Abstract
This paper examines affirmative action in two majority-favouring regimes. Malaysia’s highly centralized and discretionary program contrasts South Africa’s more democratized, decentralized and statutory structure. In terms of affirmative action outcomes, both countries have made quantitative gains in increasing representation of Bumiputeras in Malaysia and blacks in South Africa, in tertiary education and high-level occupations. However, evidence also points to continuing, primarily qualitative, shortfalls, in terms of graduate capability, dependence on public sector employment, and persistent difficulty in cultivating private enterprise. Our results underscore the importance of effectively implementing affirmative action in education, while exercising restraint in employment and enterprise development.

Keywords
Affirmative action, education, employment, Malaysia, South Africa
INTRODUCTION

Malaysia and post-apartheid South Africa stand out as upper-middle income countries implementing extensive affirmative action in favour of a politically dominant and economically disadvantaged majority ethnic group (Table 1). Colonial and Apartheid legacies of exclusion, discrimination and repression entrenched systemic and reproducing forms of disadvantage, resulting in severe group under-representation in socially esteemed and economically influential positions. Specifically, the under-representation of Bumiputeras in Malaysia and blacks in South Africa in tertiary education and high-level occupations, as well as asset ownership, have compelled extensive state action to redress these disparities through preferential policies. In the wake of ethnic unrest in 1969 in Malaysia, and in the face of uncertainty in South Africa’s mid-1990s transition from Apartheid to democracy, both countries expanded or introduced a wide range of ethnicity-based affirmative action programs, forming an integral part of national development agendas and policies.

This paper provides an overview of affirmative action and analysis of policy outcomes, focusing on interventions in education and employment. Malaysia and South Africa have both implemented preferential programs – with contrasting structures and mechanisms – to raise beneficiary group participation in tertiary education and high level occupations, chiefly, professional and managerial positions. The bulk of this study conducts empirical analyses, drawing on a range of national survey data and supplementary sources, and focusing on the primary policy objective of increasing group representation in targeted areas, as well as some other outcomes and costs associated with affirmative action, especially those involving qualitative effects of preferential selection.

A note on group categorizations is in order. In both countries, affirmative action beneficiaries belong to aggregated categories comprising sub-groups. Bumiputera, meaning ‘sons of the soil’, encompasses Malays and indigenous populations of Malaysia, i.e. non-Malay Bumiputeras. Following South African convention, the term ‘black’ is used in this paper to refer to African, Coloured and Indian. The demographic majority and political preeminence of Malays in Malaysia and Africans in South Africa lend to these categories sometimes being used, instead of Bumiputera and black. This paper will apply the terms
Malay and African when such empirical is warranted, or when the political primacy of these groups is relevant to our consideration.

**Table 1.** Malaysia and South Africa: Ethnic composition and national income

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<tr>
<td>Bumiputera</td>
<td>67.4</td>
<td>91.1</td>
</tr>
<tr>
<td>Malay</td>
<td>53.9</td>
<td>African</td>
</tr>
<tr>
<td>Non-Malay</td>
<td>11.6</td>
<td>Coloured</td>
</tr>
<tr>
<td>Chinese</td>
<td>24.6</td>
<td>Indian</td>
</tr>
<tr>
<td>Indian</td>
<td>7.3</td>
<td>White</td>
</tr>
<tr>
<td>Other</td>
<td>0.7</td>
<td>Other</td>
</tr>
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<tr>
<th>Gross National Income per capita (2011)*</th>
<th>Malaysia</th>
<th>South Africa</th>
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<tr>
<td>US$6,344</td>
<td>US$5,781</td>
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This paper proceeds with the following segments. The next section discusses some background issues, covering conceptual literature and existing research works on Malaysia and South Africa. Next, I survey affirmative action programs and legislation, drawing out notable contrasts. This flows into a presentation and discussion of empirical evidence of affirmative action outcomes, as individual cases and in comparative perspective. On the whole, I find that both countries have raised beneficiary group representation in tertiary education and high level occupations, but have fallen short in quality and breadth of graduates and penetration to the private sector, especially in management. Shortcomings in educational attainment constrain the capacity for Malaysia and South Africa, respectively, to raise Bumiputera and black upward occupational mobility. We conclude with consideration of policy implications, focusing on the need for affirmative action to be made more effective in education and for more tempered, restrained implementation of the policy in the spheres of employment and private enterprise.
BACKGROUND

Conceptual and methodological considerations

Affirmative action can be defined as preferential policies to redress the under-representation of a disadvantaged population group in socially esteemed and economically influential positions (Weisskopf, 2004; ILO, 2007; Fryer and Loury, 2005). These policies address a specific problem: under-representation of a population group – categorized by race, ethnicity, gender, disability, region, and so on – in socio-economic positions that affect the collective esteem and stature of the group. A group that is conspicuously and persistently absent among university students, doctors, lawyers, engineers, managers, and so on, may be perceived or stereotyped negatively, discouraged from gaining upward mobility, and continually excluded over the long term. This situation is further characterized by various disadvantages that members of the group on average may face – inferior schooling, shortage of work experience, and lack of capital ownership or access to credit – and compounded by entry barriers to these positions – university entry grades, higher education qualifications for professional jobs, work experience and network connections for managerial positions.

Focusing on these specific problems and obstacles clarifies the instrumental role of preferential treatment. Affirmative action rests on a premise that conventional criteria of need or merit will not sufficiently facilitate upward educational and occupational mobility or capital ownership, because persons of a disadvantaged group will largely not qualify for positions targeted by affirmative action unless conferred some degree of preference based on their identity with that group. At the same time, because affirmative action grants preference based on identity, it is imperative that such policies be productive, effective and transitory. Undeniably, the policy is contentious and entails both benefits and costs to economy and society. This theoretical debate is inconclusive, underscoring the importance of empirical enquiry (Fryer and Loury, 2005). The breadth of affirmative action programs, and the importance of evaluating both quantitative and qualitative outcomes, demands a multidimensional approach and wide range of empirical observations.

Empirical analysis derives from two principal considerations. First, we focus on the primary objectives and target groups of affirmative action in education and employment, and the corresponding implications of preferential selection. We evaluate groups specifically
targeted as affirmative action beneficiaries, examining quantitative outcomes principally with reference to participation in tertiary education and occupational representation, supplemented by qualitative evidence to shed light on the efficacy and sustainability of policies. As explained above, representation of disadvantaged groups in specific positions and strata constitutes the policy’s principal objective. Hence, this paper maps out the ethnic composition of university enrollment data, labour force educational attainment, and occupational categories. To these main empirical references we add data that capture more qualitative implications, especially university graduates’ capability and labour market mobility, and the public/private sectoral distribution of affirmative action-targeted occupations.

A second consideration pertains to data availability. This study strives to compile and evaluate empirical evidence of affirmative action outcomes of Malaysia and South Africa in comparative perspective. Labour force surveys and censuses furnish data for observing the principal outcomes of interest – group representation in tertiary education and high level occupations – although raw data are far more accessible for South Africa than Malaysia. In the Malaysian case, we compile statistics reported in or derived from official publications that summarize national surveys. In stark contrast, the national survey data are freely and fully accessible for South Africa, and the findings are originally generated for this study. On the whole, these quantitative sources and supplementary qualitative data suffice for policy evaluation. However, data limitations preclude consideration of an important ramification of affirmative action for both countries: inter-ethnic earnings disparities within educational or occupational groups. Requisite data are not available for Malaysia, although such findings can be computed from South Africa’s Labour Force Surveys1.

**Empirical studies of affirmative action in Malaysia and South Africa**

The literature examining the primary objectives of affirmative action is not as extensive as one might expect, given the breadth and intensity of the policy in Malaysia and South Africa. Most research on inequality in both countries focuses on general aspects, especially household income and personal earnings disparities, and situates analyses within the broader framework of development policy and not necessarily a specific and systematic
conceptualization of affirmative action. Although studies of inequality in these countries invariably connect income inequalities with affirmative action, the causal links are relatively distanced compared to the socioeconomic outcomes primarily targeted by affirmative action—group representation in tertiary education, high-level employment, and ownership and control over assets.

Literature on Malaysia pertinent to affirmative action often locates ethnic preferential policies in the context of national development policies, especially the New Economic Policy, which from 1971 have pursued a full range of objectives, including poverty alleviation, economic growth, industrialization, and Bumiputera advancement. Affirmative action thus tends to appear in the background, or is drawn into the discourse as one of many explanatory factors of development outcomes. A number of studies have outlined educational and occupational attainments of ethnic groups over time, although the research output is sparse, partly due to official data restrictions. Much of the work addresses the pre-1990s era and does not substantively account for variation in education quality or labour market competitiveness (Jomo, 2004; Leete, 2007; Jamaludin, 2003; Faaland, Parkinson and Rais, 1990). Progress since the 1990s has been studied less vigorously, even though some shortcomings in Bumiputera economic participation persist, particularly with regard to difficulties among graduates in labour market engagement, continual dependence on public sector employment of professionals and administrators, and under-representation in management and private enterprise (Lee, 2005). It is also quite common for research to commend Malaysia’s achievements in promoting Bumiputera educational and occupational advancement, while highlighting shortcomings raising Bumiputera equity ownership (Chakravarty and Abdul-Hakim, 2005; Yusof, 2012). Such appraisals, however, tend to overlook shortfalls or regression in quality of education and labour market mobility of affirmative action beneficiaries, which are among this study’s main findings.

South Africa has maintained freer access to information, which has fostered productive research on inequality. However, the bulk of relevant literature focuses on household income or personal earnings, and deduces affirmative action outcomes and implications from income or earnings inequality, which are influenced by myriad other factors and policies, including economic structural change, labour market conditions, and general socioeconomic
development (Seekings and Natrass, 2005; Allanson, Atkins and Hinks, 2002; Burger and Jafta, 2012). There is a tendency to equate affirmative action with employment equity in the labour market, while giving less attention to preferential programs in tertiary education as part of a broader framework of affirmative action. This study aims to fill the gaps through focusing on the primary objectives and outcomes of affirmative action, encompassing both the educational and occupational spheres.

There is also a paucity of comparative empirical work on these countries. Malaysia and South Africa were subjects of some comparative study in the early to mid-1990s, mostly with a view to discern whether South Africa could draw lessons from Malaysia on development and redistribution programs, including affirmative action (Emsley, 1996; Hart, 1994; Southall, 1997). However, those studies preceded South Africa’s implementation of post-apartheid majority-favouring affirmative action, and comparative work on these two countries has been scant since South Africa’s affirmative action laws and programs began to take shape. Malaysia’s four decades of extensive affirmative action – since 1971 – provide a substantive track record of achievements and shortfalls. By now affirmative action in South Africa has proceeded for nearly one decade and a half, long enough for progress to be evaluated. Its affirmative action programs, especially employment equity and black economic empowerment, are constantly embroiled in contemporary debate.

**AFFIRMATIVE ACTION REGIMES**

While affirmative action in Malaysia and South Africa are majority-favouring and extensive in scope and scale, policy objectives are pursued through substantially contrasting frameworks and programs. At this juncture, it is pertinent to note two contrasts in the countries’ political economic conditions that set certain constraints on affirmative action, and on the role of the state more generally. First, mainstream development thinking at the time Malaysia’s New Economic Policy was introduced was more receptive to state intervention compared to South Africa during its transition to democracy. Malaysia in the early 1970s was able to take an expansionary stance and massively enlarge state-led development programs, including affirmative action, to a greater degree than South Africa in the mid-1990s, where a neoliberal regime and contractionary policies took hold. Second, in terms of
the overarching policy agenda, Malaysia pursued extensive poverty alleviation and social spending alongside affirmative action, while in South Africa, the social development agenda was not as cohesively integrated with affirmative action. Social development programs and expenditures in Malaysia facilitated Bumiputera entry into higher education and high-level occupations in Malaysia, toward the subsequent formation of a Bumiputera middle class. However, black upward mobility in South Africa has been circumscribed by deficits in basic social provisioning, particularly education and skills development.

This section proceeds to briefly outline operational aspects of affirmative action, drawing out notable comparisons, especially in terms of degree of centralization, scope of intervention, and the relative application of discretionary authority and statutory mandates (summarized in Table 2).

**Tertiary education**

Malaysia has maintained a centralized administration of affirmative action in tertiary education and, to a lesser extent, in secondary education. The main instruments encompass quotas in public university admissions and government scholarships, and Bumiputera-exclusive institutes and scholarships. University admissions and public service scholarships are centrally administered and have generally applied ethnic quotas. MARA (Majlis Amanah Rakyat, or “Council of Trust for the People”) residential colleges and matriculation colleges offer parallel, alternate – and easier – routes to degree-level education, while MARA scholarships have funded degree-level enrollment for Bumiputera students, with the top scholars sent abroad. Places in University Teknologi MARA (UiTM), which in 2009 enrolled 140,000 out of a total 590,000 in the public university system, are reserved exclusively for Malay and Bumiputera students.

South Africa has adopted a more decentralized framework and implemented affirmative action programs only at the tertiary level. Through the democratic transition, universities had their autonomy preserved and were mandated to pursue broadly defined redress or transformation agendas. Having inherited vast inequality between historically white or historically advantaged institutes (HAI) versus historically black or historically disadvantaged institutes (HDI), weightage was placed on increasing black representation in
HAIs and on narrowing disparities between HAIs and HDIs. Preferential selection into universities, especially the HAIs, operates in rather disparate ways, which is partly by design, since each institution is entrusted to formulate its own admissions policy (Badat, 2012). The application of affirmative action in universities began to be more expressly noted in the late-2000s, saliently in the context of comparative studies vis-à-vis the United States (Featherman, Hall and Krislov, 2010; Nussbaum and Hasan, 2012). Perhaps as a result of the general omission of education as a component of South Africa’s affirmative action interventions, little cross-country attention has been paid to preferential policies in education. Van der Westhuizen (2002), a rare exception, describes Malaysia’s enrolment quotas as “far more discriminatory” (p. 45) than corresponding programs in post-Apartheid South Africa. Expansion of affirmative action in higher education in Malaysia also coincided with a shift from English to Malay as the medium of instruction, whereas English language has been emphasized in South Africa. Thus, assertion of native language played a role in facilitating entry from schooling to university in Malaysia, while South Africa’s experience has been quite the converse.

**High level occupations**

The measures Malaysia adopted to increase Bumiputera representation in managerial, professional and technical positions are relatively narrow in scope, and implemented through a less formalized and codified process. The NEP set the ethnic composition of the population as a guideline for group representation in employment at all levels and in all sectors. The public sector has abided by de facto hiring and promotion quotas or ethnic preference norms, and has desisted from instituting mechanisms for monitoring or inducing equitable group representation within government departments. There is no broad private sector and cross-industry program along the lines of employment equity legislation, although some sectors appear to have adopted ad hoc targets for increasing Bumiputera representation in management.

In marked contrast, South Africa passed the Employment Equity Act (EEA) in 1998 requiring medium- and large-scale firms to regularly submit reports on their workforce composition, and in consultation with workers, to set targets for increasing the proportion of
previously disadvantaged individuals – blacks, women and disabled persons – where they are under-represented, principally in professional and managerial positions. The legislation, backed by monitoring mechanisms and punitive consequences for non-compliance, covers all industries and encompasses private and public sectors, forming the bedrock of affirmative action in the labour market. South Africa adopts as a baseline that the ethnic and gender composition of organizations should reflect the economically active population. Black economic empowerment (BEE) sets out a framework for scoring firm performance in advancing black interests across a range of criteria, including ownership, executive representation, employment equity and skills development. Firms’ scores are factored into public procurement and licensing decisions. This program supplements employment equity by providing some inducement for firms to increase their efforts in hiring and promoting disadvantaged persons through leveraging state funds and licenses.

Affirmative action to promote beneficiary group representation in management – with a focus on commercial organizations instead of public administration – entailed specific policies to overcome the distinctly steep barriers to enter such positions. Malaysia’s passage towards cultivating a Bumiputera Commercial and Industrial Community (BCIC) followed a meandering, experimental and heavily state-led path, from emphasis on state-owned enterprises (SOEs) and takeover of foreign-owned companies (1970s to early 1980s), to heavy industries (early to mid-1980s) to massive privatization of SOEs (late-1980s to 1990s). The aftermath of the 1997-98 financial crisis saw the renationalization of previously privatized entities from the late 1990s and their reconstitution as government-linked companies, or government majority-held corporations. Government procurement and licensing have also been structured around affirmative action objectives in managerial and enterprise development, through exclusion of non-Bumiputera in allocation of small contracts and handicaps to Bumiputera bidders in medium to large contracts, and requirement of Bumiputera business partners in awarding licenses.
Table 2. Malaysia and South Africa: Affirmative action programs and notable features

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<tr>
<th>Area</th>
<th>Malaysia</th>
<th>South Africa</th>
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<tr>
<td>Tertiary education</td>
<td>• Ethnic quotas in public tertiary institutions; creation of Bumiputera-exclusive institutions and scholarships&lt;br&gt;• Centralized administration&lt;br&gt;• Parallel, easier routes to university for Bumiputera students</td>
<td>• Redress programs within and between institutions&lt;br&gt;• Institutional autonomy&lt;br&gt;• Persistent disparities in student performance overall (black, especially African students lagging), and between HAIs and HDIs</td>
</tr>
<tr>
<td>High-level occupations</td>
<td>• Public sector employment quotas / implicit ethnic preference</td>
<td>• Employment equity legislation: applies to public sector and medium- to large-scale private companies&lt;br&gt;• Public enterprises&lt;br&gt;• Black Economic Empowerment (BEE):&lt;br&gt;  ▪ codifies award system for public procurement and licensing&lt;br&gt;  ▪ scorecard with seven criteria: ownership, management control, employment equity, skills development, referential procurement, enterprise development, socioeconomic development</td>
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<tr>
<td>Enterprise development</td>
<td>• Bumiputera Commercial and Industrial Community (BCIC):&lt;br&gt;  ▪ State-owned enterprises, takeover of foreign companies, privatization, government-linked companies&lt;br&gt;• Licensing and public procurement:&lt;br&gt;  ▪ Ownership and executive representation are predominant criteria</td>
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Sources: Lee (2010, 2014)

Toward cultivating a black managerial class, South Africa’s approach has also been incremental, but in contrast to Malaysia’s Bumiputera-favouring interventions, leans more on statutory and market-based instruments. Formal programs did not take shape until the late 1990s, with the establishment of the Black Economic Commission in 1998 and passage of the BEE Act in 2003. Industry charters had formulated plans for Government procurement...
and licensing operated within a less codified preferential framework, but became subsumed into the black economic empowerment program with the BEE Act and the expansion of government procurement in the 2000s. The BEE Codes, promulgated in 2007, lay out an incentive framework for granting preference based on performance in advancing black persons in, *inter alia*, ownership and control, and enterprise development. Although South Africa indicated in the mid-1990s that privatization of parastatals, initiated in the 1980s, would proceed, the policy largely did not materialize, and public enterprises have incorporated the BEE mandate.

**AFFIRMATIVE ACTION OUTCOMES: MALAYSIA**

**Tertiary education**

The evidence on Bumiputera advancement in tertiary education is rather dispersed, unlike occupational representation and other statistics that are tracked consistently in development plans until the mid-2000s. Nonetheless, a range of sources paint a picture of substantial quantitative gains. Institutions established for Bumiputera educational advancement grew considerably. MARA junior science college enrollment increased from 6,311 in 1984 to 9,050 in 1995 and 20,162 in 2005. Public matriculation colleges registered student populations of 5,280 in 1985 and 15,470 in 1995, then burgeoned to 55,442 in 2005 (Malaysia, 2001; Malaysia, 2006). These institutions play a vital role in facilitating Bumiputera access to universities and colleges; they were exclusively Bumiputera until a 10% non-Bumiputera quota was introduced in 2002. However, the quality and rigor of public matriculation colleges are questionable. Available research has found that students from matriculation colleges demonstrate less academic ability than those obtaining the Malaysian Higher Education Certificate (STPM), the predominantly passage for non-Bumiputeras’ entry to university (Othman *et al*., 2009).

The ethnic composition of universities demonstrates the efficacy of admissions quotas and creation of institutions with exclusively or predominantly Bumiputera enrollment. Official disclosures are sparse, but available data show marked change, especially across the 1970s and 1980s. From 1970 to 1985, Bumiputera representation in university student populations grew from 40.2% to 63.0%, then apparently stabilized (Khoo, 2005). In 2003,
the ethnic proportions were reportedly 62.6 percent Bumiputera, 32.2 percent Chinese and 5.2 percent Indian (Sato, 2005: 86). The effects of tertiary education expansion and affirmative action in allocating access extend to the labour force (Figure 1). The share of the workforce with tertiary education increased across all groups, but most rapidly for the Malay population. Indeed, attainment of formal qualifications is highest in this group, followed by Chinese and Indian. Notably, non-Malay Bumiputeras are lagging by the widest margin. In sum, access to and completion of tertiary education, especially at degree-level, has expanded, but the opportunities available to Indians and especially non-Malay Bumiputeras are consistently narrower.

Serious questions over the quality of tertiary education have also arisen in recent years, especially with growing concern over graduate unemployment and its disproportionate incidence among Bumiputeras. Census data have shown that Bumiputera graduates, especially of domestic universities, are particularly concentrated in public sector positions, where entry requirements are generally less stringent. Surveys of employers and employees add further insight, indicating that graduates of local, public higher education institutions – which the vast majority of Bumiputeras graduate from – experience greater difficulty in securing employment in occupations commensurate with their qualification (World Bank 2009).
Figure 1. Malaysia: Share of labour force with tertiary education, by ethnic group.

Source: Department of Statistics (Malaysia) (1990, 2000, 2010).

High level occupations

We observe a few patterns in Bumiputera representation in high level occupations from 1970 to 2013. Figure 2 presents occupational data derived from labour force surveys and professional association membership registers. It must be noted that the survey classification system changed in 2000, which likely accounts for discrepancies observed before and after that year. Bumiputera entry into professional and technical positions proceeded steadily in the 1970s and 1980s, but slowed down from the 1990s through the 2000s. The flatter slope captures the slowdown in progress. Professional association membership data show that the combined Bumiputera share of registered professionals – who are mostly in the private sector – increased more steeply from 1970 to 1990 and more gradually since then. The dynamics vary across occupations. These data indicate waning momentum of Bumiputera mobility into professional organizations from the 1990s, although in a few categories – in particular, architects, dentists and lawyers – Bumiputera representation has continued to grow steadily. Since tertiary level qualifications and industry standards are prerequisite for such occupations and membership in some organizations, slowdown in Bumiputera entry may reflect lessening preference for professional programs of study, or declining quality of graduates.
Malaysia’s attainment shortfall is greatest in its program of developing an independent Bumiputera Commercial and Industrial Community (BCIC), particularly since the mid-1990s. Prior to that, Bumiputera representation in management had increased gradually from 1970 to 1995, but remained static over 1995-2000 and 2000-2005. The public sector has played an instrumental role in fostering Malay upward mobility and raising a Malay middle class during and beyond the NEP (Embong, 1996). Recent employment trends reflect a continuing dependence of affirmative action on government employment. In 2005, 52.5% of Bumiputera professionals, compared to about 22.4% of Chinese professionals and 30.8% of Indian professionals, worked as teachers and lecturers, predominantly in government.

**Figure 2.** Malaysia: Share of Bumiputera in high level occupations.

The development of Bumiputera-owned and operated small and medium scale enterprises remains an area of pronounced shortcoming, particularly in manufacturing activities, where reliance on foreign investment persists. Licensing and procurement have suffered from corruption and weak implementation, while privatization has largely failed, as evidenced by the mass re-nationalization exercises of the late 1990s after the Asian financial crisis.
crisis (Tan, 2008). These re-nationalized entities, together with companies controlled by
government investment funds, were rebranded as government-linked companies (GLCs), and
continue to contribute to the absorption of Bumiputeras into professional and managerial
positions. However, the GLCs, accounting for only three percent of the employed population,
are limited in their capacity to expand and impact on Bumiputera representation at the
national level.

**AFFIRMATIVE ACTION OUTCOMES: SOUTH AFRICA**

**Tertiary education**

Public higher education enrollment figures reflect expansion of access to blacks (Table
3). The proportion of Africans increased most substantially, although they remain
considerably under-represented. White representation declined, although absolute numbers
continued to grow, as their access to higher education is sustained in public institutions, albeit
with constraints under affirmative action, and is somewhat compensated by growth in private
institutions. These developments in educational provision translate into increases in the
proportion of blacks in the labour force at secondary school level and above (Figure 3). The
following sections report findings from analyses of the Labour Force Survey, which is
deemed a reasonably reliable source for examining the demographic composition of the
workforce (Bezuidenhout et al., 2008). The black share has steadily risen among diploma
holders and degree holders in the labour force.

**Table 3. South Africa: Public higher education headcount enrollment (percent of total)**

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<tbody>
<tr>
<td>African</td>
<td>50.3</td>
<td>58.7</td>
<td>59.9</td>
<td>61.0</td>
<td>67.2</td>
</tr>
<tr>
<td>Coloured</td>
<td>5.8</td>
<td>5.5</td>
<td>5.8</td>
<td>6.6</td>
<td>6.6</td>
</tr>
<tr>
<td>Indian</td>
<td>6.5</td>
<td>7.1</td>
<td>7.3</td>
<td>7.4</td>
<td>6.1</td>
</tr>
<tr>
<td>White</td>
<td>37.5</td>
<td>28.8</td>
<td>27.0</td>
<td>25.0</td>
<td>20.1</td>
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<tr>
<td></td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
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Total enrollment: 571,000 566,000 674,000 739,200 887,000

Department of Basic Education (2013)*
Undoubtedly, education quality gaps persist. While the black population’s access to the more prestigious and better equipped HAIs has expanded, large numbers remain enrolled in HDIs. A growing proportion of black students have enrolled in HAIs, and a declining proportion in HDIs. In 1993, 49% of black students enrolled in HDIs and 13% in HAIs; in 2003, 32% were in HDIs and 42% in HAIs (Ministry of Education, 2001; Department of Education, 2005). Since 2003, South Africa has phased out the HDI/HAI distinction and merged and reorganized various institutions. Nonetheless, we may reasonably project that the trends above have continued, and stratification of the education system persists – even possibly intensifies – as ethnically diversifying urban middle and upper classes increasingly enjoy the advantages of being educated in previously white schools and HAIs (Morrow, 2008).

Various forms of ethnic disparity endure, from success rates to distribution across disciplines to completion rates. In 2000, Africans constituted 51% of all graduates, but their proportion varied across study area, from 85% in education, 74% in public administration and 58% in social science, to 39% in business and commerce and 32% in science, engineering and technology (Subotzky, 2003). More recent studies have also found startlingly poor
graduation rates among university students, as well as problems with incompletion and dropping out, particularly among Africans. Fisher and Scott (2011) point out the persistently low tertiary education participation rate in the African as well as Coloured populations, and the continual disproportionately low numbers of African students in science and technology fields and in research universities. Black students take considerably longer to graduate and are more likely to drop out.

**High level occupations**

The proportion of blacks gradually increased in the occupations prioritized by affirmative action (Figure 4). Our evaluation of affirmative action in occupational representation also relies on the Labour Force Survey – and only includes the formally employed, since the informal economy lies outside the policy’s reach. Subsamples of the nine occupation groups are smaller than those of education categories, entailing some clear outlier effects, notably the over-representation of African managers in 2007. On the whole, trends are discernible over time. In professional employment, blacks increased their proportion from the 45-50% range in the early 2000s to 55-60% a decade later. However, gains in black representation taper from the mid-2000s. A slightly different pattern obtains at managerial level, where the increase in black representation holds steady through the decade.

The more sustained increase of blacks among managers compared to professionals is somewhat surprising, given that entry to professional positions follows more sequentially from formal tertiary education, whereas experience, seniority, networks and other cumulative factors influence entry into management. It is plausible that skills scarcity – lack of capable degree holders, in spite of quantitative increases – has constrained entry of blacks to professional positions. The public sector regularly features unfilled vacancies due to unavailability of qualified personnel, and has considerably reverted to private contractors and consultants\(^6\). Slow employment growth in the public sector, specifically of teachers, may also account for the low absorption of Africans into professional-level positions. While the total number of professionals expanded by 2.9% per year from 2000 to 2011 in the South African workforce, the number of teachers in public schools grew by just 1.0% annually over the
same interval. Employment equity reports filed with the Commission for Employment Equity (CEE) corroborate the above findings. These data, deriving from employer submission of employment equity reports and not random sampling, need to be received with some circumspection. Nonetheless, it serves as a useful supplementary data source. The CEE’s compilations show gradual and steady gains in black representation in management, and uneven results among professionally qualified employees (Department of Labour, various years).

**Figure 4.** South Africa: Proportion of blacks within occupation groups

*Source: Author’s computations from Labour Force Survey raw data.*
The public sector has evidently facilitated black mobility into managerial and professional positions. Survey reports of graduates have found a high incidence of public sector employment among African graduates. Moleke (2005) reports on a survey, sampling respondents who worked between 1990 and 1998, which found that 76.7% African graduates secured their first job in the public sector, compared to 39.0% of white graduates. The survey also found major differences between graduates of HAIs and HDIs in the length of time taken to secure a job after graduation and in the share of unemployed (across all academic disciplines), with HDI graduates registering slower transitions into employment.

Labour Force Survey data show higher proportions of managerial and professional blacks working in the public sector – encompassing national, provincial and local government offices and public enterprises – compared to the private sector (Figure 5). In the public sector, blacks constituted a high and increasing proportion of managers, and a steady share of professionals. Notably, black representation climbed among private sector managers and professionals, especially the latter. The inclination of blacks, particularly Africans, toward public sector employment derives from various factors, including the concentration of tertiary-qualified blacks in services, especially education, and the greater latitude for employment equity enforcement in government departments or government-owned entities. As noted above, however, limited expansion in government recruitment, coupled with scarcity of adequately skilled blacks, have likely constrained the capacity for the public sector to absorb blacks into high level employment. Concurrently, private sector employment has grown in attractiveness, with premiums commanded by black managers and professionals as companies seek to enhance their employment equity profile (SAIRR, 2007).
Employment equity mandates and BEE incentives form the backdrop to observed patterns of black representation in the private sector. However, the effects are not immediately traceable. Qualitative data and firm-level studies can add some insight here – and largely find limited evidence of active implementation of employment equity. Based on fieldwork interviews with officials and employers, Bezuidenhout et al. (2008) find considerable shortfalls in government capacity to monitor employment equity. Schreuder, van Heerden and Khanya (2007), surveying compliance with BEE codes and objectives, found generally low levels of engagement in BEE, particularly among small firms, and higher priority attached to equity transfers than employment equity and enterprise development. Other studies confirm the conspicuously slow progress of blacks in establishing and operating small and medium scale enterprises, and continual concentration in human resource or public relations departments, especially in engineering and technical firms (Mohamad and Roberts, 2008).

Literature on affirmative action is sparser over the late 2000s and early 2010s. Companies recurrently come under pressure regarding employment equity, although increasing compliance with filing EE reports does not translate proportionately into higher target setting.
or increased black representation. LFS data reported above show no marked change in black representation from the late-2000s, when the BEE Codes were promulgated. This is possibly a result of lesser emphasis on these policies, as skills shortages have become more widely acknowledged and public backlash has surfaced against wealth accumulating excesses of politically connected BEE beneficiaries, shifting national development policies toward reemphasis on employment, skills, and poverty (Economic Development Department, 2010; National Planning Commission, 2012).

POLICY IMPLICATIONS: COMPARATIVE SYNTHESIS

This study has documented substantial quantitative gains under affirmative action programs in Malaysia and South Africa (summarized in Table 4). We also observe that qualitative aspects of tertiary education differentiate graduates’ prospects of upward mobility, and that affirmative action has some adverse side-effects on its beneficiaries. The scope for expansion of tertiary enrollment and mechanisms for redistributing opportunities are broader and simpler, and hence potentially more attainable than in the employment and ownership spheres of intervention, as evidenced by the continuous increases in the proportion of graduates in the Bumiputera and black workforces.
<table>
<thead>
<tr>
<th>Outcome</th>
<th>Malaysia</th>
<th>South Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tertiary education</td>
<td>Rapid expansion of enrollment; Malay attainment on par with Chinese, but non-Malay Bumiputera lagging</td>
<td>Steady expansion of enrollment; black – especially African – attainment lag remains considerably large, but closing</td>
</tr>
<tr>
<td></td>
<td>Substantial Bumiputera educational advancement, facilitated by Bumiputera-exclusive programs and admissions quotas</td>
<td>Increase in black representation in historical advantaged institutions (HAIs)</td>
</tr>
<tr>
<td>Facilitation of graduates into high level occupations</td>
<td>Bumiputera graduates are more dependent on public sector employment</td>
<td>Black graduates are more dependent on public sector employment</td>
</tr>
<tr>
<td></td>
<td>Bumiputera graduates face more difficulty in securing skilled employment, particularly in the private sector</td>
<td>Disparities between graduates of historically advantaged institutions (HAIs) and historically disadvantaged institutions (HDIs)</td>
</tr>
<tr>
<td>Representation in high level positions</td>
<td>Increasing Bumiputera representation at management and professional levels over 1970s-1990s; marginal gains since the mid-1990s</td>
<td>Increasing black representation in professional and managerial levels; possible slowdown in the late 2000s</td>
</tr>
<tr>
<td></td>
<td>Dependence on the public sector persisting over four decades</td>
<td>Sustained dependence on the public sector; steady increases in the private sector</td>
</tr>
<tr>
<td>Managerial and enterprise development</td>
<td>Substantial Bumiputera participation in managing and staffing government-linked companies</td>
<td>Substantial black participation in managing and staffing public enterprises</td>
</tr>
<tr>
<td></td>
<td>Shortfall of Bumiputera participation across industries and in SMEs</td>
<td>Shortfall of black participation across industries and in SMEs</td>
</tr>
</tbody>
</table>
While affirmative action programs can increase numerical growth in the degree-qualified labour force, they can come at some cost to academic achievement. As discussed in the previous section, Malaysia and South Africa operate contrasting mechanisms for affirmative action which in turn elicit different policy implications. The autonomy safeguarded for South African education institutions and devolution of affirmative action offers constructive insights into managing the dual objective of facilitating equitable representation while maintaining academic standards at the university level, rather than the highly centralized and quota-based system of Malaysia. Another confluence of objectives – targeting the neediest within the designated ethnic group – finds its most potent instrument in tertiary education. The assessment of entry into university can take family background into consideration much more than we can expect of hiring or promotion decisions. A further challenge concerns the lack of Bumiputera and black enrollment in specialized technical and professional fields, which demonstrates the need for affirmative action to target specific gaps, beyond promoting group representation on the whole.

The potential for increasing the proportion of blacks where they are under-represented hinges on developments in education, which effectively limits the scope for employment equity legislation or other mandates. Both countries stand to benefit from focusing on building capabilities, through educational achievement and institutional quality, and moderating the pursuit of group representation in high level occupations. Again, country specific implications arise. Malaysia, without employment equity legislation to compel change in private sector labour markets, depends heavily on the education system to realize this objective. Priority should be placed on remedying the deficiencies of its post-secondary system, especially matriculation colleges and preferential university admissions. In South Africa, improvement in quality of basic schooling must remain a long term priority, but in the present moment it is beneficial to incorporate affirmative action in tertiary education into a systematic framework for affirmative action that encompasses education and employment. There has been an unhelpful tendency to view these separately, or to consider affirmative action as confined to employment equity, although employment equity and university admissions both involve ethnic preference and aim to increase representation of a disadvantaged group. This rather disjointed perspective has arguably precluded more
integrated approaches and restraint in pursuing employment equity – such as benchmarking
group representation targets based on the supply of qualified graduates or registered professionals.

On affirmative action in the labour market, this study finds that the public sector plays a
prominent role. In Malaysia, this follows directly from the confinement of affirmative action
in employment to the public sector. In South Africa, employment equity mandates apply to
both the public sector and private sector. Black representation in managerial and professional
positions is sustained at higher levels in the public sector, although we also observe distinct
black upward mobility in the private sector. Malaysia’s policy has engendered Bumiputera
over-representation and diminished non-Bumiputera interest in government jobs. The case
can be made for reorienting public sector employment policy towards a more balanced ethnic
composition. This can also lay foundations for initiatives to increase Bumiputera
representation outside the public sector. Feasibility and desirability of general hiring
mandates are highly questionable for Malaysia. However, variations of employment equity
may be adopted into public procurement and other public-private sector transactions on an
incentivized, voluntary basis.

Persistent dependence on the public sector for employment of Bumiputera professionals,
and South Africa’s slowing rate of increase in black, especially African, representation
among professionals underscores the importance of graduate quality. Deficiencies in
Bumiputera and black graduates curtail both countries’ progress in broadening participation
in private establishments and across all sectors. Affirmative action is also associated with
problems related to administrative competency and public service delivery in Malaysia and
South Africa, although these causes are undeniably more complex than ethnic preferential
policies.

The implications of affirmative action in the labour market along the lines of South
Africa’s employment equity laws warrant critical evaluation. Employment equity is fraught
with many difficulties, yet it is hard to envisage market processes adequately redressing
group under-representation. Repealing employment equity legislation is foreseeably
unviable, in view of majority support – although the subject also remains highly contested
and ethnically fractious. Academic and policy attention is thus more productively directed
at effective and prudent implementation, such that it proceeds apace with the availability of capable tertiary educated workers, particularly in specialized fields. In the same way that affirmative action in tertiary education is constrained by the breadth and capacity of school-leaving cohorts, affirmative action in employment can only effectively proceed apace with the growth of suitably qualified persons of the beneficiary group. In both countries, many of the technical and professional fields with severe under-representation are highly specialized.

South Africa’s employment equity program, arguably its foremost affirmative action sphere, can be fine-tuned. In line with the Constitution, employment equity law designates beneficiaries on the basis of socioeconomic disadvantage, prohibits unfair discrimination and delegates employment equity planning and target-setting to employers in consultation with workers, laying a more democratic, balanced and adjustable edifice for constructing and modifying policies. However, in practice, various targets for black representation, notably in public sector management, have been exceedingly ambitious, and often detached from objective assessment of the supply of suitably qualified black candidates. Employment equity targets tend to outpace the supply of capable graduates, leading to hiring or promotion of formally credentialed but practically under-qualified personnel. Pressures to accelerate transformation in South Africa must therefore be tempered with the realities of lagging supply of skilled and experienced labour, and with the realization that effectual and sustainable occupational mobility are protracted processes. Legal recourse is constitutionally available for aggrieved parties, although it is surely more desirable to avert such contentions and conflicts. Sector-specific targets, corresponding with availability of tertiary qualified candidates, or membership in professional organizations, and supplemented with qualitative, firm-level data, would serve as more suitable reference points for implementing employment equity (Bezuidenhout et al. 2008). Setting more tempered and actionable targets can also give added impetus for expanding the resources and efficacy of employment equity monitoring and enforcement agencies, whose capacity shortage has constrained the implementation of employment equity.

The development of a managerial and entrepreneurial class has proven acutely difficult among affirmative action efforts in both Malaysia and South Africa. Government-linked companies in Malaysia and public enterprises in South Africa continue to be assigned the
tasks of employing and training managers and professionals, and of applying ethnic preference to procurement and contracting decisions. Allocation of government procurement, licensing and contracting constitute other instruments for developing managerial capacity. The pitfalls in these schemes can be immense, especially where lucrative contracts and fast windfall profits are at stake, and are compounded by corruption, fronting, *rentier* behavior, and dearth of regulatory oversight that are major concerns in both countries – notwithstanding South Africa’s formalized and codified BEE framework. Affirmative action in managerial and enterprise development is also inextricable from the issue of capital and wealth ownership that this study has not empirically investigated. However, it is patent enough that affirmative action in cultivating enterprise must be pursued with caution and restraint, especially to avert unproductive wealth accumulation and political patronage (Jomo, 2004; Southall, 2005). Small and medium enterprises present more sustainable and capability-enhancing pathways for economically empowering Bumiputeras and blacks, with lesser scope and proclivity for debt accumulation, rapid and unproductive wealth transfers, and passive ownership. Malaysia and South Africa have fallen short in this regard, in terms of policy efficacy, and probably more consequentially, political will to invest in processes that will yield slower gains and probably involve more laborious efforts.

**CONCLUSION**

This study has provided an overview of affirmative action and analyzed policy outcomes in Malaysia and South Africa, focusing on the primary objective of increasing representation of a disadvantaged group in particular spheres of socioeconomic participation. Policy formation is heavily driven by political imperatives and socioeconomic disparities between groups; successful execution is integral to both countries’ development paths. Affirmative action interventions aim to redress difficult and messy conditions; the positive attainments and adverse consequences that arise are likewise complex and mixed. Its resolution – the ultimate ideal of it becoming redundant and hence able to be dismantled – undoubtedly hinges on political, social and economic conditions and settlements, as well as broader socioeconomic development, provision of basic education and social services, and uplift of
poor communities. Affirmative action must be implemented with a timeline or benchmarks for it to be scaled back, perhaps to be reconstituted as programs promoting ethnic, gender and other forms of diversity (Dupper, 2005).

Institutionalized policies favouring a majority group are seemingly immutable, as demonstrated by Malaysia’s near four decades of implementation and continued ambivalence towards dismantling ethnic preference. However, the perpetuation of programs that have declined in efficacy also underscores the imperative of executing affirmative action effectively and of laying out plans for eventual reconstitution or removal. In Malaysia and South Africa, the onus is on affirmative action to sufficiently consolidate the economic security of the beneficiary group, which is paramount for future political settlements around fundamental reforms.

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Notes

1 The statistics from South Africa’s Labour Force Survey in this article were derived from the September survey from 2000 to 2007, when the LFS was conducted twice a year, and from the Third Quarter survey over 2008-2012.

2 The variation in form and magnitude of affirmative action across institutions, also termed redress or transformation, has perhaps attenuated focus on these policies. Not all institutions comply with the requirement to make policy documents transparent and publicly available. It is clear enough, however, that affirmative action considerably influences tertiary education. The University of the Witwatersrand makes the clearest articulation of affirmative action, or “fair discrimination”, while the University of Cape Town has defended the application of ethnicity as an admission criterion, while deliberating over possible substantive review, including proposals that socioeconomic status replacing ethnicity as a means for granting preference.

3 Of course, language policy serves broader purposes, and bears more complex implications, than higher education expansion. The issue constantly negotiates tensions between national unity and diversity. Promotion of native language may cultivate social integration but also create new schisms, as well as attenuate education quality and access to global knowledge. Promotion of English language, as a non-native and ‘neutral’ lingua franca, may obviate contestations but also provoke discontent over the identity of national institutions. These ramifications are important to note contextually, but lie beyond the scope of this paper, which focuses on the specific question of preferential access to higher education.

4 The NEP mandated that “employment patterns at all levels and in all sectors, particularly modern rural and modern urban, must reflect the racial composition of the population” (Malaysia, 1971, p. 42).
Author’s calculations from Malaysia (2006).

The author thanks Glen Robbins for insights to the public services, especially in local government.

Author’s calculations from Labour Force Surveys, Department of Education (2002) and Department of Basic Education (2013).

LFS data have been found to be reasonably compatible with public services employment data. Naidoo (2008), analyzing the 2006 public service payroll, reports Africans constituting 57% at senior management and 73% overall, while the contemporaneous LFS finds Africans to constitute 57.3% of managers and 71.2% of government employees.

Applications for jobs by non-Bumiputera have dwindled over time to miniscule proportions. In 2006, 1.8% of applications were from Chinese, and 2.5% from Indians (Public Services Department Director-General, cited in The Star December 25, 2007).

National opinion and attitude surveys over 2003-2009 found that, on average, just under two thirds of South Africans supported for preferential hiring and promotion of black South Africans. However, the gulf between ethnic groups or sub-groups is staggering, with about three quarters of Africans supporting the above proposition, and slight over a quarter of Coloureds and Indians, and less than one fifth of Whites (Roberts, Weir-Smith and Reddy, 2011).

In 1998, the public services set a 50% target for blacks in management by 1999, entailing a questionably high increase from 33% registered in December 1997 (DPSA, 1998).