

INDIA – MALAYSIA

Bilateral Relations in the 21st Century

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CHAPTER – 35

INDIAN DIASPORA AND THEIR ROLE IN MALAYSIA

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Abstract---The Indian diaspora in Malaysia represents one of the most historically and culturally vibrant communities in Southeast Asia. It originated during the British rule, when the Indian migrants, especially Tamilians, were brought to Malaya as labourers, traders, and as administrators for rubber plantations, railways, and public works. After Malaysia's Independence in 1957, the Indian community transitioned from a labor-centric identity to a more diversified socio-economic presence. Indian diaspora, rooted in colonial-era migration, has evolved into a dynamic and multifaceted community that continues to shape the nation's social, political, and economic fabric. This critically examines the historical trajectories, institutional engagements, and contemporary challenges faced by the Indian Malaysians that focusing on their role in fostering bilateral relations between India and Malaysia. This paper tries to explore how the diaspora has contributed to Malaysia's development through political representation, entrepreneurship, and cultural diplomacy. It also interrogates the impact of systemic policies like the Bumputera framework on the community's access to equity and inclusion. The Indian diaspora has demonstrated resilience through civic activism, educational advancement, and transnational networks. The findings from the study might offer valuable insights into diaspora state relations, identity politics, and the potential of diasporic agency in shaping multicultural democracies.

Keywords---Diaspora, Socio-Economic, Political Development.

1. Introduction

Indian Diaspora in Malaysia stands as one of the most enduring and influential migrant communities in Southeast Asia. Large numbers of Indian labourers, primarily Tamilians, were taken to Malaysia to work in plantations, railways, and public services. This community has since evolved into a complex socio-cultural and political entity. Indian Malaysians constitute approximately 7% of the national population, contributing

significantly to the country's economic development, cultural diversity, and political discourse. Thus, it explores the historical foundations of the Indian Migrants to Malaysia and its contemporary relevance. It also highlights the dual identity experienced by the Indian Malaysians that is anchored in ancestral heritage while navigating the socio-political reality of a multi ethnic nation. Of all the contributions, India Malaysians continue to face systematic challenges that include the socioeconomic disparities and limited access to affirmative action policies under the Bumiputera framework. Their resilience is evident in rooting the activism, educational advancement, and an increase in civic participation.

Indian Malaysians play a pivotal role in shaping Malaysia's political institutions, educational landscapes, and cultural heritage. Organizations such as Malaysian India Congress have historically provided a platform for political representation, while Tamil schools, Hindu temples, and cultural festivals like Deepavali and Thaipusam continue to preserve and promote our Indian heritage within a multi-cultural framework. The journey of the Indian diaspora in Malaysia faces lots of obstacles and challenges to survive. Certain policies, like post-independence policies like the bumiputera affirmative action framework, have often marginalized non-Malay communities that leading to disparities in education, employment and political participation.

Of the systematic constraints, Indian Malaysians have also demonstrated remarkable resilience through entrepreneurship and transnational engagement. This study tries to explore the evolving role of the Indian diaspora in Malaysia by examining the historical foundations, socio-political contributions, and contemporary challenges. It also tries to investigate how these diasporas function as a cultural and diplomatic bridge between Indians and Malaysians within the broader discourse of identity, inclusion, and diaspora diplomacy, such that this research aims to highlight the community's enduring relevance in both national and transnational contexts.

2. Historical Aspects

Indian influence in the Malay Peninsula dates back over a millennium, with early traders, scholars, and Hindu-Buddhist missionaries shaping local culture, language, and religion. South Indian maritime powers like the Cholas established trade routes and political ties with the Srivijaya Empire, laying early foundations for Indian presence in the region. Under the British rule large number of Indians, especially Tamilians, were brought to Malaysia as indentured laborers to work on rubber plantations, railways, and public

infrastructure. These labour recruitment systems facilitated the migration of entire communities that often operated under exploitative conditions, but also enabled the formation of tightly knit diasporic enclaves.

In addition to laborers, a small group of Indians are serving as clerks, teachers, and traders, contributing to the colonial bureaucracy and urban economies. By the early 20th century, many Indian migrants chose to settle permanently, establishing temples, schools, and cultural institutions that anchored their identity in Malaya. It also saw the rise of Indian-led Political movements culminating in the formation of the Malaysian Indian Congress in 1946. After Malaysia's independence in 1957, Indian Malaysians were granted citizenship but faced challenges integrating into a political system that prioritized Bumiputera, which means ethnic Malay interests. This community gradually diversified into education, medicine, and small business sectors, though many remained economically marginalized.

3. Economic Contributions

Indian Malaysians contribute approximately 2% of Malaysia's GDP and 3% of its International trade despite being only about 7% of the population. Their involvement spans sectors such as retail, logistics, education, and healthcare, reflecting a shift from traditional labor roles to entrepreneurial and professional domains. A significant portion of Indian Malaysians are engaged in Small and Medium Enterprises particularly in Retail Trade, Food and Beverage and Education services, as these enterprises not only generate employment but also serve as cultural anchors in urban and semi-urban areas. They are also represented in medicine, law, engineering, and academia, which contribute to Malaysia's knowledge economy. The diaspora maintains strong ties with India, contributing to remittance flows and investment in bilateral ventures, and also plays a role in India-Malaysia trade relations, acting as intermediaries and cultural brokers. These Indian Malaysians own only about 1.5% of Malaysia's national wealth, reflecting persistent economic disparities. Limited access to affirmative action programs under the Bumiputera policy has constrained upward mobility for many in the community.

4. Political and Civic Engagement

The Malaysian Indian Congress, established in 1946, has historically been the primary political voice for Indian Malaysians. As a founding member of the Barisan Nasional coalition, which plays a key role in post-independence nation-building and policy advocacy. In recent decades, the Malaysian Indian Congress's influence has waned due

to internal fragmentation and dissatisfaction among younger Indian Malaysians, leading to the rise of alternative political movements and independent candidates. HINDRAF (Hindu Rights Action Force) A pivotal civil rights movement that emerged in mid 2000s to protest systematic discrimination and marginalization of Indian Malaysians. Numerous NGOs and community-based organizations have emerged to address issues such as poverty, access, and youth empowerment within the Indian Malaysian community. A new generation of Indian Malaysian politicians and activists are gaining traction, often outside traditional party structures. They focus on inclusive governance, minority rights, and interethnic solidarity. Social media platforms have become important tools for civic participation, enabling Indian Malaysians to mobilize support, raise awareness, and influence public discourse.

Indian Malaysians are increasingly visible in the legal profession, with some serving as judges, lawyers, and legal reform advocates. Malaysia's race-based political system often sidelines minority voices, making it difficult for Indian Malaysians to influence national policy. The Bumiputera policy framework limits access to education, business opportunities, and public sector jobs for non-Malay communities, including Indians. The Indian government has recognized the strategic importance of the diaspora in Malaysia, engaging them through cultural diplomacy, bilateral forums, and diaspora outreach programs like Pravasi Bhartiya Divas. Recent Diplomatic visits, such as those by the India Minister of State for External Affairs, have emphasized the diaspora's role in strengthening bilateral ties and promoting legal and institutional reforms.

5. Cultural Influence

Cultural Influence of the Indian diaspora in Malaysia beautifully complements the exploration of historical, economic, and political dimensions. Tamil is recognized as one of Malaysia's minority languages, taught in over 500 vernacular schools, which remains a vital medium for cultural transmission and identity. They have enriched the Malaysian literature through Tamil poetry, drama, and bilingual publications, often addressing themes of migration, identity, and resilience. Iconic temples like the Sri Maha Mariamman temple in Kuala Lumpur reflect the Dravidian architecture and serve as a spiritual hub. Celebrations like Thaipusam, Deepavali, and Pongal are nationally recognized and widely celebrated, involving public processions and interethnic participation. Bharatanatyam, Carnatic music, and folk dances are actively practiced and taught, and are showcased in national cultural festivals. Tamil cinema enjoys a strong following that influences the fashion, music, and youth culture across ethnic lines. Indian

cuisine, especially banana leaf meals, roti canai, and the Tarik, has become a staple of Malaysian food culture. Indian elements have blended with Malay and Chinese traditions, creating a hybrid form in food, fashion, and language. Temple and community halls reflect the South Indian design, contributing to Malaysia's architectural diversity. The Indian diaspora plays a key role in India-Malaysia Cultural diplomacy, promoting people-to-people ties through festivals, language, and so on.

6. Strategic Significance

Indian diaspora serves as a soft power asset for India, fostering goodwill and cultural affinity between the two nations. Through festivals, language preservation, and religious institutions, the diaspora enhances people-to-people ties that reinforce India's image as a pluralistic and culturally rich nation. Malaysia is a key partner in India's Act East Policy and Indo-Pacific strategy, and this strengthens this alignment by acting as a strategic community anchor in Southeast Asia. Their presence supports India's vision of a free, open, and inclusive Indo-Pacific, particularly in counterbalancing regional hegemonies. Indian Malaysians play a vital role in bilateral trade, entrepreneurship, and investment, which contributes to \$20 a trade volume between the two countries in the financial year 2023-24. Indian Malaysians contribute to India's leadership in the global south, participating in summits like Voice of the Global South and supporting multilateral initiatives such as BRICS expansion. India's outreach through Pravasi Bhartiya Divas consular services and cultural centers strengthens diaspora engagement and policy alignment.

Indian diaspora

The Indian diaspora includes persons of Indian Origin and non-resident Indians who contribute significantly to global economies, especially in Gulf countries, North America, Southeast Asia, and Africa. India engages with its diaspora through initiatives like the Overseas Citizenship of India, diaspora diplomacy, and Pravasi Bhartiya Divas. Malaysia hosts approximately 2.75 million Persons of Indian Origin, making up about 9% of the population. The majority are Tamil speaking, but there are also communities speaking Telugu, Malayalam, Punjabi, Gujarati, and Urdu. Around 225,000 Indian expatriates include IT professionals, engineers, and doctors who live and work in Malaysia.

7. Role of the Indian diaspora in Malaysia

Indian diaspora in Malaysia plays a multifaceted and enduring role in shaping the country's social, economic, political, and cultural landscape. Originating during British rule, Indian migrants were brought to Malaysia as laborers, clerks, and traders. Over time, they transitioned from plantation laborers to permanent settlers, forming one of Malaysia's most established ethnic communities. Indian Malaysians have preserved and promoted Tamil language, Hindu traditions, and festivals like Thaipusam, Deepavali, and Pongal. Indian cuisine, cinema, and classical arts are deeply woven into Malaysia's multicultural identity. The diaspora acts as a cultural and economic bridge between India and Malaysia, supporting bilateral trade, tourism, and diplomacy. Despite their contributions, Indian Malaysians face limited access to affirmative action programs, underrepresentation, and socio-economic disparities. Community resilience is evident in educational advancement, civic participation, and transnational networks.

8. Conclusion

The Indian diaspora in Malaysia embodies a compelling narrative of migration, adaptation, and transformations, and also stands as a testament to the enduring legacies of colonial migration, cultural resilience, and transnational identity. From their early roles as indentured laborers to the present-day contributions in politics, business, education, and diplomacy, Indian Malaysians have played a vital role in shaping the nation's pluralistic fabric. Their influence extends beyond national borders, serving as a cultural and economic bridge between India and Malaysia. As India deepens its engagement with Southeast Asia through initiatives like the Act East Policy, the strategic significance of the diaspora becomes even more pronounced. Recognizing and empowering this community not only strengthens bilateral ties but also reinforces the values of multiculturalism and shared heritage. Strategically Indian diaspora serves as a living bridge between India and Malaysia, reinforcing bilateral ties through trade, diplomacy, and cultural heritage. As India strengthens its act, the diaspora's role as a soft power asset becomes increasingly significant. To conclude, the Indian diaspora in Malaysia is not a passive remnant of colonial history but a dynamic force shaping the present and future of the two nations. Their story is one of continuity and change, struggle and success-a testament to the enduring power of identity, community, and transnational connection.