

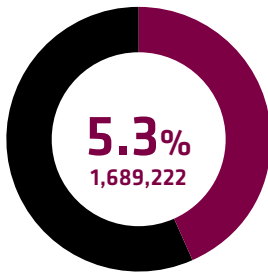


Diaspora engagement mapping MALAYSIA

Facts & figures

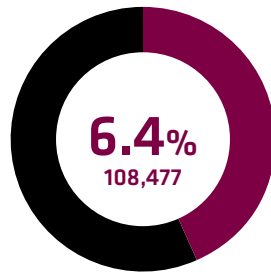
Emigration

% of emigrants in total population



♂ 43.4%
♀ 56.5%

% of which in the EU



♂ 43.6%
♀ 56.4%



Remittances as a share of GDP: **0.5%**
Remittances inflow (USD billion): **1,721**

Top countries of destination

Singapore	952,260
Bangladesh	206,244
Australia	174,136
United Kingdom	84,638
United States of America	77,647

Political rights



Dual citizenship¹



Right to vote in national elections for citizens residing abroad²



Voting from abroad:³

By postal vote



Terminology: The term 'Malaysian diaspora' refers to skilled overseas Malaysians with relevant qualifications and overseas work experience in industries and professions that are recognised by the government.⁴ The government lists these professions in their 'Critical Occupations List', with key professions in the field of finance, business services, science and technology, engineering, manufacturing, accounting and software development.⁵

Malaysia does not have a diaspora engagement policy.

1 <https://www.jpn.gov.my/en/maklumat-warganegara/permohonan-pelepasan-taraf-kewarganegaraan-di-bawah-perkara-23-perlem-bagaan-persekutuan/>

2 https://www.kln.gov.my/web/aus_perth/events/-/asset_publisher/rQz9lJfKr02h/blog/14th-general-election-postal-voting-facility-for-malaysians-abroad?inheritRedirect=false

3 Ibid.

4 https://www.researchgate.net/publication/280085147_State-led_Talent_Return_Migration_Programme_and_the_Doubly_Neglected_Malaysian_Diaspora_Whose_Diaspora_What_Citizenship_Whose_Development

5 https://www.talentcorp.com.my/clients/TalentCorp_2016_7A6571AE-D9D0-4175-B35D-99EC514F2D24/contentms/img/TalentCorp_CriticalOccupationsList_TechReport_2019-2020_Final.pdf

Overview of the policy and legislative framework



- 2010** ● **New Economic Model for Malaysia:** Under this scheme, the government aims to attract, develop and retain the human capital necessary for the country's economic development. The government aims to attract high-skilled diaspora who have emigrated and to retain those who have yet to leave.
- 2011** ▼
2015 ● **10th Malaysia Plan** emphasises the importance of nurturing, attracting and retaining top talent to develop the economy actively. It also establishes a Talent Corporation (TalentCorp Malaysia) to source talent from among the diaspora by partnering with the public and private sector to implement initiatives that attract, nurture and retain the right expertise needed to meet the demands in Malaysia. It also provides tax and permanent residency incentives to attract the diaspora. The plan recognises the importance of establishing links with the diaspora to provide additional resources for advisory roles, international business networks and assistance for Malaysian companies entering overseas markets.
- 2012** ● **Talent Roadmap 2020** maps out strategies for Malaysia to become a top 20 global talent destination in the global talent index by 2020. The roadmap mentions 'Engaging the Diaspora of Malaysians' as one of its objectives. It identifies three strategic thrusts, including optimising Malaysian talent, attracting and facilitating global talent and building networks of top talent.

» Trends

Malaysia's historical policy of a special position for ethnic Malays – through the 'Bumiputra' policy and the New Economic Policy⁶ – resulted in the emigration of Chinese and Indian Malaysians, who had limited employment opportunities in the civil service and public education institutions. Other reasons cited to play a factor in emigration include higher pay abroad, professional development opportunities, safer public transport and education for their children.⁷ This trend resulted in significant brain drain, which made the government introduce its first diaspora-related policy, targeted at talent retention, in the New Economic Model in 2010. Government-led initiatives, such as the Returning Experts Programme (REP) and launch of TalentCorp, show the emphasis that the government places on diaspora engagement, and specifically on attracting and nurturing talent from the Malaysian diaspora. TalentCorp, for example, attracts high-skilled diaspora to return by offering incentives such as an optional flat tax rate of 15% for employment income for 5 years, tax exemption for all personal items brought into Malaysia, Permanent Resident status for foreign spouses or children arriving within 6 months, and enrolment in an international school in Malaysia for foreign children or those in an international stream overseas. The corporation actively engages with overseas Malaysian students and professionals, raising awareness about employment and business opportunities in Malaysia, supporting business and training partnerships and facilitating return for those who choose to do so. It has also seen increased interest in the REP, approving 5,366 applications from 2011-2019 compared to the 840 applications approved from 2001-2010.⁸

A third of Malaysians overseas have completed tertiary education and, in 2010, 1 in 10 tertiary-level educated Malaysians migrated to an OECD country.⁹ The majority of the Malaysian diaspora found jobs in financial services, education, healthcare, wholesale and retail or tourism.¹⁰ However, there have been some changes in government thinking with former Prime Minister Mahathir Mohamad's own Council of Eminent Persons in 2018 suggesting that reforms to the affirmative action policies are necessary to bring Malaysia to

6 <https://www.lowyinstitute.org/publications/new-malaysia-four-key-challenges-near-term>

7 https://www.researchgate.net/publication/280085147_State-led_Talent_Return_Migration_Programme_and_the_Doubly_Neglected_Malaysian_Diaspora_Whose_Diaspora_What_Citizenship_Whose_Development

8 <https://www.talentcorp.com.my/>

9 https://www.researchgate.net/publication/280085147_State-led_Talent_Return_Migration_Programme_and_the_Doubly_Neglected_Malaysian_Diaspora_Whose_Diaspora_What_Citizenship_Whose_Development

10 Ibid.

the next economic level and to encourage diaspora to return.¹¹ Though the Malaysian diaspora accounts for approximately 5% of the population, remittances to the country only contribute to 0.5% of GDP. Remittance inflow to Malaysia though has increased since 2000, but it is still an outward remittance focused country.¹²

Obstacles



- **Lack of opportunities and economic prospects:** According to a survey conducted by the World Bank, some Malaysians are prompted to leave due to limited career prospects, social injustice, poor compensation safety and security, politics and liveability. Much of the diaspora is not willing to return until these issues are rectified.¹³
- **Lack of awareness of return programmes:** Many of the brain-gain programmes that aim to attract high-skilled diaspora back to Malaysia have attracted limited returnees. This is possibly due to a lack of awareness of these programmes among the diaspora which could be due to a communication gap between the government and diaspora.

SPOTLIGHT: effective practices



Brain Gain Malaysia (BGM) Programme 2006

BGM is a programme under the Ministry of Science, Technology & Innovation (MOSTI), targeted at expediting Malaysia's development into an innovation-led economy by leveraging on the talent pool of the Malaysian diaspora, using incentives such as tax concessions and other incentives. The priority clusters are bio informatics and technology, energy, climate change related technology and cybersecurity. It has attracted close to 700 successful applicants mostly in the medical and ICT fields.¹⁴

Returning Expert Programme (REP) 2015¹⁵

Run by the Ministry of Human Resources, the programme targeted the return of Malaysians with expertise in information and communication technology, microelectronics, biotechnology, advanced manufacturing, advanced materials, pharmaceuticals, and aerospace and energy. From January 2001 to February 2010, 840 out of 1455 applications were approved, of which 601 actually returned to Malaysia¹⁶. This programme was re-implemented through the TalentCorp, which approved 5,366 applications from 2011-2019. Under the Scholarship Talent Attraction and Retention programme, 6,604 scholars have served their bonds with 3,424 Malaysian employers up to 2019.¹⁷

RETURN & REINTEGRATION;
HUMAN CAPITAL

RETURN & REINTEGRATION;
HUMAN CAPITAL

11 <https://asia.nikkei.com/Politics/Malaysia-in-transition/Mahathir-advisers-propose-review-of-Malay-privileges-to-spur-economy>; <https://www.lowyinstitute.org/publications/new-malaysia-four-key-challenges-near-term>

12 <https://jibe.uitm.edu.my/images/june2018/Fauzianafull.pdf>

13 https://www.researchgate.net/publication/265729584_Return_Intentions_of_Malaysia's_Diaspora_The_Push_and_Pull_Factors

14 https://www.kln.gov.my/web/fin_helsinki/news-from-mission/-/blogs/brain-gain-malaysia-bgm

15 https://www.researchgate.net/publication/265729584_Return_Intentions_of_Malaysia's_Diaspora_The_Push_and_Pull_Factors

16 https://www.researchgate.net/publication/280085147_State-led_Talent_Return_Migration_Programme_and_the_Doubly_Neglected_Malaysian_Diaspora_Whose_Diaspora_What_Citizenship_Whose_Development

17 <https://www.talentcorp.com.my/>; <https://www.talentcorp.com.my/resources/press-releases/prime-minister-of-malaysia-announces-revised-returning-expert-programme>

Annex:

List of Actors

Diaspora related institutions

- **National institutions**
 - At ministerial level

Ministry of Human Resources 1957

The ministry is responsible for skills development, labour, occupational safety and health, trade unions, labour market information and analysis and social security.

Ministry of Science, Technology and Innovation (MOSTI) 2004

MOSTI focuses on ICT, multimedia and innovation, science and technology and research and development. It played a key role in the Scheme for Appointment of Overseas Malaysian and Foreign Scientists.

National Economic Advisory Council 1971

The council embraces key themes of high-skilled human capital, efficient public services, reinvigorated private sector and equal opportunities for all Malaysians. It was the institution that published the New Economic Model for Malaysia policy.

- At sub-ministerial level

TalentCorp Malaysia 2011

This government agency falls under the Ministry of Human Resources (MOHR). It works to attract, nurtures and retain the right talent to enable Malaysia to grow. The agency shapes, influences and aligns policies, and develops demand-driven initiatives, such as the critical occupations list to guide Malaysia's talent policies. It also partners with the public and private sector to implement initiatives that attract, nurture and retain the right expertise needed to meet the talent demands of today and in the future.

Diaspora organisations in Europe



Islamic Medical Association Malaysia (IMAM) UK 2002

- ☑ **Development activities**
- ☑ **Integration activities**

IMAM aims to provide a common platform to tackle various issues regarding the promotion of Islamic fiqh in medical practice and other duties as medical practitioners. It has raised funds for disaster relief in the Islamic world.

Norway Malaysia Association Norway 1990

☑ Integration activities

The association's key activities include providing a forum for members to meet and exchange ideas and discuss matters of mutual interest, periodic dissemination of information relating to opportunities for trade, commerce and investment in Malaysia, and provision of services to members intending to visit Malaysia for business purposes using the association's contacts.

The British Malaysian Society UK 1980

☑ Development activities

The British Malaysian Society aims to encourage productive links between those involved in cultural and educational activities in Malaysia and the United Kingdom. It organises a book project to transfer reading books from UK to primary schools in rural parts of Malaysia. It also has a joint academic scholarship for a two-year master's programme in London for a qualifying Malaysian student.

The Malaysian Accounting and Finance Society (MACFIS) UK

☑ Integration activities

MACFIS is dedicated to fostering formal and informal ties between Malaysian professional and corporate bodies and Malaysian students currently enrolled in UK institutions of higher learning.

The United Kingdom and Eire (Ireland) Council for Malaysian Students (UKEC) UK 1995

☑ Integration activities

UKEC is the umbrella body and national coalition of all Malaysian student societies across Britain and Ireland. The council serves as a common platform of interaction for Malaysian students across the region, at both undergraduate and post-graduate levels. UKEC has a charity and volunteering branch, UKECares.

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