Historical Legacy: Diversity and Views on Immigration in Peninsular Malaysia

(Warisan Sejarah: Kepelbagaian Etnik dan Persepsi Mengenai Imigresen di Semenanjung Malaysia)

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ABSTRACT

More persons enter Malaysia than leave. This makes Malaysia an ideal study site of the contact hypothesis, which theorizes that intergroup contact promotes positive and tolerant attitudes between groups. We test this hypothesis by investigating whether diversity influences views on immigration. A major concern is the endogeneity of diversity, which introduces bias. To address this, we capitalize on historical events from the mid-19th to early-20th centuries that led to an influx of Chinese and Indian labourers, increasing ethnic diversity in selected states only as the location of labourers is highly centralized based on state planning. Using historical records and wave 7 of the World Values Survey (WVS), we regress contemporaneous views on immigration against diversity in 1911. WVS respondents in states with historically higher diversity are more accepting of immigrants.

Keywords: contact theory; diversity; history; migration

ABSTRAK

Lebih ramai masuk Malaysia daripada keluar. Ini menjadikan Malaysia sesuai untuk kajian contact theory, yang menyatakan bahawa pertemuan dan hubungan antara kumpulan berbeza menggalakkan persepsi positif dan sikap tolak ansur terhadap kumpulan lain. Kami uji kaji hipotesis ini, menyiasat sama ada kepelbagaian etnik mempengaruhi pandangan tentang warga asing. Kepelbagaian etnik ialah pemboleh ubah endogen, yang memperkenalkan isu bias di mana dapatan kajian dipenuhi prasangka. Untuk menangani ini, kami rujuk kemasukan buruh Cina dan India dari pertengahan abad ke-19 hingga awal abad ke-20 sebagai peristiwa eksogen. Memandangkan pengambilan pekerja mengikut perancangan negeri, kemasukan buruh meningkatkan kepelbagaian etnik di beberapa negeri sahaja. Menggunakan data arkib dan gelombang 7 World Values Survey (WVS), kami melaksanakan regresi pandangan tentang imigresen pada kepelbagaian etnik tahun 1911. Responden WVS di negeri yang mempunyai lebih banyak kepelbagaian etnik pada tahun 1911 lebih cenderung untuk terima baik kemasukan warga asing.

Kata kunci: contact theory; kepelbagaian etnik; sejarah; penghijrahan
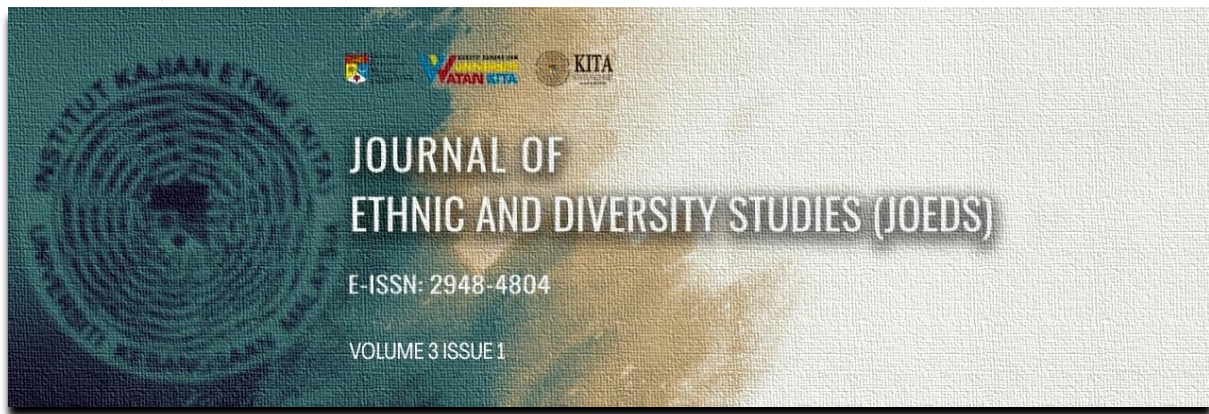
INTRODUCTION

Malaysia is a net receiver of migrants. Thus, to foster social harmony, it is imperative to understand the factors that contribute to tolerance, if not acceptance, of migrants. This brief research note examines one potential factor: the ethnic composition of society. The contact hypothesis posits that intergroup contact may increase tolerance toward individuals from different backgrounds. Such contact has the potential to alleviate tensions under favorable conditions, namely, equal status between groups, shared objectives, engagement in a cooperative environment, and interactions under supervision (Pettigrew, 1998).

Empirically, it is not easy to distinguish a causal effect of diversity because of endogenous sorting. Simply regressing our outcome of interest against diversity is flawed because some populations choose to live in communities that hold similar views. Instead, we need an exogenous change that explains differences in diversity. This is possible in randomized control trials, as in Boisjoly et al. (2006). The investigators randomly assigned roommates to estimate the impact of mixing with members of other ethnic groups. Others use policies that caused exogenous changes to diversity, such as the resettlement Transmigration program in Indonesia, which led to the relocations of two million ethnically diverse Indonesians (Bazzi et al., 2019). For our study, we refer to the colonial history of Peninsular Malaysia.

The population of Peninsular Malaysia before 1850 consisted largely of natives of the archipelago (Dodge, 1980). Upon the discovery of tin, the development of rubber plantations, and the establishment of British colonialism in the mid to late-19th century, labour demand spiked, resulting in a massive influx of migrants from China, India, Java, and Sumatra (Sagoo, 2006). The entrants of labourers were globally monumental as the immigration rate (immigrants per 1,000 population) of Peninsular Malaysia and Singapore was the highest in the world from 1881 to 1939, ten times higher than the United States (Huff & Caggiano, 2007; Reid, 2010). Consequently, the ethnic composition of the population changed, as exemplified in P Pinang. In the 1830s, 68 percent of the population were Malays and other Bumiputera[1]. By 1911, this share dropped to 41 percent (Table 1).

TABLE 1. Share of Malays and Aborigines in Malacca, Pahang, and Penang, 1830s and 1911

State	1830s (%)	1911 (%)	Percentage point change
Melaka	67	63	-4
Pahang	70	73	3
P Pinang	68	41	-27

Note: Author's calculations of data from Dodge (1980)

[1] The term Dodge (1980) uses is Malays and Aborigines/Malaysians.
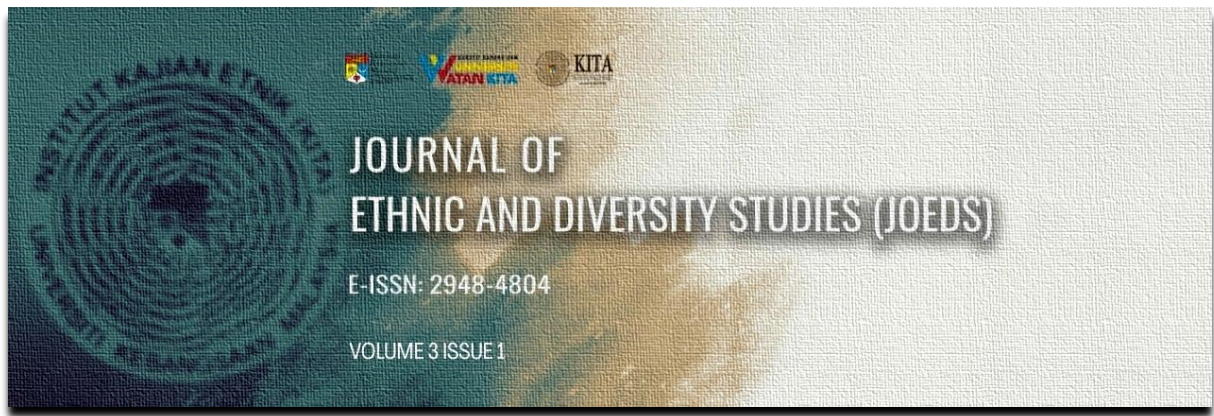
This migration wave contributed to differences in diversity by state. Unlike P Pinang, Melaka and Pahang experienced less drastic changes (Table 1). The varying degrees of change likely reflect the accompanying labour demands, with Indian and Chinese employment in the rubber and tin industries concentrated in the western part of the peninsular (Chitose, 2001; Kaur, 2012).

Remarkably, this has been a mainstay in the diversity of states in Peninsular Malaysia ever since. To show this, we first introduce the fractionalisation index (F). F in a state corresponds to:

$$(1) \quad F = 1 - \sum_{j=1}^{J} p_j^2,$$

where ethnic group is indexed by j = 1, … , J and p_j is the ethnic group j's population share in the state. F measures the probability that two individuals, randomly selected from a state, belong to different ethnic groups. With many small groups, F increases. Table 2 shows the value of F by state in 1911 and 2020. Over more than 100 years, the likelihood that two people taken randomly in the same state are of different ethnic groups have remained stable.

TABLE 2. Fractionalisation index by state, 1911 and 2020

	1911	2020	Change
Perlis	0.18	0.21	0.03
Johor	0.51	0.53	0.02
Kedah	0.33	0.34	0.01
Terengganu	0.06	0.05	-0.01
Kelantan	0.12	0.07	-0.05
P Pinang	0.64	0.59	-0.05
N Sembilan	0.59	0.53	-0.06
Selangor	0.62	0.56	-0.07
Melaka	0.51	0.43	-0.08
Perak	0.62	0.54	-0.08
Pahang	0.42	0.32	-0.10

Note: Author's calculations of data from EHM (n.d.)

The fact that some states received more migrants may have lasting effects on their current openness to welcoming immigration for various reasons. The normalisation of immigration can be passed down through generations within families or through local norms (Homola et al., 2020). Some individuals in the population might have been descendants of immigrants, making them less likely to condemn immigration (McLaren et al., 2021). The associated economic and social benefits of immigration may also be more apparent. Populations in less diverse states may not be familiar with different groups or the advantages of immigration.
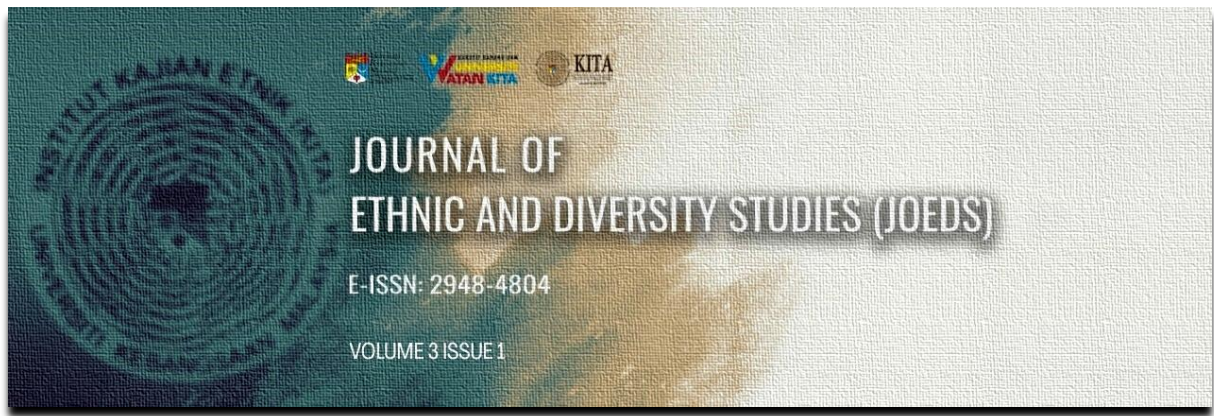
We test the hypothesis that more diversity in the state led to more positive views on immigration today. Our results should be viewed as reduced-form estimates at most without identifying the direct mechanism, which can be multiple as explained in the previous paragraph. The intuition of our findings can be summarized as below:

State diversity in 1911 → Unidentified mechanism → Views on immigration in 2018

DATA AND METHODOLOGY

Our data is from the 2018 World Values Survey (WVS), which we restrict to respondents in Peninsular Malaysia (Haerpfer et al., 2020). WVS is a nationally representative survey that collects views of respondents on a myriad of topics, including immigration. Our outcomes will be the share of respondents who agree to the following statements:

1. The government should place strict limits on the number of foreigners who can come here to work or prohibit foreigners from coming here to work.
2. The impact of immigrants on the development of Malaysia is rather bad or quite bad.
3. Immigrants fill useful jobs in the workforce.
4. Immigrants increase unemployment.
5. Immigrants increase the crime rate.
6. Immigrants increase the risks of terrorism.
7. Immigrants lead to social conflict.
8. Immigrants strengthen cultural diversity.

We use the 1911 population estimates by ethnicity and state collated by Dodge (1980) and calculate diversity as defined in equation (1)[2]. Figure 1 displays differences in F by state.

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[2] We use data from Dodge (1980) instead of EHM (n.d.) as Dodge (1980) separates data for Malays and other Bumiputera.
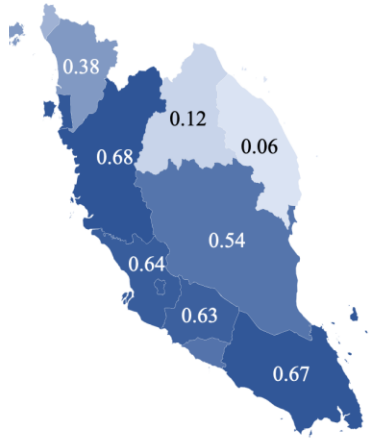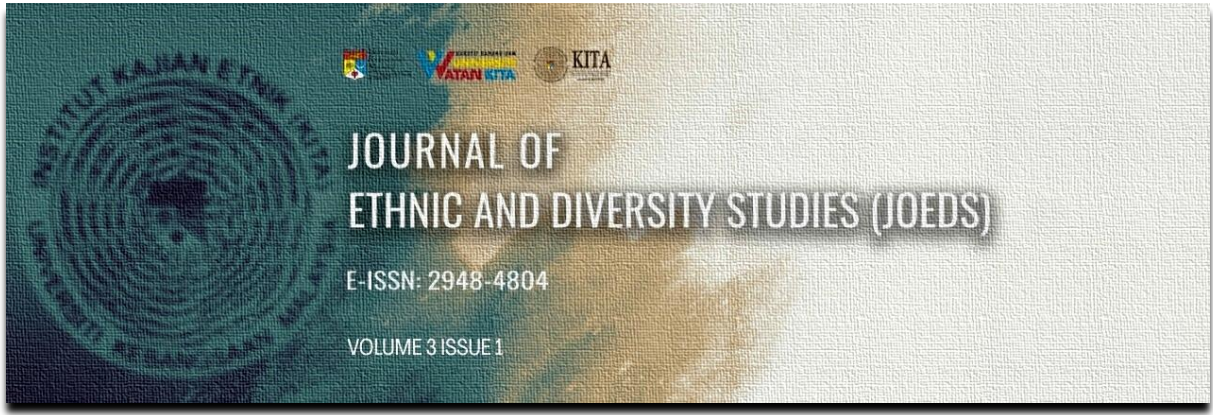
FIGURE 1. Diversity (fractionalisation index) by state, 1911
Note: Author's calculations of data from Dodge (1980)

We regress outcomes on F using the following ordinary-least squares regression:

$$(2) \qquad y_{is} = \alpha + \beta_1 \times F_s + X_s^H \alpha_1 + X_{is}^C \alpha_2 + \varepsilon_{is},$$

y_{is} equals 1 if respondent i in state s agrees to statement on immigration. F_s measures diversity for state s in 1911.

X_s^H is a vector of historic state characteristics that correlate with diversity in 1911. Labourers were not free to move but were allocated in a centralized manner as a function of labour needs. We rely on the quasi-random nature of this centralized process for identification. Since labour movements are dictated by state planning, we control for the three state groupings conferred by the British: the Straits Settlements (Singapore, Melaka, and P Pinang), the Federated Malay States (FMS) (Perak, Pahang, Selangor, and N Sembilan), and the Unfederated Malay States (UMS) (Perlis, Kedah, Kelantan, Terengganu, and Johor). The three groups, while under the protectorate of the British, were under different administration systems (Mujani & Sulaiman, 2016). In Figure 1, states under direct control of the British, namely the Straits Settlements and the FMS, have higher diversity. We also control the distance to colonial ports Melaka, P Pinang, and Singapore, as these are entryways for migrants (Brunero, 2021). Google Maps was used to derive the shortest travel distance between states[3]. The presence of migrants is much higher in port cities and declines as we move away from these cities. Johor illustrates the significance of including this variable, as its close proximity to Singapore probably increased diversity despite being a UMS state.

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[3] Data was recorded on 30 March 2024.
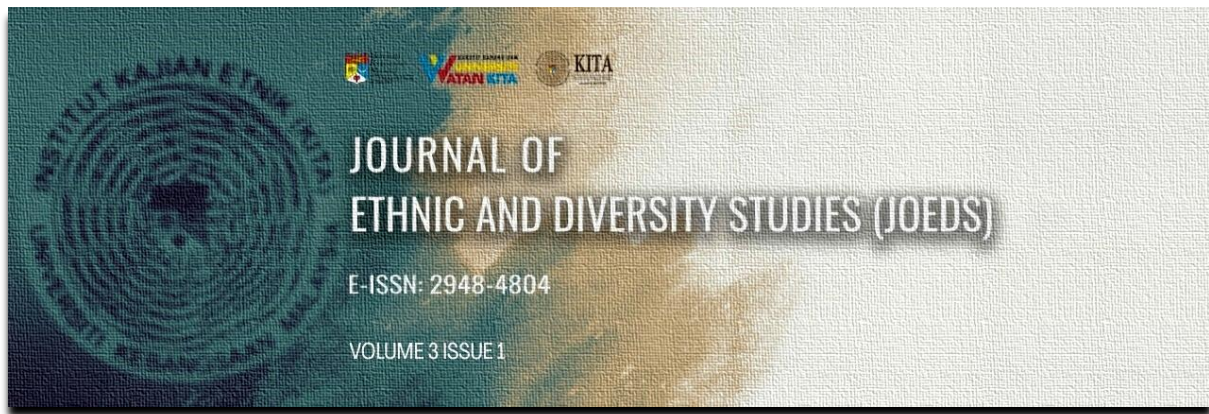
X_{is}^{C} is a vector of contemporary state and individual controls that may influence the acceptance of immigrants, including the share of noncitizens in the state[4], population density, urban dummy, age, sex, ethnicity, religion, immigrant status, education, occupation, and income group.

RESULTS

Respondents in historically diverse areas are less likely to agree with restricting the entry of migrant workers (Table 3). The effect size is substantial: a 0.1 unit increase in F decreases the probability that a respondent agrees with placing strict limits by 5.5 percentage points, about 7 percent of the mean. A 0.1 unit increase is akin to moving from Pahang (F = 0.54) to Selangor (F = 0.64). They are also less likely to have negative views on immigrants, such as that immigrants negatively impact the development of Malaysia, and more likely to have positive views, such as that immigrants fill useful jobs.

TABLE 3. Impact of Diversity in 1911 on Immigration Views in 2018

	Fractionalisation index		Mean	Observations
	(1)	(2)	(3)	(4)
Place strict limits or prohibit foreigners from coming here to work	-0.51*** (0.05)	-0.55*** (0.17)	0.81	1,036
Would not like to have immigrants/foreign workers as neighbours	-0.20 (0.13)	-0.19 (0.18)	0.52	1,036
The impact of immigrants on development is bad	-0.41*** (0.10)	-0.37 (0.27)	0.48	1,036
Immigrants fill useful jobs	0.27*** (0.07)	0.32* (0.16)	0.38	1,036
When jobs are scarce, employers should give priority to people of this country over immigrants	-0.08 (0.10)	-0.39** (0.15)	0.89	1,036
Immigrants increase unemployment	-0.45*** (0.13)	-0.51* (0.26)	0.54	1,036
Immigrants increase crime	-0.25*** (0.08)	-0.53*** (0.14)	0.61	1,036
Immigrants increase terrorism	-0.63*** (0.09)	-0.67*** (0.19)	0.55	1,036

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[4] Data is from DOS (2020) with the author's calculations.
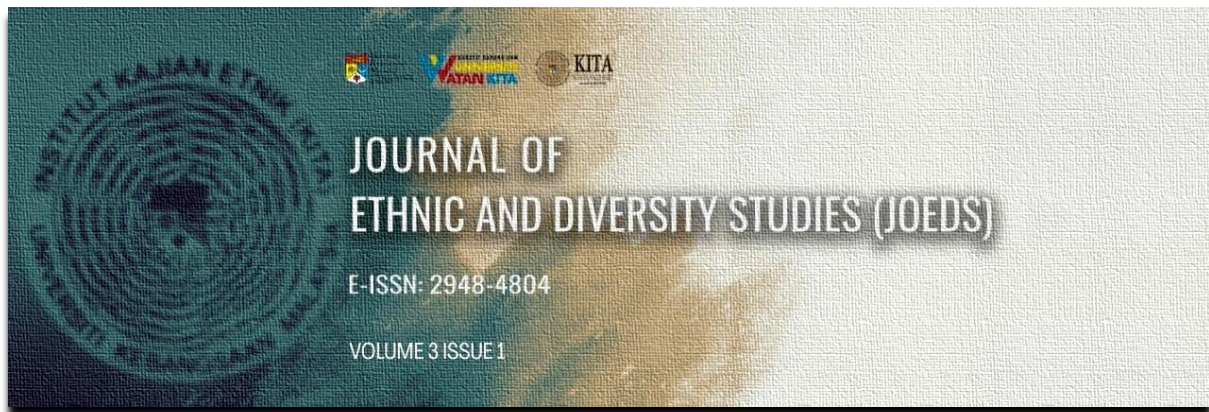
Immigrants lead to conflict	-0.30* (0.15)	-0.43* (0.24)	0.60	1,036
Immigrants strengthen diversity	0.27* (0.14)	0.42* (0.21)	0.31	1,036
Historical state-level controls	Yes	Yes		
Contemporary individual-level controls	No	Yes		

Note: Standard errors clustered at the state level.

*** Significant at the 1 percent level. ** Significant at the 5 percent level. * Significant at the 10 percent level.

CONCLUSION

This short note is motivated by research whose overarching theme is that historical legacies persistently affect contemporary outcomes (Acemoglu et al., 2001; Baranov et al., 2020; Homola et al., 2020; Lowes & Montero, 2021; Michalopoulos & Papaioannou, 2016; Nunn & Wantchekon, 2011). It provides suggestive evidence that diversity is a potential factor in promoting positive perceptions of outgroups in Peninsular Malaysia by utilizing a historical phenomenon—the entry of migrant labourers starting in the 19th century.

Our preliminary estimates should not be taken as a direct explanation for the acceptance of migrants, as mechanisms can be plentiful and were not specifically identified. Researchers can further clarify pathways that influence this relationship through econometric frameworks, such as the two-stage least squares method. More data on historical economic, ecological, and social environments that influence diversity can further improve the research design.

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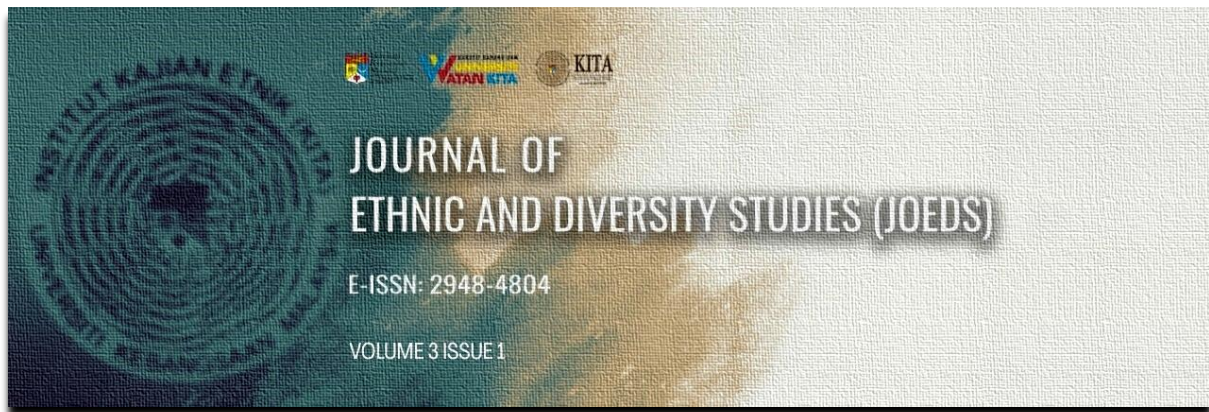
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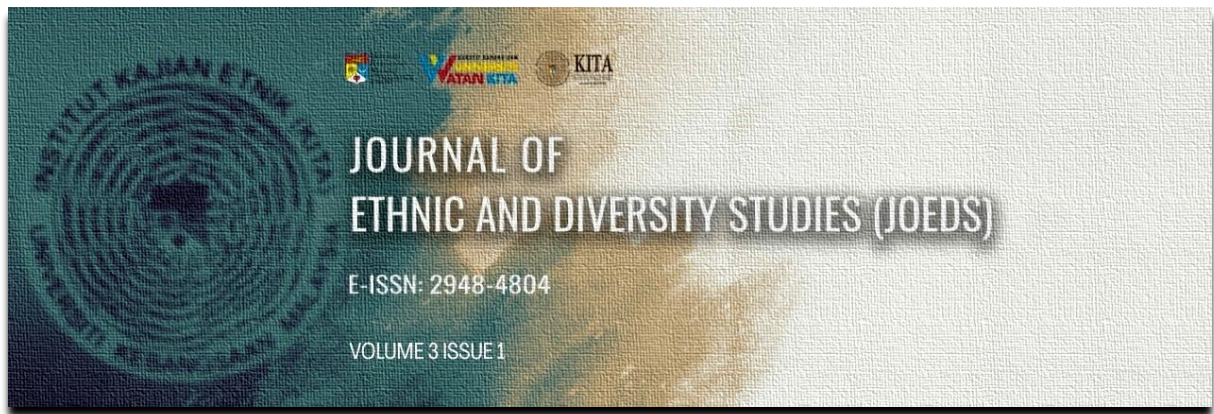
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