>

### ***Foreign and local talents***

Tensions surfaced when Singapore's foreign talent policy was adjusted in 1998 away from attracting top global talent to targeting midlevel professionals and managers, mainly from China and India.<sup>41</sup> This shift created direct competition between foreign talent and local talent. Whereas the attraction of foreign talent was always understood in combination with another government priority, which is the training and retention of local talent, this change produced a tension between foreign talent and the local citizenry as the former increasingly began to compete in local labour markets. Moreover, global talent is often perceived in this context as more competitive and skilled than local highly skilled workers, which fuels resentment from local talent as well as negative stereotypes about foreign talent, such as their unsociability.<sup>42</sup>

The tension between foreign and local talent is felt especially in the education system, one of the battlegrounds for talent scoping and training. Recruiting international students as foreign talents allows for a period during which these students can transition to and integrate into local social life prior to contributing to the city-state's workforce.<sup>43</sup> Under the guise of the 1998 World University Programme and 2003 Global Schoolhouse platforms, state authorities focused on bringing in scientists and researchers to work in universities. They also tried to bind international students through very attractive scholarship programmes, including some organized by the private sector, as well as the option to apply for Singaporean citizenship.<sup>44</sup> The distinction between international students and foreign talent appears to be very slim, especially from the perspective of Singaporean citizens. What is noticeable in the Singapore case is 'the extent to which the often contentious social discourses about "foreign talents" of late have become the primary frames through which many in the Singapore society interpret their observations of and encounters with international students'.<sup>45</sup> Frequent encounters with Chinese foreign workers can reinforce the stereotypes and aspirations that are associated with international students from mainland China and their 'very Chinese' ways of life. Such encounters can also reinforce the perception of asymmetrical treatment from state authorities.<sup>46</sup>

With reference to Sara Ahmed's argument about horizontal associations and the ways in which emotions 'stick' different normative positions together (whether justified or not), the idea of foreign talent is increasingly associated with various daily life encounters and emerging trends.<sup>47</sup> This has broadened citizens' opposition to foreign talents by associating the latter with various social concerns, such as overcrowding, the perception that foreigners receive privileges, the increasing competition in local labour markets and educational institutions and the perceived need to 'put Singaporeans first'.<sup>48</sup> Perceptions of the growing presence of foreign talent and its negative aspects in Singaporean society are experienced as a package that is not limited to the competition in labour markets, but rather felt through various daily, routine and embodied experiences.<sup>49</sup>

***Nationalistic and cosmopolitan Singapore***

Singapore's post-1998 foreign talent policy has exacerbated an existing tension between the need to maintain a strong nationalistic narrative of economic and political survival on the one hand, and the city-state's branding as a cosmopolitan metropolis to attract the best and the brightest of global talent, on the other.<sup>50</sup> As Terence Chong denotes, the city-state experiences an 'oscillation between its nation-state and global city habitus', which complicates any common understanding of what is proper, authentic and adequate in terms of values and conduct associated with Singaporean identity.<sup>51</sup> Nationalistic discourses about the city-state are defined by various threats and encounters that stress the need for a pragmatic and economically realist nation-building ethos focused on the needs and priorities of all Singaporeans. Singapore as a global and cosmopolitan city, by contrast, constitutes a much broader narrative of a place that provides a safe and culturally proximate environment for mainland Chinese to get experience abroad, while also catering to westerners by advocating a 'live and let live attitude'.<sup>52</sup>

In a context in which Singapore is perceived to be a small geographical state with few natural resources, surrounded by Muslim countries and historically fraught with internal ethnic tensions, including its expulsion from the Federation of Malaysia, the city-state's survival narrative of 'a nation that nearly did not make it' is an argument for Singaporeans of all ethnicities to put their differences aside and work together around an ethos of common prosperity and economic development.<sup>53</sup> Referred to by some as the '4Ms or 5Ms' (multiracialism, multilingualism, multiculturalism, multireligiosity and sometimes meritocracy), the nation-building project 'makes economic development, success and wealth a significant pillar of unity for all Singaporeans'.<sup>54</sup> Substantive components of a national ethos in terms of language, ethnicity and religion are relegated to the private realm, while other parts of identity-formation as Singaporean are created from the top-down and have various qualifiers, such as a soft-authoritarian, state-corporatist and a meritocratic and elite-based society focused on continuous progress.<sup>55</sup>

The national self-confidence expressed and conveyed by many Singaporeans seems to be based on their ability to perform economically, but this confidence is matched by anxieties relating to the internal threats of cultural disagreement and confrontation.<sup>56</sup> The sense that the city-state's nation-building project lacks cultural authenticity means that Singaporean identity is constantly defined in negative and relative terms. As Peidong Yang explains, Singaporean culture is framed not as 'something that one has but something that the "other" does not have'.<sup>57</sup> In its long road from nation-building to becoming a global city, Singapore's economic growth exacerbates local anxieties about cultural authenticity, belonging and the very essence of national identity. Foreign talents continue to arrive in Singapore in response to the challenges created by globalizing and modernizing economic processes, and yet the increase in foreign workers exacerbates the search for authenticity and the fragility of the national ethos.<sup>58</sup> Whereas foreign talent is needed to ensure economic prosperity and is therefore part of



the nation-building project, Singapore also attracts foreign talent through the promotion of its global ethos. For instance, the city-state's short opening up to homonationalism between 2001 and 2004 to attract members of what Richard Florida calls the 'creative class' was perceived as positioning the city-state within the global norms on sexual minorities.<sup>59</sup> In other words, as argued by John Whittier Treat, Singapore's 'endorsement of homosexual identity' was framed as the acceptance of sexual minorities as 'exemplary of the construction of citizenship in neoliberal first-world societies'.<sup>60</sup>

State authorities quickly readjusted their position after 2004, when the popularity of the city-state's re-branding as a queer playground and gay capital was seen as interfering with its commitment to a conservative set of 'Asian values'. This adjustment, moreover, necessitated the reiteration of Singapore's heterosexualist ethos, notably with its refusal to decriminalize homosexuality as part of the 2007 reforms of the Penal Code.<sup>61</sup> Returning to the traditional discourses of the city-state as built on Asian values and Confucianism, Singapore's nationalistic narrative of fighting off threats was once again grounded in an 'Orientalist definition of the island's non-Western cultural identity as irrevocably heterosexualist'.<sup>62</sup> As will be explored in the next subsections, a similar readjustment can be found at the other end of the spectrum, with an impact on the 'very Chineseness' of foreign talent coming from mainland China and, in response, a definition of the Singaporean national ethos by what it is not: unsocial, bland and conservative in lifestyle choices, and unable to speak English properly.<sup>63</sup>

### ***Flexible economy and rigid ruling system***

The asymmetries between the ruling system that the city-state has adopted since independence and the current requirements of a knowledge-based economy have been reinforced by the realignment of Singapore's foreign talent policy at the end of the 1990s, creating a tension that is structural in nature. Singapore's economic success is largely due to a developmental state governance model that allowed for strong interventions by public authorities to guide development, modernization and industrialization.<sup>64</sup> As Terence Chong argues,

the PAP government, through a variety of domestic strategies, such as the clamping down on trade unions, press freedom, strict labour and industrial regulations, together with advantageous global market trends, ha[s] managed to secure a remarkable level of economic development.<sup>65</sup>

However, tensions arose when economic development plans within this ruling system became geared towards a knowledge-based economy, which required flexibility, innovation, creativity and unconventional outside-the-box thinking in order to reap the benefits of cutting-edge ideas and business opportunities.<sup>66</sup> While Singapore has been known to create a very strict environment for regulating the conduct of its citizens and businesses, this 'government-knows-best' approach has clashes with the global search for talent.<sup>67</sup>



The government's education plans have yet to create a critical mass of local talent that is deemed to be sufficiently innovative and creative. By associating knowledge with specific skills, whether technical or social and cultural (such as speaking more than one language), the city-state has created many education reforms to refine its bicultural agenda. This bicultural approach also encourages the next generation of Singaporeans to speak both Mandarin and English fluently.<sup>68</sup> In this view, education is seen as a way of giving the next generation the right skills to help Singapore continue to be a competitive and attractive business environment. Over time, educational reforms have led to the development of an increasingly numerous and competitive group of young local technicians, professionals and managers; however, the training of innovators and risk-takers has been more difficult due to implementation challenges in local higher education institutions, uncertain employment prospects and social concerns over the value added by focusing on local talent rather than continuing to rely on foreign talent.<sup>69</sup> State authorities are nonetheless successful at aligning the local Singaporeans' mind-set to the race for global talent and are preparing them to compete against foreign talent for the best local and regional opportunities.

The highly skilled foreign workers who have fuelled the new knowledge-based economy have a different mind-set that may clash with local customs and conventions. As Linda Low denotes, foreign talents not only come with specific expertise, but also with backgrounds that may be less compatible with the paternalistic values of Singaporean state authorities.<sup>70</sup> Navigating between their professional contributions and other expectations related to being a good member of Singaporean society, including not engaging in out-of-bounds topics, being grateful and respectful to the local traditions and being willing to learn and integrate, foreign talents in knowledge-based industries are conscious of the potential interference of the Singaporean political regime in their work and have exhibited a heightened sense of awareness of local customs and hierarchies.<sup>71</sup>

A government's role in supporting either a commodity-based or a knowledge-based economy can vary widely. In the case of the latter, it is hard for state authorities to ensure the workforce's loyalty to the city-state due to the mobile nature of global talents and because of the nature of an economic structure based on ideas and innovation. Singapore's 'illiberal political culture' is considered by knowledge workers such as scientists to be a 'deterrent to its aspirations to become a knowledge and innovation hub', which translates into attitudes of self-censorship and the adoption of conservative strategies in the workplace.<sup>72</sup> It is also hard to ensure the compliance of foreign talents with local customs and ideas, especially if they are hired for their innovative minds and brought in for their abilities to push the boundaries of the status quo.

### ***Ethnicity and nationality***

Through the presence of foreigners in Singapore's ethnoscape, the foreign talent policy can be said to have weakened the ethnic and cultural foundations of the city-state's social contract.<sup>73</sup> Traditionally, Singapore is understood as a divided

society built on the Chinese, Malay, Indian and Other (CMIO) ethnic categories. As a way of promoting harmony among the various ethnic groups, multiculturalism provides each of Singapore's founding ethnic groups with equal advantages and perks in the public sphere, such as the same number of religious holidays and access to public notices in their language. The CMIO system is based on fixed predetermined categories in which a specific ethnicity is correlated to a specific language, religion and other stereotypical characteristics.<sup>74</sup> With the influx of foreign talent, these categories are put to the test, as they do not allow for much variation within each state-defined ethnic group. Meanwhile, questions of nationality are resurfacing and becoming more important in defining one's identity than they have been in the past. The foreign talent policy has been known to bring in people whose sense of territoriality and sociality does not fit the multicultural framework of Singaporean society, hence creating 'an irreconcilable tension in the Singapore ethnoscape where a politics of difference and a national cultural framework has been organised around discrete racial boundaries'.<sup>75</sup> Although the policy is based on the CMIO system's specific categories, and although it is seen as enabling the city-state to maintain its ethnic ratio, the over-reliance on the ethnic profiles of migrant workers in recruitment has had some unintended consequences in terms of expectations, notably as their immigration did not meet clear government-approved guidelines on integration until 2009.<sup>76</sup>

Ethnic tensions are felt in daily encounters with foreign talent from mainland China. Although brought in by state authorities to maintain the dominance of the Chinese population, locals of all ethnicities have been frustrated with fundamental differences in mainlanders' social habits and loyalties, as well as their perceived self-serving motivations. Some local Singaporeans feel that foreign talents do not give back to their host community and tend to cling to their 'very China' ways, which are vaguely defined as a package of cultural stereotypes about bad behaviour, such as eating on public transport and speaking loudly on the phone, and about attitudes and motivations, characterized as being uncouth and ungrateful to the city-state.<sup>77</sup> The presence of foreign talents has thus been framed as 'incompatible with the ideology of multiracialism that has remained an important cultural policy since Singapore began self-rule'.<sup>78</sup>

Foreign talents add a new dimension to the cultural politics of the city-state by making nationality a prime indicator of difference between people of different and similar ethnicities. Indeed, Hong Liu observes that nationality has become more significant than ethnicity in understanding local schisms.<sup>79</sup> A series of events, including the 2011 Curry Day and reactions against the 2013 Population White Paper, have reinforced local interethnic conversations and demands for a better screening of foreign workers and the need to preserve what is seen as local ways of life. Locals have minimized traditional ethnic divides due to their growing dissatisfaction with foreigners, and they have found new grounds to express interethnic national Singaporean identity through 'newly constructed national symbols, including curry'.<sup>80</sup>

With a recent focus on integration, notably through the 2011 Singapore Citizenship Journey programme, the question of ethnicity has been de-emphasized.

This includes foreign talents, who are required to learn about Singapore's 'founding myths and shared experiences', and to demonstrate a will to fit into Singaporean society, understand its core values and develop a sense of belonging.<sup>81</sup> This readjustment comes from the recognition that 'the inflow of foreign talent, regardless of nationality, ethnicity, and gender, has transformative effects on the discursive cultural formation of Singapore, particularly when state discourses and practices are organised around state boundaries'.<sup>82</sup> The explicit need since 2009 for foreign talents to be well integrated into the city-state plays into an official demarcation between citizens and foreigners. It is also based on requests from the local population for measures that protect and support Singaporeans first, regardless of their ethnicity.

### **Travails of Chinese foreign talents**

For foreign talents, the social tensions in Singapore are negotiated differently depending on their ethnic background, linguistic abilities and other identity markers that may or may not resonate with the local social matrix. In the case of Chinese foreign talents, everyday life is negotiated through various inclusions and exclusions based on local ethnic politics and their own take on Chinese ethnicity and Singaporean national identity. As Aaron Koh argues, foreign talent are empowered by their cultural capital, and while they may be 'a demographic minority along one dimension of differentiation, they may also be positioned and constructed as a majority in another'.<sup>83</sup> Differences within the state-approved Chinese category are lived through what Sin Yee Koh calls 'unbelonging', where some remain at the margins of society by references to an imagined sense of home and the need to maintain some distance from what is expected of Chinese foreign talents in Singapore.<sup>84</sup> This section explores the stories of Jennifer, Brock and Oscar, highly skilled Chinese migrant workers from Malaysia, Hong Kong and mainland China, respectively. Each of them has a specific Chinese ethnicity and national background that give them different tools to navigate, as foreign talents, the evolving local ethnic politics and social hierarchies in Singapore, while also providing a specific perspective on the city-state's foreign talent policy.

#### ***Jennifer from Malaysia***

Jennifer, the youngest of the three interviewees, was born and raised in Selangor, Malaysia, with her family maintaining a second residence in Kuala Lumpur.<sup>85</sup> She has a Christian Cantonese father and a Buddhist Hakka mother, and grew up learning five languages (Cantonese, English, Hokkien, Malay and Mandarin) and politically involved in the Malaysian Chinese Association (MCA). She is now a permanent resident in Singapore and goes back to Malaysia often to visit her cousins in Johor Bahru. With one sister in Penang and another in Hong Kong, Jennifer decided to work as a teacher in a local polytechnic school in Singapore when she was 23. Jennifer describes herself in the following words: 'My thinking is more western but my living is more Chinese'. As a foreign talent in

Singapore, she has been able to utilize her different linguistic abilities to navigate local ethnic politics, while utilizing her Chinese-Malaysian perspective to understand the differences she encounters at work between local Chinese students and international students from mainland China.

Her story is consistent with Singapore as a preferred destination for Chinese-Malaysian skilled migrant workers due to the unique historical, geographical, linguistic and cultural links between Singapore and Malaysia.<sup>86</sup> Chinese-Malaysian foreign talents are attracted to Singapore because of employment opportunities and high standards of living, as well as cultural proximity. They also view Singapore as providing a safe and stable environment, and Chinese-Malaysian foreign talents are considered by Singaporean state authorities as 'traditional source workers', which allows them to work in all sectors of the economy.<sup>87</sup> From this perspective, Jennifer sees major differences between what being Chinese means in Malaysia and what it means in Singapore, as:

Chinese people in Malaysia stand up for themselves and contribute more to the Chinese community and are more proud. I feel more Chinese in Malaysia because people must study their roots. Here [in Singapore], it is too western and people forget their family background.

Being Chinese-Malaysian brings her closer to Chinese Singaporeans in some, but not all, ways. Indeed, political tensions and economic competition between the two countries often put Chinese-Malaysians in Singapore on the spot as they are forced to negotiate complex identity politics of sameness and difference in the context of both countries. Identifying primarily as Malaysian and living with a Malay family in Singapore, Jennifer constantly negotiates her identity based on what is missing in Singapore and among Singaporeans of her age in comparison to Malaysia.

Since her arrival in the city-state in 2003 she has tried to be part of a community by finding the same type of community support and volunteer opportunities she had in Malaysia. Looking for other youths her age, she found many in Christian churches, but feels that they are too westernized for her taste.<sup>88</sup> As for joining other grassroots organizations, which she participated in while in Selangor and Kuala Lumpur, she always feels she is the only one her age. She states, 'When they see me, they ask me if I am the daughter of someone'. Speaking of her experience at the MCA, she sees a structural problem in community organizing in Singapore, where organizations are lacking political consciousness and are clearly not motivated by the need for financial survival and donations, as is the case in Malaysia, at least in her experience. She also notices missing links in the relationships between grassroots organizations, churches and other associations in their recruitment of new members, which here translates into young Singaporeans not being aware of opportunities or not being able to extend their social networks on their own volition.

When Jennifer thinks of her students, Singapore's future skilled workforce, she sees deep differences between local Chinese Singaporeans and mainlanders.

Whereas Chinese Singaporeans speak English well and have westernized tastes, desires and lifestyles, mainlanders, who she considered ‘fresh off the oven [*sic*]’ are timid, reserved and discreet, notably because they face difficulties in speaking English and do not want to be judged for participating in extracurricular activities such as dancing and singing. Making links to her past experiences in Malaysia, Jennifer emphasizes the importance for foreign talent to speak many languages well to navigate daily life. She indicates that ‘Even if I was English-educated, there are expectations that I speak Mandarin at events. When I do, even if it is to a Cantonese audience, people appreciate me more, respect me more, than those who only speak English’. Jennifer notices the westernized culture of Chinese Singaporeans and denotes the importance of knowing and promoting one’s roots, while also having the ability to understand, appreciate and adapt to various cultural contexts, especially through language.

Her story echoes the findings of various scholars that demonstrate how Singapore’s ‘Chinese category’ is fraught with fragmentations, especially since the changes to the foreign talent policy in 1998.<sup>89</sup> With Chinese Malaysians making up 57.6 per cent of Chinese foreign-born residents in Singapore as of 2010, Jennifer speaks from a position of being in the majority, empirically and discursively, of Chinese immigrants to the city-state.<sup>90</sup> She reproduces some of the stereotypes found in the city-state as they pertain to mainlanders, while at the same time providing a critique of local Chinese Singaporeans as lacking Chineseness, including a specific political consciousness and lifestyle. In line with Sin Yee Koh’s study of Chinese-Malaysians in Singapore, Jennifer identifies neither with Chinese Singaporeans nor with mainlanders.<sup>91</sup> Even though she is well placed to understand the city-state’s specific history, as well as the ethnic politics of being Chinese in the region and the social hierarchies arising at the intersection of nation-building and immigration, she contributes to the divide between local talent and mainland Chinese foreign talent by carving out a niche for herself and other Chinese Malaysians. She emphasizes the official needs of a globalizing Singapore that celebrate her cross-cultural and multilingual abilities, criticizing both Chinese Singaporeans and mainlanders for not being bicultural enough.

### ***Brock from Hong Kong***

The author met Brock in a Starbucks Café on a Saturday afternoon, as he worked as a computer engineer fulltime during the week.<sup>92</sup> Having moved to the city-state in 1994 after a short time in the United Kingdom, he arrived in Singapore as a single Chinese foreign talent and was able to settle in, get married and establish a family there. Originally from Hong Kong, he joined the Kowloon Club of Singapore in 1995, not so much for integration reasons but rather to offer training workshops in information technology to the organization’s members.

As is the case with many other foreign talents in Singapore, the company that hired him took care of his immigration and integration issues, whereas the Kowloon Club became a social outlet and a way for him to participate in various

Chinese events and meet other foreign talents and their families 'to value what's common to us that relates to Hong Kong and the Kowloon Club'. In Brock's case, the Kowloon Club and his Hong Kongese identity are the building blocks of how he relates to local ethnic politics and hierarchies. Having departed Hong Kong well before its return to the People's Republic of China, his perspective on Chineseness reflects the dangers of losing the uniqueness of one's ethnic and national background. It is through his involvement with the Kowloon Club, an organization originally created by Singaporean state authorities in 1990 to facilitate the immigration and integration of Hong Kongese foreign talents,<sup>93</sup> that Brock celebrates his specific Chinese ethnicity. He has been a club member since the mid-1990s and an executive since 2002, and has participated in various social groups, all of which align with his interest in organizing cultural activities. This includes, for example, hosting a Chinese Lunar New Year dinner, and showcasing Hong Kongese identity and disseminating to the next generation what he sees as important. Asked about which activity is the most important to him, Brock says, 'I'm the most proud of our presence at the Chingay Parade. More than 300 members were there last year and it took more than six months to organize'. In this way, his participation in the Kowloon Club helps him celebrate and transmit specific elements of Hong Kong heritage and his own Chinese ethnicity.

Brock's story highlights the survival of a Hong Kongese identity that was shaped in the wake of Hong Kong's return to the People's Republic of China and has evolved in different host societies such as Singapore. With his interest in maintaining the distinctiveness of his Cantonese language, culture and networks while living in Singapore, his story echoes the recent debates about the extent to which Hong Kongese identity disrupts the narrative of Chineseness pushed by state authorities by emphasizing familiarity and solidarity rather than clear-cut ethnic lines.<sup>94</sup> His identity as Hong Kongese in Singapore is solidified by comparisons with other Chinese experiences in the city-state. Speaking of his fears of the new members' understanding of Hong Kongese culture, he says, 'We, the first generation [of the Kowloon Club], are all from Hong Kong. The second generation was all born here. We have to transmit the culture to them'.

Focusing on cultural activities and language training, among other activities, Brock's story demonstrates how Hong Kongese identity formation in the city-state is notably defined by everyday performances, gatekeeping practices and lifestyle choices. As Souchow Yao indicates about Chineseness in Singapore, it can be seen through all things Chinese: 'the language, the food, the choice of spouses and so on still make up the core of the Chinese subject'.<sup>95</sup> Brock provides a unique perspective on how Chinese foreign talents can contribute to the city-state. He is good at sharing his technical skills to support the organization's activities and train other members and sees the importance of foreign talents in contributing to the city-state's cultural diversity. Moreover, he emphasizes that it is crucial to give back to Singaporean society and to find a civic function beyond cultural preservation. As he indicates, 'It's important to learn how to give back to the community and how to justify the use of the Kowloon Club'. In this view,



Chinese foreign talents can help support the city-state's cultural diversity, especially by celebrating their unique Chinese ethnicity, while utilizing the bonds of a culturally homogenous group to address some of the city-state's main issues.

Brock's story reveals the attempts at social engineering by the Singaporean state to create community associations such as the Kowloon Club to recruit foreign talent and model immigrants because of their skills, their ethnic profiles and their will to integrate. It also brings to life the ethnic adaptation of Hong Kongese to the city-state over time, their distancing from mainlanders and their dissociation from the foreign talent policy. Once they considered themselves having integrated into the local society, Hong Kongese foreign talents like Brock moved closer to the category of local Chinese Singaporeans. Here, the ethnic privilege evolves from having access to the city-state as a desirable migrant to the right to participate in local daily life, notably by patrolling and evaluating what can be considered local and foreign Chineseness.<sup>96</sup> However, this move silences the transition of migrants like Brock and the ways in which he negotiated a successful integration while maintaining a Chinese ethnicity that is not officially adhering to state categories. The ethnic identity of people like Brock, who appear to have a strong commitment to the city-state, have become a building block to integration and a way out of the 'foreigner' category.

### *Oscar from mainland China*

A professor at Nanyang Technology University, Oscar has lived and worked in Singapore since 1998.<sup>97</sup> Now in his 40s, he has been involved with the Zhejiang University Alumni Club since its inception in 1999. Looking back at the motivations for mainlander foreign talents to migrate to Singapore in the 1990s, he sees many differences: 'Before, professors and scholars came here to survive. Now, most can find a job anywhere abroad after graduation'. The Zhejiang University Alumni Club's core mission has remained the same since its inception, even as the number of mainlanders in Singapore has increased in recent years. According to Oscar, the Club 'offers a proper channel for newcomers to help them to better fit in, especially international students, because Singaporean Chinese are still very different'. As a foreign talent himself, he sees the increasing number of mainlanders as an opportunity for better integration schemes for newcomers and as a possibility to create and maintain more significant relationships with the People's Republic of China.

During his interview, Oscar made little reference to what Chinese culture actually is, aside from mentioning specific Chinese events such as the Chinese Lunar New Year. He views most of the differences between local Chinese Singaporeans and mainlanders within the frame of national identity and belonging. As he indicates, 'We need a voice in Singapore. We have our own concerns working and living here. We want to play the role of a bridge between China and Singapore'. Independent grassroots organizations representing these interests are flourishing in the city-state, emphasizing the importance of supporting newcomers from mainland China in specific ways, for instance maintaining business

relations, planning the membership's return to the People's Republic of China and mobilizing mainlanders not so much around being culturally distinct, but around common concerns pertaining to their status as foreign talent.

Oscar's involvement with the Zhejiang University Alumni Club does not necessarily confirm all the various stereotypes about mainlander foreign talent as being unsociable, too business-oriented or school-focused, self-isolating, intolerant of cultural differences and 'too Chinese' to integrate with the city-state.<sup>98</sup> In addition to representations of this demographic as receiving perks to emigrate, as well as questions by the local citizenry about mainlanders' loyalty and capacity to adapt to multicultural Singapore, Oscar's story demonstrates the willingness to self-organize and to create a specific group of mainlanders around common interests and needs that go beyond the boundaries of the city-state.<sup>99</sup> As he indicates, 'Union [*sic.*] is power. We need help from each other. We have information needs to find job opportunities, accommodations and friends with a similar background'.

The Zhejiang University Alumni Club has grown from a mere 200 members in 1999 to about 1,000 members in 2008, a number which has remained relatively stable up to 2015. One-third are professionals working for companies in Singapore and the rest are graduate students. The club also has a high level of turnaround, with about a third of the members returning to the People's Republic of China every year and a third coming into Singapore. Oscar believes that the association's role should be based purely on the need to fight the isolation of newcomers, while eschewing political or cultural lobbying activities. As he states, 'I am proud that we are not concerned with high-level political discussions and that our goal has remained to create a family away from home'. In his view, increasing numbers of mainland newcomers are not interested in joining such an association, as they can easily satisfy their own interests, including the creation of business ventures between China and Singapore, without the help of an organization that focuses on meeting newcomers' 'basic needs for interaction' and on offering some 'anchors into Singaporean society'. As a mainlander foreign talent in Singapore, Oscar and a new generation of newcomers have in common this need for self-organization and achievement less grounded in celebrating a specific Chinese ethnicity than in maintaining and creating ventures associated with their national pride and identity.

Oscar's story speaks more directly to the local population's anxieties about the willingness of foreign talents to integrate. Without representing the many negative stereotypes associated with mainlanders in Singapore, Oscar's silence on his distinct Chinese culture and the emphasis he puts on national identity shed light on his political allegiance to mainland China. His focus on self-organizing and independence from local Chinese groups, and his desire to express his own views on integration, fit with the privilege given by state authorities to Chinese foreign talents. This privilege comes with the opportunity to form an official association for mainland newcomers with an agenda to support their integration and to build business and social networks with China. In contrast to the 2012 Sun Xu scandal, in which a university professor publicly compared some local



Singaporeans to animals, Oscar's intentions are not to denigrate the city-state as much as they are to be accepted as a settler, but with primary ties to mainland China.<sup>100</sup> In this way, his story binds together some of the local worries about the threats of a liberal approach to immigration, the degree of loyalty of foreign talents to the city-state and the question of cultural compatibility between mainlanders and Chinese Singaporeans.

## **Conclusion**

The stories of Jennifer, Brock and Oscar highlight the different everyday encounters of Chinese foreign talents with Singaporean society and the local sense of Chineseness. Coming from Malaysia, Hong Kong and mainland China respectively, they navigate local ethnic politics and hierarchies in Singapore differently, based on their specific Chinese ethnicities and national identity. This background also sheds light on how they engage with the city-state, with their home societies and with various community actors. They also relate differently to the tensions documented previously with respect to the societal changes experienced in Singapore since the 1998 changes to its foreign talent policy.

Jennifer's story of navigating local ethnic politics and hierarchies as a Chinese foreign talent emphasizes her discomfort with Chinese Singaporeans' overly westernized lifestyle and with the inability to connect with Chinese mainlanders. Although her taking a job as a teacher in Singapore may be an example of the direct competition between foreign and local talent, she tends to limit her judgment of her students from mainland China to a bundle of stereotypes associated with their 'very-China ways' in everyday encounters. Moreover, her focus is more on her Malaysian experiences and standards in evaluating Singapore's Chineseness, which she uses to carve out for herself a legitimate voice in Chinese Singapore. Her story is in line with Sin Yee Koh's conceptualization of diasporic 'unbelonging' that contributes to the divide between mainland foreign talent and Chinese local talent.<sup>101</sup>

Jennifer's story contrasts significantly with the one of Brock, who is a Hong Kongese foreign talent highly involved in the Kowloon Club, a migrant association that originally catered to foreign talent from Hong Kong and their families. For Brock, the Kowloon Club and his Hong Kongese identity are building blocks of engaging with Singaporean society and local ethnic politics and hierarchies. Having gradually moved from a status of foreigner to a status of being part of the citizenry, he focuses on celebrating the cultural components of his distinct Chinese ethnicity in order to find his social relevance in the city-state. His story deconstructs the divide between local and foreign talent, notably through his children and the Kowloon Club's second-generation members, who are born and raised in Singapore. With a strong allegiance to the state of Singapore and its founding principles of multicultural harmony and tolerance, Brock and the Kowloon Club nonetheless contribute to the pluralization of official understandings of the 'Chinese category' as Mandarin-speaking and mainland-focused.

As a mainlander foreign talent, Oscar presents another perspective on being a Chinese foreign talent in Singapore. His story is one of efforts to self-organize, wanting a better integration scheme for newcomers and maintaining more significant relationships with the People's Republic of China. He de-emphasizes the cultural distinctiveness of his work as part of the Zhejiang University Alumni Club, and his story reflects the importance for mainlander foreign talents to create and maintain their own networks in Singapore and mainland China as a symbol of their national identity. In this view, his story speaks more directly to the tensions and increased competition between local and foreign talent in Singapore, in a context in which mainlanders are less willing to engage with local society for different reasons (including plans to return to the People's Republic of China in the short term). Moreover, Oscar's statements highlight the importance that nationality plays, beyond ethnicity, in framing relations between mainlander foreign talents and the local citizenry.

These three different images of Chinese foreign talents demonstrate very different engagements with their host society. Whereas Jennifer looks to find what is missing in Singapore, in comparison to the situation of the Chinese in Malaysia, Brock presents a story of successful integration and celebration of cultural diversity, while Oscar demonstrates a will for self-organizing and a proud allegiance to the Chinese mainland. Reflecting these differences, they engage differently with various local and transnational community actors to navigate Singapore's evolving ethnic politics, hierarchies and social dynamics. Even if their stories are by no means representative, they call into question the mainstream representations of Chinese foreign talent in local public debates to show how ethnic and national backgrounds play a key role in shaping one's integration into Singaporean society, while helping map how these differences have emerged and how they have been institutionalized over the years.

By its sheer numbers and assumed cultural proximity to Chinese Singaporeans, Chinese foreign talent has disrupted the matrix of the city-state in ways that highlight the limitations of promoting one homogenous category for Chinese people.<sup>102</sup> A focus on distinctions within the Chinese category reiterates the existence of racism within each state-defined ethnic group. Here, nationality and local common senses are an increasingly distinguishing factor.<sup>103</sup> The local racial hierarchy gets intertwined with citizenship, which provides privilege within the Chinese category to people who relate to shared markers of Singaporean identity.<sup>104</sup> Recent instances of inter-racial solidarities are not working to dissolve racial hierarchies of the city-state but to reinforce them. As state authorities build a system of selective inclusion at the intersection of ethnicity and desirable skills, societal reactions have not tried to dismantle the Chinese category and its dominance. They have pushed for an extra layer of selective inclusion based on national identity in order to better select whom, within the incoming pool of Chinese foreign talent, have compatible values and a will to integrate into Singaporean society.<sup>105</sup>

**Notes**

- 1 Faizal Bin Yahya and Arunajeet Kaur. 2010. 'Competition for foreign talent in Southeast Asia'. *Journal of the Asia Pacific Economy* 15(1): 20–32; Peidong Yang. 2014. 'A phenomenology of being "very China": an ethnographic report on the self-formation experience of mainland Chinese undergraduate "foreign talents" in Singapore'. *Asian Journal of Social Science* 42(3–4): 233–261.
- 2 Yi-Jian Ho and Adam Tyson. 2011. 'Malaysian migration to Singapore: pathways, mechanisms and status'. *Malaysian Journal of Economic Studies* 48(2): 131–145. [Quotation from p. 132].
- 3 Lionel Wee. 2015. 'The party's over? Singapore politics and the "new normal"'. *Journal of Language and Politics* 14(3): 455–478; Michael D. Barr. 2016. 'Ordinary Singapore: the decline of Singapore exceptionalism'. *Journal of Contemporary Asia* 46(1): 1–17; Mathews Mathew and Debbie Soon. 2016. 'Transiting into Singaporean identity: immigration and naturalization policy'. *Migration Letters* 12(1): 33–48.
- 4 Ravinder Sidhu, Brenda S. A. Yeoh and Sushila Chang. 2015. 'A situated analysis of global networks: capital accumulation strategies of transnationally mobile scientists in Singapore'. *Higher Education* 69(1): 79–101.
- 5 Adam Tyson. 2011. 'The brain drain cycle in Malaysia: rethinking migration, diaspora and talent'. *Malaysian Journal of Economic Studies* 48(2): 85–92; Francis L. Collins, Ravinder Sidhu, Nick Lewis and Brenda S. A. Yeoh. 2014. 'Mobility and desire: international students and Asian regionalism in aspirational Singapore'. *Discourse: Studies in the Cultural Politics of Education* 35(5): 661–676.
- 6 Linda Low. 2002. 'Globalisation and the political economy of Singapore's policy on foreign talent and high skills'. *Journal of Education and Work* 15(4): 409–425; Brenda S. A. Yeoh. 2006. 'Bifurcated labour: the unequal incorporation of transmigrants in Singapore'. *Tijdschrift voor Economische en Sociale Geografie* 97(1): 26–37; Pak Tee Ng. 2011. 'Singapore's response to the global war for talent: politics and education'. *International Journal of Educational Development* 31(3): 262–268.
- 7 Yahya and Kaur, 'Competition for foreign talent in Southeast Asia', p. 26. It is important to note that the city-state also depends heavily on low-skilled and unskilled foreign workers in less valued sectors of the economy. For present purposes, however, this chapter focuses more explicitly on foreign talents and their experiences in order to draw from their perspectives on Chinese ethnicity, immigration to Singapore and local ethnic politics and hierarchies.
- 8 Mathew and Soon, 'Transiting into Singaporean identity'.
- 9 Brenda S. A. Yeoh and Weiqiang Lin. 2013. 'Chinese migration to Singapore: discourses and discontents in a globalizing nation-state'. *Asian and Pacific Migration Journal* 22(1): 31–54; Sin Yee Koh. 2014. 'Diasporic "unbelonging" to Malaysia and Singapore: second-generation Malaysian-Chinese migrants in Singapore'. In *The Age of Asian Migration: Continuity, Diversity, and Susceptibility*, vol. 1, edited by Yuk Wah Chan, David Haines and Jonathan H. X. Lee, pp. 358–372. Newcastle-upon-Tyne, United Kingdom: Cambridge Scholars Publishing; John P. Anshah, Crystal M. Riley, James P. Thompson and David B. Matchar. 2015. 'The impact of population dynamics and foreign labour policy on dependency: the case of Singapore'. *Journal of Population Research* 32(1): 115–138.
- 10 Saw Swee-Hock. 2012. *The Population of Singapore*. Third Edition. Singapore: ISEAS. [Figures from pp. 69, 72, 293].
- 11 Yeoh and Lin, 'Chinese migration to Singapore'.
- 12 Brenda S. A. Yeoh and Shirlena Huang. 2010. 'Sexualized politics of proximities among female transnational migrants in Singapore'. *Population, Space and Place* 16(1): 37–49; Jean Michel Montsion. 2012. 'When talent meets mobility: un/desirability in Singapore's new citizenship project'. *Citizenship Studies* 16(3–4): 469–482.
- 13 Yeoh and Lin, 'Chinese migration to Singapore; Wee, 'The party's over?'

- 14 Goh Chok Tong quoted in Yahya and Kaur, 'Competition for foreign talent in Southeast Asia', p. 27.
- 15 Kris Olds. 2007. 'Global assemblage: Singapore, foreign universities, and the construction of a "global education hub"'. *World Development* 35(6): 959–975. [Argument from p. 960].
- 16 Linda Low. 2002. 'The political economy of migrant worker policy in Singapore'. *Asia Pacific Business Review* 8(4): 95–118. [Argument from p. 104]; Olds, 'Global assemblage', pp. 959–960.
- 17 Low, 'Globalisation and the political economy ...', p. 414.
- 18 Ibid., pp. 412–417.
- 19 Ansah *et al.*, 'The impact of population dynamics ...'; Roberta Comunian and Can-Seng Ooi. 2016. 'Global aspirations and local talent: the development of creative higher education in Singapore'. *International Journal of Cultural Policy* 22(1): 58–79.
- 20 Ora-orn Poocharoen and Celia Lee. 2013. 'Talent management in the public sector: a comparative study of Singapore, Malaysia, and Thailand'. *Public Management Review* 15(8): 1185–1207; Wee, 'The party's over?'.
- 21 Peidong Yang. 2016. *International Mobility and Educational Desire: Chinese Foreign Talent Students in Singapore*. New York: Palgrave Macmillan. [Quotation from p. 8].
- 22 Lily Z. Rahim. 1998. *The Singapore Dilemma: The Political and Educational Marginality of the Malay Community*. Oxford: Oxford University Press; Low, 'The political economy ...'; Aaron Koh. 2003. 'Global flows of foreign talent: identity anxieties in Singapore's ethnoscape'. *Sojourn* 18(2): 230–256; Jean Michel Montsion. 2009. 'Re-locating politics at the gateway: everyday life in Singapore's global schoolhouse'. *Pacific Affairs* 82(4): 637–656.
- 23 A similar argument has been made with respect to Chinese-Malaysian migrant workers and the importance of examining intersectionalities rather than creating a homogenous category of study. See Ho and Tyson, 'Malaysian migration to Singapore', p. 131.
- 24 Koh, 'Global flows of foreign talent'; Brenda S. A. Yeoh and Theodora Lam. 2016. 'Immigration and its (dis)contents: the challenges of highly skilled migration in globalizing Singapore'. *American Behavioral Scientist* 60(5–6): 637–658.
- 25 Tony Stockwell. 2005. 'Forging Malaysia and Singapore: colonialism, decolonization and nation-building'. In *Nation-Building: Five Southeast Asian Histories*, edited by Wang Gungwu, pp. 191–220. Singapore: ISEAS. [Quotation from p. 212].
- 26 Koh, 'Global flows of foreign talent'.
- 27 Hong Liu. 2014. 'Beyond co-ethnicity: the politics of differentiating and integrating new immigrants in Singapore'. *Ethnic and Racial Studies* 37(7): 1225–1238; Eric Thompson. 2014. 'Immigration, society and modalities of citizenship in Singapore'. *Citizenship Studies* 18(3–4): 315–331.
- 28 Yeoh and Lin, 'Chinese migration to Singapore'; Wee, 'The party's over?'.
- 29 These tensions are not mutually exclusive or presented through a functionalist lens. They are understood as mutually constitutive.
- 30 Amarjit Kaur. 2010. 'Labour migration in Southeast Asia: migration policies, labour exploitation and regulation'. *Journal of the Asia Pacific Economy* 15(1): 6–19. [Quotation from p. 10].
- 31 Peidong Yang. 2014. "'Authenticity" and "foreign talent" in Singapore: the relative and negative logic of national identity'. *Sojourn* 29(2): 408–437.
- 32 Ho and Tyson, 'Malaysian migration to Singapore', p. 135.
- 33 Yeoh, 'Bifurcated labour'; Ansah *et al.*, 'The impact of population dynamics ...'.
- 34 Yahya and Kaur, 'Competition for foreign talent in Southeast Asia'; Yeoh and Lam, 'Immigration and its (dis)contents'.
- 35 Ansah *et al.*, 'The impact of population dynamics ...'.

- 36 Mathew and Soon, 'Transiting into Singaporean identity'.
- 37 Yahya and Kaur, 'Competition for foreign talent in Southeast Asia'.
- 38 Yeoh and Lam, 'Immigration and its (dis)contents'.
- 39 Low, 'The political economy ...', p. 95.
- 40 Sikko Visscher. 2007. *The Business of Politics and Ethnicity: A History of the Singapore Chinese Chamber of Commerce and Industry*. Singapore: National University of Singapore Press. [Argument from p. 235]; Montsion, 'When talent meets mobility'.
- 41 Yeoh and Lam, 'Immigration and its (dis)contents'.
- 42 Low, 'Globalisation and the political economy ...'; Yahya and Kaur, 'Competition for foreign talent in Southeast Asia'; Yang, 'A phenomenology of being "very China"'.
- 43 Ibid.; until recently, local students in Singapore had to compete with international students to get admitted to specific programmes, as no quotas for local students were in place.
- 44 In general, bonded scholarships cover one's studies with the understanding that the recipient will work in Singapore or for a Singaporean company for three to six years after their studies. In this case, the rate of transition to a permanent residency after graduation is close to 60 per cent. See Montsion, 'Re-locating politics at the gateway', p. 648.
- 45 Yang, 'A phenomenology of being "very China"', p. 237.
- 46 Collins *et al.*, 'Mobility and desire'; Yang, 'A phenomenology of being "very China"'.
- 47 Sara Ahmed. 2004. 'Affective economies'. *Social Text* 22(2): 11–39. [Argument from p. 19].
- 48 Catherine Gomes. 2014. 'Xenophobia online: unmasking Singaporean attitudes towards "foreign talent" migrants'. *Asian Ethnicity* 15(1): 21–40; Thompson, 'Immigration, society and modalities ...'; Yang, "'Authenticity" and "foreign talent" in Singapore'.
- 49 Yang, 'A phenomenology of being "very China"'.
- 50 Aaron Koh and Terence Chong. 2014. 'Education in the global city: the manufacturing of education in Singapore'. *Discourse: Studies in the Cultural Politics of Education* 35(5): 625–636.
- 51 Terence Chong. 2011. 'Manufacturing authenticity: the cultural production of national identities in Singapore'. *Modern Asian Studies* 45(4): 877–897. [Quotation from p. 877].
- 52 Collins *et al.*, 'Mobility and desire'; Jean Duruz and Gaik Cheng Khoo. 2014. *Eating Together: Food, Space and Identity in Malaysia and Singapore*. Lanham, United States: Rowman and Littlefield. [Quotation from p. 10].
- 53 Koh and Chong, 'Education in the global city', p. 625.
- 54 Jean Michel Montsion. 2015. 'Patrolling Chineseness: Singapore's Kowloon Club and the ethnic adaptation of Hong Kongese to Singaporean society'. *Asian Ethnicity* 16(1): 92–109. [Quotation from p. 95].
- 55 Wee, 'The party's over?'; Barr, 'Ordinary Singapore'.
- 56 Stockwell, 'Forging Malaysia and Singapore', p. 213.
- 57 Yang, "'Authenticity" and "foreign talent" in Singapore', p. 417.
- 58 Koh and Chong, 'Education in the global city'.
- 59 Richard Florida. 2002. *The Rise of the Creative Class and How It's Transforming Work, Leisure, Community, and Everyday Life*. New York: Basic Books.
- 60 John Whittier Treat. 2015. 'The rise and fall of homonationalism in Singapore'. *Positions: Asia Critique* 23(2): 349–365. [Quotation from p. 349].
- 61 Natalie Oswin. 2010. 'Sexual tensions in modernizing Singapore: the postcolonial and the intimate'. *Environment and Planning D: Society and Space* 28(1): 128–141.
- 62 Treat, 'The rise and fall of homonationalism ...', p. 350.

- 63 Yang, 'A phenomenology of being "very China"'.  
64 Low, 'Globalisation and the political economy ...'; Sidhu *et al.*, 'A situated analysis of global networks'.
- 65 Chong, 'Manufacturing authenticity', p. 877.
- 66 Comunian and Ooi, 'Global aspirations and local talent'.
- 67 Low, 'The political economy ...'.
- 68 Charlene Tan. 2006. 'Change and continuity: Chinese language policy in Singapore'. *Language Policy* 5(1): 41–62.
- 69 Comunian and Ooi, 'Global aspirations and local talent'.
- 70 Low, 'The political economy ...'.
- 71 Sidhu *et al.*, 'A situated analysis of global networks'.
- 72 *Ibid.*, p. 93.
- 73 Yeoh and Lam, 'Immigration and its (dis)contents'.
- 74 Anthony Reid. 2009. 'Escaping the burdens of Chineseness'. *Asian Ethnicity* 19(3): 285–296. In order for this system to work, local groups had to adapt to the specific state-designed ethnic categories, especially the Chinese populations whose traditional languages have been downgraded to the status of dialect, and whose use was restricted in the public realm to make way for Mandarin. See Beng-Huat Chua. 2004. 'Conceptualizing an East Asian popular culture'. *Inter-Asia Cultural Studies* 5(2): 200–221. [Quotation from p. 214].
- 75 Koh, 'Global flows of foreign talent', p. 250.
- 76 Yeoh and Lam, 'Immigration and its (dis)contents'.
- 77 Yeoh and Lin, 'Chinese migration to Singapore'; Yang, 'A phenomenology of being "very China"'.  
78 Koh, 'Global flows of foreign talent', p. 249.
- 79 Liu, 'Beyond co-ethnicity'.
- 80 *Ibid.*, p. 1233.
- 81 Mathew and Soon, 'Transiting into Singaporean identity', p. 33.
- 82 Koh, 'Global flows of foreign talent', p. 246.
- 83 *Ibid.*, p. 247.
- 84 Koh, 'Diasporic "unbelonging" to Malaysia and Singapore'.
- 85 Interview with Jennifer, Singapore, 27 January 2008.
- 86 Theodora Lam, Brenda S. A. Yeoh and Lisa Law. 2002. 'Sustaining families transnationally: Chinese-Malaysians in Singapore'. *Asian and Pacific Migration Journal* 11(1): 117–143; Ho and Tyson, 'Malaysian migration to Singapore'.
- 87 Lam *et al.*, 'Sustaining families transnationally', p. 125.
- 88 Christian churches cater mostly to English-speaking Singaporeans and have evolved in the city-state to ground a Singaporean national identity in a cosmopolitan, capitalist and modernist narrative. See Robbie B. H. Goh. 2009. 'Christian identities in Singapore: religion, race and culture between state controls and transnational flows'. *Journal of Cultural Geography* 26(1): 1–23.
- 89 Yeoh and Lin, 'Chinese migration to Singapore'; Liu, 'Beyond co-ethnicity'; Yang, '"Authenticity" and "foreign talent" in Singapore'.
- 90 Swee-Hock, *The Population of Singapore*, p. 69.
- 91 Koh, 'Diasporic "unbelonging" to Malaysia and Singapore'.
- 92 Interview with Brock, Singapore, 15 March 2008.
- 93 Montsion, 'Patrolling Chineseness'.
- 94 John Nguyet Erni. 2012. 'Who needs strangers? Un-imagining Hong Kong Chineseness'. *Chinese Journal of Communication* 5(1): 78–87.
- 95 Souchou Yao. 2009. 'Being essentially Chinese'. *Asian Ethnicity* 10(3): 251–262. [Quotation from p. 258].
- 96 Yao, 'Being essentially Chinese'; Montsion, 'Patrolling Chineseness'.
- 97 Interview with Oscar, Singapore, 17 March 2008.
- 98 Yang, 'A phenomenology of being "very China"'; Montsion, 'Patrolling Chineseness'.

- 99 Koh, 'Global flows of foreign talent'.
- 100 Yeoh and Lam, 'Immigration and its (dis)contents', p. 650.
- 101 Koh, 'Diasporic "unbelonging" to Malaysia and Singapore'.
- 102 Koh, 'Global flows of foreign talent', pp. 232, 248–249.
- 103 Gomes, 'Xenophobia online'.
- 104 Liu, 'Beyond co-ethnicity', pp. 1230–1232.
- 105 Yeoh, 'Bifurcated labour', pp. 32–34.



## 4 Overseas Singaporeans, coming-of-career narratives and the corporate nation<sup>1</sup>

*Cheryl Narumi Naruse*

Singapore is a relentlessly G-rated experience, micromanaged by a state that has the look and feel of a very large corporation. If IBM had ever bothered to actually possess a physical country, that country might have had a lot in common with Singapore.

William Gibson. 'Disneyland with the death penalty'

For his first major non-fiction essay, William Gibson, the prescient author of *Neuromancer*, was asked to write about his visit to Singapore by *Wired* magazine, and as the epigraph shows, Gibson was unimpressed. Gibson's piece uses the corporation 'Singapore Ltd.' as a pejorative metaphor that characterizes Singapore's governance as technocratic and single-mindedly focused on economic profit, and he lampoons the island-nation's 'white-shirted constraint', 'absolute humorlessness' and 'conformity'.<sup>2</sup> Though now more often referred to as 'Singapore Inc.', Gibson's depiction of Singapore as a corporation has stuck. In contrast to Gibson, writers such as Thomas Friedman of the *New York Times* praise Singaporean governance as the sophisticated, strategic cause of its economic success, strong education system and efficiency.<sup>3</sup> Whatever one's judgment, Gibson makes a generally agreed upon point: that the Singaporean state has 'the look and feel of a very large corporation'.<sup>4</sup>

By the end of the twentieth century, the transnational corporation (TNC) firmly established itself as the dominant force in the global economy, and in some arguments even threatens to displace the nation-state as a structural power.<sup>5</sup> In such arguments, the corporation and nation-state are seen as separate and competing entities. While critics point out that the corporation and state are not antithetical and often work in concert to enable neoliberalism, in Singapore, the corporation and the state are allied to the point that the boundaries between the two are often indistinct.<sup>6</sup> Taking Gibson's formulation as a point of departure, this paper asks: how does the convergence of corporations and states shape national subjectivity through life writing? To answer this question, I turn to *Conversations on Coming Home: 20 Singaporeans Share Their Stories*, a booklet designed by the government to recruit Singaporeans living abroad to return home.<sup>7</sup>



Through my reading of this text, I argue that the state uses a specific genre of life writing, which I call the ‘coming-of-career’ narrative, to persuade overseas Singaporeans to return and participate in the economic life of the nation-state. These narratives reveal the ways that Singaporean lives are constructed and valued according to corporate, and thus neoliberal, ideals. Corporations – as beneficiaries of free market policies, deregulation and privatization – have much to gain from the Singaporean state’s propagation and maintenance of neoliberalism. It is significant that the Singaporean state deploys these successful coming-of-career narratives in its strategy towards fuller integration into the global economy. The state’s use of such stories highlights the affective and ideological power of life writing genres. I show how the coming-of-career narrative enables an understanding of how individuals figure themselves as corporate persons and internalize neoliberal values as matters of personal fulfilment and self-improvement. Moreover, I demonstrate how these successful coming-of-career stories inculcate neoliberal values of individualism, human capital and heteronormativity. By analysing *Conversations on Coming Home* as a contemporary capitalist updating of the traditional *bildungsroman* that draws on generic traditions of maturation through travel and reintegration into a community, my reading illustrates significant consistencies between neoliberal and national thought that privilege individualist values.

In *Reading Autobiography*, Sidonie Smith and Julia Watson demonstrate the strong historical ties between the *bildungsroman* and life writing. Important for my purposes here is how Smith and Watson point out that

Conventions can also be displaced by newly emergent ones. For instance, autobiographical narratives published in the late twentieth century [...] radically altered the inherited conventions of life narrative by their reworking of the *bildungsroman* to account for the lives of formerly subordinated subjects.<sup>8</sup>

Though the example of *Conversations on Coming Home* is not attempting to make any political statements in terms of minority representation – and in fact is working toward the exact opposite purposes – we do see the ways that the text reworks *bildungsroman* conventions within life writing.<sup>9</sup>

I begin by contextualizing the conflation between state and corporation in the Singaporean context. I then move on to discuss the generic conventions of coming-of-career narratives and their differences from the *bildungsroman*. As I show, these narratives posit a professional-managerial classed subject that ultimately effaces the ‘unskilled’ labour of migrant workers. My subsequent reading of *Conversations on Coming Home* focuses on its reliance on themes of individualism, human capital and heteronormativity. I conclude with final comments on the connections among *Conversations on Coming Home*, corporate personhood and life writing.

## The Republic of Singapore, or Singapore Inc.

For many, ‘Singapore Inc.’ is shorthand for describing how the state acts like a corporation in terms of its governance, which assumes, to invoke Aihwa Ong’s language, market-driven calculations in its management and administration of the nation and its people.<sup>10</sup> The influence of Singapore Inc. can be read through social policies, state historical narratives, education and media. After Singapore’s independence in 1965, the government continued to take advantage of Singapore’s geographic location by promoting itself as a strategic location for multinational corporations (MNCs) to establish their headquarters as they entered into Asian markets. In the 1960s and 1970s, Singapore became a major player in export manufacturing, oil servicing and refining, and an important financial services centre.<sup>11</sup> Singapore encouraged foreign investment by providing MNCs with incentives, which included tax breaks, capital assistance and loose government regulations.<sup>12</sup> In the 1980s, the state took measures to ‘ensure political stability, to promote peaceful labour-management relations, to produce the most efficient and up-to-date infrastructure, and to rapidly develop a pool of skilled manpower [for labour demands]’.<sup>13</sup> In short, the state did all it could to play good host and ensure that MNCs would have a comfortable and profitable stay in Singapore.

A controversial example of a policy that illustrates such ‘market-driven calculations’ is *A Sustainable Population for a Dynamic Singapore: Population White Paper*. Published in January 2013, this document details the state’s plans to increase the island-nation’s population to 6.9 million people by 2030.<sup>14</sup> The state’s rationale? To stay competitive in the global economy: ‘A shrinking and ageing population would mean a smaller and a less vibrant and innovative economy. Companies may not find enough workers. Business activity would slow, and job and employment opportunities would shrink’.<sup>15</sup> In other words, the state views the national population as a source of ‘human capital’, a term widely popularized in the 1960s by the Chicago School of Economics to describe knowledge and skills as economic assets that require investment.<sup>16</sup> Such a concept is useful for describing the Singaporean state’s attitude towards its citizenry, especially since it turned from a manufacturing economy to a knowledge economy following the 1997 Asian Financial Crisis.<sup>17</sup>

By the state’s logic, Singaporean citizens and residents are a potential form of capital; many legal structures and policies reflect this thinking. For decades now, Singaporean women and their ability to reproduce have been a central economic concern for the state. While former Prime Minister Lee Kuan Yew’s eugenics logic no longer dictates Singapore’s demographic policies, the state continues to give monetary incentives to women to encourage procreation.<sup>18</sup> More recently, alongside initiatives that promote procreation are changed immigration laws that will increase the Singaporean population.<sup>19</sup> In addition to the economic logic that determines Singaporean governance, the government itself is organized as a corporation. Unlike Gibson, who critiques Singapore’s corporate structure, Friedman commends the corporatization of the Singaporean government: ‘Top bureaucrats and cabinet ministers have their pay linked to top private sector

wages', he marvels, 'so most make well over \$1 million a year, and their bonuses are tied to the country's annual G.D.P. growth rate'.<sup>20</sup> The government's use of economic indicators as guiding principles, and the corporate form of compensation that casts government figures as chief executive officers (CEOs) and upper management of Singapore Inc., defy our expectations because we so often expect the state to work for its citizenry as public servants.

In addition to its investments in corporate structures and thinking, the Singaporean state also owns a TNC, Temasek Holdings. An investment company with offices in Asia and Latin America and a portfolio of S\$242 billion (roughly US\$178 billion) as of 31 March 2016, Temasek is owned by the Singapore Ministry of Finance.<sup>21</sup> State-owned enterprises more typically emerge around the nationalization of natural resources, banks or infrastructure. Though Singapore also owns such industrialized corporations – Singapore Airlines, communications company SingTel and Singapore Technologies Engineering, for example – what is unusual about Temasek Holdings is that it is an investment company operating in the finance industry. According to the company's documents, officially 'neither the President of the Republic of Singapore nor the Singapore Government, [Temasek's] shareholder, is involved in our investment, divestment or other business decisions'.<sup>22</sup> Nonetheless, given Singapore's propensity towards accommodating corporate needs, the state can indirectly influence the corporations it owns, and vice versa.

Another way to understand Singapore as a corporate form is through its accommodation of multinational corporations and its shaping of the state's citizenry according to the labour requirements of MNCs. Singapore's history as a corporate haven has largely been overshadowed by attention to the Singaporean state. Statistics illustrate the significant presence corporations have had in Singapore: in 1959, there were 83 MNCs operating in Singapore, a figure that increased to 383 by 1973.<sup>23</sup> In 2013, there were over 7,000 MNCs, up from more than 5,000 MNCs in 1999.<sup>24</sup> Singapore has actively encouraged and welcomed corporations into the country. A 1980 United Nations Educational, Scientific and Cultural Organisation (UNESCO) report, 'The cultural impact of multinational corporations in Singapore', made note of the positive relations multinational corporations enjoy in the island-nation:

there appears to be an absence of acrimony and bitterness which characterize the relationship between Latin American countries and the multinational corporations. To put it rather crudely, while the multinational corporation is an ugly word in Latin America, it evokes a different response in South-East Asia [...] Singapore appears to stand out in South-East Asia as a shining example of how domestic policy may be formulated to accommodate the demands of the multinationals in their search for profits and market shares on a global scale.<sup>25</sup>

The report describes how the state has successfully moulded Singaporeans to fit corporate needs by emphasizing English language education and creating

more technical and vocational schools. Over the years, Singapore has represented its ability to house and provide labour for so many MNCs as a point of pride for the state. For example, in a 1982 *Straits Times* front-page story on Singapore's high ranking in a business and investment poll, a large headline boasts 'Singapore is Number One'.<sup>26</sup> Because of the protections afforded to investors, tax incentives and a highly skilled, local workforce, Singapore continues to be perceived as an ideal place for business and commerce.<sup>27</sup> While the UNESCO report illustrates how corporations have become embedded in Singapore's national life, it only provides one element of the story, and does not necessarily reveal how an ideology favourable to neoliberalism is maintained.

Examining materials such as *Conversations on Coming Home* can teach us how neoliberal culture is cultivated and sustained. Much as corporations are always 'engaged in a kind of storytelling', as Purnima Bose and Laura E. Lyons put it, so too are states.<sup>28</sup> The abovementioned UNESCO report assesses the cultural impact of corporations by using econometric methods and business management theory; it examines technology transfer, how education policy responds to the labour needs of MNCs, management issues and the influence of mass media. As Bose and Lyons' *Cultural Critique and the Global Corporation* and this edited volume teach us, however, literary and cultural critics can provide different understandings of corporate cultural impact. By analysing the narratives that, in this example, the Singaporean state puts out about corporations, national identity, and the ideal citizen, which circulate in the wake of transnational investment, we are better equipped to understand how the nation-form and corporations are imbricated.

### Coming-of-career narratives

Though Gibson's account of Singapore Ltd. suggests that corporate presence and ideology are enforced by disciplinary mechanisms, I argue instead that in Singapore corporate power is hegemonic and perpetuated by the enabling fiction of the coming-of-career narrative. Such narratives follow a protagonist as she comes to invest in and enhance herself in response to the neoliberalization of her milieu. The coming-of-career narrative focuses on privileged and upwardly mobile subjects who promote the corporation, its interests, and its values through the pursuit of a career even as it occludes the unskilled workers who provide the conditions of possibility for bourgeois class advancement. Coming-of-career narratives retain the *bildung* ideal of self-cultivation and actualization, but as determined by the global economy rather than the nation.<sup>29</sup> As the wording suggests, unlike in the *bildungsroman*, the attainment of a professional or corporate career (rather than age) is the marker of maturity.

Although the coming-of-career narrative demonstrates continuities with the *bildungsroman*, some notable differences between the two genres are evident. First, unlike the *bildungsroman*, the coming-of-career narrative is not always manifested in the novel form, nor is it necessarily fictional. The term is meant to be expansive in that it allows for discussions of non-literary and non-fictional

texts. Second, ‘society’ in the coming-of-career narrative is not confined to the nation-state, but to a world of many transnationally connected places. My use of ‘career’ in the designation of this genre is deliberate in that it emphasizes the global economic background against which professional lives are constructed and valued. According to the Oxford English Dictionary (OED), the contemporary usage of ‘career’ refers to ‘a course of professional life or employment, which affords opportunity for progress or advancement in the *world*’ (emphasis mine).<sup>30</sup> The emphasis on the ‘world’ that ‘career’ offers is quite unlike the *bildungsroman*, which is the paradigmatic literary form of the nation-state. Traditionally, following works by Schiller, Hegel, Goethe and Humboldt, *bildung* signified the social processes of ‘self-cultivation’ necessary to become a good citizen. Though the coming-of-career narrative retains some characteristics of *bildung*, at stake are the processes of self-cultivation necessary to become an economically viable subject under conditions of neoliberal globalization.

As an example of the coming-of-career narrative, *Conversations on Coming Home* attempts to socialize its audience into the ideological norms necessary to support the state’s neoliberal agenda. With Singapore’s turn to a neoliberal knowledge economy following the 1997 Asian Financial Crisis, the state has done much to create a national culture in line with its economic policies, particularly through representations of diasporic Singaporeans. The coming-of-career narrative’s focus on upwardly mobile professionals articulates well with the Singaporean state’s goal of galvanizing such classed subjects into nationalist action. Though the state treats all people in Singapore as potential human capital, it is clear that the state favours workers with higher levels of professional and technical skills. Indeed, the state’s classification of immigrants into ‘foreign talent’ and ‘unskilled labour’ suggests the value assigned to different forms of labour. In state thinking, upwardly mobile professional immigrant workers are more valuable for their contributions to its neoliberal knowledge economy.

The underbelly of the Singaporean state’s valorization of certain types of professionalized labour is the low-paying, service sector and construction jobs – ‘unskilled labour’, in other words – without which the state’s drive to advance its knowledge economy would not be possible at all. Although the state relies heavily on such immigrant labour to build the city-state’s infrastructure, run its service industries and maintain Singaporean households, such workers are rarely depicted as desirable citizens or residents. Singapore has adopted laws designed to prevent ‘unskilled labour’ from permanently settling in Singapore, as well as measures that prevent their ‘mixing’ with Singaporeans.<sup>31</sup> The pathways to residency and citizenships for such workers are limited at best, further illustrating the state’s privileging of professional-technical labour as well as its efforts to denigrate the forms of labour – such as domestic or construction workers, for example – that maintain the country’s infrastructure or ensure the efficient workings of middle class and above households.<sup>32</sup>

Specific to the professional-managerial class, the coming-of-career narrative has notable class limitations; stories about domestic labour, for example, are another genre altogether.<sup>33</sup> In Singapore, there are workers who are economically

precarious and workers who can become economically viable. The economically precarious, or those who fit in the ‘unskilled’, ‘low-skilled’ and ‘semi-skilled’ labour categories (including foreign domestic workers), make up about 60 per cent of Singapore’s non-resident population of 1.46 million people.<sup>34</sup> According to Pheng Cheah’s *Inhuman Conditions*, the Singaporean state similarly cultivates *bildungesque* narratives among foreign domestic workers through an emphasis on self-making and forms of ‘value-adding’ labour.<sup>35</sup> Such narratives ultimately help maintain Singapore’s position of power as a labour-receiving nation within a globalized neoliberal economy. While similar developmental logic is deployed in narratives about unskilled and skilled labour, we would hardly describe the labour that foreign domestic workers perform as a career. Despite the class limitations of ‘coming-of-career’, however, the term does offer an understanding about the ways that corporate presence is normalized and integrated into life narratives.

The literary conventions of coming-of-career narratives are similar to the *bildungsroman*, but with some notable differences. Unlike coming-of-age stories, which often feature child or school-aged protagonists, coming-of-career stories typically take place after the completion of formal education, and such stories are always about highly educated individuals. In the way that a *bildungsroman* features a young character leaving home in search of her place in society, the coming-of-career narrative also has a young protagonist who leaves home in search of a career, but in this case, she leaves her home country rather than her family house. The protagonist’s mobility – or willingness to be mobile – is a prominent characteristic that enables her to achieve her ambitions. The trials that our hero faces revolve around the challenges of accomplishing her career goals. Maturity in the context of the coming-of-career narrative is read through the career. Also notable is how the coming-of-career narrative can be perpetual as she climbs up the corporate ladder.

### ***Conversations on Coming Home, or suggestions on how to further your career***

I came across *Conversations on Coming Home* during a research trip to a state-sponsored heritage festival for Singaporeans living abroad, known as Singapore Day. The Singapore Day I visited was held in Brooklyn, New York in 2012, and had an estimated crowd of 5,000 people and a budget of S\$4 million (roughly US\$3.2 million). The event was a curious amalgamation of trade show – with various installations showcasing the latest infrastructural developments in Singapore – heritage festival and career fair. I was given the booklet as I was surveying the scene at the career fair component of the event, which included booths that advertised lucrative positions with TNCs or with the government. *Conversations on Coming Home* was put together by Contact Singapore, self-described as ‘[a]n alliance of the Singaporean Economic Development Board and Ministry of Manpower’. On its website, Contact Singapore further explains its function as ‘actively link[ing] Singapore-based employers with professionals to support the



growth of our key industries. We work with investors to realize their business and investment interests in Singapore'.<sup>36</sup> The description suggests that Contact Singapore combines the functions of national public relations and those of an advertising-cum-headhunting company.

Singapore Day is one of several initiatives organized by the Overseas Singaporean Unit (OSU), a directorate under the National Population and Talent Division of the Prime Minister's Office, to maintain cordial ties with Singaporeans living abroad and to encourage them to return home.<sup>37</sup> The establishment of the OSU in 2008 is indicative of the more positive stance the Singaporean state takes toward those Singaporeans who have left, and is a far cry from years before when the state imagined diasporic Singaporeans as national traitors.<sup>38</sup> It is no coincidence that the state's valorization of overseas Singaporeans as ideal, cosmopolitan and economically successful begins with the turn to a neoliberal knowledge economy after the 1997 Financial Crisis.<sup>39</sup> As such, the state's depictions of Singaporeans living abroad are highly suggestive in terms of what these portrayals can offer our understandings of neoliberal ideologies and their relationship to cultural representation.

State representations of overseas Singaporeans as a highly mobile, cosmopolitan demographic are at once a part of the state's neoliberal agenda and a symptom of the state's anxiety over its loss of highly skilled workers. As of 2015, 212,500 Singaporeans – about 3.8 per cent of the total population – were overseas for a period of six months or more in the previous year.<sup>40</sup> According to the 2012 *Population in Brief* publication, the majority of overseas Singaporeans were between the ages of 20 and 54 years, which indicates that most Singaporeans leave for educational or professional reasons.<sup>41</sup> Though these Singaporeans are not necessarily leaving Singapore permanently, the state has expressed some apprehension about the 1,200 Singaporeans who between 2007 and 2011 renounced their citizenship, and efforts such as Singapore Day represent an attempt to stem the tide of permanent emigration.<sup>42</sup>

Featuring 20 Singaporeans who chose to return to Singapore, *Conversations on Coming Home* accomplishes the dual purpose of presenting overseas Singaporeans as a model population and persuading Singaporeans living abroad to return. Its black cover with red and white lettering (the colours of the Singapore flag), combined with the booklet's heavy-stock paper, conveys weightiness, especially when compared to the flimsier pamphlets and the various mementos such as pens, notebooks, keychains and so on that were also distributed during this Singapore Day. It is clear from the quality of the publication that no expense was spared in its production. At over 50 pages, the booklet's importance is further underscored by its length, which differentiates the publication from other ephemera at the event. The glossy texture of the publication, combined with the opening statement made by Ng Siew Kiang, the Executive Director of Contact Singapore, resembles an expensive magazine yet functions more like a brochure for 'Singapore Inc.'

The kinds of Singaporeans that the state chooses to endorse through its various representations, and the manner in which their lives are framed, illustrate



how Singaporeans living and working abroad are positioned in relation to the state's production of neoliberal culture. *Conversations on Coming Home* presents the overseas Singaporean demographic as Chinese and of what Leslie Sklair has described as the 'transnational capitalist class', or a global elite class comprised of corporate managers and professionals.<sup>43</sup> The opening pages of the booklet feature a series of individual photos of the returning Singaporeans. Underneath each photo we find the person's name, the company they work for and where they lived prior to moving back to Singapore. As the names of such famous transnational companies as Goldman Sachs, Accenture and Mitsubishi indicate, these Singaporeans are highly skilled and highly educated professionals. Many of the profiles mention the photographed subjects' advanced degrees from prestigious universities in areas such as mechanical engineering, molecular biotechnology, law, information technology, computer science and medicine; two of the featured Singaporeans have doctoral degrees in mechanical engineering and computer science. Besides bankers, the booklet spotlights engineers, researchers, business managers and legal interns.

Out of the 20 people featured in the booklet, 11 are women. Global geographical diversity is also evident: four people returned from living in the United States, five from Europe, six from other Asian countries and four lived in Australasia. Beyond crude guesses based on names and phenotypes, the ethnicity of each of the featured Singaporeans remains unmarked and unknown, as is the case in many multicultural and multilingual societies. While names do not reveal those with mixed race backgrounds, it is notable both that none of the names of the Singaporeans in the publication are Malay or South Asian – the other major ethnic groups in Singapore – and that all the overseas Singaporeans appear to be Chinese.<sup>44</sup> The state's representation of only the highly mobile and cosmopolitan variety of Singaporeans maintains the image of the city-state as a global city. Though typically the state represents Singapore as an ethnically diverse society, we see the opposite in the booklet. Arguably this could be an accurate depiction – the Chinese in Singapore are the largest demographic and overall are in the best economic position to become mobile and cosmopolitan – but if we consider that there are many South Asian professional migrants in Singapore, it seems more likely that those represented in the booklet reflect the state's conception of the ideal overseas Singaporean.

*Conversations on Coming Home* follows a serial logic in its overarching structure, as indicated by the standard format and layout of each profile. Every profile is a double-page feature with one full-page coloured photo and a second page dedicated to the story of the featured subject's decision to return. Each of the photos features a professionally-dressed individual looking away from the camera against either a background that showcases Singapore's modern architecture or 'natural' landscape, as denoted by trees. Not only does office clothing emphasize professional status, but also many of the returning Singaporeans are holding an Apple iPad, a smartphone, tablet computer or a book. The presence of these commodities marks the subjects as both modern and technologically savvy, and thus well-embedded in a capitalist economy. On the photo's facing

page, a short biography details the individual's career choices and trajectory, followed by an interview written in a 'question and answer' format. Although the interview section creates a more candid tone because the questions are not standardized across the profiles, the repetition of the profiles' layout creates the sense that there are many like-minded overseas Singaporeans.

Each of the returning Singaporeans in the booklet is happily and securely contemplating a future as a successful professional. The low-angle shot of the majority of the photos creates the further effect of amplifying the background; the resulting effect positions the reader as looking up at the featured Singaporean. The framing of the shot creates a hierarchical relation between the reader and returning Singaporean, one in which the Singaporean who comes home has an elevated status. Moreover, the photo angles give the impression that the returning Singaporean is situated in the wider world.

*Conversations on Coming Home* offers a clear story-line of the 'coming-of-career' narrative. Each of the Singaporeans in the booklet recounts the story of leaving Singapore and then coming back for career advancement. While on the one hand such narratives cast overseas Singaporeans as professional migrants, these coming-of-career stories promote values of individualism, human capital and heteronormativity, all of which are aligned with the state's neoliberal agenda. The readings below are organized according to these three themes. Though I have chosen profiles that explicitly speak to each of the themes, any one of the profiles can be read through these lenses. *Conversations on Coming Home* highlights the status of migration as a constitutive contradiction within depictions of overseas Singaporeans. Typically, it is their very status of living abroad that allows overseas Singaporeans to appear as a highly mobile, modern and cosmopolitan group. The booklet, however, features Singaporeans who are not living abroad, but who are back in Singapore. Thus, while it is not impossible to live in Singapore and be mobile, modern or cosmopolitan, it is no longer the status of living abroad that does the work of signifying the overseas Singaporean as such. The conceivable challenge for *Conversations on Coming Home* is to present the act of returning to Singapore as part of a continuing developmental narrative, one in which 'coming home' is not a regression but a neoliberal progression.

To create such a developmental narrative, the overseas status of Singaporeans is framed as an event in an individual's youth rather than a defining feature of his or her character. The biographical description of Debra Ma, for example, a corporate planning manager, explains that her stint overseas was a result of 'her graduate school days at Boston University where she received an MBA in Finance and Strategy'.<sup>45</sup> The description identifies Ma's time abroad as temporally circumscribed but purposeful because she attained an advanced degree in a field that firmly connects her to the global economy. Not surprisingly, the professions highlighted in the booklet involve science or finance; there are no profiles featuring Singaporeans who attained advanced degrees in the humanities. Her overseas status is impermanent, and thus appears as a discrete event. By stressing Ma's positive experience interacting with a 'diverse global student population',

the biography further emphasizes the importance of Singaporeans learning how to be cosmopolitan.<sup>46</sup> The fact that Ma's time abroad is so strongly tied to youth and presented as a stage in her life makes it possible for her continued life story in Singapore to appear as part of her developmental narrative: 'Back in Singapore she is inspired in a different way – by exciting new architecture, fascinating heritage conservation and an equally international make up in her home city'.<sup>47</sup> As with her experience in Boston, Ma is 'inspired' and recognizes the parallels between the diverse populations in Singapore and Massachusetts, which she experienced during her exciting time abroad as a graduate student.

The profile of returning Singaporean Toong Yao Yang provides another example in which the developmental elements of the coming-of-career story construct youth as a transitory period. The opening biographical blurb describes Toong as a '29-year-old banking professional' who 'studied abroad as a teenager and worked overseas'.<sup>48</sup> Like Ma, the experience living abroad was an enjoyable period of Toong's life. Although he 'has never ruled out settling abroad', Toong recognizes that Singapore 'as a financial hub [...] offers career growth and opportunity'.<sup>49</sup> While it is clear that the booklet does not mean to represent Singapore as a place that is less than enjoyable, the copy also suggests that the career-minded will not let the youthful notion of 'enjoyment' determine their life decisions.

To retain a developmental narrative in a coming-of-career story, setting is presented as a continuous state of newness, quite unlike a coming-of-age story, in which setting is often posed as an unforgiving and immovable structural force, as in the 'individual versus society' formulation. At times this sense of newness is created by the perspective offered by the experience of living abroad, while at other times the sense of newness results from Singapore's modernity. As the different profiles make clear, Singapore is not quite what the returning Singaporean knows or remembers; it has changed and matured into urban modernity. Chan Yan Neng, a real estate associate who earned a Master's degree in the United Kingdom, reveals that there is more to Singapore than she realized:

It's not just about political rallies and more open discussion. Singapore's physical landscape has transformed and there are many new buildings and outdoor spaces. On weekends, I enjoy exploring the countless walking and cycling trails around the city and discovering new independent shops and cafes. I don't remember there being so much to do before!<sup>50</sup>

Though acknowledging that Singapore's political climate has become relatively liberal, more significant for Chan Yan Neng is Singapore's dynamism. Her comments acknowledge the implicit critique of Singapore as overdeveloped and having a sterile and lacklustre culture, but they stress that for the successful career-minded individual, Singapore's new developments allow for work-life balance, a theme emphasized in Meredith Chan's profile.

Meredith Chan, a programs manager who lived in San Francisco, explains that she 'actually appreciate[s] the country so much more' as a result of living

abroad, and has made new discoveries in her home country: 'In terms of fun and adventure, I have had to look harder, simply because I love the great outdoors, but I have found pockets of Singapore that are beautiful and scenic'.<sup>51</sup> The subtext of Chan's statement is that despite Singapore's size, undiscovered and hence new aspects of the island-nation await citizens who return. She even conceives of possibilities for fun and adventure in Singapore, which allows for some sense of continuity between the individual's youth and movement towards maturity.

In *Conversations on Coming Home*, setting takes on a more crucial role in the individual's process of maturity because it provides a structure that enhances the career plot. The complementary role that setting takes in coming-of-career narratives is a notable departure from the depiction of setting in the *bildungsroman* as a disciplinary or antagonistic force that compels the protagonist's journey of maturity. Jini Kim Watson notes that the depiction of urban renewal has been particularly significant for the Asian Tiger political leaders of Singapore, Taiwan and South Korea who sought to present their respective nations to the world as success stories of modernity.<sup>52</sup> Similarly, the urban setting plays a role in proving Singapore's significance within a global economy because it enables the coming of one's career.

When we consider *Conversations on Coming Home* in relation to the state's history of promoting 'Asian values', we observe a contradiction between earlier denunciations of individualism as western decadence and the state's current reliance on individualism to promote a neoliberal economic agenda. Reflected in the booklet's content and form, values of individualism are inherent to coming-of-career stories. By promising upward mobility in a company's hierarchy based on an individual's job performance, professional and corporate careers themselves are structured to promote ideals of independence and self-reliance. *Conversations on Coming Home* emphasizes individual needs by suggesting that returning to Singapore is about personal satisfaction. None of the featured overseas Singaporeans explicitly frame their return home as an act of patriotism or as offering any benefit to the nation. Rather, the decision to return, we are to believe, is entirely about self-improvement and job opportunities. Individualism is also reflected in the framing of each overseas Singaporean as a distinct personality worth a two-page spread with an interview and a full-page glossy photograph. Although when taken together their singularity becomes less significant, my point is that each profile is a story of individual achievement. As David Harvey has observed, the notion of individual freedom has been a central feature of neoliberal ideology and is wielded to obscure the effects of class oppression.<sup>53</sup> The Singaporean government's stated aversion to individualism is likely another reason that these feature stories have taken a serial form; though there is some degree of emphasis on the singularity of each featured overseas Singaporean, their grouping with several others to represent some semblance of a collective is presumably a way of countering the emphasis on individualism implicit in these coming-of-career narratives.

Moreover, the concept of human capital also underwrites the biographies of the returning Singaporeans. Because coming-of-career stories consist of different

events that form a career plot, lives are narrated to explain the subject's economic viability or value. Put differently, lives are subject to neoliberal logics or, as David Harvey might say, 'neoliberalized'.<sup>54</sup> In her interview, Debra Ma asserts:

In Boston I was part of an extremely diverse student population, which has sharpened my cross-cultural communication and decision-making skills [...] *I believe these skills have added value to my interaction* with global co-workers at CapitaLand, which operates in 110 cities across 20 countries and employs 11,000 people worldwide (emphasis mine).<sup>55</sup>

Though the nation that the Singaporean state seems to imagine for its citizens could be called CapitaLand, this is the name of an Asian real estate company for which Ma sees herself as an ambassador. Her logic of 'adding value' to herself is indicative of the intersection between narrative features of the *bildung* and the concept of human capital. Undergirding *bildung* and human capital is the idea that people can invest in and improve themselves to achieve an economic ideal. Thus, the experience of living abroad is less about Ma's personal enrichment, and more about the enhancement of the value of her labour.

We see a similar logic of self-improvement in the example of Gwendelene Foo, who 'faced a language barrier, different work attitudes and employee ethics as well as stringent labour laws and the challenges of living in a developing country' during her time as a head of human resources in Vietnam.<sup>56</sup> The booklet makes clear that Foo's time abroad is circumscribed, in this case because once 'she hit her stride' amidst challenging circumstances she 'knew that it would soon be time to leave'.<sup>57</sup> While Foo was able to 'add value' to her career by living and working away from Singapore, her experience is posed more as a challenge that she was able to overcome and parlay into experience that would get her the kind of lucrative job that would allow her to return home. Unlike Ma, who was in the 'inspirational' United States, Foo was working in an economically underdeveloped country. Thus, value for Foo is a willingness to face adversity in order to become a better human resources director, and an inclination to maintain a developmental attitude toward her career: 'I was concerned that I would lose my competitiveness if I stayed too long [in Vietnam]. I was determined to return to sharpen my skills and perhaps be considered for another posting subsequently'.<sup>58</sup> As Foo's language indicates, the notion of 'competitiveness' upholds the developmentalism intrinsic to the coming-of-career narrative.

Although Foo and Ma both retain developmental logics in their stories, the contrasting experiences of 'adversity' and 'inspiration' demonstrate the crafting of coming-of-career narratives in relation to *bildung* narratives of the nation. What emerges in Foo's profile, through her claim that staying in Vietnam would in effect ruin her career and that Singapore is a place in which her career can flourish, is the significance of place for narratives of economic viability. Place, nation and geography play central roles in the construction of a successful

coming-of-career narrative, thus affirming Purnima Bose and Laura E. Lyons's claim that contemporary business practices and geography are in active relation to each other.<sup>59</sup>

As further evidenced in other profiles, the subtext of a successful coming-of-career narrative is a successful national maturation narrative. Yet, despite the nationalist agenda these stories are meant to serve, there is actually very little emphasis on nationalism as such. Gone are the typical emphases on home as a space of national community; instead, home is reconfigured as a space that is functional in one's career, which is to say that the nation must take on a particular spatial and temporal configuration to be considered ideal. Singapore's functionality as an ideal place for careers is illustrated in Toong Yao Yang's claim that although his work experience in Shanghai was valuable; because 'Singapore's finance and banking industry is mature and globally connected', his position in Singapore allows him to 'gain experience with more sophisticated products', unlike in Shanghai, where 'the finance industry [...] is still highly regulated and restrictive, especially for foreign banks'.<sup>60</sup> True to neoliberal ideology, Singapore is figured as a place of freedom – at least for those working in the finance industry – and because of this freedom, Singapore becomes the optimal environment and 'provides the opportunity' for Toong's career to advance.<sup>61</sup> His depiction of Singapore as a mature place in terms of global capitalism parallels the coming-of-career narrative's emphasis on careers as the marker of maturity.

*Conversations on Coming Home* also endorses heteronormativity through its promotion of the nuclear family, ostensibly in the service of the state's pronatalist policies. Throughout the booklet, many of the profiled Singaporeans mention their families. Meredith Chan proclaims 'my overseas stint brought me closer to my family and returning brought me closer to the idea of "home"'.<sup>62</sup> Chan Yan Neng also voices the benefit of returning home because she can be with her family while also building her career in finance.<sup>63</sup> In fact, 15 of the 20 people profiled allude to their families in one way or another. That the booklet's attention to family is meant to endorse the state's neoliberal, pro-natalist policies is most evident in the last profile of Gabriel Lim, an electrical engineer who returned to Singapore from New Zealand. Unlike the rest of the photographs in *Conversations on Coming Home*, which feature close ups of individuals, Lim's photograph is of himself, his wife, his son and a white male (presumably a friend or colleague) laughing together around a table. The photograph stands in stark contrast to the others in the booklet because it is the only domestic scene that shows an entire nuclear family, and because there is an anonymous non-Asian person, who becomes a signifier of Lim's cosmopolitanism. While one could read the photo as featuring a homosexual couple, such a reading would be against the grain, considering the Singaporean state's emphasis on procreation and penal codes that criminalize same sex relationships. Indeed, the placement of this visual at the end of the booklet suggests a teleological progression in which the heteronormative family becomes the desired end.

As the last profile, and perhaps the final word of the booklet, Lim's photograph and interview remind its audience of the importance of family values and



white or European alliances. In his interview, Lim discusses the benefits of bringing his family back to Singapore:

My job opportunity came at the perfect time. I had a good offer and Ying [Lim's wife] wants to develop her accounting career here. At this young age, Caleb [Lim's son] can easily adapt to a new environment. We trust that he will receive a robust education and be exposed to a diversity of cultures and pick up Mandarin!<sup>64</sup>

As it has for Gabriel Lim, Singapore equally promises Lim's wife a successful career plot. Moreover, a return to Singapore will prepare young Caleb to become a cosmopolitan in the future. But perhaps most notably, the moral of Lim's profile is that the family, not just the individual, benefits from the pursuit of a career opportunity in Singapore.

The government's emphasis on family and heterosexual relations resonates with neoliberalism and ideas of human capital. As Laurence Leong Wai Teng points out, the state's 'productionist ethic of sex' and promotion of heteronormativity is economically driven:

The obsession with babies (measured by the amount of resources to entice mothers to breed) is underpinned by economic concerns [...]. When officials see low fertility rates in Singapore, they anticipate negative effects such a shrinking and ageing population would have on the economy [...] procreative sex is therefore necessary to sustain economic growth.<sup>65</sup>

In other words, babies are also human capital, according to the state. *Conversation on Coming Home's* 'happy ending', with its story of a content, career-minded family with an already cosmopolitan baby and an alliance with developed, white Euro-Americans, resonates with the state's reproductive mandate.

Ultimately, the coming-of-career narrative focuses on the maturation of Singaporean citizens who came of age through their time abroad – often gaining education and career experience – and eventual return to and reintegration into Singapore. It is only on the basis of their cosmopolitan identity and (cultural) capital accumulation that they are hailed by the government as ideal citizens for returning home. The overseas Singaporean is thus the paradigmatic and ideal neoliberal subject that becomes conscripted by the state's nationalist narrative to further integrate the island-nation into the global economy.

### One-sided conversations

No one individual can be identified as the author of *Conversations on Coming Home*, making accountability nearly impossible. The text's collaboration between citizen-employees and the state indicates the difficulty of precisely pinning down who is representing what. The language from the interviews seems to suggest that the profiled Singaporeans speak for themselves, but they also



speak for the values of corporations that they work for, the purposes of the Contact Singapore publication and the Singaporean state. Moreover, behind the construction of each profile resides an interviewer, graphic designer, ghost writer and editor, who each contributes a significant part to the publication's creation and meaning.<sup>66</sup>

The difficulty in determining the identity of the multiple authorial voices in *Conversations on Coming Home* and what they speak on behalf of – an example of what Bret Benjamin calls the 'corporate author' – reflects the complexity of institutional representation.<sup>67</sup> Benjamin argues that at work in the World Bank success stories he analyses is the corporate author who is 'corporate both in the sense of multipartied collaboration and in the sense of authorship by a financial corporation and in the direct interests of corporate capitalism'.<sup>68</sup> Not only are the interests of corporate capitalism presented through a text like *Conversations on Coming Home*, but they are magnified: multiple corporations are authored in the text. The difference between a representation of an institution and the representation of a figure of an institution is unclear. Authorship is diffused amongst individuals and institutions, making accountability challenging to track in precise ways. This is what Laura E. Lyons describes as the shell game of corporate personhood, in which 'the locus of responsibility [between individual CEO and corporation] is perpetually in play and thus impossible to pin down'.<sup>69</sup> The same issue is reflected in *Conversations on Coming Home's* authorship.

Further complicating the issue of authorship is that *Conversations on Coming Home* is ultimately meant to function as a nationalist text. Through its representation of ideal Singaporeans and their successful coming-of-career narratives, the state attempts to shape the citizens' imaginings of the nation and their roles in it. The construction of the text makes it impossible to distinguish precisely whose corporate interests are being served: the states, or corporations in Singapore? Are these returning Singaporeans ideal labour for the state, or for the corporations in Singapore, or ultimately both? The answers to these questions remain ambiguous because it is neither one nor the other. Thus, *Conversations on Coming Home* implies that debates about the relative power of nations and corporations are beside the point. Both exist in concert with one another to advance neoliberalism.

As the Singaporean context illustrates, corporations and the state are inextricably stitched together. The coming-of-career narratives do not necessarily locate individuals in particular corporate institutions; rather, they reflect a larger condition in which lives are narrated and valued as if they were set in a corporation. As a corporate form, the nation of Singapore is hardly 'private limited', as William Gibson posited, or even 'incorporated'.<sup>70</sup> Instead, the complex web of representation of *Conversations on Coming Home* reflects a larger social process: Singapore incorporating.

## Notes

- 1 This chapter was previously published as an article in *Biography: An Interdisciplinary Quarterly* (Cheryl Narumi Naruse. 2014. 'Overseas Singaporeans, coming-of-career narratives, and the corporate nation'. *Biography* 37(1): 145–167), and is reprinted here with the kind permission of the author and the co-editors of *Biography*.
- 2 William Gibson. 1993. 'Disneyland with the death penalty'. *Wired* 1(4). Available at: [www.wired.com/1993/04/gibson-2/](http://www.wired.com/1993/04/gibson-2/) (accessed 10 May 2018). Gibson's piece is typical of the many orientalist explanations of Singapore's rapid economic growth that emerged at the tail end of Singapore's high-growth era. From the mid-1980s to the 1990s, many commentators, particularly in the west, attempted to explain 'the Asian miracle', or the rapid economic development and modernization of Singapore, Hong Kong, South Korea and Taiwan from the 1960s to the 1990s. Though Gibson does not explain Singapore's success as based on an Asian value system (what was sometimes referred to as Confucian capitalism), his language reflects the stereotype that Asians are robotic and obedient.
- 3 Thomas L. Friedman. 2011. 'Serious in Singapore'. *New York Times*. 29 January. Available at: [www.nytimes.com/2011/01/30/opinion/30friedman.html?\\_r=0](http://www.nytimes.com/2011/01/30/opinion/30friedman.html?_r=0) (accessed 10 May 2018).
- 4 Gibson, 'Disneyland with a death penalty'.
- 5 See, for example, Masao Miyoshi. 1993. 'A borderless world? From colonialism to transnationalism and the decline of the nation-state'. *Critical Inquiry* 19(4): 726–751; Arjun Appadurai. 1996. *Modernity at Large: Cultural Dimensions of Globalization*. Minneapolis, United States: University of Minnesota Press; Susan Strange. 1996. *The Retreat of the State: The Diffusion of Power in the World Economy*. New York: Cambridge University Press; Michael Hardt and Antonio Negri. 2000. *Empire*. Cambridge, MA, United States: Harvard University Press.
- 6 David Harvey. 2005. *A Brief History of Neoliberalism*. New York: Oxford University Press. Harvey gives various examples of how states have allied with corporate interests, describing them as neoliberal states.
- 7 Contact Singapore. 2012. *Conversations on Coming Home: 20 Singaporeans Share Their Stories*. Singapore: Contact Singapore.
- 8 Sidonie Smith and Julia Watson. 2010. *Reading Autobiography: A Guide for Interpreting Life Narratives*. Second Edition. Minneapolis, United States: University of Minnesota Press. [Quotation from p. 91].
- 9 See Lynn Itagaki for an excellent example on the ways life writing genres have been adapted to account for economically subordinated subjects in the United States: Lynn Mie Itagaki. 2014. 'The autobiographical IOU: Elizabeth Warren's debtor-citizen and the reliably liable life narrative'. *Biography* 37(1): 93–123.
- 10 Aihwa Ong. 2006. *Neoliberal as Exception: Mutations in Citizenship and Sovereignty*. Durham, NC, United States: Duke University Press. [Argument from pp. 3–4]. Aihwa Ong's discussion of the intersections of governance and neoliberalism works against the notion that neoliberalism is a symptom of a weakening state. Her work usefully demonstrates how theories of neoliberalism have most often been developed in relation to western contexts, which then become normalized in a manner that can only make the East and Southeast Asian context appear as strange or exceptional.
- 11 Linda Y. C. Lim and Pang Eng Fong. 1991. *Foreign Direct Investment and Industrialization in Malaysia, Singapore, Taiwan and Thailand*. Paris: Organisation for Economic Co-operation and Development. [Data from p. 51].
- 12 *Ibid.*, p. 53.
- 13 *Ibid.*, p. 54.
- 14 Government of Singapore. 2013. *A Sustainable Population for a Dynamic Singapore: Population White Paper*. Singapore: National Population and Talent Division, Prime

Minister's Office. This population would require an increase of nearly two million people in 20 years; according to the 2010 census, the population of Singapore – which has a land mass of approximately 276 square miles, about half the size of the island of O'ahu – was 5.08 million. The paper was released to a citizenry already disgruntled at the rate of population growth over the past several decades: in 1980, the population was about 2.4 million; in 1990, about 3.05 million; in 2000, about 4.02 million.

15 *Ibid.*, p. 12.

16 Theodore W. Schultz. 1961. 'Investment in human capital'. *American Economic Review* 51(1): 1–17. See Theodor Schultz for a fuller discussion of human capital. As typical of neoliberal thinkers, he defends the dehumanizing connotations of the concept by arguing that treating one's self as a 'capital good' ultimately enables a greater freedom: 'By investing in themselves, people can enlarge the range of choice available to them. It is one way free men can enhance their welfare' (p. 2). Though the notion of human capital might seem contemporary because of its associations with the Chicago School of Economics, as Pheng Cheah points out, the concept of human capital is evident in the writings of thinkers as early as Adam Smith, see Pheng Cheah. 2011. 'Capitalizing humanity: the global disposition of people and things'. In *Accumulating Insecurity: Violence and Dispossession in Everyday Life*, edited by Shelly Feldman, Charles Geisler and Gayatri Menon, pp. 298–319. Athens, United States: University of Georgia Press. [Argument from p. 305].

17 Besides cultivating human capital as a cultural logic amongst its citizenry, the Singaporean state's attempts to 'invest' in its people for further economic return is evident through the amount of money put into education. In 2012, S\$10.6 billion was allocated to the Ministry of Education. Singapore has also been the target of many satellite campuses of American and Australian universities, as well as collaborations between Singaporean and American universities (most notably, Yale-National University of Singapore College). Scholars are only beginning to explore the implications of the heavy investment in education sectors; see Eng-Beng Lim. 2009. 'Performing the global university'. *Social Text* 27(4): 25–44; Ministry of Education. 2012. *Expenditure Overview: Singapore Budget 2012*. Singapore: Ministry of Education; Cheryl Narumi Naruse and Weihsin Gui. 2016. 'Singapore and the intersections of neoliberal globalization and postcoloniality'. *Interventions: International Journal of Post-colonial Studies* 18(4): 473–482.

18 In 1983, the state – stirred by former Prime Minister Lee's remarks that highly educated women were not marrying or producing enough babies for the economy – instituted tax-incentives and other monetary motivations for women with university educations to have children, and for low income and low educated women to be sterilized before the age of 30 years after one or two children. See, for instance, Laurence Leong Wai Teng. 2010. 'Sexual governance and the politics of sex in Singapore'. In *Management of Success: Singapore Revisited*, edited by Terence Chong, pp. 579–593. Singapore: ISEAS. [Argument from p. 582].

19 For example, those who fit in the skilled labour categories have easier pathways to residency and citizenship. As Brenda Yeoh and Weiqiang Lin write:

Various state programs have been launched to facilitate the inflow of talent to Singapore, including company grant schemes to ease the costs of employing skilled foreigners, a housing scheme to aid in the short-term accommodation needs of skilled foreign-born, various recruitment missions abroad, and regular networking and information sessions held in major cities worldwide,

from Brenda S. A. Yeoh and Weiqiang Lin. 2012. 'Rapid growth in Singapore's immigrant population brings policy challenges'. *Migration Information Source*.

3 April. Available at: [www.migrationpolicy.org/article/rapid-growth-singapore-immigrant-population-brings-policy-challenges](http://www.migrationpolicy.org/article/rapid-growth-singapore-immigrant-population-brings-policy-challenges) (accessed 10 May 2018)

20 Friedman, 'Serious in Singapore'.

- 21 Temasek. n.d. *Corporate Profile*. Singapore: Temasek. Available at: [www.temasek.com.sg/en/who-we-are/about-us.html](http://www.temasek.com.sg/en/who-we-are/about-us.html) (accessed 10 May 2018). The official estimate of Temasek's gross domestic product (GDP) share is around 10 per cent, see Temasek. 2011. *Statement of Clarification: Temasek's Share of Singapore Economy Possibly Around 10%*. Singapore: Temasek. Available at: [www.temasek.com.sg/en/news-and-views/news-room/statements/2011/statement-of-clarification-temaseks-share-of-singapore-economy-p.html](http://www.temasek.com.sg/en/news-and-views/news-room/statements/2011/statement-of-clarification-temaseks-share-of-singapore-economy-p.html) (accessed 10 May 2018). According to United States diplomatic cable documents put up by WikiLeaks, government-linked corporation such as Temasek account for nearly 60 per cent of the national GDP, see WikiLeaks. 2007. *Viewing Cable 07SINGAPORE394, Burlesque and Billions of Dollars Later, Singapore still Seeking Spontaneity*. Wikileaks. Available at: [https://wikileaks.org/plusd/cables/07SINGAPORE394\\_a.html](https://wikileaks.org/plusd/cables/07SINGAPORE394_a.html) (accessed 10 May 2018).
- 22 Temasek. n.d. *Corporate Governance*. Singapore: Temasek. Available at: [www.temasek.com.sg/en/who-we-are/corporate-governance.html](http://www.temasek.com.sg/en/who-we-are/corporate-governance.html) (accessed 10 May 2018).
- 23 Kunio Yoshihara quoted in Soo Ann Lee. 1977. *Singapore Goes Transnational: A Study of the Economic Impact of Investment by Multinational Corporations in Singapore*. Singapore: Eastern Universities Press.
- 24 Figures from Ministry of Manpower. 2016. *Working in Singapore as a Foreigner*. Singapore: Ministry of Manpower. Available at: [www.mom.gov.sg/working-in-singapore](http://www.mom.gov.sg/working-in-singapore) (accessed 10 May 2018) and John F. Ermisch and Gregg W. Huff. 1999. 'Hypergrowth in an East Asian NIC: public policy and capital accumulation in Singapore'. *World Development* 27(1): 21–38. [Data from p. 21], respectively. These numbers lack consistency, as some studies refer to the number of MNCs in the manufacturing sector, whereas others include companies in both manufacturing and services sectors.
- 25 K. P. Wong. 1980. *The Cultural Impact of Multinational Corporations in Singapore*. Paris: UNESCO. [Quotation from p. 52]. The UNESCO report uses 'culture' in a different sense than cultural studies scholars who focus on how everyday life, ideology or history is shaped by the presence of MNCs. Rather, the report reads cultural impact according to structural changes and whether such changes make positive accommodations for MNCs. In order to clarify my terms, I draw on Masao Miyoshi's distinction between MNCs and TNCs: an MNC is 'headquartered in a nation, operating in a number of countries', whereas a TNC 'might no longer be tied to its nation of origin but is adrift and mobile, ready to settle anywhere and exploit any state including its own, as long as the affiliation serves its own interest', from Miyoshi, 'A borderless world?', p. 736. The two terms, however, are often used interchangeably. Though some of the sources I employ, such as the UNESCO report, appear to be discussing TNCs, they refer to them as MNCs, which is more reflective of the popular usage of the time rather than an error on the part of the authors.
- 26 John Drysdale. 1982. 'Singapore as number one'. *The Straits Times*. 2 January, p. 1.
- 27 Most treatises on how this newly independent, third world nation managed to generate such rapid economic growth in the period following its 1965 independence focus on the combination of Singapore's geographical positioning and the state's decision to take advantage of globalizing trends and free market economies by 'hosting' corporations. Singapore's history as a centre of commerce precedes its independence. Its location in the Straits of Malacca – a narrow water channel that links the Indian Ocean with the South China Sea – has long been strongly tied to its economic position in a global market. Prior to British colonization in 1819, the island was a key port for traders and merchants. See for instance Arthur Lim Joo-Jock. 1991. 'The geography and early history of Singapore: geographical setting'. In *A History of Singapore*, edited by Ernest C. T. Chew and Edwin Lee, pp. 3–14. Singapore: Oxford University Press. [Information from p. 13]. The British continued to take advantage of Singapore's location, using it as a 'regional headquarters for international capital investing in primary production for export in neighboring countries, particularly Malaysia and Indonesia'. See Lim and

- Fong, *Foreign Direct Investment and Industrialization* ..., p. 51. Moreover, for British imperial power, Singapore was a strategic military outpost and ‘bulwark of imperial defense in Asia, see Wong, *The Cultural Impact* ..., p. 17.
- 28 Purnima Bose and Laura E. Lyons. 2010. ‘Introduction: toward a critical corporate studies’. In *Cultural Critique and the Global Corporation*, edited by Purnima Bose and Laura E. Lyons, pp. 1–27. Bloomington, United States: Indiana University Press. [Quotation from p. 3].
- 29 As Joseph R. Slaughter notes: ‘Humboldtian *bildung* describes a civic course of acculturation by which the individual’s impulses for self-expression and fulfillment are rationalized, modernized, conventionalized, and normalized within the social parameters, cultural patterns, and public institution of the modern nation-state’, from Joseph R. Slaughter. 2007. *Human Rights, Inc.: The World Novel, Narrative Form, and International Law*. New York: Fordham University Press. [Quotation from p. 113]. Slaughter points out how the *bildungsroman* has been used to normalize the nation-state, but notable too are the ways authors in ethnic and minority fiction have used the genre to critique the nation-state, as well as the Euro-American canon and its attendant ideologies.
- 30 OED Online. 2018. *Career, n.* Oxford, OED Online. Available at: [www.oed.com/view/Entry/27911](http://www.oed.com/view/Entry/27911) (accessed 27 July 2018).
- 31 For example, the work permit visas that so-called unskilled labourers must have to enter Singapore only allow individuals to work in one occupation and with one employer. Moreover, this transient class of immigrants is not allowed to marry Singaporean citizens or permanent residents; on the discovery of pregnancy, female domestic workers are immediately deported and their employers fined, see Yeoh and Lin, ‘Rapid growth in Singapore’s immigrant population ...’.
- 32 As the state itself put it in a memo addressing concerns from Singaporeans that too many jobs are going to foreigners: the majority of non-resident foreign workers in Singaporeans [*sic*] are not here to compete with Singaporeans for high-paying professional or managerial jobs. Rather they are here to help build our homes, keep our roads clean, and make our lives just a little more comfortable,  
see Government of Singapore. 2013. *Do You Know How Many Types of Foreign Workers We Have in Singapore?* Singapore: Government of Singapore. Available at: [www.gov.sg/factually/content/do-you-know-how-many-types-of-foreign-workers-we-have-in-singapore](http://www.gov.sg/factually/content/do-you-know-how-many-types-of-foreign-workers-we-have-in-singapore) (accessed 10 May 2018)
- 33 *Ilo Ilo*, directed by Anthony Chen, is a feature film that tells the story of a Filipina maid’s life with a Singaporean family. The film won the Camera d’Or award at the 2013 Cannes Film Festival.
- 34 Government of Singapore. 2012. *Our Population, Our Future*. Singapore: National Population and Talent Division, Prime Minister’s Office. [Data from p. 11].
- 35 Pheng Cheah. 2007. *Inhuman Conditions: On Cosmopolitanism and Human Rights*. Cambridge, MA, United States: Harvard University Press. See in particular the chapter entitled ‘Humanity within the field of instrumentality’, pp. 230–266.
- 36 Contact Singapore. n.d. *About Contact Singapore*. Singapore: Contact Singapore. Available at: [www.contactsingapore.sg/en/about](http://www.contactsingapore.sg/en/about) (accessed 10 May 2018).
- 37 Overseas Singapore Unit. n.d. *Overseas Singaporean Resources*. Singapore: Overseas Singaporean Unit. Available at: [www.OverseasSingaporean.sg/](http://www.OverseasSingaporean.sg/) (accessed 10 May 2018).
- 38 During a National Day rally speech in August 2001, former Prime Minister Goh Chok Tong famously questioned the loyalty of Singaporeans who left their home country:  
Fair-weather Singaporeans will run away whenever the country runs into stormy weather. I call them ‘quitters’ [...] I take issue with those fair-weather Singaporeans who, having benefited from Singapore, will pack their bags and take flight

when our country runs into a little storm [...] Look yourself in the mirror and ask, am I a 'stayer' or a 'quitter'? Am I a fair-weather Singaporean or an all-weather Singaporean?',

from Goh Chok Tong. 2001. *New Singapore*. Singapore: Ministry of Information and the Arts. Available at: [www.nas.gov.sg/archivesonline/speeches/view-html?filename=2001081903.htm](http://www.nas.gov.sg/archivesonline/speeches/view-html?filename=2001081903.htm) (accessed 10 May 2018)

- 39 For a discussion of how the state tries to inculcate neoliberal ideologies amongst its citizenry by the way it represents Singaporeans living abroad, see Cheryl Narumi Naruse. 2013. 'Singapore, state nationalism, and the production of diaspora'. *CLCWeb: Comparative Literature and Culture* 15(2). Available at: <http://docs.lib.purdue.edu/clcweb/vol.15/iss2/5/> (accessed 10 May 2018).
- 40 Government of Singapore. 2016. *Population in Brief 2015*. Singapore: National Population and Talent Division, Prime Minister's Office. [Data from p. 17]. As a point of comparison, as of 2017 there are more than 31 million overseas Indians, which is around 2.3 per cent of India's total population of 1.32 billion, figures from Ministry of External Affairs. 2017. *Population of Overseas Indians*. Delhi: Ministry of External Affairs. Available at: [http://mea.gov.in/images/attach/NRIs-and-PIOs\\_1.pdf](http://mea.gov.in/images/attach/NRIs-and-PIOs_1.pdf) (accessed 21 May 2018).
- 41 Government of Singapore. 2013. *Population in Brief 2012*. Singapore: National Population and Talent Division, Prime Minister's Office. [Data from p. 20].
- 42 Asia One News. 2012. '1,200 Singaporeans renounce citizenship every year'. *Asia One News*. 28 February. Available at: <http://news.asiaone.com/News/Latest+News/Singapore/Story/A1Story20120228-330696.html> (accessed 10 May 2018).
- 43 Leslie Sklair. 2000. *The Transnational Capitalist Class*. Oxford: Wiley-Blackwell.
- 44 In Singapore, ethnic identity falls under what is known as the Chinese, Malay, Indian and Other ('CMIO') scheme. All Singaporean citizens and residents are identified as Chinese, Malay, Indian or Other on their identity cards. Certain language and religious affiliations are assumed under this rubric (for example, Indians speak Tamil and are Hindu). The Chinese are the dominant ethnic group in Singapore, comprising about 75 per cent of the population.
- 45 Contact Singapore, *Conversations on Coming Home*, p. 7.
- 46 *Ibid.*, p. 7.
- 47 *Ibid.*, p. 7.
- 48 *Ibid.*, p. 31.
- 49 *Ibid.*, p. 31.
- 50 *Ibid.*, p. 17.
- 51 *Ibid.*, p. 11.
- 52 Jini Kim Watson. 2011. *The New Asian City: Three-Dimension Fictions of Space and Urban Form*. Minneapolis, United States: University of Minnesota Press. [Information from p. 168].
- 53 Harvey, *A Brief History of Neoliberalism*, p. 7.
- 54 *Ibid.*, p. 7.
- 55 Contact Singapore, *Conversations on Coming Home*, p. 7.
- 56 *Ibid.*, p. 33.
- 57 *Ibid.*, p. 33.
- 58 *Ibid.*, p. 33.
- 59 Bose and Lyons, 'Introduction', p. 10.
- 60 Contact Singapore, *Conversations on Coming Home*, p. 31.
- 61 *Ibid.*, p. 31.
- 62 *Ibid.*, p. 11.
- 63 *Ibid.*, p. 17.
- 64 *Ibid.*, p. 51.
- 65 Teng, 'Sexual governance ...', pp. 583–584.

- 66 We might attribute the publication to Ng Siew Kang, the ostensible head of Contact Singapore, who writes the opening statement to *Conversations on Coming Home*. Yet, given that Contact Singapore is an ‘alliance of the Singapore Economic Development Board and Ministry of Manpower’, we are reminded that Ng is a government employee who would not necessarily be the primary authorial voice in the text.
- 67 Bret Benjamin. 2007. *Invested Interests: Capital, Culture, and the World Bank*. Minneapolis, United States: University of Minnesota Press.
- 68 *Ibid.*, p. 150.
- 69 Laura E. Lyons. 2011. ‘“I’d like my life back”’: corporate personhood and the BP oil disaster’. *Biography* 34(1): 96–107. [Quotation from p. 105].
- 70 Gibson, ‘Disneyland with a death penalty’.



## 5 Ethnicity-based policies as the main factor of Malaysian brain drain?

Re-examining the distribution of opportunities for education and employment

*Riho Tanaka*

There is a long-standing notion in Malaysia that ethnicity-based affirmative action policies are one of the major points of contention regarding talent development and retention. Indeed, it is easy to imagine that the evolution of the post-1969 preferential *bumiputera* policy designed to protect and promote ethnic Malays has impacted on the decisions of non-*bumiputera* citizens to leave the country, as the policy legitimized restrictions of opportunities for education and employment for non-*bumiputera* citizens. National policy has, however, gradually shifted to accommodate a more competitive, development-oriented trajectory for Malaysia, as reflected in the changes happening in Malaysian political economy, as well as the conditions facing youths in their educational aspirations and career planning. The institutional and structural transformation of higher education in Malaysia has arguably led to improvements in employment-related conditions. In this context, this chapter examines the changing patterns of youth career formation in Malaysia, with a focus on talent, and the factors that influence youth decisions to either stay or leave the country. Although a degree of ethnic segregation and hierarchy still exist in education and employment, the question is whether these factors substantially impact Malaysia's ability to retain talent and manage the country's brain drain.

This chapter considers the extent to which changes in policy and socio-economic conditions in Malaysia have reduced ethnic inequality, thus alleviating the adverse effects that preferential policies have on young talented individuals in Malaysia. In other words, this chapter focuses on the 'push factors' of the brain drain that pertain to ethnicity-related issues in Malaysia. For that purpose, this chapter investigates the non-*bumiputera* experience by considering how the social environment influences their decision to remain in the country or to emigrate, rather than focusing on the effects and aftermaths of ethnic-based preferential policy from the perspective of the *bumiputera* majority. This chapter first reviews the evolution of policies and regulations concerning education, especially higher education, as well as employment, by presenting a set of macro-level figures. These sections chart the relevant changes that have occurred in higher education and employment so that we can determine the extent to which

the life-chances of non-*bumiputera* youths can be enhanced (or not). The author will then attempt to determine the comprehensive impact of the changes on education and employment through the analysis of micro-data, leading to conclusions about the prospects for talent retention in Malaysia.

## Education

In the wake of the political crisis that gripped Malaysia in May 1969, the New Economic Policy (NEP) was formulated and implemented under the regime of Tun Abdul Razak.<sup>1</sup> The NEP is characterized by two pillars, namely poverty eradication and social restructuring. These pillars served specific economic functions designed to strengthen the government's control over the distribution of opportunities for particular ethnic groups, which determined the extent to which 'talent' flourished within the country.<sup>2</sup> Following a more critical line of analysis, the NEP is also credited with the creation of new or expanded patronage networks that signified the growing hegemony of the United Malays National Organization (UMNO) over the state, where a new class of wealthy Malaysians (including many Malays) were seen as 'proxies of prominent politicians'.<sup>3</sup> Under the NEP, alongside various measures such as prioritizing *bumiputera* candidates in state-sector recruitment and aiming to allocate 30 per cent of corporate capital to *bumiputera*, policies for the distribution of higher education opportunities were introduced in order to elevate the social and economic status of *bumiputera* citizens to the level enjoyed by non-*bumiputera* citizens.

Higher education was set as a key target area of the NEP because it is often perceived as a factor that determines the socio-economic gap, which in the Malaysian context includes the gap between ethnic groups.<sup>4</sup> Richard Leete also states that 'the NEP identified education as a major mechanism for modifying the ethnic pattern of employment'.<sup>5</sup> Especially in the earlier stage of the NEP, it seems that the government placed emphasis on controlling the number of students proceeding to tertiary-level education. When reflecting on the development of Malaysian higher education, one cannot help but notice the slow rate of its expansion compared with the country's achievements in economic development. The Education Act of 1961 prohibited the establishment of private higher education institutions, and the Essential (Higher Education Institution) Regulation instituted in 1969 banned the conferment of university degrees by private entities as well as the establishment of branch campuses of foreign universities.<sup>6</sup> These regulations forced Malaysian higher education to be taken up solely by national universities which could only accommodate a limited number of students and a small number of teacher training colleges.

In 1981 there were only five universities in Malaysia, and the number of students enrolling in higher education institutes only shows a slow rise from 36,000 in 1975 to 54,500 in 1980 to 96,000 in 1985.<sup>7</sup> It should be noted that the already small enrolment numbers include people enrolled in teacher training institutions, polytechnics, colleges and institutes other than universities. The quantitative control of education is often recognized by scholars to be a by-product of British

policy in the colonial era.<sup>8</sup> Nonetheless, it is perhaps more convincing to view this as a deliberate government strategy to create advantages for the *bumiputera* majority, and indeed to impose a new modernity on a relatively disadvantaged and supposedly 'backward' ethnic group.<sup>9</sup>

Upon carrying out interventionist policies in the sphere of education, the government emphasized the distribution of higher education opportunities between ethnic groups. One of the most contentious features of the NEP is the ethnic quota system that prioritizes the allocation of opportunities for university education to *bumiputera* citizens. Based on a revision of Article 153 of the Federal Constitution that established and codified the 'special position' of the Malays, the investigative committee appointed by the National Operations Council (provisional government at that time) drew a conclusion that it was desirable that the population share of each ethnicity was reflected in the university student intake.<sup>10</sup> It was decided that 55 per cent of the available university places should be reserved for *bumiputera*, an arrangement that was accepted by the parties of the ruling coalition.<sup>11</sup> In 1970 the government enforced the new ethnic quota rules by assuming control of the student admissions system for tertiary education, particularly through the establishment of the Central Processing Unit for Universities by the Ministry of Education. Molly N. N. Lee found that 'the proportion of Bumiputera students in public universities had increased significantly after the implementation of the ethnic quota policy'.<sup>12</sup> In addition, at the secondary school level, only *bumiputera* students were allowed to study in the institutes with special and advanced curriculum, namely matriculation courses and MARA Junior Science Colleges.<sup>13</sup> The new policy of using Malay as the only medium of instruction at public schools impacted upon teaching at all levels of public education, with the exception of national-type primary schools where Chinese and Tamil languages are used. Moreover, considerable burdens were placed on non-native speakers of the Malay language through the national examinations required for admission selection.<sup>14</sup>

The limited number of places in higher education institutes, together with *bumiputera* quotas and other inducements that ensured Malays' privileged access to universities, created push factors that led non-*bumiputera* youth to emigrate. This policy had a significant impact on non-*bumiputera* students who were talented enough to proceed to higher education but were prevented from doing so by the limited number of places and biased admission procedures in Malaysian universities. One of the consequences of the highly politicized national education system in Malaysia is the loss of prospective talent. Curtis A. Andressen coined the term 'educational refugees' in reference to the non-*bumiputera* students who were precluded from pursuing higher education in Malaysia and forced to study abroad.<sup>15</sup> Although the choice of studying overseas imposed a heavy burden on families, the number of students who were studying overseas in the 1980s continuously exceeded 30,000, and in the years 1984, 1985 and 1987 the number of overseas students surpassed 40,000.<sup>16</sup> These figures were recorded as the second or third highest in the world each year during the period from 1980 to 1988, and thus became an integral part of the national brain drain debate

prompted by fears that highly educated and skilled Malaysians would choose not to return.

A significant proportion of Malaysian students chose to study in Australian and British universities, but when tuition fees in the two countries increased for international students in the early 1980s, this created a major social issue in Malaysia.<sup>17</sup> The fact that scholarships were allocated according to ethnicity led critics such as Graham Brown to point out that the government's funding for overseas education was almost exclusively given to *bumiputera* students. For example, from 1980 to 1985 approximately 95 per cent of the grant recipients studying in foreign countries were *bumiputera* students.<sup>18</sup> The financial ability of one's parents came into play at this point, as those with wealthier parents could afford the raised tuition fees and living expenses required for overseas studies, while others could not bear the high cost of university life abroad. Indeed, socio-economic class was an important aspect that determined the opportunities for getting higher education in Malaysia. This could be considered a factor that would keep talented youth in the country, although it seems that the difficulties experienced by students from modest or poor backgrounds became a source of significant discontent toward the pro-*bumiputera* policies in Malaysia. The growing discontent caused by Malaysian policies, and the government more generally, created long-lasting collective feelings (and perceptions) of inequality among non-*bumiputera* students and their families, which may have contributed to the rate and scale of emigration.<sup>19</sup>

There was a process of liberalization in the latter half of the 1980s in Malaysia, partly in response to global trends and partly as a result of the strengthened leadership of Prime Minister Mahathir Mohammad, who oversaw the replacement of the NEP with a new National Development Policy (NDP) in 1990.<sup>20</sup> Although the fundamental principles of *bumiputera* preferentialism remained intact, the policy transition from NEP to NDP was designed to allow the government to develop a sufficient talent base to lead the industrial and economic advancement of the country. The NDP required some strategic restructuring of the industrial structure in order to achieve the government's target of reaching highly industrialized country status by 2020. In this context, the government worked to expand the places for students in public universities, which resulted in easing the capacity pressures that the sector was facing. Both the number and the capacity of public universities has grown steadily since the mid-1980s. For instance, the Universiti Utara Malaysia was established in 1984 in Kedah, northern Malaysia, followed by the Universiti Malaysia Sarawak and Universiti Malaysia Sabah in 1993 and 1994 respectively. There are currently 20 public universities spread throughout the country, and student enrolment increased year on year during the 1990s, reaching approximately 210,000 in 1995 (of which 68,000 were pursuing a bachelor degree), around 282,000 in 2002 (with 184,000 bachelor students) and a high of around 463,000 in 2010 (with 275,000 bachelor students).<sup>21</sup> This expansionist trend has not been sufficient to meet the growing demand of Malaysian youths for higher education, however, especially non-Malays whose chances of entering a public university are relatively restricted.

Demand for higher education in Malaysia continues to grow, and tuition fees in overseas institutions continue to rise, prompting the private sector to establish transnational higher education programmes that enable students to obtain bachelor degrees by transferring credits earned in colleges in Malaysia to universities abroad through a range of new collaborative provision agreements.<sup>22</sup> Private and commercial movements brought about the development of alternative post-secondary education opportunities within the country. Then in 1996 and 1997 there were much-needed changes to legislation regarding higher education (such as the enforcement of the Private Higher Education Act 1996), which bestowed the right to confer bachelor degrees to private higher education institutions. At this juncture, the expansion of private higher education coincided with the government's emphasis on nurturing and capturing talent.<sup>23</sup> The enrolment numbers at private institutions started from a relatively low baseline of 15,000 in 1985 but then steadily increased from 35,600 in 1990, to 128,000 in 1995, to 203,000 in 2000, to 323,000 in 2004 and then to 542,000 in 2010.<sup>24</sup> This indicates that the higher education opportunities for non-*bumiputera* students have increased significantly in recent years.

The National Development Policy was replaced by the National Vision Policy in 2000, just after the Asian Financial Crisis, with the aim of establishing a 'knowledge economy'. The knowledge basis of the National Vision Policy suggests that the Malaysian government placed greater emphasis on talent cultivation, as seen for instance in the target of 40 per cent of the population aged 16 to 22 years receiving tertiary education by 2010.<sup>25</sup> The total number of students at public and private institutions exceeded one million by 2010.<sup>26</sup> Enrolment rates for higher education rose from 25.5 per cent in 2000 to around 37.4 per cent in 2013,<sup>27</sup> which reflects the positive reaction of Malaysian youth to the new higher education opportunities within the country.<sup>28</sup> Perhaps the most important accelerator of higher education in Malaysia was the establishment of the National Higher Education Fund (Perbadanan Tabung Pendidikan Tinggi Nasional or PTPTN) loan scheme in 1997, with eligibility extending to students of both public and private higher education institutions that traditionally charge high tuition fees. The PTPTN loan scheme provides financial assistance to individuals previously unable to pursue higher education, with some 1.9 million students benefitting from loans as of 2015.

In addition to the expansion of higher education institutions, there are other factors that, to a certain extent, improved non-*bumiputera* access to higher education in Malaysia. For instance, in 2002 a new meritocracy system was introduced in a bid to reform the admissions system in public universities, which means that ethnic quotas were to be (theoretically) abolished and entrance selections were to be conducted on the basis of academic grades (90 per cent) and co-curricular assessment (10 per cent). However, it should be recognized that there remain some unequal aspects of education policy, even though the government has started to take the concerns of non-*bumiputera* citizens into account. One example is that there is a double standard for university admissions if we consider that there are two entrance routes, (1) the Sijil Tinggi Persekolahan

Malaysia (Malaysia Higher Certificate of Education or STPM) exam which is known for its demanding content, and (2) matriculation courses that are designed primarily for Malay students and are known to be less rigorous than the STPM.<sup>29</sup> There is plentiful evidence of the frustration of unsuccessful applicants (especially those applying for medical programmes or similarly competitive courses) in newspapers or on the web, along with allegations of discriminatory distribution of scholarships. However, if we look at the challenges facing Malaysian public universities from a different angle, there are growing concerns about graduate unemployment. Though the quality of education is an issue for private higher education institutions too, graduates from public universities tend to show lower proficiency of English, which hinders their employability. It could thus be argued that some prospective non-*bumiputera* students have no desire to enrol at Malaysian public universities, in which case the salience of ethnic differentiation and discrimination is less pronounced.

To conclude, it can be said that the situation has been improved, and push factors have been reduced, for non-*bumiputera* citizens because the urgent necessity to leave the country due to the inaccessibility of higher education has mostly been alleviated. Much depends on how one defines ‘talent’, however, for if we talk about the very best students in each cohort, issues related to competitive programmes and scholarships do matter. If one refers to the growing number of ‘highly skilled’ people (those with higher education), the situation has improved given the increasing opportunities for higher education brought about by the expansion of private tertiary education and PTPTN loans. The collective resentment among non-*bumiputera* citizens toward discriminatory treatment may be continuously reproduced, however, as stories of students who cannot secure the university place they wanted circulate in various types of old and new media. The next section considers related challenges in employment policy, with a focus on changes in employment and occupational distribution, where a more direct form of intervention took place in order to realize the Malaysian government’s goal of achieving the ‘restructuring of society’.<sup>30</sup>

## **Employment**

Studies about employment distribution in Malaysia such as those by Jun Onozawa<sup>31</sup> and Hwok-Aun Lee<sup>32</sup> mainly focus on changes that relate to *bumiputera* relative to other ethnic groups. The findings do not allow us to make a direct inference about the situation of non-*bumiputera*, though we can make use of the existing knowledge and findings from these studies to better understand the nature of employment restructuring in Malaysia. The government’s move to intervene in the sphere of employment has been on an ad hoc basis, as pointed out by Hwok-Aun Lee *et al.*,<sup>33</sup> and pro-*bumiputera* treatment regarding employment has not been as explicit as in the sphere of education. It seems, however, that the Malaysian government, especially during the early stages of the NEP, recognized the necessity of carrying out direct intervention into the employment structure itself (in other words, restructuring to promote upward socio-economic



mobility for *bumiputera*). The existence of government intervention in Malaysia is evidenced by the fact that legislation was passed to regulate private manufacturing sector employment, and the fact that the number of places in the government sector increased.

The Malaysian employment structure changed greatly during and after the NEP period. The development of the manufacturing sector has been the key component of employment restructuring in Malaysia. The numbers of those employed in the manufacturing sector rose from 448,000 in 1970 to 1,290,000 in 1990, which accounted for 11.4 per cent and 19.5 per cent of the total employment in Malaysia respectively.<sup>34</sup> This trend, along with the rise of service sector employment from 32.5 per cent to 45.7 per cent in 1990 shows that the Malaysian employment structure has experienced a sectorial shift, as has often been the case with East Asian developing economies.<sup>35</sup>

There were several measures taken to promote *bumiputera* employment and their upward mobility in the manufacturing sector. The Industrial Coordination Act (ICA) in 1975 played a significant role by formalizing the pro-*bumiputera* policy frame in the sphere of employment. The nature of the ICA was to obligate manufacturing companies with a certain scale of production to contribute to the goals of the NEP. Fulfilling the *bumiputera* hiring quota, in accordance with ethnic composition in different occupational categories, was made a condition for the issuance of manufacturing licenses, as 'each business division of the licensee was requested to comply with NEP goals'.<sup>36</sup> Zainal Aznam Yusof states that hiring quotas played a major role in increasing *bumiputera* employment.<sup>37</sup> With the ICA at the heart of the stipulated regulations, there were additional measures taken to increase *bumiputera* participation in the manufacturing sector. When companies are listed on the Kuala Lumpur Stock Exchange, information of the organizational (personnel) composition is required, which according to Takashi Torii is meant to secure *bumiputera* mobility at the top level jobs.<sup>38</sup> The Ministry of Trade and Industry made it compulsory for manufacturing companies to employ *bumiputera* in order to obtain approval for capacity enlargement plans, whereas foreign companies were judged by their willingness to promote *bumiputera* to managerial and professional posts when they applied for their expatriate employees' working permits.<sup>39</sup> Takashi Torii concluded that 'mobility between job descriptions was encouraged within the private manufacturing sector'.<sup>40</sup>

With regards to service sector employment, it is well known that the government sought to increase the appointment of *bumiputera* to professional and administrative positions, while attempting to expand the capacity for absorbing public sector workers.<sup>41</sup> Indeed, the expansion of the public sector was supposed to be the driving force behind the advancement of *bumiputera* employment in the service sector (or sectors other than agriculture). As a proportion of the total public service employment, Malay employees dominated by 64.5 per cent in 1969–1970 and 75 per cent in 1982, which demonstrates the increasing proportion of Malays in the public sector.<sup>42</sup> Moreover, in 1969–1970 Malays accounted for 66.2 per cent of the lower-ranking positions, but data from 2005 shows



higher proportions of Malays in senior positions, which according to Hong Hai Lim suggests that public service restructuring has been realized, but that the change was ‘into a Malay-dominated, rather than an ethnically representative, public service’.<sup>43</sup> It is pointed out that Malay representation in workplaces in which the government can easily intervene, such as in government linked companies, has increased as well, which can be understood as the government’s strategy to increase the proportion of the *bumiputera* workforce engaged in upper-level jobs.<sup>44</sup> The expansion of public enterprises, of which manufacturing and services accounted for the biggest number, can also be recognized as an effort to include more *bumiputera* in the modern sector and to rectify economic imbalances among ethnic groups.<sup>45</sup>

Malaysia’s financial and debt crisis in the mid-1980s disrupted this pattern of pro-*bumiputera* employment. During this period of recession, privatization and deregulation occurred in Malaysia, captured by the ‘Malaysia Incorporated’ concept that was supposedly introduced to forge a better relationship between public and private sectors.<sup>46</sup> Nobuyuki Yasuda finds that the ambiguous and discretionary (but still negotiable) nature of the ICA, and the government’s technique of flexible administration, led to the shift from distributive policies to policies that emphasize economic growth and require the recruitment of top talent.<sup>47</sup> The evolving industrialization policies of Prime Minister Mahathir led to a growing Malay middle class. Takashi Torii found that Malaysian policy shifted from promoting an ambiguous middle class, consisting of both new and old middle classes, to raising more technicians and professionals so that they could take up an active role in national economic development.<sup>48</sup> After the economic recession in the mid-1980s and in the transition period in the 1990s, the policy trend of privatization led the government to shift its emphasis, from the creation of a Malay middle class to the fostering of *bumiputera* entrepreneurship for the realization of the Bumiputera Commercial and Industrial Community (BCIC).<sup>49</sup> In this new era of economic competitiveness, the government seemed less inclined to monitor the ethnic composition of employees at private companies and to champion *bumiputera* upward mobility, which likely contributed to a situation where non-*bumiputera* were treated more equally.

To what extent, then, have interventionist measures and post-NEP deregulation trends changed the national employment structure? And how have non-*bumiputera* citizens been affected by these changes, particularly in terms of the influence on their decisions to stay or leave the country (brain drain)? It has been argued that the interventionist measures used to promote *bumiputera* employment have worked relatively well,<sup>50</sup> although Zainal Aznam Yusof contends that, while there is ‘no denial that employment has been restructured’, the impact of restructuring should not be overestimated.<sup>51</sup> Indeed, there is little consensus as to the actual result of employment restructuring in Malaysia, especially regarding high-skilled occupations and high-ranking positions. One limitation is the scarcity of specific data regarding the distribution of employees by ethnicity, but even if this data was available the figures could not be taken at face value, because of such practices as the securing of plumb jobs for Malay elites, or the

'alibaba' arrangements with Malays serving as well-connected and resourceful front-men for non-*bumiputera* entrepreneurs.<sup>52</sup> According to Zainal Aznam Yusof, companies would not surrender the truly important managerial places to *bumiputera* just because the government urged them to do so.<sup>53</sup> Rather, they attempt to minimize any losses by 'window dressing', for example employing *bumiputera* in less crucial jobs or in the less strategically critical areas.<sup>54</sup> One can speculate, based on Yusof's remarks, that employment opportunities were sometimes created for *bumiputera*, however, that was done without necessarily causing substantial cutbacks in non-*bumiputera* jobs.

The impact of *bumiputera* preferentialism is also felt in public sector employment, as the Malay-dominance of public (and quasi-public) sector employment intensified even after governmental intervention in the private sector had almost disappeared. The total number of public service officers reached 899,250 in 2005, an increase from 75,875 in 1969 (of which 84.8 per cent and 64.5 per cent, respectively, were composed of Malays and other *bumiputera*), which shows the large-scale expansion of public sector employment during and after the NEP period.<sup>55</sup> However, the key question is whether non-*bumiputera* were actually restricted from seeking opportunities that were preferable to them because of the Malay concentration in the public sector. There are studies and reports that show the public sector's struggle to attract non-*bumiputera*.<sup>56</sup> The intensification of public sector job domination by *bumiputera* citizens has been recognized as a problem that reinforces non-*bumiputera* perceptions of inequality. While patterns of ethnic hierarchy and differentiated citizenship are actively reproduced in Malaysian politics, the extent to which 'Malay first' policies are causing disadvantages to career-seeking non-*bumiputera* talent is still unclear.

One way to measure the impact of employment-related policies on the socio-economic standing of non-*bumiputera* citizens is to examine macro employment statistics. Figure 5.1 presents the percentage distribution of occupations held by each ethnic group and shows that the ethnic composition of population in employment has changed to a certain extent. First, we can point out that the rate of *bumiputera* workers increased in almost all categories of occupations except for agricultural workers, hence the decrease of the proportion of non-*bumiputera* workers in the overall population in employment. This trend is especially visible in the professional and technical occupations that are usually deemed highly skilled, and in the clerical occupations that can be classified as white-collar jobs.

The effects of employment regulations on non-*bumiputera* workers cannot be determined merely from looking at Figure 5.1, because the data does not consider the increase of the total population in employment. If we look at the changes to the employment structure within ethnic groups (Figure 5.2) we actually see that Chinese and Indian Malaysians also experienced a good amount of upward mobility, as the rate of employment in high-skilled occupations such as professionals, technicians, managers and administrators increased steadily. The Indian and Chinese Malaysian experiences are not the same, and it seems that Indian Malaysians are slightly lagging behind the other ethnic groups, although they too experienced growth in the high-skilled categories of occupations. It has

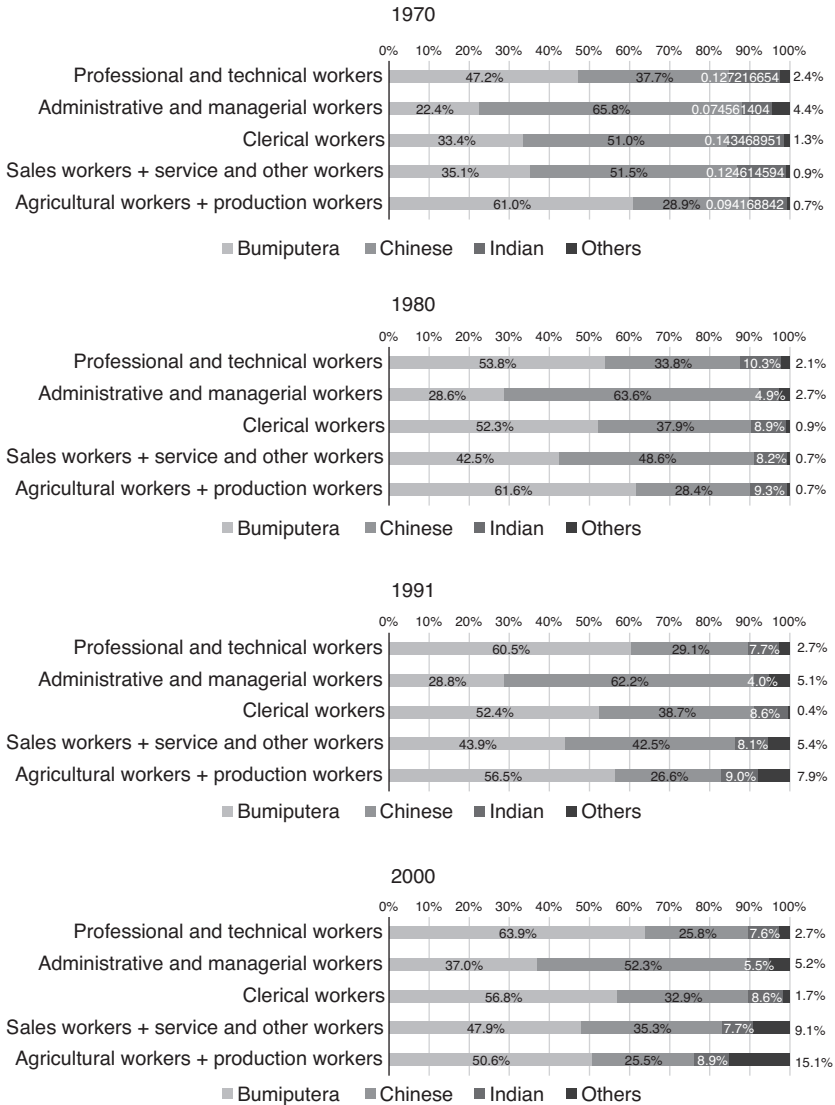


Figure 5.1 Percentage distribution of occupation by ethnic group.

Sources: data from the Government of Malaysia economic plans 1976, 1986, 1991 and 2001.

been pointed out that a considerable portion of the increase in the professional and technical workers category was actually, in the case of *bumiputera*, occupied by teachers and nurses, occupations that the ‘talents’ would be least keen to obtain.<sup>57</sup> We should also keep in mind that numbers of administrative and managerial workers did not increase as much as that of professional and technical

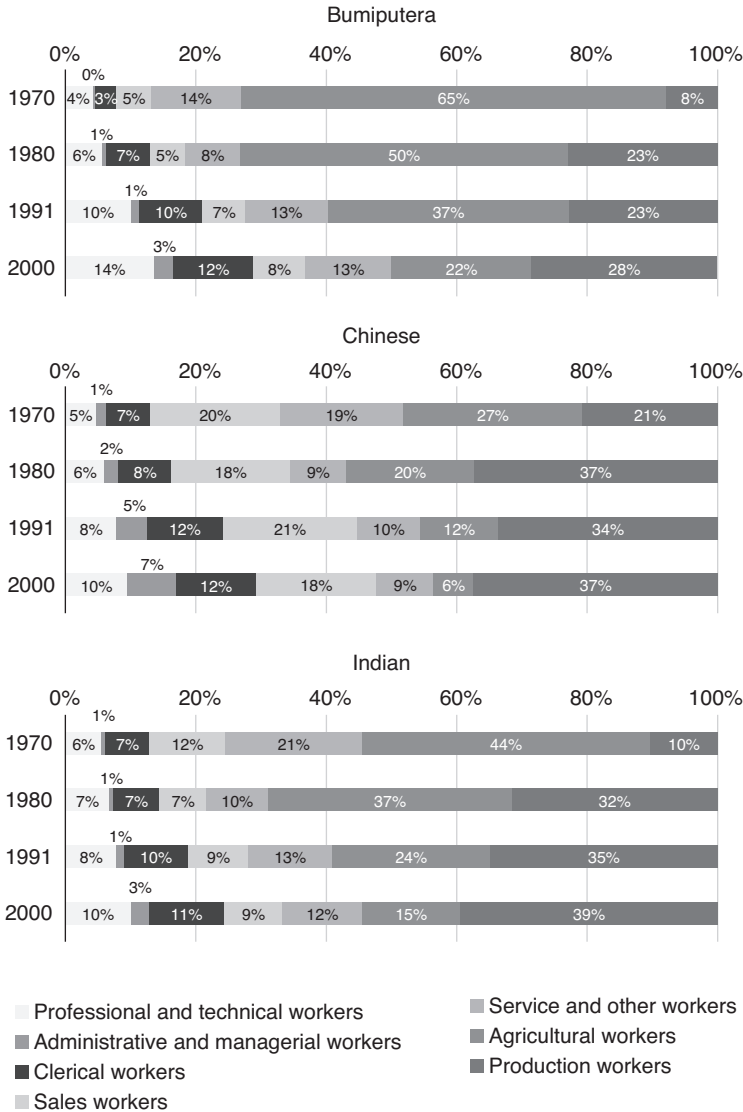


Figure 5.2 Percentage distribution of occupation within ethnic groups.

Sources: data from the Government of Malaysia economic plans 1976, 1986, 1991 and 2001.

workers within the *bumiputera* community, while the other groups (especially Chinese) made great strides in this category.

The policies regarding employment opportunities introduced by the government can be considered less drastic than the changes made in the education sphere. As with education policy, changes in employment are mainly driven by

the nation's macro-economic situation. Government policies have certainly restricted the employment opportunities of non-*bumiputera* workers in the public sector and manufacturing sector, but the overall impact of employment policy may not have been too disadvantageous for non-*bumiputera*. This is especially true since the mid-1980s, a period known for national financial crises and waves of deregulation and privatization. There is still a lack of academic consensus as to the overall impact of social restructuring in Malaysia, which highlights the need for further empirical analysis.

### Empirical evidence

After a period that can be considered explicitly pro-*bumiputera*, the changes that occurred within Malaysian higher education and employment after the 1980s should have enhanced the life-chances of non-*bumiputera*, although there is still some way to go before ethnic equality and meritocracy will be fully realized in Malaysia. This sub-section attempts to estimate the comprehensive impact of education and employment policies on non-*bumiputera* groups by examining the decennial data from the Malaysia Population and Housing Census since 1970.<sup>58</sup> Although the data from the most recent 2010 census is still not available publicly, it is possible to identify the effects of ethnicity by looking at major shifts in policy. In terms of education, the shift of ethnic balance over educational attainment is made visible in Figure 5.3. To create this figure, the variable of educational attainment is converted into years of education so that it can be

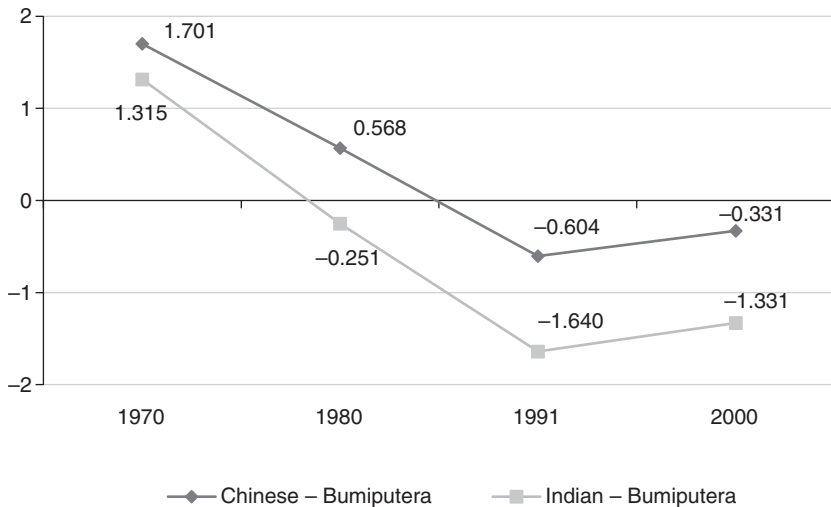


Figure 5.3 Difference of the means of educational attainment (years) between bumiputera and other ethnic groups.

Sources: Created based upon data of Malaysian Population and Housing Census (1970, 1980, 1991, 2000).

handled as a numeric variable, and the means of the years of education are compared between ethnic groups. All the values are statistically significant at a 1 per cent level, except for the one between *bumiputera* and Indian Malaysians in 1980, which is nonetheless significant at a 5 per cent level.

Figure 5.3 illustrates the changing differentials in educational attainment between Chinese Malaysians and *bumiputera*, followed by Indian Malaysians and *bumiputera*. The results show that *bumiputera* mean educational attainment was clearly lower than the other two ethnic groups in 1970. However, it increased steadily, surpassing that of the Indian ethnic minority group in 1980, and then the ethnic Chinese in 1991. This demonstrates that *bumiputera*-preferential treatment policies succeeded in the sphere of education as a whole. An interesting trend appears in 2000, however, when minority ethnic groups experienced a slight upward trend (see Figure 5.1). The results suggest that non-*bumiputera* experienced the biggest disadvantages in educational opportunities during the period between 1980 and 1991, but that the trend has gradually reversed. This indicates that for non-*bumiputera*, especially Chinese Malaysians, educational opportunities have become more accessible as a result of policy and structural changes.

In order to discern the consequences of social engineering, it is helpful to examine the effects of ethnic group ‘membership’ on one’s occupational status attainment. Occupation is considered an index of both the social and economic status of individuals, and the likelihood of acquiring a job that is deemed preferable would be affected by various factors. Multiple regression analysis is performed here in order to compare the effect of each ethnicity on occupational status attainment. The dataset used here is the same 2 per cent extract of the population census. Occupational prestige scores are set as the dependent variable, and other factors including ethnicity as independent variables. In order to operationalize (make it possible to be handled quantitatively) the occupational variable, a scale called occupational prestige score is introduced. There are a few different occupational prestige score scales to choose from, and this chapter uses the Standard International Occupational Prestige Scale (SIOPS) as presented in studies by Donald J. Treiman and Harry B. G. Ganzeboom.<sup>59</sup>

SIOPS is a score generated by integrating the prestige studies in 60 countries around the world. Those studies were carried out by asking national/local respondents to rate or rank each occupation on a certain scale, according to their personal opinion of each occupation’s ‘social standing’ (or something synonymous with social standing). Treiman employs the International Standard Classification of Occupations 1968 (ISCO-68)<sup>60</sup> for the classification of occupations and provides scores for the four-digit classification of ISCO-68. The raw census data in Malaysia only contains three-digit classifications for occupational information, and the author is using a limited sample (elaborated below), hence the numbers of scores used for this analysis is at around 50.<sup>61</sup> The scale is from 14 to 78 for the years 1970, 1980, 1991, and from 12 to 78 for the year 2000. Since SIOPS is a scale generated for the purpose of international comparison, it does not necessarily mean that it precisely fits with how Malaysian people would

rank occupations. Nevertheless, as the SIOPS has been used as an index to differentiate the social positions of individuals in many studies, and is known for its stability over geographical differences and time periods, it can be considered appropriate for the type of analysis required in this chapter.<sup>62</sup>

To make the comparison clearer, only samples from Peninsular Malaysia are analysed. Since the societies of Sabah and Sarawak<sup>63</sup> have different characteristics, especially in terms of ethnic composition, compared with that of Peninsular Malaysia, it is better to exclude them from the 1991 and 2000 data so as to avoid confusion.<sup>64</sup> The author's analysis is restricted to younger cohorts between the ages of 25 and 34 years that hold Malaysian citizenship. In the analysis, factors of basic attribution such as age, sex and location (urban/rural strata) are put into the model as control variables. Ethnicity was converted into dummy variables in order to compare the effects of being Chinese or Indian Malaysian versus being *bumiputera* (which became the reference category when the author put a Chinese/Indian Malaysian dummy into the model). Educational attainment was converted into years of education, a numeric variable. Finally, the dependent variable is SIOPS. The list of descriptive statistics can be found in Table 5.1, and the results of the analysis are shown in Table 5.2.

The main finding is the effect of being non-*bumiputera* on obtaining occupations with higher prestige scores, which was significantly smaller in the earlier periods but has become more advantageous over time. However, it is possible that this result is skewed by the tendency of SIOPS to give high scores to agriculture-related occupations.<sup>65</sup> Further analysis should therefore be performed excluding samples holding agriculture-related occupations. Tables 5.3 and 5.4 display, respectively, the descriptive statistics and the results of the regression analysis conducted after omitting samples with agriculture-related occupations. The result shows that the coefficient of the Chinese Malaysian dummy in 1970, which was significantly negative in the analysis above, became insignificant. However, this does not mean that the Chinese Malaysian dummy came to have a positive effect on occupational prestige. Indeed, we cannot say that Chinese or Indian Malaysians had a higher probability of holding an occupation with higher prestige in the earlier period, regardless of whether we omit agriculture-related workers in the analysis.

The trend after 1980 is almost the same as the result of the analysis that includes agriculture-related workers, where the non-*bumiputera* effect increases the probability of securing a 'better' occupation for younger cohorts of ethnic minorities in Malaysia, holding other variables constant.<sup>66</sup> In other words, when comparing individuals from *bumiputera* and ethnic Chinese groups with the same level of educational attainment, the ethnic Chinese actually preserved their advantage in obtaining more prestigious jobs, even in the midst of the NEP period. Indian Malaysians seemed to experience relatively more hardship than the ethnic Chinese groups, however, members of the Indian minority seem to have surpassed the Malays in later years too. This indicates that policy changes and socio-economic conditions were beneficial to non-*bumiputera* citizens, though the level of benefit ethnic Chinese and ethnic Indians experienced differs.



Table 5.1 Descriptive statistics for regression analysis (S.D., standard deviation)

| Variables          | 1970   |       |   | 1980   |       |            | 1991   |       |   | 2000   |       |            |
|--------------------|--------|-------|---|--------|-------|------------|--------|-------|---|--------|-------|------------|
|                    | Mean   | S.D.  | N | Mean   | S.D.  | Percentage | Mean   | S.D.  | N | Mean   | S.D.  | N          |
| SIOPS              | 35.01  | 13.57 |   | 38.84  | 13.69 |            | 39.76  | 12.83 |   | 40.16  | 12.81 |            |
| Age                | 29.54  | 2.86  |   | 29.15  | 2.84  |            | 29.36  | 2.85  |   | 29.36  | 2.87  |            |
| Years of Education | 5.87   | 3.57  |   | 8.44   | 2.79  |            | 9.81   | 3.35  |   | 11.11  | 3.11  |            |
|                    |        |       | N |        |       | Percentage |        |       | N |        |       | Percentage |
| Sex                |        |       |   |        |       |            |        |       |   |        |       |            |
| Male               | 9,172  | 71.2  |   | 11,733 | 69.4  |            | 19,353 | 65.0  |   | 20,845 | 62.2  |            |
| Female             | 3,708  | 28.8  |   | 5,180  | 30.6  |            | 10,404 | 35.0  |   | 12,660 | 37.8  |            |
| Region             |        |       |   |        |       |            |        |       |   |        |       |            |
| Urban              | 5,424  | 42.1  |   | 8,584  | 50.8  |            | 20,396 | 68.2  |   | 26,258 | 78.4  |            |
| Rural              | 7,456  | 57.9  |   | 8,329  | 49.2  |            | 9,461  | 31.8  |   | 7,247  | 21.6  |            |
| Ethnicity          |        |       |   |        |       |            |        |       |   |        |       |            |
| Bumiputera         | 6,869  | 53.3  |   | 8,936  | 52.8  |            | 16,607 | 55.8  |   | 19,556 | 58.4  |            |
| Chinese            | 4,912  | 38.1  |   | 6,073  | 35.9  |            | 8,989  | 30.2  |   | 10,357 | 30.9  |            |
| Indian             | 977    | 7.6   |   | 1,788  | 10.6  |            | 3,362  | 11.3  |   | 3,367  | 10.0  |            |
| N                  | 12,880 |       |   | 16,913 |       |            | 29,757 |       |   | 33,505 |       |            |

Sources: created based upon data of Malaysian Population and Housing Census (1970, 1980, 1991, 2000).

Table 5.2 Multiple regression analysis results (S.E., standard error)

| Dependent Variable: SIOPS | 1970   |       |           | 1980     |       |           | 1991     |       |           | 2000     |       |          |
|---------------------------|--------|-------|-----------|----------|-------|-----------|----------|-------|-----------|----------|-------|----------|
|                           | B      | S.E.  | $\beta$   | B        | S.E.  | $\beta$   | B        | S.E.  | $\beta$   | B        | S.E.  | $\beta$  |
|                           | Age    | 0.249 | 0.038     | 0.052*** | 0.347 | 0.034     | 0.072*** | 0.283 | 0.023     | 0.063*** | 0.123 | 0.020    |
| Sex                       | -1.735 | 0.247 | -0.058*** | 2.993    | 0.209 | 0.104***  | 2.115    | 0.134 | 0.079***  | 1.947    | 0.120 | 0.075*** |
| Region                    | 0.796  | 0.258 | 0.029***  | -1.943   | 0.213 | -0.071*** | -0.185   | 0.149 | -0.007    | 0.462    | 0.148 | 0.015**  |
| Ethnicity                 | -1.675 | 0.260 | -0.060*** | -0.537   | 0.222 | -0.019*   | 1.514    | 0.151 | 0.054***  | 2.061    | 0.134 | 0.075*** |
| (ref. Bumiputera)         | -6.217 | 0.424 | -0.121*** | 0.184    | 0.324 | -0.184*** | -1.632   | 0.211 | -0.040*** | 1.055    | 0.201 | 0.025*** |
| Education (years)         | 1.545  | 0.034 | 0.407***  | 1.451    | 0.028 | 0.377***  | 1.929    | 0.020 | 0.504***  | 2.282    | 0.019 | 0.563*** |
| Constant                  | 19.863 | 1.192 | ***       | 18.648   | 1.060 | ***       | 11.635   | 0.717 | ***       | 9.822    | 0.643 | ***      |
| Adjusted R <sup>2</sup>   | 0.183  |       |           | 0.170    |       |           | 0.267    |       |           | 0.337    |       |          |
| N                         | 12,880 |       |           | 16,913   |       |           | 29,575   |       |           | 32,097   |       |          |

Sources: created based upon data of Malaysian Population and Housing Census (1970, 1980, 1991, 2000).

Notes

\*\*\*  $p < 0.001$ ;

\*\*  $p < 0.01$ ;

\*  $p < 0.05$ .

Table 5.3 Descriptive statistics for regression analysis (excluding agriculture-related occupations)

| Variables          | 1970    |            |        | 1980       |         |            | 1991    |            |   | 2000       |         |            |
|--------------------|---------|------------|--------|------------|---------|------------|---------|------------|---|------------|---------|------------|
|                    | Mean    | S.D.       | N      | Mean       | S.D.    | N          | Mean    | S.D.       | N | Mean       | S.D.    | N          |
| SIOPS              | 38.1771 | 12.7466    |        | 38.794     | 12.4639 |            | 40.5743 | 12.124     |   | 40.2682    | 13.1563 |            |
| Age                | 29.36   | 2.851      |        | 29.02      | 2.828   |            | 29.3    | 2.851      |   | 29.33      | 2.867   |            |
| Years of Education | 7.4116  | 3.29795    |        | 8.685      | 3.33753 |            | 10.2481 | 3.12951    |   | 11.2972    | 3.0073  |            |
|                    | N       | Percentage | N      | Percentage | N       | Percentage | N       | Percentage | N | Percentage | N       | Percentage |
| Sex                | 5,425   | 79.1       | 8,699  | 72.2       | 16,470  | 63.7       | 19,314  | 61         |   | 19,314     | 61      |            |
|                    | 1,431   | 20.9       | 3,350  | 27.8       | 9,400   | 36.3       | 12,370  | 39         |   | 12,370     | 39      |            |
| Region             | 2,327   | 33.9       | 4,205  | 34.9       | 6,203   | 24         | 5,815   | 18.4       |   | 5,815      | 18.4    |            |
|                    | 4,529   | 66.1       | 7,844  | 65.1       | 19,667  | 76         | 25869   | 81.6       |   | 25869      | 81.6    |            |
| Ethnicity          | 2,624   | 38.3       | 5,675  | 47.1       | 14,070  | 54.4       | 18,162  | 57.3       |   | 18,162     | 57.3    |            |
|                    | 3,602   | 52.5       | 5,121  | 42.5       | 8,442   | 32.6       | 10,096  | 31.9       |   | 10,096     | 31.9    |            |
|                    | 546     | 8          | 1,176  | 9.8        | 2,779   | 10.7       | 3,230   | 10.2       |   | 3,230      | 10.2    |            |
| N                  | 6,856   |            | 12,049 |            | 25,870  |            | 31,684  |            |   | 31,684     |         |            |

Sources: created based upon data of Malaysian Population and Housing Census (1970, 1980, 1991, 2000).

Table 5.4 Multiple regression analysis results (excluding agriculture-related occupations)

|                         | 1970     |             |           | 1980     |             |           | 1991     |             |          | 2000     |             |          |
|-------------------------|----------|-------------|-----------|----------|-------------|-----------|----------|-------------|----------|----------|-------------|----------|
|                         | <i>B</i> | <i>S.E.</i> | $\beta$   | <i>B</i> | <i>S.E.</i> | $\beta$   | <i>B</i> | <i>S.E.</i> | $\beta$  | <i>B</i> | <i>S.E.</i> | $\beta$  |
|                         | Age      | 0.224       | 0.046     | 0.050*** | 0.294       | 0.033     | 0.067*** | 0.283       | 0.022    | 0.067*** | 0.111       | 0.021    |
| Sex                     | 3.682    | 0.320       | 0.117***  | 3.690    | 6.207       | 0.133***  | 2.901    | 0.130       | 0.115*** | 1.976    | 0.122       | 0.074*** |
| Region                  | -0.958   | 0.291       | -0.036**  | -0.297   | 0.203       | -0.011    | -0.104   | 0.153       | -0.004   | 1.648    | 0.159       | 0.050*** |
| Ethnicity               | -0.387   | 0.287       | -0.015    | 1.840    | 0.203       | 0.073***  | 1.760    | 0.144       | 0.068*** | 2.279    | 0.137       | 0.081*** |
| (ref. Bumiputera)       | -2.989   | 0.507       | -0.063*** | -1.953   | 0.325       | -0.047*** | 0.233    | 0.211       | 0.006    | 1.300    | 0.206       | 0.030*** |
| Education (years)       | 2.104    | 0.040       | 0.544***  | 2.102    | 0.028       | 0.563***  | 2.148    | 0.021       | 0.555*** | 2.533    | 0.020       | 0.588*** |
| Constant                | 16.322   | 1.440       | ***       | 10.597   | 1.023       | ***       | 8.654    | 0.705       | ***      | 5.941    | 0.666       | ***      |
| Adjusted R <sup>2</sup> | 0.297    |             |           | 0.341    |             |           | 0.323    |             |          | 0.371    |             |          |
| <i>N</i>                | 6,856    |             |           | 12,049   |             |           | 25,699   |             |          | 30,325   |             |          |

Source: created based upon data of Malaysian Population and Housing Census (1970, 1980, 1991, 2000).

Notes

\*\*\*  $p < 0.001$ ;

\*\*  $p < 0.01$ ;

\*  $p < 0.05$ .

It is reasonable to question how this result was brought about, although this chapter does not have the scope to fully elaborate on the reasons behind the ethnic differentials in Malaysia. Here are some general attempts to give plausible explanations for the situation in Malaysia. First, there is a general sense that governmental efforts to achieve social and economic uplift for *bumiputera* in fact led to an increase in the opportunities for, and upward mobility of, Malaysia's non-*bumiputera* population as well. Takashi Torii points out that this can be considered a by-product of the intentional creation of a Malay middle class, which brought about relatively steady economic growth in Malaysia and increased overall opportunities for obtaining high-skilled and prestigious jobs.<sup>67</sup> The Malaysian process of export-oriented industrialization seems to have pushed up the entire economy and catalyzed the restructuring of employment. Another factor that came into play was the diligence and ingenuity of non-*bumiputera* citizens who were excluded from preferential policy schemes. How Ling Khong and Jomo Kwame Sundaram find that, in general, the increasing proportion of *bumiputera* employees in the service sector intensifies inter-ethnic competition, prompting non-*bumiputera* to leave lower status jobs, particularly by upgrading their qualifications (acquiring new certifiable skills such as computing and accounting, for instance).<sup>68</sup>

## Conclusion

By investigating policies, institutional factors and empirical data, this chapter finds that there is a strong possibility that being non-*bumiputera* does not significantly restrict one's life-chances in Malaysia at the present time. While the constraints and grievances brought about by the continuation of ethnic-based preferential policies still have an effect on certain groups of non-*bumiputera*, the proportion of young people being pushed out of the country due to inaccessibility in higher education or employment barrier has decreased over last two decades. Although some aspects of employment inequality still exist, particularly in the public sector, economic development and other factors seem to have nullified these restrictions, creating space for non-*bumiputera* talent to play a constant and essential role in the country's development. Indeed, the data reveals that youths from ethnic minority backgrounds are still able to achieve high levels of employment in relatively prestigious positions (at least from a quantitative perspective) compared with *bumiputera* youths, when other factors are held constant. The conditions for securing employment opportunities have not been significant constraints for non-*bumiputera* in Malaysia in recent years, and therefore cannot be considered the key push factors explaining the decision of young talented Malaysians to leave the country. Ethnicity-based policies regarding the distribution of opportunities for one's career-formation are therefore not the main cause of the present-day Malaysian brain drain. This implies that part of the prevailing discourse on the Malaysian brain drain that blames *bumiputera*-preferential policies for the loss of talent may need to be revisited, without discounting the salience of non-*bumiputera* perceptions of ethnic inequality as an additional motivation for emigration.

What are the main reasons for the Malaysian brain drain? The key finding here is that the brain drain is not primarily about the political disadvantage of being non-*bumiputera* or of lacking ‘Malayness’ in one’s identity. Rather, it is about what the country’s economic environment has to offer them (human capital structures) compared with other countries such as Singapore and Australia that have been key destinations for Malaysian talents. I Lin Sin suggests that one of the key incentives for Malaysian students to study in the United Kingdom is to achieve ‘enhanced career prospects’ in both the Malaysian and global labour market.<sup>69</sup> The World Bank’s report on the brain drain reveals that the top reason for Malaysian talents to relocate abroad is ‘career prospects’.<sup>70</sup> Moreover, it can be seen from the analysis of the Global Career Survey that globally-oriented Malaysian youths are inclined to value career prospects and chances for their growth as important (but not the only) factors in their working life.<sup>71</sup> Table 5.5 shows that young Malaysians who desire to work globally (63.5 per cent of all Malaysian respondents) tend to cite ‘clear career path’ and ‘education and training opportunities’ as one of the top three important things in their working life. This tendency is statistically significant when compared with those who prefer ‘work concentrated in a certain region’ (36.5 per cent of all Malaysian respondents).<sup>72</sup> From the argument of this chapter, the career prospects of non-*bumiputera* citizens are not necessarily hindered by pro-*bumiputera* policies, therefore other factors need to be explored.

There was a time when a large part of the talent exodus from Malaysia could be understood in the ethno-political frame in which non-*bumiputera* are regarded as being pushed out from the country (especially with regard to educational opportunities). However, this chapter shows that the situation has changed. My analysis indicates that the debate about talent retention in Malaysia, if the country really aims to secure its national talents, needs to take into account other aspects such as youth career prospects in and out of Malaysia, and not put too much emphasis on politically contentious issues such as ethnic hierarchy. The author does not wish to underestimate the significance of problems regarding talent or ethnicity-related issues that Malaysia is currently (and has

*Table 5.5* Work orientation and preferences (Malaysia)

|   | <i>Clear career path</i> |                       | <i>Education and training opportunities</i> |                       | <i>Total</i>    |
|---|--------------------------|-----------------------|---|-----------------------|-----------------|
|   | <i>Chose</i>             | <i>Did not choose</i> | <i>Chose</i>                                | <i>Did not choose</i> |                 |
| ‘Work globally’                         | 132<br>(33.3%)           | 264<br>(66.7%)        | 101<br>(25.5%)                              | 295<br>(74.5%)        | 396<br>(100.0%) |
| ‘Work concentrated in a certain region’ | 51<br>(23.8%)            | 163<br>(76.2%)        | 35<br>(16.4%)                               | 179<br>(83.6%)        | 214<br>(100.0%) |
| Total                                   | 183<br>(30.0%)           | 427<br>(70.0%)        | 136<br>(22.3%)                              | 474<br>(77.7%)        | 610<br>(100.0%) |

Source: created based upon 2012 data from the *Global Career Survey*.

been) facing. However, if there is a concentration of arguments on ethno-political factors when discussing talent development and retention, it might lead to an oversimplification of the issue, which would not provide the country with an effective and constructive solution to the talent problem.

## Notes

- 1 Tun Abdul Razak was Malaysia's second prime minister, from 1970 to 1976. His son Najib Razak was in power from 2009 to 2018 but lost the general election in May 2018.
- 2 Government of Malaysia. 1976. *Third Malaysia Plan, 1976–1980*. Kuala Lumpur: Government Printing Press; Takashi Torii. 2003. 'The mechanism for state-led creation of Malaysia's middle classes'. *The Developing Economies* 41(2): 221–242.
- 3 Edmund Terence Gomez and K. S. Jomo. 1999. *Malaysia's Political Economy: Politics, Patronage and Profits*. Cambridge: Cambridge University Press. [Argument from p. 26].
- 4 Molly N. N. Lee. 2004. *Restructuring Higher Education in Malaysia*. Penang, Malaysia: Universiti Sains Malaysia; Graham K. Brown. 2007. 'Making ethnic citizens: the politics and practice of education in Malaysia'. *International Journal of Educational Development* 27(3): 318–330. [Information from p. 321].
- 5 Richard Leete. 2007. *Malaysia: From Kampung to Twin Towers, 50 Years of Economic and Social Development*. Shah Alam, Malaysia: Oxford Fajar. [Quotation from p. 207].
- 6 Jason E. Lane. 2011. 'Joint ventures in cross-border higher education: international branch campuses in Malaysia'. In *Cross-Border Partnerships in Higher Education: Strategies and Issues*, edited by Robin Sakamoto and David W. Chapman, pp. 67–90. New York: Routledge.
- 7 Department of Statistics. Various Years. *Buletin Perangkaan Sosial* [Bulletin of Social Statistics]. Putrajaya, Malaysia: Department of Statistics Malaysia. The enrolment rate was approximately 7 per cent in 1990, when Malaysia had a per-capita gross domestic product (GDP) of US\$2,374. Malaysian higher education was indeed underdeveloped if compared in the same year with Turkey's 13 per cent rate and GDP of US\$2,791 and Thailand's rate of 16 per cent with a per-capita GDP of US\$1,521.
- 8 Sin Yee Koh. 2017. *Race, Education, and Citizenship: Mobile Malaysians, British Colonial Legacies and a Culture of Migration*. New York: Palgrave Macmillan.
- 9 Hitoshi Sugimoto interprets restrictions on the total number of degree awards as a deliberate policy choice by the government to limit university entrants (where talent is supposedly nurtured) for utilizing the finite financial resources to achieve a desired ethnic balance, see Hitoshi Sugimoto, 2004. 'Koto kyoiku seisaku no rekishiteki tenkan' [The historical change of higher education policies]. In *Higher Education in Asia and Oceania*, edited by Toru Umakoshi, pp. 77–100. Tokyo: Tamagawa University Press.
- 10 Takashi Torii. 2012. 'Malaysia ni okeru koto kyoiku seisaku – Malay-jin yui no taikai kara Malaysia kokumin no taikai e' [Malaysian higher education reforms in the 1990s: from the Malay-oriented educational policy to the Malaysian-oriented policy]. *Izumia Liberalia (Annals of the Graduate School of Humanities)*, Meiji University 4: 205–229.
- 11 Lee, *Restructuring Higher Education in Malaysia*, p. 44.
- 12 *Ibid.*, p. 44.
- 13 MARA refers to Majlis Amanah Rakyat, the Council of Trust for Indigenous Peoples.
- 14 Exams of science and mathematics subjects can be sat in English as well, though most of the other subjects except for languages are only offered in Malay. Another



- contentious issue is the matter of qualifications, for example the fact that the examination results for students who complete their secondary education at Chinese independent schools have not been accepted as meeting university entrance requirements.
- 15 Curtis A. Andressen. 1993. *Educational Refugees: Malaysian Students in Australia*. Clayton, Australia: Monash University.
  - 16 UNESCO. Various years. *UNESCO Yearbook*. Paris: UNESCO.
  - 17 Brown, 'Making ethnic citizens', p. 321; Siew Yean Tham. 2013. 'Private higher education institutions: development and internationalization'. In *Internationalizing Higher Education in Malaysia: Understanding Practices and Challenges*, edited by Siew Yean Tham, pp. 66–86. Singapore: ISEAS.
  - 18 Brown, 'Making ethnic citizens', p. 321.
  - 19 The growing class inequality in Malaysia was also a cause for concern among Malays, as observed by Mehmet and Yip, who found that government scholarships tended to be distributed to students from upper class Malay families, see Ozay Mehmet and Yat Hoong Yip. 1985. 'An empirical evaluation of government scholarship policy in Malaysia'. *Higher Education* 14(2): 197–210.
  - 20 Mahathir served as prime minister from 1981 to 2003, and after more than a decade on the political sidelines he joined the Pakatan Harapan (Alliance of Hope) coalition and was re-elected in May 2018, at the age of 92.
  - 21 Department of Statistics, *Buletin Perangkaan Sosial*; Ministry of Higher Education. 2011. *Perangkaan Pengajian Tinggi Malaysia 2010* [Higher Education Statistics 2010]. Putrajaya, Malaysia: Ministry of Higher Education. Available at: [www.mohe.gov.my/muat-turun/awam/statistik/2010](http://www.mohe.gov.my/muat-turun/awam/statistik/2010) (accessed 18 February 2017).
  - 22 Lee, *Restructuring Higher Education in Malaysia*; Yao Sua Tan. 2011. 'Democratization of secondary education in Malaysia: attitudes toward schooling and educational aspirations'. *Asia Pacific Journal of Education* 31(1): 1–18; Kosaku Yoshino. 2014. *Eigoka Suru Asia – Transnational Na Koto Kyoiku Model to sono Hakyu* [Englishizing Asia: The Transnationalization of Malaysia's Higher Education and its Impact]. Nagoya, Japan: Nagoya University Press.
  - 23 Yoshino, *Eigoka Suru Asia*, p. 113.
  - 24 Ai Mei Tan. 2002. *Malaysian Private Higher Education: Globalisation, Privatisation, Transformation and Marketplaces*. London: Asean Academic Press. [Information from p. 126]; Ministry of Higher Education, *Perangkaan Pengajian Tinggi Malaysia 2010*.
  - 25 Ministry of Education. 2011. *Pembangunan Pendidikan Malaysia 2001–2010* [Education Development in Malaysia 2001–2010]. Putrajaya, Malaysia: Ministry of Education.
  - 26 Ministry of Higher Education, *Perangkaan Pengajian Tinggi Malaysia 2010*.
  - 27 The rate was calculated by dividing the enrolment numbers at higher education institutes by the population of the age group of 20 to 24 year olds.
  - 28 Until the late 2000s the number of Malaysian students studying abroad at tertiary level has roughly stagnated. The number of overseas students exceeded 50,000 in 2005 and rose to 86,000 in 2015, which is around 7 per cent of the overall Malaysian students at the tertiary level of education, see Ministry of Higher Education. n.d. *Data Pelajar Malaysia di Luar Negara (MSD) 2002–2007* [Data of Malaysian Students Abroad 2002–2007]. Putrajaya, Malaysia: Ministry of Education. Available at: [www.mohe.gov.my/muat-turun/awam/statistik/2002-2007](http://www.mohe.gov.my/muat-turun/awam/statistik/2002-2007) (accessed 18 February 2017); Ministry of Higher Education. n.d. *Data Pengajian Tinggi Malaysia 2002–2007* [Data of Malaysian Higher Education 2002–2007]. Putrajaya, Malaysia: Ministry of Education. Available at: [www.mohe.gov.my/muat-turun/awam/statistik/2002-2007](http://www.mohe.gov.my/muat-turun/awam/statistik/2002-2007) (accessed 18 February 2017); Ministry of Higher Education. 2016. 'Pelajar Malaysia di luar negara' [Malaysian students abroad]. *Higher Education Statistics 2015*. Putrajaya, Malaysia: Ministry of Higher Education. Available at: [www.mohe.gov.my/muat-turun/awam/statistik/2015](http://www.mohe.gov.my/muat-turun/awam/statistik/2015) (accessed 18 February 2018).
  - 29 Although the government abolished the Malay-exclusive policy regarding the matriculation course, the places opened to non-*bumiputera* students remained a mere 10 per

- cent in 2005, see Hock Guan Lee. 2013. 'Racial citizenship and higher education in Malaysia'. In *The New Economic Policy in Malaysia: Affirmative Action, Ethnic Inequalities and Social Justice*, edited by Edmund Terence Gomez and Johan Saravanamuttu, pp. 235–261. Singapore: National University of Singapore Press and ISEAS.
- 30 As is well-known, the government stipulated that 'the employment pattern at all levels and in all sectors [...] must reflect the racial composition of the population', particularly in the modern sectors, from the Government of Malaysia, *Third Malaysia Plan, 1976–1980*, p. 42.
- 31 Jun Onozawa. 1991. 'Restructuring of employment patterns under the New Economic Policy'. *The Developing Economies* 29(4): 314–329.
- 32 Hwok-Aun Lee. 2013. 'Affirmative action in occupational representation: policies and outcomes'. In *The New Economic Policy in Malaysia: Affirmative Action, Ethnic Inequalities and Social Justice*, edited by Edmund Terence Gomez and Johan Saravanamuttu, pp. 205–234. Singapore: National University of Singapore Press and ISEAS.
- 33 Hwok-Aun Lee, Edmund Terence Gomez and Shakila Yacob. 2013. 'Ethnicity, economy and affirmative action in Malaysia'. In *Affirmative Action, Ethnicity and Conflict*, edited by Edmund Terence Gomez and Ralph Premdas, pp. 67–94. London and New York: Routledge.
- 34 Jomo Kwame Sundaram. 1994. 'Manufacturing growth and employment'. In *Malaysia's Economy in the Nineties*, edited by Jomo Kwame Sundaram, pp. 109–135. Petaling Jaya, Malaysia: Pelanduk Publications. [Figures from pp. 110–111].
- 35 Government of Malaysia. 1991. *Sixth Malaysia Plan, 1991–1995*. Kuala Lumpur: Government Printing Press. [Information from p. 28]; How Ling Khong and Jomo Kwame Sundaram. 2010. *Labour Market Segmentation in Malaysian Services*. Singapore: NUS Press. [Information from p. 6].
- 36 Torii, 'The mechanism for state-led creation ...', p. 233.
- 37 Zainal Aznam Yusof. 1994. 'Growth and equity in Malaysia'. In *Malaysian Development Experience: Changes and Challenges*, edited by Shamsul Amri Baharuddin, pp. 591–616. Kuala Lumpur: National Institute of Public Administration.
- 38 Torii, 'The mechanism for state-led creation ...', p. 234.
- 39 Onozawa, 'Restructuring of employment patterns ...', p. 315.
- 40 Torii, 'The mechanism for state-led creation ...', p. 233.
- 41 Hwok-Aun Lee. 2014. 'Affirmative action: hefty measures, mixed outcomes, muddled thinking'. In *Routledge Handbook on Contemporary Malaysia*, edited by Meredith L. Weiss, pp. 162–176. New York: Routledge.
- 42 Hong Hai Lim. 2013. 'The public service and ethnic restructuring under the New Economic Policy: the new challenge of correcting selectivity and excess'. In *The New Economic Policy in Malaysia: Affirmative Action, Ethnic Inequalities and Social Justice*, edited by Edmund Terence Gomez and Johan Saravanamuttu, pp. 175–203. Singapore: National University of Singapore Press and ISEAS. [Figures from pp. 178–179]. The number of public service employees in 1969–1970 does not seem to include *bumiputera* other than Malay, but the number cannot exceed 65.9 per cent even if all the people classified in the 'other' ethnicity category were *bumiputera*.
- 43 Lim, 'The public service and ethnic restructuring ...', p. 176.
- 44 Lee, 'Affirmative action in occupational representation', p. 211.
- 45 Rugayah Mohamed. 1995. 'Public enterprises'. In *Privatizing Malaysia: Rents, Rhetoric, Realities*, edited by Jomo Kwame Sundaram, pp. 63–80. Boulder, CO, United States: Westview Press.
- 46 *Ibid.*, p. 69.
- 47 Nobuyuki Yasuda. 1991. 'Malaysia's New Economic Policy and the Industrial Coordination Act'. *The Developing Economies* 29(4): 330–349.

- 48 Torii, 'The mechanism for state-led creation ...', pp. 222–223.
- 49 *Ibid.*, p. 223.
- 50 Onozawa, 'Restructuring of employment patterns...', p. 327.
- 51 Yusof, 'Growth and equity in Malaysia', p. 605.
- 52 Andrew Harding. 2012. *The Constitution of Malaysia: A Contextual Analysis*. Oxford and Portland: Hart Publishing.
- 53 Yusof, 'Growth and equity in Malaysia', p. 610.
- 54 *Ibid.*, p. 610.
- 55 Lim, 'The public service and ethnic restructuring ...', pp. 177–180.
- 56 Kuan Heong Woo. 2015. 'Recruitment practices in the Malaysian public sector: innovations or political responses?' *Journal of Public Affairs Education* 21(2): 229–246.
- 57 Lee, 'Affirmative action in occupational representation', p. 221.
- 58 Minnesota Population Center. 2015. *Integrated Public Use Microdata Series, International: Version 6.4* [dataset]. Minneapolis, MN, United States: University of Minnesota. Available at: <http://doi.org/10.18128/D020.V6.4> (accessed 10 May 2018). This is a 2 per cent extraction of the raw data of the Population and Housing Census Malaysia. The author wishes to acknowledge the statistical office that provided the underlying data making this research possible: Department of Statistics, Malaysia.
- 59 Donald J. Treiman. 1977. *Occupational Prestige in Comparative Perspective*. New York: Academic Press; Harry B. G. Ganzeboom and Donald J. Treiman. 1996. 'Internationally comparable measures of occupational status for the 1988 International Standard Classification of Occupations'. *Social Science Research* 25(3): 201–239.
- 60 ISCO classifies occupations using four levels of classification: major groups, sub-major groups, minor groups and unit groups. For example, in the case of ISCO-68, major group 4 is assigned for 'sales workers', sub-major group 4–4 is for 'insurance, real estate, securities and business services salesmen and auctioneers', minor group 4–41 is for 'insurance, real estate and securities salesmen' and unit group 4–410 is for the occupation 'insurance agent'. Thus, to put it simply, each occupation is allocated a unique four-digit code in the ISCO classification scheme, see Treiman, *Occupational Prestige in Comparative Perspective*.
- 61 More specifically, 52 (51 for the dataset without agricultural workers), 56 (54), 56 (54), 45 (45), for 1970, 1980, 1991, 2000, respectively. Since the variable of occupation classification in the datasets of 1970, 1980 and 1991 is based on ISCO-68, the author applied the scores presented by Donald Treiman in 1977 for them, whereas for the 2000 data the author used scores presented by Harry Ganzeboom and Donald Treiman in 1996 because the variable in the original dataset is based on ISCO-88.
- 62 Treiman, *Occupational Prestige in Comparative Perspective*.
- 63 The author also excluded samples from the Labuan Federal Territory.
- 64 The datasets from 1970 and 1980 do not contain samples from Sabah, Sarawak or Labuan.
- 65 Standard International Occupational Prestige Scale (SIOPS) gives a score of 40 to general farmers, for example, which is actually not a low score as the mean of SIOPS is around 40 even after the author excluded them (see Table 5.3). Also, as the author checked the distribution of variables, SIOPS of *bumiputera* in 1970 and 1980 had a considerable bias and both were attributable to agriculture-related occupations.
- 66 Although the value of the coefficient of the Chinese Malaysian dummy declines from 1980 to 1991, this move is not significant when tested for statistical significance.
- 67 Torii, 'The mechanism for state-led creation ...', p. 239.
- 68 Khong and Sundaram, *Labour Market Segmentation in Malaysian Services*, p. 135.
- 69 I Lin Sin. 2009. 'The aspiration for social distinction: Malaysian students in a British university'. *Studies in Higher Education* 34(3): 285–299.
- 70 The World Bank. 2011. *Malaysia Economic Monitor: Brain Drain*. Washington, DC: The World Bank.

- 71 Recruit Works Institute. 2012. *Global Career Survey*. Tokyo: Recruit Holdings Co. Details and basic results of the survey are available at: [www.works-i.com/pdf/140501\\_glo\\_en.pdf](http://www.works-i.com/pdf/140501_glo_en.pdf) (accessed 10 May 2018).
- 72 The data for this secondary analysis, 'Global Career Survey, 2012, Recruit Works Institute' was provided by the Social Science Japan Data Archive, Center for Social Research and Data Archives, Institute of Social Science, The University of Tokyo. There are eight other choices given to respondents under the same question 'What do you think is the most important with regards to working?', but none of the others (aside from 'clear career paths' and 'educational and training opportunities') show statistical significance (at 5 per cent significance level) when performing a chi-square test. The other choices given to answer this question were: company's status; good personal relations at the workplace; work that you want to do; high salary; substantial employee benefits and welfare; place that you want to work; appropriate work hours and holidays; fair employee evaluation; clear career path; employment stability; and education and training opportunities.

## 6 Talent and technological innovation in Malaysia, with lessons from China

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In the race to acquire technological innovation rents in the global production value chain, countries in the Asia Pacific region are competing to appropriate talent from home and abroad for high technology industrial development. Malaysia faces a significant risk of continuously losing the entrepreneurial skills and talents needed to achieve sustainable economic growth. In addition to the studies of brain drain that are based on social and political factors, as found in many of the chapters in this edited volume, this chapter provides a context through which to elucidate the correlation between brain gain and technology innovation, analysing the range and spectrum of gains (returnees or foreign talent) that impact upon the development of new technologies. We observe that China and Malaysia are at the crossroads of whether they are able to appropriate the knowledge of returnees to develop their technology, but currently with different prospects. The experience of China in the post-1978 reform era suggests that achieving a critical mass of indigenous entrepreneurs and a fitting environment for technology innovation are essential for a country striving to appropriate the skills and knowledge of returnees. The highlighted pathways of post-1978 China provide possible options for Malaysia to consider.

### **Talent and technology in the Malaysian context**

There is a growing literature on the mobilization of talent or highly trained individuals who have a tendency to relocate from developing countries, seeking out new opportunities and challenges in developed countries.<sup>1</sup> Policymakers in middle-income countries such as Malaysia, who aspire to build a knowledge economy fuelled by knowledge-intensive entrepreneurial activities, are keen learn how some late-comer economies managed to reverse the brain drain, and how they came to benefit from policies and reforms that promote various forms of brain gain, brain exchange and brain circulation. The precise impact of the loss of talent, or ‘brain drain’ (the migration of highly skilled and trained individuals), on developing countries is difficult to pinpoint or quantify, although there is a strong sense that it is one of the key factors behind the middle-income trap.<sup>2</sup> The brain drain leads to talent shortages and the loss of individuals who collectively form a critical mass needed to transform an economic structure

dependent on low value-added activities to one based on knowledge, innovation and high value-added activities.

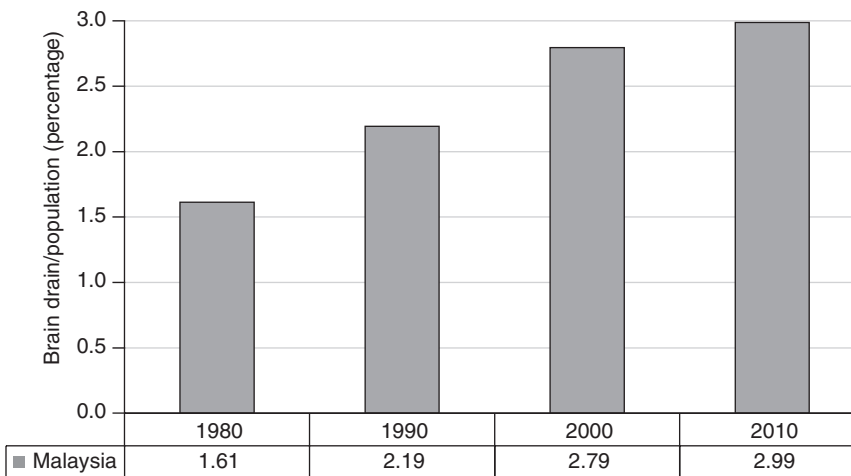
In order to explain why the brain drain has occurred in developing countries such as Malaysia, one may consider factors related to education systems and opportunities, sector-specific demand for talent, and industrial structure and policy. In a typical scenario, people from developing economies who are educated abroad may choose not to return to their country of origin, preferring instead to stay and work in their host country (where they received their education and training), or to seek out new opportunities in a third country. The decision to emigrate tends to hinder the transfer and dissemination of knowledge and skills, and in the event that the emigre received a scholarship to study abroad, the source country may also have to bear the cost of their education without reaping any short- or medium-term benefits.

Another factor that explains why talented people leave their countries of origin is the mismatch between the skilled labour force and market demand. The market demand for labour in low value-added sectors is greater in developing economies. Those who are trained to perform high-value added activities (for example research and development, design, patenting) may not find their skills and knowledge adequately used in these labour markets. Fresh university graduates may not be able to get a job quickly that allows them to learn and progress in their career. While recent graduates may have learned the hard skills relevant to their specific disciplines, they often lack the soft skills that employers have come to expect. The focus on hard skills, once referred to as the 'diploma disease', represents a mismatch that exists even today.<sup>3</sup> The labour market mismatch may push skilled and talented individuals to migrate to countries where their knowledge and skills can be fully utilized. A country's industrial structure and the (perceived) opportunities within a country also impacts on the rate and scale of the brain drain. An industrial structure that is heavily dependent on exporting raw materials and natural resources may prevent a country from diversifying or moving up the value chain by establishing new industries. Certain industrial policies can dim the prospects for highly skilled and talented individuals to engage in techno-entrepreneurial activities, forcing them to emigrate. In this scenario their energies and resources are diverted to foreign markets, particularly those with industrial policies and institutions that can support innovation and foster a culture of innovation, as elaborated upon in Chapter 8 of this edited volume.<sup>4</sup>

According to Wing Thye Woo, Malaysia is caught in the middle-income trap because the country is still adopting the growth economy strategy underpinned in the New Economic Policy (NEP) that was formulated in the 1970s, when the structure of the economy and international economic conditions were very different from today.<sup>5</sup> The NEP focused heavily on the redistribution of income rather than the generation of income. With specific reference to multinational corporations in Penang, the outcomes in terms of increased local value-added technological upgrading, new start-ups and the densifying of linkages from Malaysia's foreign direct investment (FDI) policy have been disappointing.<sup>6</sup> Moreover, there are

well-documented complaints from multinationals with regards to the lack of required skills and competence amongst the available pool of graduates, and the brain drain added to the problem of the mismatch between supply and demand.<sup>7</sup> The lack of quality human capital helps explain why Malaysia and neighbouring countries such as Thailand have become synonymous with the middle-income trap,<sup>8</sup> and the pattern of labour-intensive production and exports in these countries has remained unchanged for the past two decades.<sup>9</sup>

Several developing economies have managed to reverse the brain drain cycle and attract talented individuals to return home to invest in industries that contribute to national development. Those who return carry with them experiences in performing high value-added activities, as well as valuable networks for establishing business models and capturing niche markets, and resources to invest in promising new industries. One recent study maintains that the ability to develop a mechanism that leads to brain gain has been critical for China, India and Taiwan in establishing their industrial clusters for export markets in information and communications technology.<sup>10</sup> The Malaysian case is of particular interest in that all the factors leading to brain drain have been at work to produce brain drain of a very high magnitude. For instance in Malaysia it is known to take a long time to employ a highly skilled technician, probably due to long hiring process, and this uncertainty drives talent out of the country.<sup>11</sup> The rate of the brain drain in Malaysia is twice that of the world average, and Gregory Foo estimates that Malaysia's population flows have increased from 223,220 migrants (1.6 per cent of the population) in 1980 to 844,733 migrants (3 per cent of the population) in 2010 (see Figure 6.1).<sup>12</sup> Most of the emigrants are highly



*Figure 6.1* Estimated figures for migration outflow of Malaysia.<sup>1</sup>

Note

<sup>1</sup> Gregory Foo. 2011. 'Quantifying the Malaysian brain drain and an investigation of its key determinants'. *Malaysian Journal of Economic Studies* 48(2): 93–116. [Data from p. 110].



skilled, with 53.96 per cent of the total migrant population in 2010 being tertiary educated.

Given the migration trends in Malaysia, this chapter's overall objective is to examine the ways in which industrial development co-evolves with the contribution of returnees in some countries, and the extent to which the virtuous cycle this creates leads to reversals in the brain drain. In so doing, insights may be offered to countries like Malaysia that are trying to capture and retain talent. The following section reviews the commonly observed strategies of developing economies to achieve development, and how the emerging economies confront their unique middle-income traps. This leads to a discussion about whether the brain drain can be reversed, and the extent to which reversal requires an industrial mechanism for increasing returns. Next, the authors review a select number of economies in the Asia Pacific region that have attained a correlation between the wealth of the population and the ability to use technology. The analysis follows with a listing of the selected countries according to the effects of population growth on technological output. The experience of China, which is reported to have developed a mechanism to allow returnees to contribute to high potential value-added targeted industries, will then be explored, followed by the chapter conclusions.

### **Alternative pathways to development**

This section discusses the perspective of the co-evolution process between the wealth of an economy and its commitment to technological advancement. This commitment is seen as an attempt by policymakers to ensure that the technological system remains competitive and able to innovate. The discussion of co-evolution is rooted in evolutionary economic schools of thoughts. The co-evolution process is presented via elucidating a correlation plot that projects the relationship between gross domestic product (GDP) per capita and the ratio of research and development (R&D) expenditure to GDP. Building on Chan-Yuan Wong's study that outlines the phases and regularities of dynamic economic development, and the policies that lead to economic transformation, this subsection provides an overview of the common pathways taken for the development of an economy toward a high income status.<sup>13</sup> The projected stages of development lead us to identify the stage at which the brain drain is likely to be reversed.

The plot in Figure 6.2 suggests a linear relationship between GDP per capita and the ratio of R&D expenditure to GDP. While most developing countries with relatively low GDP per capita and low R&D investment are clustered in Group 1, developed economies with high R&D expenditure are clustered in Group 3. This suggests that a move from Group 1 to Group 3 cannot be achieved without first investing in R&D activities. R&D activities are essential for the upgrading of technology and industrialization, with China offering a case study of the Group 1 to Group 3 transition being achieved by investment in R&D activities.

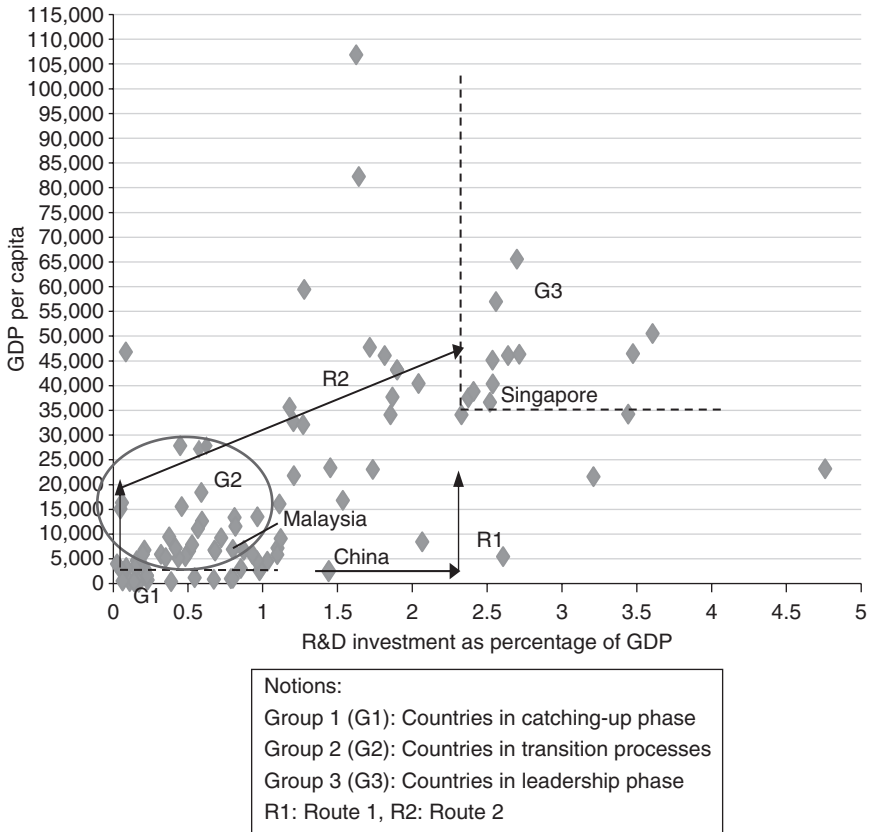


Figure 6.2 Relationship between gross domestic product (GDP) per capita (nominal) and research and development (R&D) investment as a percentage of GDP, 2007 (sample of 92 countries).<sup>1</sup>

Notes

The data is for 2007 except for some missing data which is substituted with either 2005, 2006, 2007 or 2008 data. Dotted lines indicate sample average.

1 The World Bank. n.d. *Research and Development Expenditure (% of GDP)*. London: The World Bank. Available at: <http://data.worldbank.org/indicator/GB.XPD.RSDV.GD.ZS> (accessed 10 May 2018).

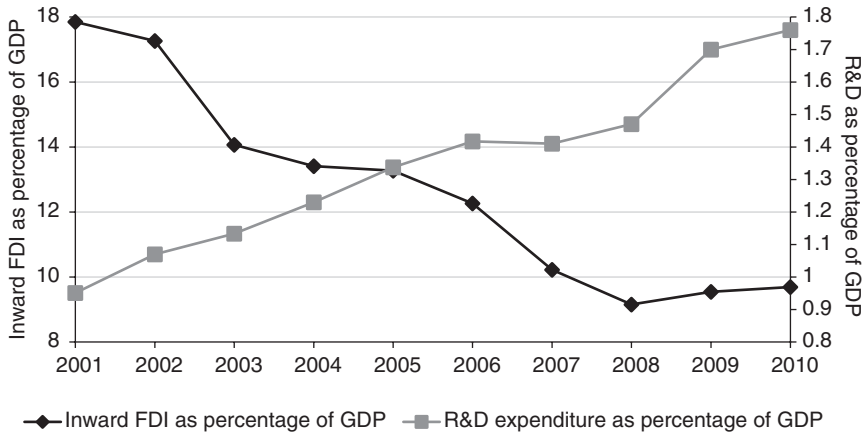
Mushtaq Khan and Stephanie Blankenburg remind us of the possibility of misreading data in various correlation studies.<sup>14</sup> While the underpinnings of the statistical results apparently support the endogenous growth theory position (Figure 6.2, Route 1), the statistical results may have overlooked the detailed transition process of Group 1. Following the development process elucidated by Khan and Blankenburg, we provide a different diagnosis that connotes different priorities in policy planning for economic transformation as reflected in Figure 6.2, Route 2.

It is likely that R&D investment for countries in Group 1 may not be the priority, as scientific and technological innovations might not result in increasing returns. Trade is usually being targeted as the priority as a means to increase manufacturing output and employment, and to improve income distribution or reduce income inequality.<sup>15</sup> According to Apiwat Ratanawaraha, income level and market size (proxied by GDP and population size) are significant determinants of innovation.<sup>16</sup> However, many developing countries are constricted by small market size and limited stocks of human capital. Income distribution and industrial policies are therefore useful tools for developing countries to extract learning rent to develop a market force that would lead to socio-economic development and produce indigenous technology. As countries in Group 1 accumulate manufacturing experience, a new wave of indigenous firms is expected to emerge. As these firms seek to appropriate their productive experience and knowledge in manufacturing (economies in Group 2), they would commit more resources to R&D activities to search for and secure a leading position in a growth market.

The governments of the higher performing economies in Group 2, on the other hand, would have developed an administrative routine capable of managing productive rents that are established to support firms' productivity and R&D activities. Many of the governments in Group 2 should in theory have accumulated wealth that can be mobilized as resources for socio-economic activities. Some industrializing economies such as China and Malaysia have mobilized substantial resources to be used for science and technological activities that can co-evolve with their economic activities (Figure 6.2, Route 2). They both established public research institutions to support the upgrading process of indigenous firms, provided financial support and tax incentives for those who wish to invest or expand their long-term (export-oriented) technology-related businesses and endowed resources to research universities to commercialize their research.

In order to overcome the middle-income trap, China is attempting to emulate the industrial policy of early 'tiger economies' such as South Korea and Taiwan by investing in the R&D and entrepreneurial infrastructures necessary for state-owned firms to enter what the state considers promising industries with growth potential.<sup>17</sup> The inward FDI as a percentage of GDP was kept low in China (see Figure 6.3), at a level comparable with South Korea and Taiwan, to make way for indigenous firms to invest in strategic industries. China's indigenous firms began to emulate the FDI-based innovation system in the 1980s.<sup>18</sup> The innovation system appears to have evolved into a more comprehensive innovation ecosystem that is led by the indigenous entities of China that are capable of fostering R&D and patenting activities.

In 1994 the Malaysian government initiated a scheme to attract Malaysian scientists residing overseas, and this was formalized through the Public Services Department's circular (No. 3 of 1995). The main objectives of the scheme were to attract talent, fill local skills gaps and attract new expertise to undertake R&D in priority areas as identified under the Ministry of Science, Technology and Environment's Intensification of Research in Priority Areas programme.<sup>19</sup> Since



*Figure 6.3* Inward foreign direct investment (FDI) and research and development (R&D) investment of China (GDP, gross domestic product).<sup>1</sup>

Note

<sup>1</sup> United Nations Conference on Trade and Development. 2012. *Country Fact Sheets*. Geneva: UNCTAD.

the mid-1990s new programmes and policy instruments have been introduced in order to nurture and develop human capital as part of the country's national development strategy, including the Human Resource Development Fund, research institutes, science and technology parks and business incubators. The National Innovation Council was established in 2011 to accelerate innovation-led growth programmes under the Tenth Malaysia Plan (2011–2015).<sup>20</sup> Talent Corporation Malaysia was then established under the purview of the Prime Minister's Office with the ultimate aim to create various solutions to overcome talent issues related to brain drain. In this regard, programmes such as the Returning Expert Program, Scholarship Talent and Retention, Talent Acceleration in Public Service and the Career Fair Incentive were introduced. These initiatives nonetheless have to contend with political realities such as ethnic hierarchy, affirmative action and some of the structural weaknesses that were inherited from the implementation of the NEP in the 1970s. In 2010, the National Economic Advisory Council proposed a shift away from affirmative action through the creation of an Equal Opportunities Commission and called for greater attention to merit while phasing out rent-seeking practices, although many of the remedies they propose are couched in generalities with no specific targets.<sup>21</sup>

### **Income per capita, population growth and technology outputs**

While emerging economies such as China are able to commit resources, particularly financial, to undertake science and technological activities, they have yet to

create the momentum needed to trigger a co-evolution process between wealth (in terms of GDP) and technological output (in terms of patents). There are indeed few countries in the Asia Pacific region that are able to build such a mechanism that fuels their economic and technological activities together (see Figure 6.4). The successful economies appear to have established productive institutions and created capable indigenous firms performing productive activities during an early catching up period. During this period, a critical mass of citizens are typically empowered with skills and organizational knowledge that enable them to control their environment and pursue their own wellbeing.<sup>22</sup> Japan, South Korea and Taiwan are among the outstanding economies that have disrupted the vicious cycle of the middle-income trap, as shown by the high correlation between GDP per million population and patents per million population (Figure 6.4). This correlation is less evident in financially focused city-state

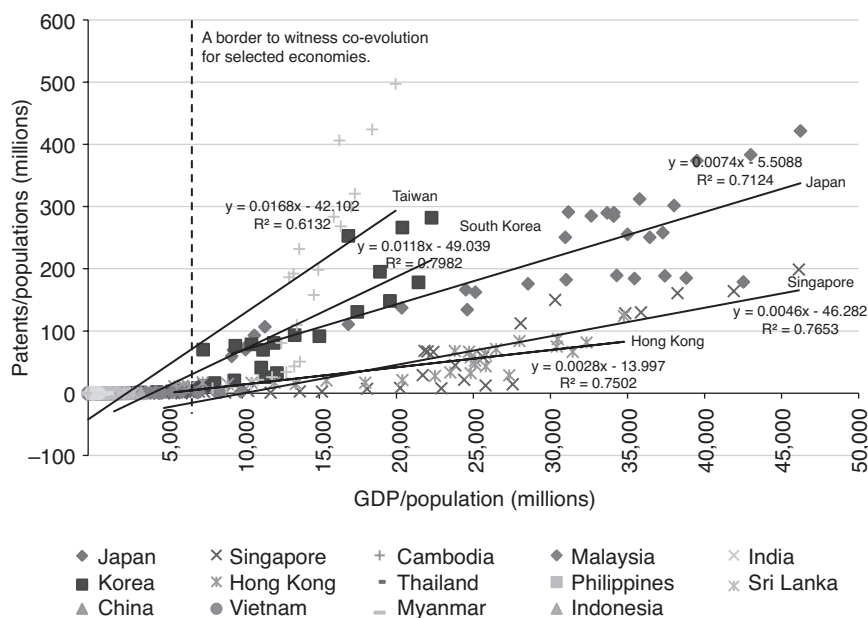


Figure 6.4 Relationship between patents per million population and gross domestic product (GDP) per million population of East and South Asian economies (1980–2012).<sup>1</sup>

#### Notes

Patent data is extracted from published statistics for utility type of patents granted by the United States Patent and Trademark Office (USPTO).

<sup>1</sup> National Development Council. 2014. *Taiwan Statistical Data Book 2014*. Taipei: NDC; United States Patent and Trademark Office. 2014. *Extended Year Set: Patenting by Geographic Region (State and Country), Breakout by Organization*. Alexandria, VA, United States: USPTO. Available at: [www.uspto.gov/web/offices/ac/ido/oeip/taf/stcasga/regions\\_stcorg.htm](http://www.uspto.gov/web/offices/ac/ido/oeip/taf/stcasga/regions_stcorg.htm) (accessed 10 May 2018). The World Bank data indicators are available at: <http://data.worldbank.org/indicator> (accessed 10 May 2018).

economies such as Hong Kong and Singapore, while other countries have advanced their economies without much evidence of this correlation.

From the perspective of socio-economic development, Mario Coccia maintains that the research productivity of an economy is sensitive to income per capita and population growth.<sup>23</sup> The former relationship is evident for Hong Kong, Japan, Singapore, South Korea and Taiwan (Figure 6.4). These economies exhibited an approximately linear relationship between income per capita and the ability of the population to perform technological activities. The relation between research productivity and population growth, however, turned out to be non-linear.<sup>24</sup> Coccia noted that some highly capable Organisation for Economic Co-operation and Development economies had attained an optimal intermediate 'equilibrium' point at which population growth rates tended to be correlated to technological outputs.<sup>25</sup> There are economies attaining low population growth rates (attributable to the brain drain, migration outflows or an aging society) that are unable to perform well in technological activities. There are also economies with relatively high population growth that fail to perform, as these economies are unable to create a critical mass of highly skilled and talented individuals to contribute to industrial technological development. This can be attributable to the structural failure of an economy to distribute income and skills.

South Korea and Taiwan stand out as the economies that maintained steady population growth rates and simultaneously maximized technological output, whereas Japan faced low population growth but remained competitive in technology. Hong Kong and Singapore experience positive population growth and still manage to remain competitive in technology. This can be attributed to their open market and brain gain policies that attract talented and skilled individuals to contribute to their respective economies. The authors find a negative correlation between population growth and technology outputs in countries such as India and Thailand, countries that are on the border of the quadrant of increasing return (quadrant 3, Figure 6.5). Countries such as Sri Lanka face negative population growth rates and are unable to remain competitive in technology.

China and Malaysia are at the crossroads, developing technology at a lower rate and quality than that of South Korea and Taiwan but at a higher rate than the countries plotted on the lower right quadrant. China and Malaysia are among those at the position of G2 in Figure 6.2, developing technological systems that will deliver increasing returns to economic activities. These two economies are maintaining a positive population growth rate while managing to perform in technology, for example, both countries achieved a positive performance in patents per million populations.<sup>26</sup> China in particular has been the more aggressive in pursuing knowledge-based economic activities via attracting skilled and talented Chinese living abroad to return and contribute to the national economy.<sup>27</sup> China has implemented various knowledge exchange programmes to attract young talented individuals abroad to pursue internationally designed educational diplomas. These programmes are also designed to encourage local students to interact with foreign talent, to establish ties and networks that create new opportunities for innovation and knowledge exchange.

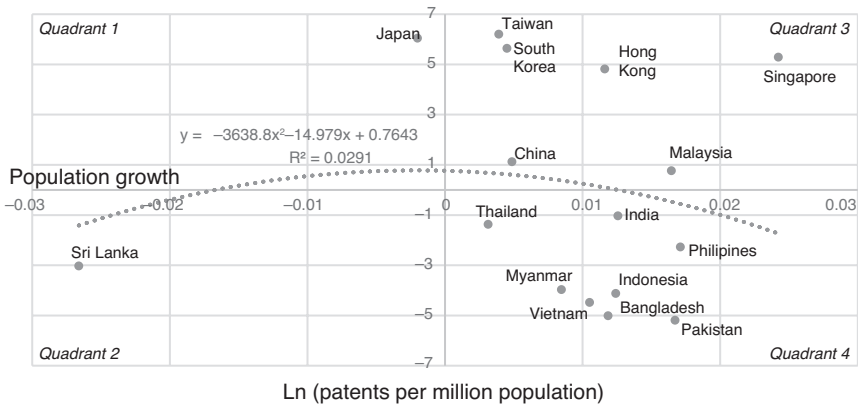


Figure 6.5 Relationship between patents per million population and population growth of East and South Asian economies (2012).<sup>1</sup>

#### Notes

Patent data is extracted from published statistics for utility type of patents granted by the USPTO. The data is for 2012 except for some missing data which is substituted with either 2011 or 2012 data. 1 National Development Council. 2014. *Taiwan Statistical Data Book 2014*. Taipei: NDC; United States Patent and Trademark Office. 2014. *Extended Year Set: Patenting by Geographic Region (State and Country), Breakout by Organization*. Alexandria, VA, United States: USPTO. Available at: [www.uspto.gov/web/offices/ac/ido/oeip/taf/stcasga/regions\\_stcorg.htm](http://www.uspto.gov/web/offices/ac/ido/oeip/taf/stcasga/regions_stcorg.htm) (accessed 10 May 2018). See also World Bank data indicators.

The ratio between student outflows and student inflows in China was high in the 1980s and early 1990s (Figure 6.6). This abundance of locals wishing to study overseas can be partly attributed to China having limited access to overseas travel and studies until 1985.<sup>28</sup> Relatively few foreign individuals were interested in pursuing their studies in China because, barely a decade after the country's reform and opening policy (*gaige kaifang*) under Deng Xiaoping, educational facilities and the capacity to receive foreign students remained extremely limited. This imbalance was given serious attention by policymakers, and China is now starting to close the gap. For instance, in 2009 and 2010 the ratio between outflows and inflows decreased to 2 to 1.

Malaysia's education progress has been much less impressive. Inheriting an education system from the British colonial era (see Chapter 2 in this volume), and with English as the medium of instruction in an elite school system, Malaysia allowed nationalism and affirmative action to dominate its education agenda, switching instruction from English to Malay, and replacing performance based on merit to ethnic quota-based enrolment. Affirmative action in student enrolment was also extended to influencing student performance outcomes (see Chapter 5 in this volume).<sup>29</sup> In addition to heightening public consciousness of ethnic hierarchy and identity, these measures have damaged the quality of education, even if access to education has improved for *bumiputera* and non-*bumiputera* (Malay and non-Malay) communities.



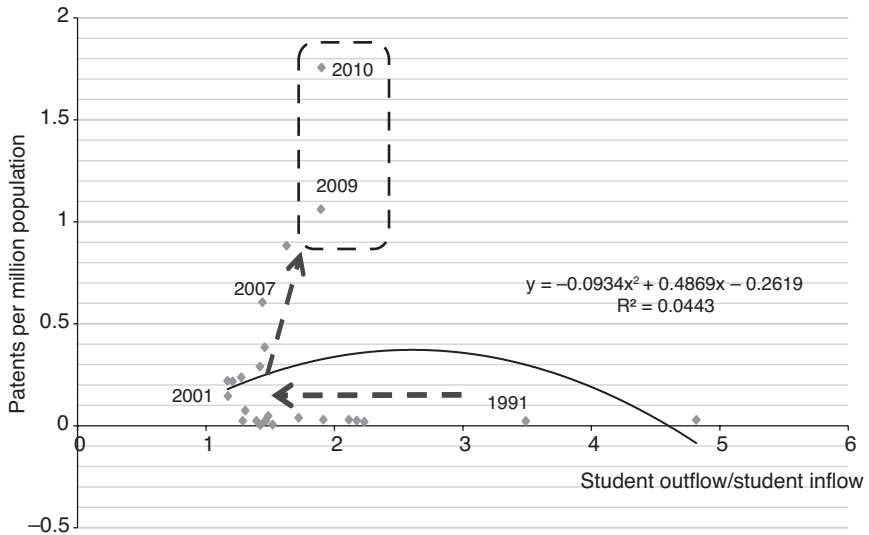


Figure 6.6 Relationship between patents per million population and student outflow per student inflow of China (1986–2010).<sup>1</sup>

Note

1 UNESCO. 2013. *The International Mobility of Students in Asia and the Pacific*. Paris: UNESCO; United States Patent and Trademark Office. 2014. *Extended Year Set: Patenting by Geographic Region (State and Country), Breakout by Organization*. Alexandria, VA, United States: USPTO. Available at: [www.uspto.gov/web/offices/ac/ido/oeip/taf/stcasga/regions\\_stcorg.htm](http://www.uspto.gov/web/offices/ac/ido/oeip/taf/stcasga/regions_stcorg.htm) (accessed 10 May 2018). See also World Bank data indicators.

## Industrial development and brain gain in China

Martin Kenney *et al.* argue that there is a developmental stage that requires local talented individuals and entrepreneurs to spur industrial activities and growth.<sup>30</sup> Domestic and returnee talent played a relatively insignificant role in China's early catching-up period in the 1980s. While Chinese nationals who were educated abroad were numerous, with an estimated 60,000 outbound students in 1988, not many were returning to contribute in the early catching-up development phase.<sup>31</sup> China, like many other developing economies, started off with poor technological capabilities, largely untrained human capital and a limited development budget to be mobilized for productive activities.<sup>32</sup> The government was keen to have multinational corporations relocate their lower end manufacturing activities to China to absorb surplus labour and generate earnings from the foreign currency exchange and export activities. Dedicated spaces for industrial parks, tax incentives and government budget allocations for infrastructure building to support export activities were used to attract FDI. The first Special Economic Zones were piloted in Shantou, Shenzhen and Zhuhai in Guangdong Province, as well as in Xiamen in Fujian Province, in the mid-1980s. Many

multinationals seized this huge market opportunity to relocate and outsource their manufacturing facilities to China's coastal Special Economic Zones, initially benefitting from an abundance of cheap labour. The government has been consistent in luring multinationals to transfer technology and subcontract some of their manufacturing operations to Chinese-owned ancillary firms, with noteworthy cases of Hong Kong-owned manufacturing businesses in Guangdong province, mainland China.<sup>33</sup>

Many technocrats in China have been conscious of the need to match the supply of labour to the development of industrial market demand. They were aware that multinationals would not readily transfer their state-of-the-art technologies and Chinese-owned firms would not be able to compete in high-tech sectors with foreign firms. While the science and technology policies in the early catching-up phase attempted to advance the ability of Chinese locals to use technology and eventually supply their products and processes to both the domestic and foreign markets, policies since the mid-1990s have encouraged and supported local talented individuals to venture into high risk, high return knowledge-based industries. Many Chinese nationals abroad who specialized in specific areas were encouraged to return and build their business on a base that was established by domestic entrepreneurs and multinationals.<sup>34</sup> This corresponds to the development stages of Route 2 in Figure 6.2

Chinese nationals living abroad have been responding to the call to return 'home'. This was particularly evident during the information and communications technology boom in the late 1990s. People returned when the advanced industrial structure and political stability had taken root, even though the bitter memories of the Tiananmen protests and government crackdown in June 1989 remained.<sup>35</sup> Returnees established links with local firms to perform patenting and exporting activities. Locally-trained stocks of home-grown talent agreed to collaborate with returnees to gain exposure to new ideas and to expand their business networks for the export market, while returnees took advantage of their partners' access to China's productive sectors, which at times contributed to China's 'innovation ecosystem'. Kenney *et al.* observed that there have been more Chinese nationals returning since the 2008 global financial crisis.<sup>36</sup> Many are seeking joint ventures with locals to compete with domestic entrepreneurs as well as foreign firms. Up to 30 per cent of the 1.9 million Chinese who pursued education abroad between 1978 and 2010 have since returned, reconfiguring China's innovation systems and structures, and venturing into new businesses in order to supply to the growing Chinese market.<sup>37</sup>

Anecdotal evidence points to China's growing prosperity as one of the key motivating factors for overseas Chinese, who are usually highly qualified individuals, to return to China. Peter Ford tells the story of Sophie Tao, who, although admitting that the living standard is better in the United States, concluded that 'China is one of the few bright spots in the world economy'.<sup>38</sup> For a Chinese person looking for career and life opportunities, she says, 'China is the best place to be'. Ford also recounts the story of another returnee, Han Jie, who cited familiarity with the (booming) Chinese market as his reason for returning:

'To be a good CEO you have to know the marketplace well. It is not easy for a Chinese to handle the market in the US. So I moved back to China'.<sup>39</sup> Han Jie also credited the city government of Wuxi for providing the right incentives to help his return. These anecdotes speak to the power of pull factors such as China's growing prosperity, familiarity with the local market and incentives offered by local authorities in motivating the large number of Chinese returnees.

While Malaysia continues to suffer from human capital deficits made worse by the brain drain, there are some indications that China achieved both brain gain and optimal mobility between talent outflows and inflows. The following policy lessons from the case study of China may be useful as a guide for Malaysia and other emerging or middle-income economies to achieve a desirable workforce and talent mobility optimal for technology progress and development. The first lesson is creating an industrial base and pool of local talents. It is important to have a productive base and routine as this would address the labour surplus issue. Multinational corporations interested in manufacturing operations in the local economy can be the seed to allow an economy to kick start various productive activities and ultimately create niche market areas.

The second lesson relates to FDI and indigenous capabilities for technology. Over-dependence on FDI for productive investment and activities at a certain stage of development may allow multinationals to crowd out domestic investment for indigenous technology. While multinationals may not transfer state-of-the-art technology to local firms, the support of the state for the emergence of local capabilities to perform technological learning and R&D is crucial. The third lesson relates to the mobility of skilled and talented individuals. Once an economy has attained a strong industrial base and a critical mass of skilled and talented individuals, there is a need to connect with talented nationals abroad to persuade them to return and pursue joint ventures with local home-grown talent. While talented individuals abroad can transfer advanced technology for upgrading and assisting locals to access advanced markets, locals can provide manufacturing services and access to domestic markets. For the case of China, talented Chinese nationals educated abroad started to return when an industrial base was established and a critical mass of skilled and talented locals emerged. In addition, China attained an optimal mobility of skilled workers conducive for technology development.

## **Conclusion**

This chapter began by presenting a route that is common among the views of evolutionary economists for countries in their quest for development. The narrative that follows discussed the relationship between income, population growth and technology output. The authors observed that there were few economies that were able to trigger the co-evolving mechanism between income per capita and technology output in term of patents per capita. China and Malaysia are at the crossroads to trigger this mechanism, and both economies recognize the importance of skilled and talented individuals for further development. While both

countries experienced the brain drain phenomenon during the early catching-up stage, measures were taken to reverse this trend, and they aspire to have both locals and talents abroad to contribute to their respective economies.

Malaysia is the classic model of how a middle-income country is stuck in a middle-income trap. Its human capital is not deep enough to move its industries up the technology ladder or to capture more value-added activities. At the same time, its cheap labour model is being challenged by countries with cheap local (not imported) labour. The need for cautious and coordinated planning by state and other industrial stakeholders is essential for development, just as talent capture requires joined up-approaches that link the activities of governments, regulatory bodies and intermediary organizations (see Chapter 8 in this volume). An industrial base and critical mass of skilled and talented local individuals are the pre-conditions to reverse brain drain and to ultimately achieve advanced economic development. Without these factors in place, efforts to lure returnees 'home' through incentives, however attractive, will yield little results.

Finally, it must be noted that these lessons notwithstanding, several contextual factors that have benefited China do not exist in Malaysia. The most obvious is country and population size which ensure a sizeable domestic market, giving China scale economies that Malaysia lacks. Then there is China's ethnic homogeneity (over 90 per cent of the population is considered Han Chinese) compared with multi-ethnic Malaysia, where inter-ethnic tensions translate into politics and policies. Equally, a number of contextual factors affecting Malaysia's brain drain are absent in China, where overseas study was all but impossible in the People's Republic of China until the second half of 1980.

## Notes

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## 7 Talent, teams and training

### Managing Muslim markets in Malaysia and Singapore

*Johan Fischer*

This chapter argues that halal (permissible or lawful) production, trade and standards have become essential to state-regulated Islam and to companies in contemporary Malaysia and Singapore, but also globally. I explore how halal in Malaysia and Singapore has evolved to become a major national focus of state, market and society. For instance, it is now a mandatory requirement that companies set up what is called a Halal Committee in Malaysia and a Halal Team in Singapore consisting of Muslims to ensure the halalness of products. Hence, being Malay Muslim is seen by the state as a talent or skill necessary to produce and handle halal in the two countries. However, as we shall see, these markets are inseparable from the broader landscapes of ethnic identity politics and, thus, talent. Building on a case study of halal manufacturing companies in Malaysia and halal training in Singapore, this chapter argues that the state has played a pivotal role in the making and managing of halal markets in the two countries. The methodology of this study is based on participant observation and interviews undertaken with state bureaucracies and manufacturing companies in Malaysia and Singapore. Comparison is used as a powerful conceptual mechanism that fixes attention on the similarities and differences between the two countries.

#### **Halal in Southeast Asia**

In Arabic, halal traditionally signifies ‘pure food’ (with regard to meat in particular) that is achieved through proper Islamic practice such as ritual slaughter and pork avoidance. In the modern and globalized industry for not only food but also biotechnology as well as care products, a number of Muslim requirements have been established, such as an injunction to avoid any substances that may be contaminated with porcine residues or alcohol, gelatine, glycerine, emulsifiers, enzymes, flavours and flavourings. These requirements are setting new standards for production, preparation, handling, storage and certification. In the rapidly expanding global market for halal products, Malaysia and Singapore hold a special position, that is, state bodies in both countries certify halal products and halal spaces (shops, factories and restaurants), as well as work processes. In shops around the world consumers can find state halal-certified products from



Malaysia and Singapore that carry distinctive logos. Globally, companies are affected by the proliferation of halal that to a large extent is evoked by Southeast Asian nations such as Brunei, Indonesia, Malaysia, Singapore and Thailand. The analysis of halal is situated in a framework of new governing practices by different Southeast Asian countries such as Malaysia and Singapore.<sup>1</sup> These countries exist in a 'double minority' setting that shapes ethnic hierarchies: the Chinese are a majority in Singapore but a minority in the region, whereas the Malays are a minority in Singapore but a strong majority in Malaysia.<sup>2</sup> Sovereign rule grants each country the authority to create new economic possibilities, spaces and techniques; for instance, an increased legal focus on Muslims in halal production and regulation in Malaysia and Singapore.

Current studies on the entanglements of capitalism, Islamic identity and the state in Southeast Asia explore, for example, how moderate Islamic 'spiritual reform' movements in Indonesia combine business management principles and popular life-coaching techniques with Muslim practice.<sup>3</sup> These forms of 'market Islam' and 'spiritual economies' merge with entrepreneurship as a way to produce new Muslim citizens, Islamic practices, capitalist ethics and effective self-management.<sup>4</sup> Using evidence from halal manufacturing companies in Malaysia and halal training in Singapore, this chapter addresses the question of how Muslim citizens shape the way in which the state promotes and regulates religious markets.

This chapter answers the following research question: how and why are talent, teams and training essential to regulating halal markets in Malaysia and Singapore? It does so by examining the ways in which cultural, economic and political processes shape, consolidate and expand the market for halal products. An important subsidiary question is how the state subjects halal markets to ever-expanding Islamic requirements and new forms of regulation. Malaysia is a Muslim majority country and major producer of halal products, whereas Singapore is small in size and there are few manufacturing industries in the country. Moreover, the number of Muslims in Singapore is limited and this community is relatively relaxed about everyday halal consumption. Consequently, the Singaporean market for halal products and services is not so much driven by local demand as in the case of Malaysia; the main impetus for the widening and deepening of halal markets in Singapore is the country's vision to become the world leader in global halal markets.

As Chapter 1 of this edited volume suggests, political identities and ethnic hierarchies are important components of talent wars, and talent enrichment initiatives serve to construct and secure spaces of privilege and ethnic hierarchy within and between Malaysia and Singapore, as well as to reinforce the political power base of ruling parties such as the United Malays National Organization (UMNO) in Malaysia and the People's Action Party (PAP) in Singapore.<sup>5</sup> This chapter builds on these arguments by exploring the ways in which the markets for halal products are regulated in Malaysia and Singapore, with specific reference to the involvement of Muslims in that process; that is, the way in which it has become a legal requirement that Muslims are involved

in these processes to ensure the halalness of products. Thus, the chapter shall explore how ‘Islamic’ skills and talent have become essential in this specific market by comparing Malaysia and Singapore. This chapter relates to the existing literature on the nature of state and family-led models of corporate ownership, talent management and governance in Malaysia and Singapore<sup>6</sup> as well as the discursive construction and grounded, everyday cultural politics of hyper-mobile talent.<sup>7</sup>

One of the additional contributions of this chapter is to explore talent and talent wars in the context of the ways in which workers and employees are valued according to their skillsets. Skills, especially in the areas of communication, teamwork and leadership, formulate aspects of personhood and modes of sociality as productive labour. All of these skills are assumed to be commensurable and readily available for inculcation into workers.<sup>8</sup> The discourses of communication, teamwork and leadership skills all come together in Halal Committees in Malaysia and halal training in Singapore. Ideally, teams should consist of complementarities; people with productive capacities who are high-functioning, good at decision-making and conflict resolution, able to gain consensus and communicate or collaborate fluidly. Team training is about the ideal flexible worker who is seen as self-monitoring, self-assessing, continuously self-improving and internalizing the organization’s key interests.<sup>9</sup> Thus, the team as a paradigm of productivity and organizational control is internalized through the reconstitution of expertise and redistribution of worker responsibility in small, impermanent teams.<sup>10</sup> Team training is designed to achieve optimal labour coordination resulting in higher productivity and personal transformation.<sup>11</sup>

This chapter is part of the author’s ongoing research agenda that focuses on the bigger institutional picture that frames everyday halal consumption; the contact zones or interface zones between Islam and markets through techniques like production, trade and standards.<sup>12</sup> This chapter provides a multisite ethnography of the overlapping technologies and techniques of production, trade, and standards that together warrant a product as ‘halal’ and thereby help to format the market.<sup>13</sup>

### **Making modern halal markets**

The Koran and the Sunna (the life, actions and teachings of the Prophet Muhammad) exhort Muslims to eat the good and lawful food God has provided for them, but a number of conditions and prohibitions are observed. Muslims are expressly forbidden from consuming carrion, spurring blood, pork and foods that have been consecrated to any being other than God himself. These substances are haram (unlawful, forbidden). The lawfulness of meat depends on how it is obtained. Ritual slaughtering, known as *dhabh*, entails the animal being killed in God’s name by making a fatal incision across the throat. In this process, the blood should be drained out as fully as possible. Divergences between jurists of the different schools of Islamic jurisprudence – Hanafi, Maliki, Hanbali and

Shafi'i, which is the school of thought dominant in Malaysia – on halal understanding and practice exist.

Modern halal cannot be understood simply as part of a stable taxonomy. In addition to halal and haram, doubtful things should be avoided, that is, there is a grey area between the clearly lawful and the unlawful.<sup>14</sup> The doubtful or questionable is expressed in the word *mashbooh*, which can be evoked by divergences in religious scholars' opinions or the suspicion of undetermined or prohibited ingredients in a commodity.<sup>15</sup> The interpretation of these *mashbooh* areas is left open to Islamic specialists and state institutions such as the Islamic Development Department of Malaysia (Jabatan Kemajuan Islam Malaysia or JAKIM), Malaysia's halal state certification body, and the corresponding Islamic Religious Council of Singapore (Majlis Ugama Islam Singapura or MUIS). To determine whether a foodstuff is halal or haram 'depends on its nature, how it is processed, and how it is obtained'.<sup>16</sup> In the end, however, the underlying principle behind the prohibitions remains 'divine order'.<sup>17</sup>

Muslim dietary rules assumed new significance in the twentieth century, as some Muslims began striving to demonstrate how such rules conform to modern reason and the findings of scientific research. Another common theme in the revival and renewal of these dietary rules seems to be the search for alternatives to what are seen to be western values, ideologies and lifestyles and this is reflected in globalized halal. As halal emerged as a global market it was lifted out of its conventional Muslim base and this point warranted Muslim regulation: the mandatory requirement that companies set up what is called a Halal Committee in Malaysia and a Halal Team in Singapore. The purpose of these committees or teams is to ensure the halalness of products by 'proper' ethnic or religious handling by Muslims and, as we shall see, training and teams are essential concepts that promote, maintain and develop 'halal talent'.

The rise of halal talent and competition can be understood in the context of the New Economic Policy (NEP) that was established by the state in the 1970s to improve the economic and social situation of the Malays vis-à-vis the Chinese in particular. The NEP entailed a number of benefits for the Malays and other indigenous groups, such as increased ownership of production and preferential quotas in the educational system. The number and proportion of Malays engaged in the modern sector of the economy rose significantly as a result of these policies. Ideologically, the overall objective was to produce an educated, entrepreneurial, shareholding, high-consuming and socially/physically mobile Malay middle class, which state elites view as a necessary prerequisite for economic, national and social cohesion. Prime Minister Mahathir Mohamad, who was in power from 1981 to 2003 and then remarkably re-elected in 2018 at the age of 92 years, has been a proponent of this policy. This piece of grand social engineering is essential to understand the middle-class terrain of Malaysia and the social and physical mobility of Malays. At the same time, the state-led NEP encouraged a new class of Malay entrepreneurs and indeed a modern, reconstituted Malay identity known as *Melayu baru* or 'new Malay'. This idealized

group of highly educated and relatively affluent Malays is centrally located in the Islamic bureaucracy that manages and regulates halal and as employees in local and multinational companies in Malaysia.

### **Halal in Malaysia**

In Malaysia, a country with a population of 28.3 million according to the 2010 census, 67.4 per cent are indigenous Malays (virtually all Muslims) and tribal groups that together are labelled *bumiputera* (literally, ‘sons of the soil’); 24.6 per cent are Chinese; 7.3 per cent are Indians; and 0.7 per cent belong to the ‘other’ category.<sup>18</sup> Since Malaysia gained independence from Britain in 1957, Malays have constitutionally only been Malays if they are Muslims, speak the Malay language and adhere to Malay culture and customs. Malaysia is not an Islamic state, but Islam is Malaysia’s official religion and is professed by more than 50 per cent of the population. In principle, Islam’s official role was for ceremonial purposes and public occasions while the nation would remain a secular state.<sup>19</sup> At the time of independence, the UMNO stressed the constitutional position of Islam as the religion of the country within the framework of a secular state, at least in the eyes of more Islamically oriented groups.<sup>20</sup> Economically, Malaysia has sustained rapid growth over the past three decades, during which the meaning of Islam has become ever more contested.

The rise of divergent *dakwah* (literally, ‘invitation to salvation’) groups in the wider resurgence of Islam in Malaysia challenged the secular foundation of the Malaysian state. *Dakwah* is both an ethnic and a political phenomenon that has transformed Malaysia for both Muslims and non-Muslims. Since the 1970s the popular Islamic opposition party called Parti Islam SeMalaysia (PAS), together with *dakwah* groups, criticized the policies of the UMNO-led coalition government for having un-Islamic colonial traditions and secular practices which separated religion from political, social and economic issues.<sup>21</sup> By contrast, state authorities suggest that dogmatic forms of *dakwah* represent the decline of Islam due to the arrogant rejection of secular knowledge by *ulama* (religious functionaries).<sup>22</sup> To pre-empt *dakwah* groups and PAS, the state has been gradually ‘nationalizing’ Islam.<sup>23</sup> In fact, Malaysian Islam today is arguably the most monolithic and most heavily state regulated in the Muslim world.<sup>24</sup> Thus, the state’s attempt to cultivate a modern form of Malayness is intimately linked to state-sanctioned Islamic discourses or *dakwah*, each with particular ideas and standards of how one should combine consumption and Islamic practice.

*Dakwah* has initiated a broader fascination with the proper and correct ‘Islamic way of life’. For example, the ideal Islamic way of life entails consuming specific halal goods, which are seen to have a beneficial impact on domains such as the family, community and nation. Halal is both a result of the increase in Islamic revivalism and an instrument of the resurgence that leads to ever-greater involvement with Islam helping to promote the movement that produced it. Ironically, Islamic revivalist critiques of secularism and the so-called secular state in Malaysia have helped shape and reinforce not only a unique type of

powerful UMNO-driven state nationalism in Malaysia, but also a highly commercialized version of Islam in which halal plays a significant role. Although this type of state-driven nationalism can be said to be secular in nature, it feeds into and is in itself fed by a whole range of divergent Islamic discourses. The growing centrality of Islam in Malaysian society is also reflected in the bureaucratization of Malay ethnicity, that is, an officially ethnically plural state in which Malays are a favoured ethnicity.<sup>25</sup> An example of an Islamic bureaucratic body set up by the state is the Institute for Islamic Understanding (Institut Kefahaman Islam Malaysia or IKIM) established in 1992. The priority of state organizations such as the IKIM is to guide Malays to correct and rightful Islamic practices in everyday life. In Malaysia halal is promoted as a bridge between the religious and the secular, and as an example of the compatibility of the ethnicized state, modern Islam, business and proper Islamic consumption.

During his first two decades in office, the charismatic and outspoken Prime Minister Mahathir Mohamad accelerated the process of institutionalizing and regulating halal, and the strict halal requirements of today are largely products of this process. Mahathir was in many ways the architect behind modern Malaysia and the social engineering policies aimed at manufacturing a Malay middle class. Mahathir actively nationalized the proliferation of halal and concentrated its certification in the realm of the state where it has remained ever since. In 1982 the Malaysian state set up a committee to evaluate the certification of halal commodities under the Islamic Affairs Division (later JAKIM) in the Prime Minister's Department.<sup>26</sup> This committee was exclusively responsible for instilling halal awareness amongst food producers, distributors and importers. The Islamic Affairs Division and the Department of Veterinary Services shared joint responsibility for the mandatory halal certification of all imported meat.

Malaysia places great importance on establishing a national halal assurance system that matches the country's halal vision, incorporating the standards of the Malaysian MS 1500 (production, preparation, handling and storage of halal food) and MS 2200 (consumer goods for cosmetic and personal care) as an international benchmark for the state certification of halal products. As part of Malaysia's vision to become the world leader of halal, Abdullah Ahmad Badawi, Malaysia's Prime Minister from 2003 to 2009, set out Malaysia's aspirations to become a global halal hub based on the ability to set international benchmarks for the certification of halal products.<sup>27</sup>

Malaysia is a model country in terms of complying with halal standards and has strong halal activity in food processing and the export/import trade as reflected in its systematization and standardization of halal certification. In response to the expansion of food service establishments and the opening of international restaurants in Malaysia from the 1970s onward, a thorough enactment of laws, diverse procedures and guidelines were established by authorities. For example, the Trade Description (use of expression 'halal') Order of 1975 made it an offense to falsely label food as halal, and the Trade Description Act (halal sign marking) of 1975 made it an offense to falsely claim food to be halal on signs and other markings.<sup>28</sup>

The current General Requirements for Halal Certification are far more elaborate than the orders and acts introduced in the 1970s. For instance, every producer or manufacturer, food premise or slaughterhouse must produce only halal products. Every company that applies for the Halal Confirmation Certificate must ensure that the source of ingredients is halal and they must choose suppliers or sub-contractors that only supply halal goods or have Halal Confirmation Certificates. All companies must ensure that halal procedures are observed in all aspects as underlined in the Malaysian Halal Certification Procedure Manual. Companies that are listed under the Multinational and Small & Medium Industry category are required to establish an Internal Halal Audit Committee and appoint an Islamic Affairs Executive (Islamic Studies) to oversee and ensure compliance of halal certification procedures. Moreover, it is a requirement to have the following: a minimum of two permanent Muslim workers of Malaysian nationality in the kitchen/handling/food processing section; all products, equipment and appliances must be clean and may not contain non-halal ingredients during preparation, handling, processing, packaging or transfer; transportation used must be specifically for halal product delivery only; and cleanliness must be ensured through good manufacturing practices.<sup>29</sup> All of this indicates that halal regulation in the form of certification and standardization have become the central concern of the Malaysian state.

### **Halal in Singapore**

The Singaporean vision is to become a world leader in halal. To achieve this, halal commodities and handling are subjected to increased forms of everyday regulation. This subsection offers a broader context for understanding halal in Singapore. Singapore is a Chinese majority country while Muslims, of whom most are ethnic Malays, constitute the largest minority and this has a significant bearing on halal production, trade, consumption and regulation. Out of 3.77 million Singaporean residents in 2010, the Chinese constituted 74.1 per cent, Malays 13.4 per cent, Indians 9.2 per cent, while ethnic 'others' accounted for the remaining 3.3 per cent.<sup>30</sup> This ethnic ratio is partially a reflection of Singapore's colonial history dating back to 1819 when the British East India Company chose it as a settlement because it was centrally located for trade. Chapter 3 in this edited volume offers a rich analysis of Singapore's ethnic ratio and the evolving citizen–foreigner divide.

In 1959 the PAP formed a government led by Lee Kuan Yew, who was the first Prime Minister of the Republic of Singapore. Lee governed for three decades until 1990, and he can be said to have been the architect behind Singapore's impressive performance and continuous economic growth. The reasons for this growth are many, but his strategies to make use of technology with multinational corporations have helped the country achieve high income status. To this day the PAP governs Singapore, driven by the pursuit of economic growth, and this is the PAP's performance principle and main legitimacy to rule. The party will go to all lengths, including curtailing conventional democratic



rights and practices, to 'deliver the goods' to the people.<sup>31</sup> Certain laws and controls on political participation and civil rights such as freedom of the press suggest that Singapore is an illiberal democracy. Moreover, the 'moral performance' of the PAP party-state defines its political rule and shapes the quality of social and political life.<sup>32</sup> Singapore's judicial system has generally received high international acclaim, and this is also relevant to the way in which religion and religious affairs, including halal markets, are regulated and managed.

From the early 1980s the Singapore nation-building project moved towards a more 'ethnic-cum-racial form', with conceptions of 'Chinese' ethnicity and a peculiar Singaporean notion of 'Chinese values' playing increasingly important roles.<sup>33</sup> What is more, the ethnicization that took place included the upholding of Singapore's two main national myths, that is, multiracialism and meritocracy that facilitate and legitimize rule by a self-appointed Chinese elite.<sup>34</sup> The halal aspirations that emerged in the 1980s occurred in parallel with the promotion of a Confucian, and more broadly Chinese, ethics. The Confucian ethics in question include obedience to a benevolent and paternalistic hierarchical authority, and places great emphasis on societal duties and obligations. Ironically, it is this transformation that plays a key role in the proliferation of halal in Singapore and beyond.

The state promotion of halal in Singapore presents a paradox: halal as an ancient Muslim food taboo is promoted as a national and neutral brand that benefits the economy, while the moral implications are downplayed, especially in a Chinese majority cultural context where Chinese social, religious and economic rituals are unavoidably intertwined. Gambling, eating pork and drinking alcohol are important ways of establishing identity and group membership, and daily rituals involving these 'vices' permeate all aspects of Singaporean life.<sup>35</sup> In this context, Malay Muslims are called upon to handle halal properly. In other words, no matter how forcefully halal is promoted as a highly lucrative global market in which countries such as Singapore want to find their rightful place, halal is essentially an Islamic moral injunction and not socially neutral in nature.

Before halal became part of a global and growing market, the state in Singapore considered it an expression of excessive religiosity and minority rights that separate Muslims and non-Muslims in a multiracial context. This is one explanation for Islam being so heavily regulated by the state in Singapore. The MUIS is the main state Islamic institution and its main decision-making body is the council headed by a President. It also comprises the Mufti of Singapore and members nominated by Muslim organizations. The state attempts to take a pragmatic approach, promoting religiosity even though Singapore is officially a secular state, while subjecting the 'religious economy' to heavy regulation and strict governance structures.<sup>36</sup> When the Administration of Muslim Law Act (AMLA) was enacted in 1965 it allowed for the establishment of MUIS in 1968 and the consequent culmination of the fusion of Malay and Muslim identities in Singapore.<sup>37</sup> The management of Islam in Singapore is done through the institutionalization of AMLA and the formation of the MUIS. Issues addressed in the AMLA are the Shariah Court; Muslim financial provisions; mosques and



religious schools; halal and haj (pilgrimage); marriage and divorce; property; conversions; religious offences; and miscellaneous others. The MUIS' functions, duties, responsibilities and powers are clearly defined in the AMLA. It states that the MUIS was established and functions to administer matters relating to the Muslim religion and Muslims in Singapore including any matter relating to halal certification. The MUIS started to provide halal services in 1972 and the first halal certificate was issued in 1978. The MUIS is solely responsible for this market and performs a regulatory function in halal under the state, facilitating halal food trade through certifying local exporters to export their products to a global halal market; certifying local establishments; and participating in forums on the standardization of halal certification.<sup>38</sup>

An amendment of the AMLA was passed in 1999 giving the MUIS new powers, for instance allowing it to regulate, promote and enhance the halal business. In December 2009 a further amendment of the AMLA with specific reference to halal certificates took effect, making it a serious offence to display false halal logos, that is, false MUIS logos. A number of requirements are related to audits and inspections specifically. Upon submission of the application and in the course of being halal certified, random audits and surprise inspections are performed on the applicant's premises to ensure compliance with halal requirements. These audits verify the authenticity of information and supporting evidence submitted, and assess, among other things, the seriousness of intentions to go halal; the overall halal compliance and internal control systems; the effectiveness and consistency of implementation; the role and efficacy of the Muslim staff in guiding and ensuring compliance in the production process; the understanding of halal requirements and compliance by employees; and the risk of non-compliance.<sup>39</sup>

In a 2007 MUIS publication, the maintenance of a halal system is said to require the presence of mandatory Muslim staff, and a Halal Team is to be led by an appointed management representative and shall be comprised of at least one Muslim staff member and members from a multi-disciplinary background, who possess relevant knowledge, expertise and MUIS training.<sup>40</sup> These requirements are a source of controversy in halal production, trade and regulation. Halal in the Singaporean context evolved from being a sensitive Malay minority question to becoming a major national focus of state and market. Singapore's 'double minority' setting has been a driving force in the promotion of halal, where Malay Muslims are simultaneously seen as a 'problem' as well as instrumental to the production, promotion, regulation and consumption of halal. The stress on Chinese ethnicity, ethics and values also embodies a powerful narrative about the hard-working and economically successful Chinese who must 'tap' the global and expanding market for halal. All of this is taking place in the framework of Singapore's unique form of government that can be characterized as illiberal or semi-authoritarian and that allows for close networking between key organizations and institutions, as well as a standardized audit culture around the commoditization of halal. Ultimately, the MUIS as a statutory body plays a pivotal role in regulating the halal market in Singapore.

## **Talent, teams and training in Malaysia and Singapore**

This sub-section highlights two case studies of Muslim talent: (1) the Halal Committees in manufacturing companies in Malaysia, and (2) the role of Halal Teams in training in Singapore. The Malaysian and Singaporean governments are increasingly and explicitly committed to playing an indirect supervisory role in halal, and the audit function is both a solution to a technical problem as well as a way of redesigning governance practices. Staff policies such as setting up a Halal Committee or Team to handle halal properly as well as establishing sections in companies that specialize in halal compliance are examples of the increasingly prominent role of internal control systems that can be audited. Certification is essential in this respect as it ensures that halal complies with standards. Companies that wish to be halal certified by the Malaysian state can apply online and pay the required fee online as well. Applicants must declare that all ingredients are recognized by JAKIM or a certifier approved by JAKIM. In this process, ingredient specifications, supporting documents, company registration and business permits from local authorities, as well as a flow chart for each product must be made available for officers to check. Officers do an 'on site audit' and take note of any irregularities in the fields of documentation, processing, preparation, handling, hygiene, sanitation, storage, displaying, food safety, labelling and layout of premises. The legal background is the Malaysian MS 1500 and MS 2200 as well as The Trade Descriptions Act of 1972 that stipulates the legal definition of halal. The mandatory internal Halal Committee consisting of Muslims in the company is responsible for providing auditors with required information.

In order to examine the role of Malaysian Halal Committees in companies, in 2010 I visited an industrial estate where a European multinational company that produces food ingredients, enzymes and bio-based solutions is located. The company specializes in offering manufacturers new opportunities to meet growing consumer demand for halal-labelled products, and halal certification plays a key role in this. All of the company's raw materials comply with halal requirements and thus the certification process is relatively uncomplicated. One representative of the Halal Committee has been working for the manufacturing company for 19 years. He is a chemistry graduate who was initially involved in production and then shifted to work on implementing system requirements on safety and health and International Organization for Standardization (ISO) standards on environmental management. The company he works for chose to focus on the Good Manufacturing Practices and Food Safety, which is internationally recognized, instead of the local Malaysian standard for halal MS 1500 (production, preparation, handling and storage of halal food). The Halal Committee member interviewed by the author is responsible for managing halal compliance and certification, including application for and renewal of certificates with JAKIM. Encouraged by JAKIM, he has also undertaken training to enhance knowledge of halal technology and management. In his own words, he is the manufacturing plant's 'halal manager'.<sup>41</sup> His colleague is a woman who has

worked for the company for 13 years. She handles, among other things, JAKIM halal online registration and certification as well as quality control, product services, product specification and customer requirements.

The author learned that the company's Halal Committee is comprised of five Malays who are 'appointed from executive level'.<sup>42</sup> JAKIM informs the company about training seminars and Halal Committee staff members do attend on occasion, but for the most they do not participate in JAKIM events. The focus in most of these seminars is on the process of application for halal certification and the company has more than 18 years of experience with this. The cost of certification has been stable over the years. One of the Halal Committee members is occasionally invited by JAKIM to discuss technical developments with regard to flavours and emulsifiers, for example. In this way JAKIM tries to keep up with industry innovation and companies can discuss potential innovations with JAKIM before these are finally implemented in production. An important aspect to note is that company representatives and JAKIM officers not only exchange knowledge, but also develop rapport that helps facilitate cooperation.

In 2010 the author also conducted fieldwork in a food manufacturing company which is a joint venture between a European and a Malaysian company. The General Manager and the Head of the company's Halal Committee explain that in 1995 the company first applied for JAKIM halal certification. At the time, there were no actual halal 'standards', but merely localized halal classifications.<sup>43</sup> JAKIM representatives simply inspected the premises to ensure that it was free of alcohol, raw materials were halal and that hygiene in the form of toilets and washing facilities were in order. JAKIM inspectors wanted to know if the company was using any non-halal products such as brushes made out of pig's hair or alcohol. Moreover, inspectors wanted to know if any 'harmful' chemicals were part of production. All that has changed and today halal is far more regulated and linked to the Malaysian MS 1500 standard and a whole range of management practices. These regulatory changes parallel those in the consumer market, driven by the behaviours and preferences of Malay consumers, and the General Manager and the Head of the Halal Committee tell me that this fastidiousness has made it impossible to sell any food product to Muslims in Malaysia that is not fully halal certified. Even for non-Muslims in Malaysia, halal has come to represent a form of wholesome, clean and state regulated consumption.

The company's products started carrying the JAKIM logo in 1998 and over the years the logo has changed a number of times. We can see different generations of designs of the company's label on their products and discern how the JAKIM halal logo has been redesigned. Today, as the company representatives explain, even the logo itself has to be deemed halal, meaning that products can only be halal if no haram glue is used for labels or packaging.<sup>44</sup> The head of the Halal Committee learns about these requirements and many other types of new standards when he attends JAKIM training. One recent development is JAKIM's focus on halal logistics and transport. The company is ISO 9002 (Quality

Management) certified and it is also complying with food safety regulations set by the Malaysian Ministry of Health. When you have this kind of certification JAKIM inspectors tend to be more 'confident' in issuing halal certificates.<sup>45</sup>

The company has formed the mandatory Halal Committee comprising at least two Muslim staff involved in the production process. Previously it was any Muslim member of staff, but now JAKIM insists that it has to be Muslim staff directly involved in the production process. Establishing the Halal Committee was not very resource demanding as about half of the company's staff are Muslims. Regarding the cost of certification, JAKIM charges the company when renewing certificates. Previously, JAKIM wanted to charge companies for each product, but protests from the industry forced JAKIM to change this procedure, and now the certification process has been streamlined. Similarly, the General Manager and the Head of the Halal Committee recall that previously when imported raw materials were not formally halal certified and the mother company in Europe was not halal certified, this was a major challenge because of problems with customs clearance in Malaysia.<sup>46</sup> The mother company in Europe is now certified by the Islamic Food and Nutrition Council of America that does inspections at the plant in Europe and is on JAKIM's list of recognized certifying bodies. This factory is a good example of a food manufacturing company in which Muslim talent was essential for setting up the Halal Committee. From the relatively modest beginnings, being a religious injunction left to individualized interpretation or classification among Islamic bureaucrats and inspectors, halal is now centrally regulated by JAKIM and simpler to comply with. At the same time, JAKIM halal regulation is global in scope and constantly expands into food/non-food as well as services.

Nestlé Malaysia, a company that exports its products to more than 50 countries worldwide with export sales of over one billion ringgit in 2011, was the first multinational to 'voluntarily request' halal certification of all its food products in 1994.<sup>47</sup> Certification of Nestlé Malaysia products provides assurance that these are manufactured, imported and distributed under the strictest hygienic and sanitary conditions in accordance with the Islamic faith. Moreover, products and premises for manufacturing have been inspected and have earned halal certification by recognized Islamic bodies. The halal logo on packaging testifies to the fact that products are prepared according to 'stringent Islamic requirements'.<sup>48</sup> The company set up its Halal Committee comprising senior Muslim executives from various disciplines to be responsible for all matters pertaining to halal certification and for training workers on complying with halal standards and auditing Nestlé factories worldwide. The company's production is certified by JAKIM in Malaysia while other credible halal certification bodies certify products manufactured outside Malaysia. Part of the author's fieldwork in Malaysia in 2010 included a visit to Nestlé's headquarters, which is located in a suburban setting about 15 kilometres west of Kuala Lumpur. The author discussed Nestlé's involvement in halal with the committee chairman and staff who work in halal production.<sup>49</sup> The chairman was educated in food science in Malaysia and joined the company in 2000. Since his appointment he has been sitting on the Halal

Committee and he is currently involved in developing new halal chocolate products.

In the case of Nestlé Malaysia, the Halal Committee comprises 16 Muslim staff representing various departments in the company including the factories and supply chains. Besides the fact that the Halal Committee has become a legal requirement, it predominantly acts as a focus for sharing halal knowledge and commitment to enhancing halal practices within the manufacturing sites. Nestlé developed its halal policy before other companies and before Halal Committees were mandatory, which gave the company a global advantage. Nestlé is a good example of a global company that has adapted to increasing halal requirements in Malaysia and that has taken these experiences to a global level. Since 1992 Nestlé has not only standardized halal production through JAKIM certification, but the company has also itself been rationalized, systematized and differentiated to adapt to modern halal production and regulation. In general, companies that rely on JAKIM certification in one way or the other try to live up to rising halal requirements. Within the last decade or so JAKIM has become much more disciplined. It is clear that halal, as an Islamic injunction, influences the social organization of business (how companies understand and practice halal requirements), and all of these transformations come together in the setting up of Halal Committees and training programmes.

In 2009 the author participated in a MUIS halal training event held at the MUIS Academy in Singapore that develops and conducts courses on Islam. The MUIS Academy 'serves as a conduit for MUIS to share Singapore's model of religious administration and service, expertise and technology'.<sup>50</sup> The objective of this training is to be able to understand the definition and basic concepts of halal certification, to be better prepared to comply with the MUIS halal requirements, and to gain an overview of the principles of the Singapore MUIS Halal Quality Management System (HalMQ). The course is mandatory for one Muslim member of staff and one other staff member in the Halal Team.<sup>51</sup>

The MUIS Academy is a modern type of conference facility equipped with all the latest teaching equipment. It is part of a Singapore Islamic Hub (SIH) that comprises the Muhajirin Mosque, Madrasah Al-Irsyad Al-Islamiah (Islamic school), and the MUIS headquarters. Approximately 30 participants were in the Level 1 course that the author was invited to attend. The basic structure of the training was a series of Microsoft PowerPoint slides narrated by a Malay teacher in English. The course is designed for Halal Team members, halal liaison officers, managers, and supervisors from companies and state institutions who are responsible for halal certification, as well as Muslim employees more generally. Halal regulation provides the framework for the course, while the training modules focus on developing proper halal skills among employees.

According to official MUIS publications Halal Teams appoint personnel responsible for implementing, monitoring and maintaining halal systems. A Halal Team is to be led by an appointed management representative and should comprise at least one Muslim staff and members from a 'multi-disciplinary background, who possess relevant knowledge and expertise'.<sup>52</sup> Companies must

ensure that members of the Halal Team are sent for halal training that is recognized by the MUIS. On the establishment of the Halal Team, the MUIS requires that the management must ensure that the terms of reference of the Halal Team are fully established and the roles and responsibilities of each member are clearly defined. Members must be fully committed and responsible in developing, implementing, and maintaining an effective halal system.<sup>53</sup> In terms of the General Halal Certification Requirements three areas are essential: halal basic requirements (documentation for raw materials), staffing (mandatory participation in halal courses for and establishing the Halal Team); and systems with particular reference to tightened legislation and complying with HalMQ principles. In all this, the teacher explains, logos and certificates are essential. A man asks if it would be possible to have mandatory and recognized certificates for imported raw materials and the teacher replies that this would be desirable, but unlike Singapore most countries do not have a state certification body like the MUIS that can issue reliable certificates. What is more, the teachers make clear that even if imported raw materials come with a logo, the certifier and thus the logo are not necessarily recognized by the MUIS. A man asks about the role of the Muslim staff or Halal Team. The teacher reasons that the mandatory Muslim staff and Halal Team play an “advisory role” to give “public assurance”.

In general, the atmosphere is relaxed and many jokes blend in with the course contents. When presenting their poster, a group explains that when applying for halal certification the Muslim staff on the Halal Team should endorse incoming raw materials. The Halal Team’s Terms of Reference (TOR) is to satisfy such halal requirements and all members should have completed MUIS training. The teacher says that the exercise is there for participants to know what to do, for example to appoint a Halal Team leader. The group should remember that each Team member should have different roles and at least one Muslim staff member should be on the Halal Team in order to comply with HalMQ requirements. What is more, one man from the group emphasizes that the ‘halal file should be signed by Muslim staff’. The teacher stresses that if one Halal Team member fails, the whole team fails. A couple of questions concern the relationship between halal legislation and how companies should live up to this. Many questions relating to the particular situations of participants surface during the break, for example one question concerns the process of tightened legislation taking place in Singapore and how this relates to legislation and regulation of halal more globally. Another question focuses on sentencing in connection with different types of halal offences and how companies can ensure that they are not punished for using raw materials with fake halal logos.

During the coffee and lunch breaks the author had the opportunity to discuss halal with a sample of participants. The Director from the large Singaporean supermarket, NTUC FairPrice Co-operative LTD, explained that there is an increased focus on halal in Singapore, and thus the need for halal training has risen. The other representative from FairPrice present at the training was a Malay Muslim man who wondered why he as a Muslim had to take this course. The Director was handling Muslim complaints about frogs’ legs placed next to crabs



and finds that translating halal into actual corporate practice in the supermarket has been resource demanding, but that rules and regulations are becoming clearer. Separating halal and non-halal products in supermarket outlets, for example, that are not designed for this poses a challenge. For a period of time, a 'green mark' on the floor signified this separation, before halal and non-halal were separated in different sections of the supermarket. These are some of the issues that a company such as this one consults the MUIS on. Other aspects brought up during the break concern the role of law in halal in Singapore and more broadly the transformation halal is undergoing in the local setting and how this affects participants' organizations.

When reflecting on these classroom experiences it becomes clear that halal training plays an essential role in Malaysia and Singapore, especially in the context of changing landscapes of halal legality and regulation. The training structured around Microsoft PowerPoint slides pushes halal control and self-control into companies and state institutions such as universities and hospitals to satisfy the need to connect internal organizational arrangements to national visions and strategies. Most importantly perhaps, training instils or disciplines a form of common managerial model that emphasizes the encouragement of internal compliance systems. In other words, training technologies and techniques discipline standardized halal understanding and practice in employees and institutions. Training is aimed at enhancing skills in terms of communication, team and leadership and it is in itself a form of skills-related product that offers workers advice or exhortation about acquiring, assessing and enhancing their own skills.

## **Conclusion**

The discussion of talent, teams and training in Malaysia and Singapore in this chapter shows that identity and ethnicity are key aspects, that is, in both countries Muslim identity and ethnicity each in their way help develop and brand a national halal market. Forms of regulation are comparable in Malaysia and Singapore, but there are also major differences. One of the main differences is that Malaysia is a leading global producer and exporter of halal products that can be found in shops around the world. The research conducted for this chapter in Malaysia also shows that the halal industry attracts talent from across the globe. Singapore is small in size; there are not many manufacturing industries in the country, and this fact limits global exports and also the attraction of global talent. Another reason for Malaysian dominance in halal globally is the political and institutional differences between the two countries. In Malaysia halal has been a major issue in the wake of *dakwah*, and it is inseparable from Malay privileges and rights ensured by the state and a host of Muslim interest groups. The local market for halal consumption in Malaysia is vast and growing due to the buying power of large Malay middle class groups.

Even if Malaysia is dominant in halal globally, halal in the Singaporean context evolved from being a sensitive Malay minority question to becoming a



major national focus of state and market. Singapore's 'double minority' setting has been a driving force in the promotion of halal, where Malay Muslims are simultaneously seen as a 'problem' as well as possessing instrumental talent to the production, promotion, regulation and consumption of halal. The stress on Chinese ethnicity, ethics and values also embodies a powerful narrative about the hard working and economically successful Chinese that must exploit the expanding global market for halal. All of this takes place in the framework of Singapore's unique form of government that can be characterized as some kind of authoritarianism that allows for close networking between key organizations and institutions. Consequently, this makes policy implementation and regulation of the halal market smoother than in neighbouring Malaysia.

Halal production, trade, consumption and regulation, understood as competitive forms of economic life that require forms of talent capture, are evident in Malaysia and Singapore. As a discourse of power, halal legitimizes the existence of ethnicized markets in contexts where ethnicity and religion are often sensitive issues. This point is clear in the media in Malaysia and Singapore, where halal visions and strategies are ubiquitous. Sovereign rule in Malaysia and Singapore creates new economic possibilities, spaces and technologies for regulating and marketing halal, such as an increased legal focus on halal. Certification is a service that companies must pay for, and as the production, trade and regulation of halal took off and was standardized, a particular certification economy emerged. Third party certification is essential to companies, and these have allocated resources to not only pay for certification per se, but also to establish Halal Committees and teams consisting of Muslims.

Halal in Malaysia and Singapore is inseparable from the way in which Islam and religion more generally are regulated by the state. In Malaysia, the state nationalized Islam and halal fearing the implications of the resurgence of Islam. Thus, state institutions gradually developed the vision of becoming the world leader in halal production, trade and regulation. In Singapore, halal evolved from being a sensitive Malay minority question to becoming a major national focus of both state and market. In Singapore, Malay Muslims are simultaneously seen as a problem as well as instrumental to the production, promotion, regulation, and consumption of halal in the region and vis-à-vis Malaysia in particular. As previously indicated, hard-working and economically successful Chinese feel compelled to capture a growing share of the global market for halal, while assisted by 'instrumental Malays', thus reproducing a politics of ethnic hierarchy.

Halal as an Islamic injunction influences the social organization of business, that is, how companies understand and practice halal requirements. Several companies also give evidence that halal training is important for them when they try to comply with halal. This chapter explored halal in the histories and cultures of companies and also the webs of interpersonal networks linking different people in different constellations for different intents and purposes. In both Malaysia and Singapore halal is entangled in complex webs of political, ethnic and national significance, and at the same time it is promoted as an example of the compatibility of the ethnicized state, modern Islam, business and proper Islamic

consumption. The chapter's empirical data and observations show that even if the underlying principle behind halal remains 'divine order', regulation is increasingly evoked as an authoritative field of knowledge in the way in which halal is understood, practised, regulated and standardized. Now the focus is on a wide range of standards, for example that Muslims with certain qualifications, knowledge or skills must be involved in halal. This chapter explored how companies that rely on JAKIM certification in one way or another try to live up to rising halal requirements. Within the last decade JAKIM and the MUIS have 'stepped up' their control of companies, and as one company representative explained, all businesses are now confronted with this fact. Many companies argue that even if requirements and control have been 'stepped up', halal is more professionally regulated today compared with the unclear and confusing requirements of the past.

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## 8 Conclusion

### The comparative political economy of talent, identity and ethnic hierarchy

*William S. Harvey*

This book has received valuable comparative contributions from authors discussing the Southeast Asian context to the political economy of talent, identity and ethnic hierarchy. The aim of this chapter is to briefly summarize some of the major arguments made and to provide a few suggestions for future research and policy.

As discussed in Chapter 1 of this volume, Alejandro Portes<sup>1</sup> has argued that migration needs to consider international political economy, structural factors and individual decisions, and one of the contributions of this edited volume has been to provide theoretical, empirical and conceptual richness to these issues in the context of Malaysia and Singapore, where politics, hierarchy, citizenship, identity, inclusion and entitlement are salient for the migrant's lived experience. The war for talent has been well-documented in this book and essentially describes the importance of countries attracting and retaining foreign talent as a means of bolstering national economic prosperity. As has been shown through the rich examples in this edited volume, talent capture is also important in Southeast Asia as a means of achieving and/or maintaining competitiveness in the global economy. There are, however, some important nuances, particularly in terms of power structures and the impact on incumbent elites as well as on ethnic relations, given the historical and political importance for many countries of ethnic composition. Hence, there is a delicate balance with attracting and retaining talent to remain competitive in the global war for talent, and the related sensitivity at the national and local level in ensuring governments build and maintain a positive reputation among local talent.

Within the talent management literature, there has been an emphasis on the 'global war for talent'<sup>2</sup> and the 'global war on policy'<sup>3</sup> where countries are competing with each other to attract and retain highly skilled workers. Chapter 3 of this book gave the important example of Singapore having a strong policy of attracting foreign talent, although the individual experiences were far from uniform, with differences often depending on ethnicity and country of origin. This can also lead to silent tensions and divisions between citizens and foreign talent, as Chapter 3 highlights with segmented experiences of Chinese foreign talent navigating the complex ethnic, economic and political landscape of Singapore. Chapter 4 argues in the context of Singapore that there has been a

particular corporatization in how the city-state has been branded, with a strong emphasis on providing economic value. Importantly, this chapter highlights the Singaporean state's engagement with its diaspora and the projection of different messages through text and images to create a particular impression of Singapore amongst this group. This is a valuable contribution to the brain drain and talent capture literature because the implication is that it is not only foreign talent that is important but also Singaporean talent residing abroad. This reinforces the importance of governments managing from the 'outside-in' (foreign talent working in their countries) and 'inside-out' (domestic talent working in other countries). Chapter 5 suggests that political dynamics at the national level in Malaysia around ethnicity and identity may explain varying levels of economic opportunities for Malays and non-Malays, Muslims and non-Muslims, which in turn may impact not only on the brain drain, but also the demographic composition of those who are leaving Malaysia.

The notion of Singapore Inc. is another valuable contribution in terms of how the city-state is branded to the diaspora. I would suggest that this corporatization is also true of how the city-state presents itself to both local and foreign talent. In other words, how a country or city brands itself (corporately, recreationally or otherwise) has implications on multiple forms of talent in terms of how they imagine these places. Chapter 1 suggests that the way the Singaporean state is operating is increasingly modelled on corporate and managerial ideals. Indeed, the whole notion of the war for talent was first coined by McKinsey & Company,<sup>4</sup> which is arguably the most famous and prestigious global management consultancy firm. Chapter 1 also discusses how Talent Corporation Malaysia has initiated a Returning Expert Programme and a special resident pass for talent. This demonstrates another initiative of how a particular type of talent (diasporic) is being targeted to attract talent residing overseas. Similarly, Chapter 4 talks about the Singaporean government booklet to recruit Singaporeans living abroad to return home called: *Conversations on Coming Home: 20 Singaporeans Share Their Stories*. An interesting and important extension to this type of government tactic to attract talent is to explore how other forms of messages through mass media (e.g. news agencies), social media (e.g. Facebook, Twitter, LinkedIn and online forums) and popular media (e.g. film, music and television) impact on peoples' perceptions of places, which in turn influences their migration decisions.<sup>5</sup> The examples of Singapore and Malaysia demonstrate the importance of governments sending positive signals to three groups: home country and foreign talent living in these countries, home country talent living abroad and foreign talent living abroad. All three of these groups represent an important part of a country's talent pool.

Chapters 1, 2, 5 and 6 explored the issue of brain drain (the net loss of skilled workers from a country) and brain gain (the net gain of skilled workers to a country). The brain drain has received much discussion in the skilled migration literature across the social sciences, particularly in developing countries,<sup>6</sup> and is also of significant interest to developed countries ever since the British Royal Society lamented the loss of medical and scientific talent to the United States in

the 1960s,<sup>7</sup> as was discussed in Chapter 1. Some scholars have criticized the core arguments of the brain drain, suggesting that notwithstanding some of the short-term challenges for home countries, there can be significant net positive benefits in the medium- to long-term from highly skilled workers training and working abroad.<sup>8</sup> Chapter 5 highlighted that the brain drain can be a politically and publicly emotive subject, particularly around issues such as ethnicity. The evidence in the context of this study in Malaysia finds that the proportion of young people leaving the country owing to biases in higher education or employment has been declining in the last two decades. This is not to say that the brain drain is obsolete; indeed, Chapter 1 provides a strong argument for why the brain drain has troubled governments in both developed and developing countries. Nevertheless, the reasons for the brain drain are changing and are more nuanced than the simplistic and often politically-motivated narratives presented in the public domain.

It is important to examine the patterns of both the brain drain and brain gain because one country's or region's loss of talent is often another's gain. It is worth recognizing that there are two principal ways in which countries can benefit from their talent abroad which are often conflated in the literature: 'brain circulation' and 'return migration'. However, they describe different processes:

Brain circulation, for example, describes skilled migrants who move between their host, home and other countries for business, work and investment purposes. In contrast, return migration describes people who initially emigrate to a host country and at a later date return to their home country. The above distinction is important because it is possible for a skilled migrant to contribute to brain circulation without returning permanently to his or her home country. Equally, a skilled migrant might decide to return permanently to his or her home country for non-business, work and investment purposes.<sup>9</sup>

Chapter 2 rightly highlights the importance of networks, which are valuable for exchanging information between skilled workers in both home and host countries. However, to date few countries with some notable exceptions such as China, New Zealand and Singapore have been particularly effective in building and maintaining social ties with their diaspora (home country talent living abroad). This is a major oversight since these people residing abroad have important opportunities to benefit the home country through remittances, brain circulation and return migration. This is not to say that such activity is not already occurring, it is, but rather that its full potential has yet to be realized.

Chapter 6 provides a valuable example of the importance of brain gain in the context of high technology talent returning to Malaysia. A significant insight from the chapter is that while incentives are important for attracting Malaysian talent abroad back to Malaysia, such incentives will have little impact unless there is a certain minimum benchmark on offer. This is an important contribution because if many skilled workers have highly positive experiences related to



their education, training, work and social lives abroad, then there are likely to be a minimum set of requirements in their home countries in order for them to seriously consider returning. This is consistent with the argument of microeconomic theorists who suggest that potential migrants will weigh-up the advantages and disadvantages of staying in their existing country versus moving to another country, and will consider carefully what kinds of returns and earnings they will receive.<sup>10</sup> The decision to migrate is likely to be detail-oriented for home country talent living abroad because they have networks and experience in both their home and host country.

Chapter 6 is right to emphasize the context of high technology workers, particularly as national economies are increasingly moving towards a new wave of technological growth through, for example, big data, artificial intelligence, robotics, the internet of things, fintech and automation. At the same time, it is important to recognize that there are a range of talented workers outside of the high technology sector who have vital skillsets that can contribute to the economic competitiveness of countries and organizations. With this in mind, countries would do well to balance attracting domestic and foreign workers with a breadth of skillsets with those with very specific skillsets that meet their strategic requirements in the short term. What is clear from Chapter 3 is that the experiences of different ethnic and national groups are far from uniform in different regions. As Chapter 1 suggests, political identities and ethnic hierarchies are significant components which explain regional talent flows in Malaysia and Singapore. This is important to recognize, both from an ethical perspective in terms of equality of treatment regardless of social categories, and from a reputation perspective because poor treatment of particular groups will quickly affect the reputation of the host country among migrant groups.

The evidence from the chapters above point to a potential narrowing of national identity and talent in Singapore and Malaysia. For example, there appears to be a reification of talent from similar socio-economic and ethnic backgrounds. This is concerning because as economies are being disrupted through big data, robotics, artificial intelligence and other macro phenomena, this will require a balance of talent with core training and skills in key areas, with talent who come from different economic, social and cultural backgrounds who are able to think laterally, understand and apply technology as well as manage diverse teams in different contexts to address some of the major global challenges of the future. As we know from the entrepreneurship and innovation fields, although heterogeneous teams can be difficult to manage, they have impressive innovation outcomes.<sup>11</sup>

It is abundantly clear from the skilled migration literature that social networks play a powerful role in influencing migration decisions.<sup>12</sup> However, an area which has been under explored is the powerful role of new forms of online networks, which reach much larger volumes of people at unprecedented speeds. This means the salience of different forms of networks has arguably never been more important for countries seeking to attract foreign and diasporic talent and for organizations and teams seeking to attract, retain and maximize the potential

of individuals from home countries and from abroad, as discussed in Chapter 7. Networks are not only important at a national but also a regional level. Chapter 7, for example, highlights how workers are often valued according to their leadership, team working and communication skills, which may reflect their personal traits and ability to socialize within certain labour markets. The example of ‘halal talent’ in Malaysia is illustrated in the context of training events led by the Islamic Development Department of Malaysia. The interviews from this chapter reveal that only certain types of individuals (e.g. Malay Muslims) are eligible for particular roles given the halal certification standards for food manufacturing on behalf of multinational companies. This serves to show how there may be a very specific demand for talent at the local level, which may be driven by national and/or global dynamics, and yet nevertheless can have a very real impact on perceptions and experiences at the individual level around fairness. As discussed in Chapter 1, this can create divisions between the relentless drive to attract, retain and develop talent in pursuit of internationally competitive labour markets and the local-level manifestation of such policies on individuals from different socio-economic groups.

### **Future directions for academic research and policy**

An area of research which all of the chapters have touched upon in different ways is how individuals perceive different countries, including those in which they are currently residing. Reputation is the aggregated perceptions of a particular stakeholder group towards an entity. So, we could talk about the reputation of Apple Inc. among its employees. I use this example deliberately because the reputation literature has tended to focus on the reputations of organizations and particularly corporations.<sup>13</sup> However, there is no reason why reputation could not be applied to countries or cities among potential and existing migrants in the same way as reputation is applied to corporations, with positive reputations enabling firms to attract and retain talent, and poor reputations restricting them from attracting and retaining talent. There is a nascent body of work which is recognizing that reputation among skilled workers may play an important role in determining their migration decisions.<sup>14</sup> For example, there are a proliferation of rankings that are available on countries (e.g. HSBC’s Expat Explorer Survey and InterNations Expatriate Survey) and cities (e.g. The Economist’s Liveability Survey and Mercer’s Quality of Living Survey) as well as corporations (e.g. Fortune’s Most Admired Companies) and universities (e.g. Times Higher Education World Rankings). Yet, our understanding of how these different forms of rankings and reputations, which are created by powerful external arbiters, affect decisions among skilled workers remains poorly understood. Given the proliferation of these rankings and the wide-reaching nature of their readership, it would be short-sighted to suggest that the impact is insignificant. It is also likely that there are wider reaching ways in which country reputation can be shaped, for example through online blogs, social media, photography, art, film and documentary. Hence, reputation is a potentially highly important lens through which to

understand how countries are perceived by domestic and foreign skilled workers, which sheds valuable light on future migration choices.

A further area of research that warrants greater exploration builds on the discussion across several of the chapters around social networks. We have learned that social networks are important not only for attracting foreign talent, but also for attracting domestic talent who are living abroad. Social networks also play a critical role as skilled migrants arrive in and navigate themselves in host countries, cities and regions. While these networks can play a positive role in providing people with information to migrate and integrate (or return migrate or reintegrate), it was recognized in some of the chapters of this book that networks can have a darker side. I would expand on this point and highlight that social networks are particularly salient today as many governments and organizations are now outsourcing migration and recruitment services, meaning that there has been a proliferation of what have been termed ‘skilled migrant intermediaries’ who operate at the intersection of home countries and destination countries.<sup>15</sup> These intermediaries are highly diverse and generally poorly understood, but require careful analysis as they potentially have a powerful impact on how people perceive countries and organizations and therefore are likely to significantly impact migration and integration experience and behaviour. This is even more important today as many people are communicating and seeking out information online where there is a growth of intermediaries offering services for potential skilled migrants. In some cases, there are strong economic incentives for these intermediaries to channel skilled migrants into particular institutions and regions, which may lead to the skewing of facts and reality to potential migrants who are weighing-up the choices of where to migrate, and therefore affecting perceptions of places and migration behaviour among such groups. In short, while social networks are important to evaluate, we also need to have a sound understanding of the new and different kinds of actors who are intermediating the migration and integration process.

The author would like to conclude by making two final observations. First, there has been a proliferation of different policies related to attracting skilled workers to particular places, but what has been lacking is a joined-up approach, which links the activities of governments, regulatory bodies and organizations. This is critical because there is little value in having an effective immigration policy which attracts lawyers, for instance, if these lawyers are unable to practise their profession when they arrive in the host country. Equally, an information technology firm may make all the right soundbites to a potential employee abroad about being an employer of choice and offering attractive economic and non-economic incentives. However, this is of no value if this employer is unable to obtain the necessary immigration visa or residency permits (for example China’s urban *hukou*), or because the regulatory system makes it overly burdensome to attract such a worker. In short, if countries are committed to both attracting and retaining skilled migrants then they need to work alongside different types of institutions such as immigration policymakers, regulators, unions and employers to ensure that there is a joined-up immigration and integration policy.

This is important practically and theoretically because decoupling migration and integration has potentially negative experiences for skilled workers. This brings the discussion full circle from Chapter 1 where it was recognized, following on from the foundational work of Alejandro Portes, that considerations of migration need to recognize three scales of analysis: international political economy, national structural factors such as immigration policies and local factors that impact on individual decision-making and the configurations of individual choice.

Second, while many countries and organizations are competing with each other to attract and retain skilled workers, a lot of the practitioner literature has tended to overly simplify how countries and organizations can compete more effectively in the global war for talent. However, it should be highlighted that this is not a simple taxonomy where certain ‘tick box’ initiatives will lead to the successful attraction and retention of talent. All countries are distinct in terms of their population characteristics, labour markets, cities and communities, and it would be highly reductionist and erroneous to say that they should replicate an Australian or Canadian model to skilled migration, which are often seen as the exemplars for skilled migration policy. Both countries have been highly successful at attracting a wide range of skilled migrants, but also have major issues in terms of integration and retention precisely because it can be highly burdensome and time consuming for certain types of workers to practise upon arrival, without overcoming certain reaccreditation barriers. There are benefits from prioritizing particular types of occupations to fill short-term labour market requirements, but there are also benefits in forecasting the long-term needs of the labour market, which will be distinct to particular types of countries. In short, while there are benefits from learning from the experiences of other countries, both within and outside of the Asia Pacific region, it is important for each country to reflect on the lessons of its own experiences and to use its unique immigration and integration data to tailor policies which are sensitive to their own contexts.

The chapters in this book have provided a rich and diverse account of the different experiences of skilled workers, particularly in the Malaysian and Singaporean context. What is clear is that skilled workers are a valuable group which countries are actively seeking to attract and retain. At the same time, the experiences of this group are far from homogeneous and there are major consequences for countries that engage with skilled workers effectively or ineffectively. Country and government reputation is something which is fickle and countries seeking to effectively compete in the global war for talent should think carefully about their policies and communication strategies related to immigration and integration, and be mindful that they may have to adapt their approach to ensure that they are positively engaging with this finite and valuable group of people. Importantly, this involves skilled workers already residing in their country as well as talent residing abroad, who may be part of their diaspora or a broader foreign talent pool of labour. Such talent today has a larger pool of viable alternative countries to choose from, greater access to information on labour market opportunities as well as more choice of intermediaries, meaning

that countries and organizations can ill-afford to be complacent or send the wrong signals in the international labour market in today's heightened global war for talent.

## Notes

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- 11 Saxenian, *The New Argonauts*.
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