USE OF THESES

This copy is supplied for purposes of private study and research only. Passages from the thesis may not be copied or closely paraphrased without the written consent of the author.
Demobilizing Islam: Institutionalized Religion and the Politics of Co-optation in Malaysia

Kikue Hamayotsu
July 2005

A thesis submitted for the degree of Doctor of Philosophy of the Australian National University
STATEMENT OF ORIGINARITY

This dissertation contains no material which has been accepted for the award of any other degree or diploma in any university or other institution.

To the best of my knowledge, it contains no material previously published or written by another person, except where due reference is made in the text of the dissertation.

(Kikue Hamayotsu)

25 July 2005
Acknowledgement

This study has not materialized on my own. I have met numerous individuals of various national/ethnic/religious backgrounds who have supported and also challenged this project at various stages. The entire process of my thesis project has been full of joyful memories and events. First and foremost, I would like to express my wholehearted gratitude to my teachers, Harold Crouch, Greg Fealy, Jennifer Amyx, and Natasha Hamilton, and the head of department, Ben Kerkvliet.

My debt to Harold is especially great. I am not quite sure how—and how much—I can repay this debt. He has always handled calmly and skillfully (with a little bit of humor) my problems and concerns—however trivial. His quiet yet strong persuasion to back up ideas with solid empirical facts (based on good local understanding) helped keep my temptation and tendency to fly away with ideas under check. His presence made my years at Canberra delightful and stable. Every single time he decided to go somewhere (especially to Indonesia after the 9/11) or fell sick, I was afraid that my thesis might come to an end before completion. Such accidents literally happened and I am very pleased that we could get through to the end.

I have also benefited from numerous Southeast Asian specialists and political scientists not only from Australia but also from the USA, Europe as well as Asian nations. These individuals are too many to name here but some of them have become very close, lifelong friends. I am sure that they will be delighted to see that this project has finally taken shape. My frequent overseas trips to attend conferences and joint projects have allowed me wonderful opportunities to see them, although I should probably have restrained this urge to be away from Canberra and might have completed
this thesis much earlier. My special thanks therefore go to Ben Kerkvliet for letting me stay at the department so long with generous material and moral support. At the department, Bev Fraser took care of important aspects of my life in Australia. I am also grateful to Allison Ley for her editorial assistance at the final stage of writing. Turning this thesis into a book will be my own way of paying back a small part of the debt I owe to Ben and to the department.

I also need to thank individuals and friends who happily accommodated me during my field research at Malaysia and Indonesia—especially staff at IKIMAS, UKM and CSIS, Jakarta. The company of Norani Othman (and her colleagues, friends and family), and my old classmate from SOAS, Hana Satriyo (and her husband, Rizal Sukma) was particularly precious and delightful intellectually and socially. Their equally strong and vocal pursuit of modern Islam—and hostility towards uncivil Islam—has found different political environments to their own lives. This study attempts to offer an explanation to these critical differences to their personal life.

Finally but not least, I would like to express my special gratitude to my adorable parents. Their support and encouragement for what they probably only understood as 'something meaningful (but a bit costly) to their daughter's life' were often invisible but always strongly felt. My entire student life could not have been so joyful without their quiet understanding.
Abstract

Why do some Muslim nations confront more radical religious mobilization, but not others? This study provides insights into the answer to this question through focused analysis of the Malaysian case. In contrast to some other nations with active radical Islamist movements, Malaysia is characterized by weak religious activism of both the radical and liberal varieties. This study explains this relative tranquility by focusing on the particular quality of state intervention in Islamic affairs: the process of institutionalization of religious bureaucratic authority structures within the state. The study argues that the key to understanding outcomes in Malaysia in a comparative context lies in the extent to which Islamic institutions are institutionalized in the state as well as in how institutionalization takes place.

Malaysia, one of the Muslim-majority countries in Southeast Asia, offers an intriguing case for debates about religious political mobilization and state-religion relations. In Malaysia, the process of state intervention in Islamic affairs was carried out via a strategy that contrasted starkly with that used by many other Muslim nations. The government dominated by the Malay-Muslim party UMNO expanded bureaucracies to carry out religious functions such as administration of Syariah and the running of religious schools along Weberian lines. It has managed to control and channel religious political mobilization by incorporating many theologically-trained Muslims into the state bureaucracy.
This study asks why and how the institutionalization of the religious bureaucracy took place in the manner it did, and what the effects on the mobilizational capacities of oppositional religious movements were. Conventional wisdom claims that state intervention in Islamic affairs occurs in response to growing external pressures from societal actors, especially the Islamist opposition in the context of growing Islamic consciousness among the Muslim urban middle-class. My study takes this society-centric argument to another level by highlighting another critically important force: state actors. The study focuses on strategic interactions among Muslim politicians within the ruling party and argues that they are motivated not only by their need to combat the Islamist opposition but also compelled to cultivate patronage networks in order to rise within their own party. Such incentives—against the backdrop of intense *intra*-party competition—shaped the way in which the state intervened in Islamic affairs. I also argue that the manner in which the government incorporated religious authorities—*ulama*—into the state bureaucracy has correlates strongly with a state’s capacity to control various religious activities, including radical ones—both in ideological and organizational terms.

The study makes some comparisons between Malaysia and other Muslim nations (especially its neighbor Indonesia) to suggest that the *mode* of state co-optation of religious authorities is a crucial factor to explain the state capacity to regulate oppositional Islamist mobilization in general, and religious radicalism in particular. Concurrently, this study also contends that the institutional *exclusion* of religious authorities from the corridors of state power often has the opposite consequence: persistent radical religious mobilization at the societal level. The Malaysian case confirms that when religious authorities become part of a more or
less Weberian state bureaucracy, radical religious elements tend to be tempered.
## Glossary

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABIM</td>
<td><em>Angkatan Beria Islam Malaysia</em> (the Malaysian Islamic Youth Movement)</td>
</tr>
<tr>
<td>adat</td>
<td>custom; customary law</td>
</tr>
<tr>
<td>AIM</td>
<td><em>Amanah Ikhtiar Malaysia</em></td>
</tr>
<tr>
<td>asnaf</td>
<td>those entitled to receive <em>zakat</em> payments</td>
</tr>
<tr>
<td>BN</td>
<td><em>Barisan Nasional</em> (National Front)</td>
</tr>
<tr>
<td>bumiputera</td>
<td>literally sons of the soil or Muslim-Malays</td>
</tr>
<tr>
<td>Bupati</td>
<td>Regents</td>
</tr>
<tr>
<td>dakwah</td>
<td>missionary</td>
</tr>
<tr>
<td>DAP</td>
<td>Democratic Action Party</td>
</tr>
<tr>
<td>fatwa</td>
<td>authoritative Islamic decrees</td>
</tr>
<tr>
<td>fitrah</td>
<td><em>zakat</em> collected at the end of the fasting month</td>
</tr>
<tr>
<td>Hadith</td>
<td>the sayings and the deeds of the Prophet</td>
</tr>
<tr>
<td>hajji</td>
<td>one who has made the pilgrimage to Mecca</td>
</tr>
<tr>
<td>hakim</td>
<td>Islamic judges</td>
</tr>
<tr>
<td>haram</td>
<td>unlawful</td>
</tr>
<tr>
<td>Hudud</td>
<td>Islamic criminal codes</td>
</tr>
<tr>
<td>ICMI</td>
<td><em>Ikatan Cendekiawan Muslim Indonesia</em> (Association of Indonesian Muslim Intellectuals)</td>
</tr>
<tr>
<td>ijtihad</td>
<td>interpretation</td>
</tr>
<tr>
<td>IKIM</td>
<td><em>Institut Kefahaman Islam Malaysia</em> (Institute of Islamic Understanding Malaysia)</td>
</tr>
<tr>
<td>imam</td>
<td>the leaders of the congregational prayer</td>
</tr>
<tr>
<td>JAKIM</td>
<td><em>Jabatan Kemajuan Islam Malaysia</em> (the Federal Islamic Development Department)</td>
</tr>
<tr>
<td>jawi</td>
<td>the Malay-modified Arabic script</td>
</tr>
<tr>
<td>jihad</td>
<td>a holy war</td>
</tr>
<tr>
<td>JKSM</td>
<td><em>Jabatan Kehakiman Syariah Malaysia</em> (the Federal Department of Syariah Judiciary)</td>
</tr>
<tr>
<td>kafir</td>
<td>infidel</td>
</tr>
<tr>
<td>Kaiani</td>
<td>the term was and is still used as a vituperative term implying heresy</td>
</tr>
<tr>
<td>Kathi/kadi</td>
<td>Religious magistrate</td>
</tr>
<tr>
<td>Kaum Muda</td>
<td>Young Faction</td>
</tr>
</tbody>
</table>
Old Faction
the traditional pre-colonial form of government
illicit proximity
Lembaga Penasihat Penyelarasan Pelajaran dan Pendidikan Agama Islam (the Advisory Council for the Co-ordination of Islamic Education)
Malaysian Zakat Management Board
Islamic school or college
the supreme authority in respect to all matters concerning Syariah
(Malaysian Council of Ulama)
(Pan-Malaysian Islamic Party)
local headmen
Islamic boarding school
literally hut; in Islamic education it refers to an institution of learning
Pusat Pungutan Zakat
Javanese aristocratic-bureaucratic elite
interest
charity
a title of honor given to jurists of more than usual standing
National Religious Secondary School)
prayer houses
Islamic law
Islamic insurance
(International Islamic University of Malaysia)
(National University of Malaysia)
theological-trained Islamic scholars
Muslim community
United Malays National Organization
(Science University of Malaysia)
Islamic system of trusts and endowments)
Malaysian Islamic Economic Foundation)
yayasan  foundation
zakat  Islamic tax for charity purposes
Contents

Acknowledgements iii
Abstract v
Glossary ix

Chapter One Introduction 1

Chapter Two State Institutionalization of the Islamic Bureaucratic Authority Structures: The Origin of Institutionalized Religion 51

Chapter Three UMNO Dominance, Patronage and Political Ascendancy: Patronage-maximizing Incentive Structures and the Rise of Islam 77

Chapter Four Institutionalization of a Syariah Judicial Regime: Becoming ‘Modern’ or ‘Traditional’? 111

Chapter Five The Politics of Religions Education: ‘Islamization’ of the National Schooling System and The Challenge of Nation Building 163

Chapter Six In the name of the Muslim Poor: UMNO’s Patronage and the Privatization of the Islamic Taxation (Zakat) 217

Chapter Seven The Rise of Federal Religious Authority and the Co-optation of Ulama 249

Chapter Eight Dealing with Radical Islamic Challenges 275

Conclusion 305

References 315
Actually Malaysia is already an Islamic country. The State religion is Islam and Muslims can practice their religion and apply the Syariah laws as family laws. All the religious needs of Muslims are provided by the government.

—Mahathir Mohamad.¹

A faith community whose proud boast was long that it placed no intermediaries between the Almighty and the individual and therefore no Pope now runs the risk, thanks to this new Malaysian practice and its proliferation of state religious authorities, of having more popes at any one time than the Catholic church has had throughout the history of Rome and Avignon!

—Norani Othman, a founding member of Sisters in Islam.²

There has long been great interest in the relationship between state and religion—especially the state’s mobilization of religion to strengthen legitimacy, to promote nationalist causes and to justify war. In Western political thought, the development of more rational and efficient state institutions has been correlated with the secularization of the state, and the separation between state and church in particular. In many parts of the world, however, religion continues to be closely entwined with the state. Since September 11 2001, the issue of the proper relationship between state and religion has received renewed attention in the context of political Islam. Religious

mobilization and the proliferation of extremist types of religious movements in the Muslim world, in particular, have been of great international concern.

Scholars and policymakers alike are particularly concerned with how to prevent these religious movements from engaging in violence. The focus of attention is on the theologically trained Islamic scholars or authorities, who are called ulama. These individuals are seen by many Western observers as sources of radical religious mobilization, political agitation, and violence in Muslim societies.

Two analytical perspectives prevail in the current debate on radical religious mobilization in Muslim nations. The first claims that Islamic culture plays a central role in spurring radicalism. This ‘culturalist’ view suggests that Islamic culture is characterized by intolerance and is responsible for the problem of religious radicalization. This view echoes the culturalist assumption, advanced by scholars such as Samuel Huntington, that Islam is not compatible with the Western model of liberal democracy (Huntington 1984, 1993).

A second explanatory paradigm focuses on Islamic doctrinal precepts—that is, the teachings contained in the Qur’an and Hadith (the sayings and the deeds of the Prophet). This view suggests that some of these teachings facilitate radical political ideas that help mobilize social discontent. The prime example is the idea of jihad (holy war), which is sometimes narrowly interpreted as a war conducted by Muslims against non-believers. This view also holds that Islamic teachings that repudiate the separation between state and religion help foster radical Islamic movements in Muslim societies today.

These perspectives are similar in one key respect. Both assume that all Muslim societies are alike and reinforce a ‘static’ and ‘uniform’ view about religion and Muslim

---

3 About this culturalist claim, see, for example, Roy (1994: 7-12)
4 The perspective that ‘something is wrong with Islamic culture’, however, has been contested by other scholars who take an equally culturalist position to suggest that Islam can actually promote the emergence of civil and democratic culture and institutions. The case of Indonesia, for example, has been put forward by Hefner (2000).
societies. Such monolithic views about Muslim societies lead to a conclusion that is problematic. This conclusion is that one solution to the problem of religious mobilization is to modernize culture and institutions by replacing existing institutions with Western liberal democratic institutions. In particular, proponents of these paradigms conclude that the separation between state and church is crucial.

But if the separation of church and state is really the answer, then why is it that some Muslim countries have managed to contain the proliferation of radical Islamic movements better than others by incorporating rather than excluding Islamic elements from the state apparatus? I use the term 'radical' to refer broadly to Islamist groups that adopt a literal interpretation of the Qur’an and Hadith and are uncompromising not only in terms of ideological orientation but also behavior, objectives, and tactics. Radicals call for the full implementation of Syariah and are reluctant to acknowledge the legitimacy of governments that fall short of their goals (Roy 1994: 41-42). Under this definition, some reject accommodation with the state system and insist on the necessity of violent mass mobilization both in theory and in practice. Others are only uncompromising in terms of ideological orientation, and do not always advocate violence as a means of achieving their goal.

The relations between state and religion have been hotly debated as well-organized Islamist parties have managed to mobilize a broad spectrum of popular allegiance in some Muslim nations in recent years. In non-Muslim nations, too, a growing number of

---

5 This study inclusively uses the term ‘Islamic’ to characterize actors that emphasize Islamic identities and/or endorse Islamic doctrines unless otherwise specified. Some Islamic organizations are led by theologically trained ulama to uphold traditional interpretation and enforcement of Syariah, but this is not always the case. Others broadly identify Islamic values and principles and are more concerned with the welfare needs of Muslims and exhibit little interest in political activism. ‘Islamist’ is used more narrowly to distinguish groups, parties, and individuals that see in Islam a guiding political doctrine that justifies and motivates collective action on behalf of that doctrine. Islamist groups are usually led by university-educated Muslim intellectuals, and the leadership of theologically trained ulama is insignificant. Muslim Brotherhoods in the Middle-East are a prime example of this type. It has to be admitted, however, that strict categorization of various strands of Islamic groups is not straightforward, as they sometimes change their doctrinal positions according to political conditions. For basic information about the concepts of Islamism, see, for example, Roy (1994: chaps.1-2).
immigrant Muslim populations have raised questions about the state role in administration of religious matters (Kepel 1997). Moreover, state exclusion of Islamist movements and leaders from the formal political system appears to have brought about a costly, rather than positive, outcome; it has helped fuel religious radicalism and at times violence (Hafez 2003). If state exclusion is not always the answer in controlling proliferation of radical religious movements, the key question is how to include religious elements into a state system.

The case of Malaysia, one of the Muslim-majority countries in Southeast Asia, poses particularly tough questions for those who espouse the views I noted earlier. In the 1970s, just like many other Muslim nations, Malaysia experienced an upsurge of Islamist movements. Yet, radical and violent types of Islamist mobilization proved largely ineffective and were readily curtailed both ideologically and organizationally. Moreover, the government led by the Muslim-based UMNO (United Malays National Organization) managed to promote a moderate—and standardized—type of Islam, while actively incorporating religious authorities into the state.

Malaysia also stands out among Muslim nations in respect to ‘quiescence’: the lack of vibrant Islamic doctrinal debates and near absence of liberal and plural Islamic activism—a growing trend in some other parts of the Muslim world (e.g., Eickelman and Anderson 1999, 2003; Esposito and Voll 2001). This is a puzzling outcome if we take into account Malaysia’s comparatively high level of socio-economic development. It is also worth noting that some other Muslim governments are more repressive and violent than the Malaysian government (Diamond, Plattner, and Brumberg 2003: introduction). What is the source of Malaysia’s demobilized Islamic activism?

6 Malaysia is a multi-ethnic nation comprising three major ethnic groups, Malay, Chinese, and Indian. Malay and other indigenous groups comprise approximately 58 percent, Chinese 24 percent, Indian 8 percent and others 10 percent. Malays are virtually all Muslim; some Indians and a very small proportion of Chinese are Muslim.
This study argues that the institutionalization of religious bureaucratic authority structures—the particular quality of state co-optation of religious authorities—strongly correlates to the conspicuous weakness of religious mobilization. I employ the concept, institutionalization, when government organizations take on Weber’s meritocratic, rational-legal authority structures to manage religious affairs, and these bureaucratic procedures and precepts, in Huntington’s terms, ‘acquire value and stability’ (Huntington 1968: 12). This is opposed to another type of state organization characterized by personalistic relations and ascriptive norms and practices, a type Weber called ‘patrimonial.’

Malaysia is an important example of political stability and moderate Islam. It offers a case where the government has managed to control and channel religious political mobilization by incorporating a ‘church-like’ religious bureaucracy within the state. Malaysia’s Muslim-led federal government launched an Islamization policy in the early 1980s. This led to unprecedented federal encroachment on Islamic affairs—an area that constitutionally falls under the jurisdiction of individual States of the Malaysian federation. As a result, that part of the federal bureaucracy that sponsors and regulates Islamic affairs (e.g., Syariah laws, religious education) was dramatically expanded, although State governments retained many powers.

By focusing on the Malaysian case, the study asks why and how the institutionalization of state religious bureaucracy took place in the particular manner that it did, and what the effects of the institutionalization on the mobilizational capacities of oppositional religious movements were. Conventional wisdom asserts that state intervention in religious affairs occurs in response to growing external pressures from societal actors. The most

---

7 The Sunni Islamic tradition conventionally does not recognize the bureaucratised clerical order in which ulama have power. ‘Church’ here is broadly identified as a formal hierarchical clerical body.
8 This study uses ‘State’ (with capital letter) to refer to a state government in the Federal system, while ‘state’ refers to a set of national bureaucratic authority structures in a conceptual sense (e.g., state-society relations).
formidable pressure is in the form of an electoral threat from the rising influence of oppositional Islamic parties among the growing Muslim urban middle-class which is becoming increasingly self-consciously Islamic. My study, however, complements this society-centric argument by highlighting another important force: state actors. The study focuses on strategic interactions among Muslim politicians within the governing party and argues that they are motivated not only by their need to combat the Islamic opposition but also compelled to cultivate patronage networks in order to rise within their own party. Such incentives—shaped in the context of intense intra-party competition—affected the way in which the state intervened in religious affairs. The study also contends that the manner in which the government incorporates religious authorities—ulama—into the formal state structure strongly correlates with a state’s capacity to control various religious movements, including radical ones—both in ideological and organizational terms.

In other words, a close relationship between state and religion may not necessarily be a bad thing for a state confronted by religious extremism. The key issue, however, is not simply whether or not there is state intervention, but how the state intervenes and incorporates religious authorities into government organizations.

Unlike the contemporary Western world, state intervention in religion is nothing extraordinary in the Muslim world; most governments intervene in religious institutions and seek to co-opt religious authorities. This is not particularly surprising given the fact that religious authorities (ulama) potentially exert enormous political influence and can pose a grave threat to the dominance and legitimacy of both secular and religious ruling elites. Despite this threat commonly felt by elites in many Muslim nations, however, the mode of state intervention in religious institutions—and the relationship between state and religious authorities—varies greatly across place and time. Some Muslim

9 In Asia, state intervention in religious affairs is common not only in Muslim but also non-Muslim nations.
governments depict political Islam and Islamist movements as threats to national security and seek to maintain the relatively secular character of the state by suppressing and excluding religious organizations and actors from the corridors of formal state power (e.g., Algeria, Turkey, Indonesia). Others, on the other hand, adopt a pro-Islam position by granting official recognition to Islam and imbuing the state with a more Islamic character. These governments give ulama considerable authority and power within government institutions to implement ‘orthodox’ Islamic doctrines (e.g., Saudi Arabia, Pakistan, Egypt, Malaysia).

In Malaysia, state intervention in religious affairs took on a special character through a strategy that contrasted starkly with those used in many other Muslim nations. Malaysia maintained relatively secular government institutions but at the same time expanded the religious bureaucracy along Weberian lines to perform religious functions such as administration of Syariah. In the process, the government incorporated a number of religious-educated Muslims into the state bureaucracy and provided them with stable long-term career prospects as well as some authority and power. These Muslims may have been marginalized and dislocated under a rapidly modernizing regime and have become potential sources of discontent against the government. By incorporating them into the tightly defined state organizations, the governing politicians have attained ‘infrastructural power’ not only to limit effectively sources of oppositional mobilization but also to prevent religious authorities from gaining too much power within the ruling party and the government dominated by it.

Comparison between Malaysia and other cases (especially its neighbor Indonesia) informs us that the mode of state co-optation of religious authorities helps to explain the

Thailand and Singapore are examples.

It has to be acknowledged that there is a significant variation across regimes/governments within single countries or even within single regimes. For example, the Suharto regime in Indonesia initially regarded political Islam as a threat and only began to adopt a more-pro Islam position at the end of the 1980s. In Turkey, secular-oriented governments were swept from power by the Islamist Justice and Development Party which won an overwhelming victory in parliamentary elections in 2002.
state's capacity to control oppositional religious mobilization in general, and religious radicalism in particular. In Indonesia, the government's involvement in Islamic affairs has been relatively limited, leaving many religious functions to private actors. And, most significantly, its intervention takes a patrimonial character. President Suharto, for example, endorsed the formation of extra-governmental organizations which, among other activities, channeled public resources to particular private group interests. Moreover, the state religious agency, the Department of Religious Affairs, was largely staffed by rival societal religious groups competing for public spoils. Unlike equivalent agencies in Malaysia, this department was a poor instrument for the coherent regulation of religious activities at the societal level.

Conversely, this study also asserts that the institutional exclusion of religious authorities from the corridors of state power often has an opposite and destructive consequence: persistent radical religious mobilization in society. Furthermore, the Malaysian case suggests that when religious authorities become part of the tightly organized state bureaucracy, radical religious elements tend to be tempered.

The rest of the present chapter proceeds as follows. The following section discusses debates about religious mobilization and state-religion relations in Muslim nations and the approaches of prior studies that emphasize societal actors. This is followed by discussion of my approach. The focus is on the state and the quality of state intervention in Islamic affairs. I elaborate my central questions and key concepts, contending arguments and their problems, and my arguments. The final section introduces comparative cases to assess my propositions.
States, Social Forces, and Religious Mobilization

The function of religious authorities in politics has always been a contentious question in the modern world and has motivated significant scholarly debates (e.g., Casanova 1994). In many parts of the world both governments and social forces have expressed their political aspirations and interests in religious terms. Governments have sought religious endorsement while oppositionists have mobilized religious support to displace or influence existing governments.  

Secular ruling elites, that is, political leaders whose authority is not derived primarily from religious identity and theological training, have also attempted to utilize the mobilizational power of religion to extend their authority and to foster popular allegiance to their rule. For secular ruling elites, a central concern is how to keep religious movements peaceful and how to preempt these movements so that they cannot mobilize social discontent against them. In other words, how to hold church or clerical authorities at bay poses a major challenge.

Despite the global significance of religious forces in politics, no other religion has attracted as much attention as Islam among scholars and policymakers alike in recent decades. In the global context of the War Against Terror and American efforts to construct democracy in Muslim nations, the issue of the proper relationship between state and religious authorities has received renewed attention; to what extent should the state intervene in religious affairs? Is religion none of the state’s business and should it be left exclusively to the religious authorities? Should religious authorities be incorporated into—or excluded from—government organizations?

11 See, for example, for Catholic Latin America, Levine (1981; 1986) and Levine and Mainwaring (1989), for the Catholic Philippines, Casper (1995) and Youngblood (1990), for Buddhist Southeast Asia, Ishii (1986), Keyes (1971; 1987), Matthews (1993), Mendelson (1975) and Smith (1978), and for Hindu/Muslim India, van der Veer (1994).
Contention derives from diverging positions with regard to the proper relationship between state and religion, and the political role of clerical authorities. These questions have been very divisive not only between Muslim and non-Muslim communities but also within the Muslim community. In the Western world, the secularist principle that state and church should be separate is generally a received wisdom. In other words, the state should not run religious affairs and such matters should exclusively, or at least largely, be left to the church and professional clergy.¹²

In contrast, the issue of the relationship between state and religious authorities remains unsettled across the Muslim world (Eickelman and Piscatori 1996: especially chap.3; Piscatori 1983). A traditional interpretation of Islamic precepts denounces the division between state and religion, allowing the former a much larger—and legitimate—role in governing religious matters. Overall, the 'no separation' principle is widely acknowledged within Muslim nations and among Islamic scholars in particular (e.g., Roy 1994: especially 12-13). This doctrinal sanction allows ulama and Islamists wide scope for claiming state power—and urging state implementation of religious doctrines, especially Syariah (Islamic law). Thus, even in Muslim nations such as Indonesia and Turkey, issues related to the extent to which the state should be involved in religious affairs remain unresolved and contentious politically. The question remains to be a source of dispute even after Islamists are allowed to participate in contests for state office.

Thus, state-religion relations in Muslim nations vary significantly and are not as simple as conventionally depicted by some Western observers. Some Muslim-dominant countries such as Turkey and Indonesia chose to adopt 'secular' principles in the course of modern nation-state building, and rejected Islam as the ideological and institutional foundation of the state. Even when a country decided to incorporate Islam as the official religion such as in Malaysia, Algeria, and Pakistan, this conclusion did not make its

¹² Recent debates about state-church relations in the United States and other parts of the Western world,
government ‘Islamic.’ Two points should be noted. First, there is no clear relation between the official (constitutional) position of the religion and the attributes of state religious administration. There are a number of so-called ‘Islamic states,’ but those states differ in terms of the mode and level of state involvement in religious affairs. The position of religious authorities—ulama—in these states is not predetermined either; the extent to which they are allowed real decision-making power is contingent on the particular political context. For example, Pakistan was born as an ‘Islamic’ state, but the executive has always been in the hands of Western-educated secular elites or military officers. The role of religious authorities in government institutions has been limited.

Second, state leaders are equipped with a range of political and institutional instruments to engage in Islamic affairs without altering the entire original constitutional framework. In other words, the state can intervene in religious affairs regardless of its official rubric as Islamic or secular and regime type. Thus, a proper analytical framework is needed to better understand the actual relationship between state and religious authorities. This study intends to partially fill this analytical gap by advancing the concept of institutionalization of religious bureaucratic authority structures.

Religious Actors and Political Mobilization

The state’s efforts to accommodate religious authorities are primarily due to a political reality that confronts many Muslim rulers: religious authorities—ulama—can pose an enormous threat to the political legitimacy and authority of secular Muslim ruling elites. Most Muslim-dominant governments intervene in religious institutions to preempt religious authorities from becoming a source of oppositional mobilization or violence within the Muslim community. Moreover, ulama are not the sole Islamic opposition to the government. Islamist groups led by non-theologically trained Muslim intellectuals such

however, seem to suggest that such ‘secularist’ assumptions have been increasingly questioned.
as the Muslim Brotherhood have become influential and popular in many parts of the
Muslim world. Compared with traditional ulama, these groups tend to adopt a variety of
modern tactics and vigorous interpretational skills to expand their influence and can also
pose a serious threat to secular elites in the government. When a government confronts an
Islamist opposition, ruling elites need to rely on the cooperation of ulama to rebuff the
Islamists on doctrinal grounds.

Across the Muslim world, Islamic institutions such as traditional religious schools
(madrasah, pondok) and mosques have customarily offered an important site for political
mobilization (Wiktorowicz 2004). Ulama who run these institutions have been a source
of moral and political leadership. In Muslim Southeast Asia, these Islamic institutions
also acted as significant ideological and organizational vehicles to mobilize popular
support for anti-colonial and nationalist causes and to express political and
socio-economic concerns.13

Rulers have also recognized the value and power of these Islamic institutions since the
advent of Islam in the Malay archipelago. In the pre-colonial Malay world, Malay rulers
readily accommodated Islam to promote their ideological and political causes and to
reinforce political legitimacy (Milner 1981). After the onset of colonial rule, the British
policy of co-opting Muslim rulers (or Sultans), coupled with their accommodative policy
towards Islam, helped reinforce and centralize the official position of Islam. The colonial
regime helped build state institutions to administer Islamic courts, Islamic schools and
other religion-based social functions (Roff 1974, 1998; Yegar 1979). As discussed in
chapter 2, Muslim rulers’ handling of religious affairs in colonial Malaysia (then known
as British Malaya) differed from the Dutch colonial regime’s dealings with religious
authorities in Indonesia (then known as the Netherlands East Indies). The Dutch remained

13 For a general overview of religious-based anti-colonial and nationalist movements, see Ileto (1999). On
specifically Islamic movements in Southeast Asia in the more recent period, see Hefner and Horvatich
(1997).
alert to Islam as a source of political agitation and unrest, and adopted a cautious approach that excluded Islamic movements and activities from formal involvement in government. Despite the colonial government’s vigilance towards political activism, a number of Islamic social-welfare movements such as the modernist Muhammadiyah, the nationalist Sarekat Islam and the traditionalist Nahdlatul Ulama (NU) emerged and expanded under Dutch rule (e.g., Benda 1957).

After the global rise of Islamic reformist movements in the 1970s, the challenge faced by ruling elites in dealing with religious forces grew greater. A wide spectrum of Islamic movements and associations mushroomed in Muslim societies. Some were explicitly political in objective and approach; while some demanded political liberalization, others called for the establishment of an ‘Islamic state.’ Islam offered an ideological and organizational channel and moral leadership to mobilize resistance against government authorities. Other movements were only implicitly political and more committed to the socio-economic welfare of their adherents; they advocated the interests of the underprivileged groups and initiated a wide range of educational and welfare programs.

Muslim communities in Southeast Asia similarly lived through the rise of Islamic reformist movements against the backdrop of rapid socio-economic transformation— and the rise of Muslim urban middle-classes which became more Islamic in their devotion and life-style (e.g., Barton 1994; Effendy 2003; Federspiel 1998; Ramage 1995). Hefner (1993; 1997; 2000), for example, depicted the Indonesian situation this way: although a handful of uncompromising Islamist movements strove for the establishment of an Islamic state, ‘political Islam’\(^{14}\) was largely neutralized under Suharto’s authoritarian regime and moderate Muslims generally sought to develop new Islamic initiatives, especially in the field of education, the economy, and social welfare in the 1980s.

\(^{14}\) ‘Political Islam’ refers to Islamic activism that emphasizes involvement in party politics and other political activities.
Flourishing Islamic activism—termed 'cultural Islam'—Hefner argues, arose primarily from rising bourgeois aspirations and 'the most spectacular evidence of cultural Islam’s advance was visible' in the booming metropolitan regions of Indonesia (Hefner 1997: 90). Malaya’s Islamic movements exhibited similar characteristics, and were also associated with rapid socio-economic transformation and the emergence of urban middle-class Muslims. The active involvement of youth organizations and university students in dakwah (Islamic missionary) and other religious activities was a distinctive feature of the Islamic reformist movements (Jomo and Ahmad Shabery Chik 1992; Nagata 1980; Zainah Anwar 1987). The most prominent among these non-governmental Islamic movements was ABIM (Angkatan Belia Islam Malaysia, Muslim Youth Movement of Malaysia) led by Anwar Ibrahim, the most prominent and charismatic Islamic-oriented politician who was later inducted into UMNO by then Prime Minister Mahathir in 1982. Despite its efforts to promote dakwah activities among a wider spectrum of Muslims, both in urban and rural areas, ABIM’s influence was more or less restricted to students and the better-educated urban middle-class. ABIM found relatively little acceptance in rural areas primarily because many, although by no means all, of its leaders were secular educated, in contrast to the ulama (Nagata 1980: 423-28; Zainah Anwar 1987: 42).

---

15 Muslim intellectuals and scholars use the terms ‘cultural Islam’ or ‘civil Islam,’ to refer to Islamic activity that serves as a source of ethical and cultural guidance.
16 Universities were at the forefront of this trend. By the early 1980s, campus-wide devotional movements were spawned at virtually every major university. In order to Islamize secular universities students adopted relaxed forms of dress, amusement, and interaction, while encouraging strict adherence to Muslim devotional acts, including the daily prayers, the fast, and payment of alms (zakat) to the poor (Hefner 1993: 12-13).
17 Some scholars emphasize the role of ethnic identity to account for strong religious assertion among Malays (Hussin Mualib 1990; Shamsul A.B. 1994, 1997).
18 ABIM was formed in August 1971. Only 153 attended its inaugural meeting, but by the late 1970s, its membership was estimated to have mushroomed to around 35,000 (Nagata 1980: 423-28). Anwar later became Deputy Prime Minister.
19 Others dispute this characterization. Jomo and Ahmed Shabery, for example, note that 'in rural areas, ABIM was received as the champion of the umma (Muslim community), addressing itself to social as well as religious issues.' ABIM’s pragmatic and this-worldly approach, in fact, stirred a great deal of sympathy and support among the Muslim populace (Jomo and Ahmad Shabery Chik 1992: 853).
Muslim ruling elites could not simply ignore the rise of religious activism in society. For them, how to deal with these pressures from Muslim communities ultimately boiled down to the question of political legitimacy (Alagappa 1995: 39-41). A failure to deal skillfully with this challenge could both cause an upsurge in anti-government sentiment in one community or another, and jeopardize political legitimacy.

It is important to note, however, that the reaction of Muslim governments to this global trend differed significantly across nations. Some governments defended essentially the ‘secular’ characters of the state apparatus at the risk of sacrificing some authority within increasingly self-consciously Islamic Muslim constituencies. They avoided any obvious involvement in the running of religious affairs. Some national leaders perceived Islamist groups as threats to their hegemonic position in the Muslim community and suppressed them by exploiting security means.

Other governments, in contrast, pursued a policy of Islamization and funded various religious socio-economic activities (such as Islamic education) to win the hearts and minds of Muslims. Government leaders undertook greater state involvement in religious affairs in order to preempt the capture of the state by conservative ulama or Islamists. The seizure of state power by a class of ulama in Iran in 1979 sent a blunt reminder to other modernizing Muslim leaders that too much modernization and secularization would put their political future at risk. Confronted with similar pressures, why did some governments choose to actively incorporate Islamic elements into state institutions while others did not?

Where is the State?

What is often dismissed and less explored in the debate related to religious mobilization in general, and Islamic political activism in particular, is the function of the state. Dominant society-centric views about religious mobilization have made the role of states
secondary. In this approach, the state is generally regarded as a passive actor, merely responding to social pressures. In other words, social pressures are the key determinant of policy change as if state interests are not present or relevant. In any event, according to this view, state choices are primarily contingent on social interests.

The Islamization policy launched by the Mahathir administration in the early 1980s was generally seen from this perspective; its drastic policy change was the government’s (and UMNO’s) response to its chief constituency, the Malay-Muslim community (Hussin Mutalib 1993: 29-33; Milne and Mauzy 1999: 80-89). The government’s support for religious related activities such as dakwah was conventionally seen from a perspective of partisan politics as a result of electoral competition between the two Muslim-based political parties, UMNO and PAS (Parti Islam Se-Malaysia).

Some studies acknowledge the government’s accommodative approach to Islam. But when they do, they tend simply to emphasize the preferences of individual politicians. In particular, these studies focus on the role played by former Prime Minister Mahathir and his former deputy, Anwar, and portray the government’s policy as a product of their ideas and beliefs (e.g., Milne and Mauzy 1999: 84-88). Other studies are more suspicious and even cynical about the government’s ‘pro-Islam’ initiatives; they dismiss these initiatives as merely ‘cosmetic’ or a ‘political trick’ (e.g., Nagata 1980: 430). Here, too, a key factor driving the government’s accommodation of Islam is UMNO’s concern about the rising influence of the Islamist party PAS in the Muslim constituency. Echoing this position is discourse analysis that focuses on the various parties’ engagement in ‘rhetorical competition.’ This analysis especially highlights an ideological conflict between UMNO and PAS over ‘Who is more Islamic than the other’ and ‘Whose interpretation and

---

20 Some studies are subtly more appreciative of the role of the government (or the ruling party) in Islamic resurgence. See, for instance (Chandra Muzaffar 1987: 5-6).

21 Most commentary and analyses on political Islam in Malaysia emphasize and rephrase this point. See, for example, Chandra Muzaffar (1987: chap.7); Farish Noor, ‘Sharia Gambit in Malaysia,’ FEER, 8 January 2004, and Liow (2003).
practices of Islam are more correct than the other.’ (e.g., Farish A. Noor 2004). Other studies are even more negative about the government’s approach to Islam, emphasizing the latter’s repressive strategy to manage the impact of Islamic activism (Barraclough 1983).

This study does not by any means suggest that these society-centric accounts are invalid; they, indeed, made an important contribution to better understanding Islamic and political mobilization in Malaysia. The study acknowledges the role of societal pressures, and the rising influence of the Islamic opposition in particular, that aroused enormous concern among the governing elites in the first place. Moreover, the study does not entirely write off the function of ideologies. As I argue elsewhere, Mahathir’s ideas on progressive Islam, and his pledge and initiatives to promote it, helped to mobilize a large segment of the Muslim community for national development efforts (Hamayotsu 2002).

The study queries whether the behavior and choices of the state can only be understood in terms of response and suppression. My central contention is that social pressures alone cannot fully explain the particular way in which the Malaysian government intervened in Islamic affairs. Exclusive emphasis on the ideas of individual leaders, rhetorical discourses between two contending political parties, or the government’s repressive capacities fails to capture the significant institutional and political dynamics taking place within the state.

This study highlights intra-state interactions as well as those between state and society actors. The Malaysian government adopted an Islamization policy and actively intervened in a range of religious affairs including Islamic courts and religious education. Most significantly, the state developed bureaucratic structures to sponsor and regulate these religious matters. We have witnessed state attempts to co-opt religious authority structures in many countries and under various regimes (e.g., Moustafa 2000; Nasr 2000; Piscatori 1983: various chapters; Zaman 2002; Zeghal 1999). Yet, the degree and method
of co-optation varies significantly from one case to another. Why was the Malaysian government’s Islamization policy implemented in the particular way that it was? Who has benefited and who has lost from the process? Intra-state political dynamics and institutional change, I argue, have a significant long-term impact on the state’s relationship with social actors as well as on choices and behavior of societal actors.

Malaysia: A Case of What?

This study investigates one particular mode of state intervention in religious affairs—institutionalization of the religious bureaucracy in Malaysia. Among Muslim nations, Malaysia’s political stability, economic development, and most importantly, moderate Islam, is notable. Unlike many other Muslim nations, the country under a Muslim-based government managed to promote a moderate type of Islam, while achieving remarkable economic development with equity and stability (Kuhonta 2003). Inter-religious and ethnic conflict has been relatively restrained despite the devastating racial riots in 1969. In the wake of the War Against Terror, the Malaysian government, unlike its neighbor Indonesia and other Muslim nations, exhibited a comparatively strong capacity to control extreme and radical types of Islam. Although PAS, the influential conservative Islamic opposition party led by ulama, has ruled Muslim-majority States, Kelantan and Terengganu, its influence continues to be mainly limited to rural areas. In this respect, it is not even close to the Islamist Justice and Development Party in Turkey, which won convincingly in parliamentary elections. My study claims that the mode of state intervention in religious affairs—institutionalization of the ‘church-like’ religious bureaucracy—provides one explanation of the limited significance of radical Islam in Malaysia.

In Malaysia, the federal government launched an Islamization policy in the early

---

22 PAS has ruled Kelantan between 1957 and 1974 and since 1990, and Terengganu between 1999 and
1980s. This has brought about increasing federal intervention in Islamic affairs which had previously been mainly under the jurisdiction of the State governments. Most importantly, the government's intervention strategy took a particular form: the expansion of the bureaucracy to administer a range of religious matters such as the Syariah judiciary and Islamic education along the lines of Weber's familiar meritocratic, rational-legal bureaucratic authority. In other words, religious officials were recruited into the tightly organized public service based on merit, and were remunerated by salaries—as opposed to what Weber called 'patrimonial' recruitment based on personal favors or organizational affiliation. As a result, these officials become dependent on the state—and secular Muslim politicians who dominate it—for their authority, career prospects as well as material benefits.

The state as a result took over a number of traditional 'church' functions; the running of Islamic schools, implementing Islamic laws, and organizing Islamic welfare programs. This institutionalization equipped the Muslim governing elites with bureaucratic machinery to sponsor and regulate religious affairs relatively effectively. This was in contrast with other Muslim governments, such as those of Indonesia and Turkey, which have tended to leave many of these functions to private religious organizations. By incorporating religious authorities into the tightly defined state bureaucracy, moreover, the Malaysian federal government has gained enhanced authority and legitimacy to define and enforce 'correct' Islamic doctrines and thus limit the influence of oppositional religious political mobilization. The government's control over the religious activities of Muslims has grown tighter both ideologically and organizationally.

What is distinctive about the Malaysian case is that while the state has become more involved in religion, this has not been accompanied by religious radicalization. In this respect, the Malaysian experience has been different to that of Pakistan. In Pakistan,
heavy state involvement in Islamic affairs, such as sponsoring of madrasah schools, facilitated radical religious mobilization and sectarian violence (Nasr 2000). In Indonesia, too, state intervention in Islamic affairs proved rather negative; Suharto’s policies to sponsor some sections of the Muslim community facilitated religious tension between Muslim and non-Muslim communities as well as within the Muslim community, and contributed to religious radicalization (Hefner 1999; 2000: chap.7; Sidel 1998, 2003).

Moreover, state co-optation of ulama did not lead to public repudiation of the state religious officials, in contrast to some other countries, despite the Islamic opposition’s constant disparagement and accusations. The state religious officials commanded considerable authority and esteem within the Muslim community to help enforcing government policies effectively. Why did the Malaysian government’s co-optation of religious authorities develop the way it did?

Bringing the State Back In: Institutionalization of the Religious Bureaucracy

There is no standard method to measure the level of state intervention in religious affairs. The portrayal and interpretation of state intervention in Islam tends be fuzzy in existing studies. Commentary on political Islam in Malaysia, for example, tends to bracket together the government’s Islamization campaign and its sponsoring of Islamic-labeled organizations and companies into a kind of package. Such a trend is regarded as ‘Islamization of the state,’ but little effort is made to establish a method to measure the degree or qualitative nature of state intervention in religion. The government’s support for the establishment of the Islamic Bank, the Islamic University, and other religious-based socio-economic institutions, for example, has been a key indicator of the Islamization
trend of the Malaysian government (e.g., Hussin Mutalib 1993: 29-33).

To assess the level of state intervention in this way is problematic; it may give us an impressionistic observation of some action taken by the government that is related to Islam, but leaves us unsure of what aspect of Islamization is seen as the critical explanatory link to outcomes. And, how are we to distinguish between simple policy changes at the margins and institutionalization, which suggests a more deeply lasting change? This analytical ambiguity makes comparative analysis difficult, both across place and time.

The concept of state co-optation of Islamic movements, another model used to indicate state intervention, can also be too broad and problematic for understanding adequately the type and effects of state intervention in religion. For example, military regimes in Indonesia and Pakistan adopted co-optation strategies to neutralize oppositional Islamic movements. But their strategy was different from the Malaysian government’s co-optation. In Indonesia, for example, the former Suharto regime put greater emphasis on creating extra-governmental organizations (filled by the president’s own loyalists) to sponsor Islamic activities and to co-opt some segments of the Islamic community. This strategy allowed state religious agencies and regulations to be largely captured by particular Muslim interests. Favoritism and corruption in the state’s operation of religious affairs—and its allocation of public funds for religious activities—under this patrimonial regime had the effect of making the state religious officials opportunistic and unfit to carry out designated tasks to fulfill public needs. Moreover, Indonesia’s patrimonial state encouraged rival religious organizations to compete for access to spoils derived from public office. Thus, in the authoritarian past, this particular mode of state intervention—together with repressive security tools—succeeded in dividing political Islam and prevented the emergence of a united political challenge to the governing elites, but, in the long run, as some scholars argue, facilitated sectarian tendencies, radical

This study draws on the literature on the state to distinguish the type of state intervention in religion. My approach employs Weber’s model of bureaucratic authority structures—together with Huntington’s institutionalization—to advance our understanding of institutionalization of state religious bureaucratic authority structures as a key analytical variable. The distinction of this model is its ability to identify not merely the quantitative but also one aspect of the qualitative dimensions of institutional change.

How state bureaucracies are organized and the effects of state organizations on political and socio-economic changes have been of broad theoretical concern for many political and social scientists. Students of political economy, for example, emphasize the significance of state institutions, and the characteristics of bureaucracies in particular, in accounting for economic growth (e.g., Evans and Rauch 1999; Rueschemeyer and Evans 1985). These studies draw upon Weber’s model to assess the level of state ‘strength’ and to determine whether state institutions are insulated (and therefore autonomous) from particularistic societal and personal interests.  

Echoing this position, some argue that the way state organizations are institutionalized determines the boundary between the state and other non-state actors, a boundary influencing the quality of state intervention and regulation (Hamilton-Hart 2002: 16).

For those studies, institutionalization is an explanatory variable (independent variable). In the present study, institutionalization is primarily an outcome (dependent variable), and my first inquiry is to explore the causes of institutionalization. Exploration of the effects of institutionalization of the state religious bureaucracy on religious mobilization is my second inquiry. The specification of institutionalization—the extent to which the

---

23 For a similar claim in the context of Pakistan, see Nasr (2000).
24 For an insightful political-economy account focused on Southeast Asia and emphasizing this analytical perspective, see Hutchcroft’s study on banking in the Philippines (Hutchcroft 1998).
state religious bureaucracies have developed to acquire Weberian rational-legal meritocratic characteristics—goes some way to understanding the type of state intervention in religious affairs. The distinction of this analytical model is its ability to specify the state strategy of co-optation; it answers how theologically trained Muslim leaders and teachers are co-opted into the state or remain in the public milieu. It allows us to differentiate the bureaucratic mode of state co-optation (i.e., Malaysia) from the patrimonial one (i.e., Indonesia). The argument that follows is that the attributes of state organizations (especially state bureaucracies to administer religious affairs) is a significant variable affecting the state's capacity to control religious mobilization among non-state actors and oppositional religious mobilization in particular.

Dimensions of Institutionalization

Our first step is to establish a conceptual parameter to assess the level of institutionalization of state bureaucracies tasked with regulating religious affairs. My approach draws upon Weber’s model of bureaucratic authority structures to emphasize the quality of state organizations and procedures. Well-institutionalized states match Weber’s rational-legal bureaucratic organizations: government organizations are run according to meritocratic, rule-based precepts as opposed to patrimonial principles (Roth and Wittich 1978: 956-105). They are organizationally coherent, autonomous, complex and adaptable (Huntington 1968: 8-24).

This analytical approach equips us to address not only the quantity but also quality dimension of institutional change. Evaluation of the quantity of state intervention in Islamic affairs tells us about ‘how much’ the state has become concerned with financing and regulating religious affairs. Assessment of the quantitative dimension alone, however, does not inform us much about the attributes of state-sponsored religious organizations and the quality of state intervention. This distinction matters because our
central question is whether the state intervention in Islam brings about societal-religious penetration/capture of the state on one hand or state rule on the other, and within the category of state rule, whether that rule is carried out by a Weberian bureaucracy. Ruling elites may create new bureaucracies to regulate religious affairs, but the organizations may be corrupt or staffed by loyalists unqualified to carry out official duties in ways that meet public interests. A likely consequence is that administration of religious affairs will be ineffective; and that particular political groups or individuals may hijack and use offices to benefit their personal interests. This was precisely the experience in Indonesia and Pakistan.

In Indonesia, despite its official ‘secular-nationalist’ principle, the Department of Religious Affairs was created at independence initially to meet the expectations of the modernist segment of the Muslim community (Boland 1982: 105-12). The size of the department grew larger—the largest at one time among all the ministries—despite its limited jurisdiction (Emmerson 1978). However, the size of the agency was one thing; the quality of its rule was quite another. Rival Islamic groups competed to control the department’s vast bureaucracy; identification of the department’s interests with those of a particular religious group was blatant and embezzlement of public religious funds and misuse of public offices was not uncommon. The state expansion was apparently a result of pressure to serve the patronage interests of particular religious groups. 25

Weber’s model of rational-legal bureaucracy addresses this quality question. According to Weber’s model of bureaucratic authority structures, government organizations function in fixed and official jurisdictional areas, which are generally ordered by rules, that is, by laws or administrative regulations. The regular activities

25 Emmerson gives an astute observation of the size and quality of the religious bureaucracy in the 1970s. He wrote: ‘Because of the breadth of Islamic law and the sheer scope of human activity the new department was supposed to regulate, and because of Islamic organizations, especially the Muslim Teachers’ party (Nahdatul Ulama or NU), controlled it and used it as a place to employ the political faithful, the Ministry of Religion increased rapidly in size (emphasis added)’ (Emmerson 1978: 87).
required for the purposes of these organizations are distributed in a fixed way as official duties. Methodical provision is made for the regular fulfillment of these duties. Moreover, the authority to give the commands required for the discharge of these duties is distributed in a stable way and is strictly delimited by rules; employment of officials is primarily based on established qualifications to serve the office. In a well-institutionalized government organization, these rule-based, meritocratic principles comprise 'bureaucratic authority'—as opposed to ascriptive and arbitrary precepts that characterize 'patrimonial authority'. Further, the characteristics described above form a source of legitimacy (Gerth and Mills 1948: 196-98).

Huntington's institutionalization is helpful to measure the extent to which particular organizational rules and procedures 'acquire value and stability'. Well-institutionalized organizations and procedures display four essential characteristics: adaptability; complexity; autonomy; and coherence (Huntington 1968: 8-24). Coherence and autonomy, closely linked together, are particularly important in well-institutionalized disciplined state organizations; autonomy becomes a means to coherence, enabling the organization to develop esprit de corps, unity, discipline, and distinctive identity. Well-institutionalized state organizations exist independently of the interests of other particular social groupings and defend clearly defined public interests.

Vanguards of the Weberian Bureaucracy: The Mechanism of Recruitment and Qualifications of State Religious Officialdom

Making rules and procedures alone is not sufficient to build well-institutionalized government organizations. A patrimonial state such as Suharto's Indonesia also has legal rules. To ensure that the organizations function according to formal rules and norms effectively, offices need to be staffed by adequately qualified officials to carry out designated duties. First and foremost, in Weberian organizations, employment of officials
is based on merit; that is, the possession of technical knowledge and adequate qualifications—rather than personal association with particular individuals or social groups. Government office is the prime source of employment for office-holders and is remunerated by fixed salary according to their function. The presence of such officials assures predictable and reliable implementation of state policies.

The degree to which the organizations are equipped with a standardized meritocratic (qualification-oriented) system of recruitment and offer predictable and rewarding long-term career courses are variables particularly underscored in this study. In other words, my special concern is whether state office secures solid long-term career prospects for theologically trained ulama. This in turn affects their loyalty to state office and inhibits opportunistic and biased behaviors among these officials.

Malaysia: Empirical Issues

The organizational expansion of religious bureaucracies in Malaysia has gone some way to approximating the type of institutionalization described above. To operationalize these concepts empirically in the Malaysian case, the focus will be on jurisdiction over Islam. In Malaysia, Islam constitutionally falls under the jurisdiction of the sultans formally heading the governments in the individual States, and thus we have to consider the relations between the federal and State governments. In theory, State governments individually could have developed institutionalized religious bureaucracies to expand state jurisdiction over private religious organizations and activities. But, in practice, State governments lacked financial, technical and political resources under the country’s generally highly-centralized political system. The administration of Islamic affairs at the State level had long been left largely unattended, irregular, and weak. It is partly due to this administrative irregularity (that caused a number of problems) that the federal government decided to intervene in the administration of religious affairs. Moreover, it
was only after the federal government got involved that state involvement in religious affairs increased sharply. The federal government has not only expanded but also centralized authority over Islamic affairs. In practice, therefore, the higher level of institutionalization matches the greater degree of ‘nationalization’ of the religious authorities in the sense that rules and procedures set by the federal government are enforceable nationwide.

**Varying Degrees of Institutionalization**

The chapters that follow show that the formation of institutionalized state authority structures governing Islamic affairs has a significant effect on mobilizational capacities of Islamic movements in society. To this end, this study employs inter-sectional comparative analysis. In the Malaysian case, three policy areas exhibit striking variation in the level of state intervention and institutionalization when they are measured across the institutionalization dimension outlined above. The three issue areas I examine are: (1) *Syariah* judiciary (Islamic courts, laws and judges); (2) education (Islamic schools and teachers); and (3) *zakat* (Islamic tax for welfare purposes) (see Table 1.1).

The *Syariah* judiciary experienced the highest level of institutionalization on all accounts. The jurisdiction of the *Syariah* (Islamic) courts and legal apparatus expanded with enhanced independence and authority. The Federal Constitution was amended in 1988 to give more jurisdictional leverage and autonomy to the *Syariah* courts and Islamic laws vis-à-vis their civil counterparts. Each State also passed legislation pertaining to the administration of the *Syariah* laws and courts under the auspices of the federal religious authorities to make the administration of *Syariah* courts and enforcement of Islamic laws more coherent and definite. Moreover, the *Syariah* judicial apparatus was separated from
Table 1.1: Cross-sectional Variation in the Level of State Institutionalization in Malaysia

<table>
<thead>
<tr>
<th>Sector Measures</th>
<th>Judiciary (Syariah)</th>
<th>Education</th>
<th>Zakat</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>High</td>
<td>Medium</td>
<td>Low</td>
</tr>
<tr>
<td>Constitutional</td>
<td>* A 1998 constitutional amendment gave Syariah courts and judges greater authority and autonomy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legislative</td>
<td>* New Islamic administrative and procedural laws and tightened enforcement</td>
<td>* The Administration of Islamic Schools Act (State-level)</td>
<td></td>
</tr>
<tr>
<td>Administrative/</td>
<td>* The establishment of the Federal Department of Syariah Courts (JKSM)</td>
<td>* The formation of the Advisory Council for the Coordination of Islamic Education</td>
<td>* The formation of a corporate body to collect zakat contributions in some States</td>
</tr>
<tr>
<td>policy</td>
<td>* Standardized recruitment of Syariah judges: the Syariah Official Common-Use scheme</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Informal</td>
<td>* Ad-hoc nation-wide consortium for operational coordination</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The State religious authorities (the State religious departments and religious councils) in a physical, administrative, and financial sense. One of the most significant developments on the administrative front was the establishment in 1998 of the Federal Department of Syariah Courts (Jabatan Kehakiman Syariah Malaysia or JKSM) under the Prime Minister’s Office. This was the federal government’s effort to standardize nationwide the administration of the Syariah machinery including Syariah judges. On agreeing to join this federal system, Syariah judges and officials previously employed by the individual State governments were placed under the Syariah official common-use scheme.
Moreover, qualifications for Syariah officials were standardized to give more coherence and integrity to a corps of Syariah officialdom. Although not all the States have yet joined the scheme for a variety of reasons, this federal mechanism is expected to help close inter-State gaps in the procedures and execution of the Syariah judicial machinery. Together, all these developments brought about a more coherent, autonomous and rule-abiding system of administration overseeing Syariah judicial affairs.

In the educational sector, institutionalization remained at the intermediate level. The federal government’s efforts to expand Islamic education within the formal national schooling system and to take over the administration of private religious schools and teachers were only partially successful. The federal government’s maneuvers resulted in a number of administrative measures to expand federal control over religious educational institutions. For example, the federal government set up the Advisory Council for the Co-ordination of Islamic Education (Lembaga Penasihat Penyelarasan Pelajaran dan Pendidikan Agama Islam or LEPAI) at the federal level in 1983 in an effort to standardize Islamic teachings in all religious schools (except those run by the Ministry of Education). Within this framework, federal funds were channeled through the State religious departments to ‘licensed’ private religious schools. The funds, which financed teachers’ salaries and renovation of facilities as well as purchase of teaching materials, provided a reward mechanism to woo the resource-poor private schools to comply with federal directives in terms of curriculum as well as qualifications of teachers. Despite such efforts, the absence of a central agency, a JKSM equivalent, impeded the emergence of a coherent and autonomous administrative mechanism supervising Islamic schools and teachers and securing efficient policy implementation nationwide.

Finally, in the welfare (zakat) sector, federal intervention was almost zero, leaving the level of institutionalization lowest. Individual State religious authorities made some effort to make the collection and distribution of zakat more efficient and effective. For
example, some State governments set up a corporate body to develop a more advanced and effective system to collect zakat. However, those developments were essentially technical in nature, and federal involvement in this sector was close to nil; the federal proposal to centralize the zakat administration—creation of the central agency, Malaysian Zakat Management Board—has never materialized. Moreover, powerful UMNO politicians set up a private religious charity foundation while ignoring the official system of zakat. The concurrent development of an Islamic charity mechanism outside the formal bureaucratic structure—personally sponsored by influential UMNO politicians—helped further undermine the reputation and morale of the zakat institution and religious officials who run it.

This variation in outcomes came into being under essentially the same conditions: the political system, ideological climate, socio-economic circumstances, and the same administration of UMNO. Moreover, they were equally subject to the same constitutional constraint binding religious agencies: religious affairs fall under the jurisdiction of the sultan in each State (except in the Federal territories), an oft-cited factor that has held back federal intervention into Islamic affairs.

Islamic doctrinal precepts, too, do not appear to have much to say about this particular pattern of institutional change. From a religious (doctrinal) perspective, these issues all appear equally important. Syariah, in principle, binds all aspects of Muslim life. Enforcement of Syariah is almost always a chief objective of Islamist groups across the globe. Islamic education is equally important; it serves as a means to propagate religious teachings, and Islamic scholars and teachers provide a base of religious and political leadership. Finally, zakat is one of the five pillars of the Islamic faith, and a vital source for charity, a deed most cherished in the Islamic teaching. Moreover, zakat funds, together with other religious funds, are an important financial source for Islamic activities. If religious doctrine is the key factor, we could have expected that state
expansion should be much the same across sectors. But this was not the case. Why was there more state intervention in one sector and less in others?

The greater state intervention in Islamic affairs has led to an expanded religious presence within the state bureaucracy. Seen through an institutionalization lens, however, the study finds that the trend of Islamization of the state is not a process that evenly affects the entire state apparatus. Neither does the process of institutionalization of religious bureaucratic authority occur evenly across the entire state structure. This gap is significant for understanding factors shaping the institutional change of religious authority structures and political consequences of this change. The prime goal of this study is to explain this inter-sectional variation in institutionalization by identifying a key factor that determined the way in which the Malaysian government was involved in religious affairs and its Islamization policy was implemented.

Contending Explanations: Why State Intervention?

External Pressures from Societal Actors

What facilitates state formation in general and institutionalization of state organizations in particular has long motivated intense debates among political and social scientists (e.g., Ertman 1997; Markoff 1975; Tilly 1975, 1990; Zucker 1987). By and large, theories on this question are categorized into two explanatory paradigms: one focused on external factors and the other on internal factors.

A number of scholars of Malaysian politics echo the first paradigm by emphasizing the role of external pressures from societal actors in explaining greater state intervention in religious affairs. This social-pressure view portrays a secular-oriented government in Muslim countries as facing an external Islamic threat, that is, the rising influence of
oppositional Islamic parties among the increasingly self-consciously Islamic-oriented Muslim community. In the Malaysian case, most studies attribute the federal government’s Islamization initiatives to electoral rivalry between UMNO and its archrival, the *ulama*-led Islamic party, PAS (e.g., Farish A. Noor 2003a; Hussin Mutalib 1990: chap.4; Liow 2003). These studies argue that PAS’s Islamic credentials and agendas have threatened UMNO’s electoral dominance in the Muslim community, as Muslims grew far more conscious of their religious identity and Islamic issues in the Muslim world.

UMNO’s concern with PAS’s electoral threat in the context of strengthening Islamic consciousness dates from the late 1970s at a time when the prominent NGO, ABIM, was building close ties with PAS.26 Given the popularity and mobilizational capacities of ABIM among the Muslim youth, UMNO leaders were alerted to the potential electoral consequences of a pact between the two (Jomo and Ahmed Shabery Cheek 1988: 849-51; Nair 1997: 28-33). Despite its official political neutrality, the top ABIM leaders at that time supported PAS politically and helped strengthen the party organizationally when PAS’s leadership was undergoing an intense leadership crisis and factional struggles. In the 1978 general elections, for example, ABIM launched a nationwide campaign to support PAS and three top ABIM leaders contested in the general elections on the PAS ticket. Moreover, PAS’s growing confidence in ABIM through these campaigns allowed some of the ABIM leaders to hold important posts in the party (Jomo and Ahmed Shabery Cheek 1988: 850-51). Until the early 1980s, when Anwar joined UMNO, ‘ABIM and PAS were seen to have had a mutually supportive relationship in their opposition to UMNO and certain government policies, and in their Islamic cause’ (Zainah Anwar 1987: 41).

The PAS threat was reinforced further after PAS gained control of the State

26 Of course, UMNO had also been concerned with the PAS threat earlier—but not in the context of
government of Kelantan in 1990. Since then, PAS has kept UMNO leaders on the defensive in a number of ways. PAS promised to establish an Islamic state and to enforce a wider range of Syariah laws than the current ‘un-Islamic’ regime under UMNO. The prime example of this was its proposal to implement hudud (Islamic criminal code) in Kelantan. At the ideological level, PAS openly accused UMNO of being ‘too secular’ and claimed that an ‘infidel’ party should have no right and legitimacy to rule Muslims.

Another hypothesis also emphasizes social pressures, especially the influence of the growing Muslim component of the urban middle-class. This view suggests that demands from the better educated and self-consciously Islamic-oriented younger generation among urban middle-class Malays that the government improve the operation of Syariah courts and religious schools was the key factor. Such Malays called for Islamic policies even through they were not necessarily supporters of PAS. For example, meeting such demands in the education sector would require the government to develop a systematic institutional framework to provide adequate religious teaching materials as well as qualified religious teachers. Moreover, the politically conscious middle-class Muslims also called for eradication of irregular and corrupt practices in administration of religious funds. According to this view, the ruling party’s responsiveness to such middle-class interests resulted in greater federal intervention in religious institutions that had previously been neglected under the State governments.

A focus on social pressures—either class based or party mediated—helps one understand why the secular Muslim ruling elites have chosen to adopt an Islamization policy in the first place. There is no doubt that UMNO leaders felt uneasy about the threat emanating from PAS’s Islamic agendas and realized the need to counter them with Islam. Yet, these explanations are not entirely persuasive on at least two grounds. First, these

---

27 PAS also won the State government of Terengganu in 1999, but lost it to UMNO again in 2004.
28 For a detailed discussion about the controversy related to this proposal, see chapter 4.
explanations of state intervention cannot explain variation in outcomes. The pressure from the Islamic opposition party was evident in all the sectors I examined, but the outcomes in the mode of state intervention were strikingly different. The social pressures to systematize the administrative mechanisms were also evident in all the sectors; but the level of institutionalization varied markedly across sectors.

Second, pressures from PAS or the Muslim middle class were not necessarily focused on the areas that were eventually emphasized by the UMNO government. In the first place, one needs to note that although both parties, UMNO and PAS, took initiatives to include Islam in their respective platforms, UMNO’s Islam and the policies it espoused were very different to PAS’s version; UMNO leaders were committed to advocating a more ‘modern’ and ‘moderate’ type of Islam, whereas PAS leaders were devoted to the enforcement of a more ‘conservative’ and ‘traditional’ form and insisted broader and tighter application of *Syariah*. Moreover, some scholars even argue that PAS’s Islam—both in ideological and policy terms—became more radical as a result of the party’s electoral competition with UMNO (Farish A. Noor 2003a). In other words, the social pressure thesis does not fully answer the question of why UMNO was willing and able to make the state system more Islamic in some sectors but not in others. We are also left uncertain about why state intervention took place in the particular way it did.

Culturalist Claim

Another school of the literature emphasizes the role of what are broadly categorized as culture and ideology. This culturalist view suggests that cultural and ideological interests of Muslim politicians explain the government’s greater commitment to involvement in Islamic affairs. They argue that Muslim politicians are primarily interested in promoting an Islamic ideology and the general interests of the *ummah* (Islamic community). Moreover, these politicians could have expected to reinforce their political legitimacy
within the Malay community by upholding Islamic values and symbols.29

A doctrinalist approach asserts that Islamic doctrines and teachings, especially the Qur’an, dictate the political behavior of Muslims, especially ulama. The doctrinal position that repudiates the division between state and religion, for example, is said to facilitate the state’s intervention in religious matters. But religious doctrine is not monolithic and in practice there is no single ultimate authority or a church-equivalent clerical order that dictates ‘orthodoxy.’ State as well as societal actors often have their own views on what constitutes ‘true’ Islam.

My study, however, finds that these culturalist and doctrinalist claims are not empirically tenable. As suggested above, if these factors are the determinants, one would expect that the degree and the mode of state intervention should have been the same across all the sectors. For example, given the fact that the idea of charity is highly cherished in Islamic teaching, and increasingly affluent Muslims are more willing to contribute zakat, it is puzzling that the federal UMNO leaders were obviously hesitant to revamp the management of zakat. Cultural and doctrinal arguments also fail to explain the timing of Islamic institutionalization.

The Malaysian case attests that political agents—shaped in a particular political and institutional context—acted to bring about a particular pattern of state-Islam relations. Most importantly, the particular character of the rise of religious bureaucratic authority structures detailed in this study runs counter to the claims espoused by the abovementioned perspectives. The study claims that the behavior and choices of ulama are not exclusively dictated by religious doctrines, but also shaped by other political and socio-economic interests.

29 Studies that emphasize the role of ethnic identity in the trend of Islamization (e.g., Hussin Mutalib 1990) attest this point. Hussin, however, also warns that the government’s excessive promotion of Islam could endanger Malaysia’s inter-ethnic relations since the non-Malays perceive Islam as a Malay religion and Islamization as nothing more than an assertion of Malay identity (Hussin Mutalib 1990: 162-64).
Incentive Structures of Muslim Ruling Politicians:
A One-Party Dominant Regime and the Politics of Patronage

To fill these theoretical gaps, the study focuses on the incentives and strategies of individual politicians within the state, and on the intra-party logic of political rivalry in particular, as an explanatory variable. My study does not dismiss entirely the role played by societal agents, however. It seeks to complement the society-centric explanation by shedding more light on another important force driving institutionalization of religion: state actors. The study shows that when state actors can advance their own interests by appealing to a particular societal interest, they will.

This study’s emphasis on strategic interactions among various political actors—and the incentive structures of those politicians to maximize political resources—does not mean to neglect the effect of structural and institutional factors. Quite the opposite, political and institutional contexts do matter. The study shows that the incentives of ruling politicians are significantly shaped within a particular institutional and political context. In Malaysia, we have to take into account two particular political contexts. The first is the UMNO’s predominance within the multi-ethnic ruling coalition government and the Malaysian polity in general. The second is the highly centralized party organization of the UMNO, and extremely competitive intra-party rivalry among party members from the local to the national level.

The study draws special attention to the organizational structures of UMNO, its position within the multi-ethnic coalition, and its relations to various social interests at various levels. These are also placed against the wider backdrop of socio-economic

30 The approach taken here builds on ideas found in Geddes (1994: 7-8).
transformation. I demonstrate that these organizational and political contexts significantly influence the incentives and strategies of the UMNO politicians. Such incentives affected the way in which the state intervened to further the institutionalization of religious authorities. And, the structure of these incentives varied across policy areas, leading to variation in outcomes.

Under the one-party dominant political system, UMNO politicians have a strong incentive to maximize opportunities to cultivate a broad support base in order to rise within the party. The most important tool to this end is dispensation of patronage (Crouch 1996: 36-43). It is this patronage-maximizing incentive that makes them especially responsive to particular social interests. To ascend within the highly-centralized party hierarchy and to finance the enormous expenses of contesting party elections, politicians sought to build close ties with corporate businesses—Muslim and non-Muslim alike. The UMNO politicians' traditional constituency, the Muslim community, no doubt remained important. However, rapid socio-economic changes and the widening class gap within the Muslim community (that somewhat corresponded with the urban-rural divide) meant that the Muslim politicians needed to be attentive to contradictory demands arising from these diverging classes. The rising Muslim urban middle-class, for example, tended to support a more liberal religious regime and was more concerned about the growing influence of a conservative type of Islam than were rural Muslim constituents. Moreover, economically powerful Chinese interests became far more important than ever before within UMNO itself as financiers of increasingly tense and expensive intra-party election campaigns.

Importantly, the strategies Muslim politicians adopted to achieve their goals varied depending on their respective positions in the party hierarchy. For the federal-level leaders, their ties with wealthy corporate businesses, especially those owned by economically powerful Chinese, have become as important as their traditional Muslim constituencies, because those businesses financed the costly election campaigns that were
necessary for political rise and survival. These patronage-based political-business ties made them responsive to demands from corporate business and the Chinese community. Moreover, this convergence of interests between the federal-level politicians and the business and non-Muslim communities produced a particular aversion of radical and conservative Islamic elements among the federal-level politicians. Federal intervention in religious affairs was intended to limit the influence of these unfavorable Islamic elements that came not only from the Islamic opposition, but also within the party and the religious department.

In contrast, for the State-level leaders, particularly those from Muslim-dominant rural States, their ties with traditional Muslim constituencies remain very important. Since religious leaders were politically very influential in the local Muslim community, the State prerogative over religious matters offered them valuable patronage opportunities to consolidate their support base.

The federal-State divide among those Muslim leaders affected the strategies they adopted to achieve the same goal (i.e., expanding patronage-networks). Given the UMNO's highly centralized party hierarchy and decision-making power in the hands of the party President, it is conventionally believed that decisions made at the federal level are almost absolute and final. This was reinforced even further under Mahathir's 'personalized' regime (Hwang 2003). Against this received wisdom about Malaysian politics, however, State-level politicians sometimes opposed and distorted the policies initiated by the federal government. As shown in the following chapters, this intra-party competition significantly affected the level of federal intervention and the institutionalization of the religious bureaucratic authority structures across sectors.
Institutionalization in Whose Interest?

Institutionalization, State Capacities and State-Society Relations

The relatively high level of institutionalization of Islamic governance in Malaysia—allbeit with some inter-sectional variation—meant that an increasing number of better-qualified religious officials were incorporated into the government institutions. A range of official posts administering Syariah, including Mufti and hakim (Islamic judges), for example, was standardized as 'remunerated officials' and ranked within the clearly defined public service hierarchy. Religious matters were settled according to the rules and procedures sanctioned by the state religious authorities. The religious officials employed by the government—including Syariah court officials and religious teachers—are largely seen as the source of Islamic authority, ruling and teaching in the Muslim community at large. Although Islamic opposition leaders and sympathizers frequently questioned the authority and legitimacy of these officials, this did not lead to public repudiation of the government religious authorities. The institutionalization process, however, made these religious officials heavily dependent upon the state—and the Muslim politicians who dominate it in particular—not only for their career prospects and material benefits but also religious authority and legitimacy.

One important effect of the process of institutionalization is that it equipped the Muslim governing politicians with an institutional foundation of religious authority to define 'correct' Islam and to regulate religious activities of Muslims. The institutionalization of the religious bureaucracy thus has the possibility of reinforcing state authority in the Muslim community at large. Given the likelihood that any policy

---

31 The Mufti is the supreme authority in each State in respect to all matters concerning Syariah law. He is authorized to issue, modify, or revoke fatwa (authoritative Islamic decrees) on any unsettled or controversial question of Syariah law (See, for instance, Ahmad Ibrahim and Ahilemlah Joned 1995: 52-53).
initiative benefits some actors—but not others, the institutionalization process can be contentious and thus highly political. What are the effects of this institutionalization process on the state’s capacities to control oppositional religious mobilization, and who benefits from the process?

My inquiry into the expansion of the state religious bureaucracy is located at the heart of state-society relations in Muslim societies: religious mobilization. I emphasized at the onset that religious institutions—especially religious leaders—have offered Muslims vital ideological and organizational channels to express their socio-economic and political interests and grievances. As Norton, a Middle-Eastern specialist, underscores, religious organizations and associations in Muslim societies play a very important role in the development of a civil society (Norton 1995, 1996, 1999). The mobilizing powers of religious movements usually depend upon the latter’s essentially ‘apolitical’ nature and use of apolitical channels to reach out to the populace; for example, they organize Qur’an reading groups or render charity and welfare services to the needy. As Norton contends, Islamist movements have evinced ‘a more profound understanding of the requisites of political mobilization than their adversaries and competitors. In point of fact, many of the Islamist movements have been acutely sensitive to the needs of their constituencies, providing reliable, efficient services to the urban lower class, and winning respect in the urban middle class by their integrity and relative incorruptibility’ (Norton 1999: 33). It is this ‘apolitical’ socio-religious activism that makes religious movements popular and politically powerful (see also White 2002; Wickham 2002). Importantly, these strategies may be the only option under authoritarian regimes where the government is armed with abundant repressive powers and the legal means to suppress mass mobilization.

It is also worth recalling the significance of religious ideas in mobilizing adherents for

---

32 An increasing number of studies on Islamic movements in the Middle East/North Africa (and Turkey) spotlight this dimension. See, for instance, White (2002) and Wickham (2002; 2004). Both studies explore the ‘mobilizing’ capacities—and the popular appeal—of Islamist movements against all odds.
political activism. As some scholars argue, new religious ideas and interpretations of the religious texts and doctrines are a driving force behind movements, enabling non-governmental actors to offer alternative visions of society and to challenge the legitimacy of ruling elites (e.g., Ileto 1979; Wickham 2002).

These aspects of religious mobilization lead to a question about state’s capacities to regulate religious political mobilization and propagation of religious ideas at the societal level. Conventional wisdom holds that strong state security apparatus determines the government’s capacity to control religious mobilization. The Malaysian government’s relatively strong capacities to limit the proliferation of radical Islamic mobilization are primarily explained by the security force factor—its strong police force (especially the Special Branch) and security laws (especially the Internal Security Act). Indeed, the Malaysian authorities heavily relied on security instruments to fight religious deviants and opponents. This study finds, however, that security instruments alone are not sufficient for the government leaders to deal with oppositional religious mobilization. I argue that security instruments may be effective to suppress oppositional religious movements in the short run, but are not sufficient to regulate them in the long terms. For instance, many Muslim-dominated governments (such as Pakistan, Egypt and Algeria) have been constantly afflicted with radical Islamist movements regardless of their security capacities (ICG Asia Report No.73 2004; ICG Middle East and North Africa Briefing 2004). In fact, as some scholars argue, the government’s exclusive and suppressive measures tend to produce a reverse—and damaging—result: escalation of radicalism and at times violence (Hafez 2003, 2004). Moreover, as suggested above, many religious movements derive their mobilization power from new interpretations of religious ideas and apolitical socio-religious activities. The majority of them do not rely on violence or criminal activities, let alone terrorism, to propagate their beliefs and carry

33 Here, control of terrorist activities or Muslim groups generally referred to as terrorist (such as Al-Qaeda)
out socio-economic welfare activities. The government authorities increasingly realized that their heavy reliance on draconian security tools caused too much political cost to justify. The Malaysian government’s dealing with radical religious movements attests that the governing elites need more than just a strong police force and security tools.

This study posits that the institutionalization of state religious authority structures strongly correlates to state capacity to control oppositional religious movements including radical ones. A well institutionalized religious apparatus helps alleviate the dilemma of Muslim politicians confronted by religious radicalism. At least three effects of institutionalization deserve special attention. First, it equipped the Muslim ruling politicians with an institutional foundation of religious authority to define ‘correct’ Islam and to regulate religious deviation. They could use the religious bureaucracy to police and harass political opponents and, if necessary, ban them on doctrinal grounds whenever they become politically a threat to the dominance of Muslim ruling politicians. Whether they were genuinely deviant or not is not a central concern of politicians. The critical point is that the Muslim politicians armed themselves with a religious apparatus that could be utilized according to their political interests.

Second, the institutionalization of the religious authority structures gave Muslim politicians the vital means to prevent religious officials from gaining too much power within the government. By becoming the part of the tightly defined state bureaucracy, and dependent on the state for their authority and material rewards, the religious officials had to adhere to the iron rules of obedience and acquiescence. As the following chapters show, however, securing compliance of the religious officials was not always easy for UMNO leaders. The different position between the two groups about how Islam should be interpreted and applied sometimes caused internal conflict. Institutionalization was one way to secure the compliance of the religious authorities.

is not my concern.
Third and finally, institutionalization reduced a source of oppositional religious mobilization by making the state a major provider of job security and long-term career opportunities for religious-educated Muslims. The religious-educated youth in Muslim societies often found themselves victimized against the backdrop of the state’s emphasis on modernization and the expansion of the modern sectors of the economy (Goldstone 2002). Under an aggressively modernizing regime such as Malaysia’s, they could have been socio-economically marginalized and dislocated. The ideology of Islamic justice could have given them an attractive channel to mobilize anti-government discontent among the unemployed and disadvantaged Muslim youth. The Malaysian government’s Islamization policy not only funded traditional religious education (as other Muslim nations did), but also created recruitment mechanisms within the public sector to save ‘losers.’ The distinctive character of institutionalization is crucial here; this particular mode of state co-optation of Islam assured that the state bureaucracy—state regulation and distribution of public resources—remained independent of, and was not hijacked by, societal Islamic groups to achieve their personal or group interests.

Institutionalization of the Islamic Bureaucracy in Malaysia in Comparative Perspective

Locating the process of institutionalization of the Islamic bureaucracy in Malaysia in a cross-national comparative perspective helps us to appreciate the key proposition of this study: the institutionalization of religion within the state restrains non-governmental Islamic organizations and individuals from acting as viable autonomous/oppositional forces against government authorities. This consequently allows the government considerable scope to carry out Islamic-related programs and handle Islamic issues.
Differences revealed by comparison between Malaysia and its neighbor, Indonesia, support this claim. Confronted by the global wave of Islamic resurgence, the two governments adopted different approaches. In Indonesia, the government’s largely ‘secular-nationalist’ ‘noninterventionist’ approach left many religious functions including education to private actors, and kept state-sponsored Islamic institutions such as Islamic courts on the periphery of the state administrative structure. By and large, the role of the state in administration of religious affairs is comparatively small, leaving the level of state intervention minimal. Moreover, the state’s intervention in religious affairs is usually personalistic/patrimonial—a long way from the Weberian model of legal-rational bureaucratic authority. The Department of Religious Affairs has been largely captured by societal religious groupings at various levels. The appointment of religious officials has generally been based on personal connections or organizational association. The same pattern is found in government-sponsored religious organizations such as MUI and ICMI. Religious leaders appointed to these organizations retain considerable autonomy as they can exit from office relatively easily because such offices are not the prime sources of their employment and religious authority. The Department of Religious Affairs grew large—despite its limited jurisdiction over Islamic affairs—as societal religious groups gained access to its considerable public spoils. Organizational interests of the department were often identified with those of the particular societal religious group in control at any particular time, leaving it too weak to enforce state regulation over

---

34 Indonesia’s central religious agency, the Department of Religious Affairs, is not exclusively tasked to administer Islamic affairs; its administrative scope also covers other official religions. Moreover, the department’s jurisdiction over Islamic affairs is very limited.
35 Appointment of politically well-connected individuals to high offices in some of the state-sponsored Islamic organizations such as MUI (Majlis Ulama Indonesia, Indonesian Council of Ulama) and ICMI (Ikatan Cendekiawan Muslim Indonesia, Association of Indonesian Muslim Intellectuals) illustrates this. For the development and political significance of these organizations utilized for Suharto’s co-optation project, see Porter (2002).
non-state actors independently.\textsuperscript{36} On the other hand, a number of private religious organizations have retained considerable \textit{religious} autonomy up till today, although their overt political activities were largely curtailed under the authoritarian Suharto regime. Various non-governmental organizations run their own schools, welfare and socio-economic programs (including \textit{zakat} and hospitals), and retain authority to issue religious rulings including \textit{fatwa} (Hooker 2003). These organizations include not only the prominent \textit{Nahdlatul Ulama} (NU) and \textit{Muhammadiyah} but also many others, whether liberal, conservative or radical. In the post-authoritarian era, numerous non-governmental Islamic groups and individuals play a prominent role in national politics. Given their prominence, some may question the surprisingly small role played by the major Islamic organizations, especially NU, in the fall of Suharto in 1998. In this respect, a strong argument is advanced that this was largely due to the Suharto government's \textit{personalistic} co-optation of elements of the organizations into the state system of religious administration (Kadir 2002).\textsuperscript{37}

This, again, supports my analytical position: the state's involvement in religion in itself is nothing extraordinary; the state intervenes in almost all Muslim nations. What we should pay more attention to is \textit{how} they intervene. The state's personalistic/patrimonial intervention in Islamic affairs in Indonesia—\textit{regardless of} regime type—and the low level of institutionalization of the state religious authority has left societal religious activities vigorous and diverse.

In Malaysia, in contrast, relatively effective and strong state capacities to regulate Islamic affairs made the working environment of private religious groups highly restricted. For instance, they are, in theory, required to obtain a license from the

\textsuperscript{36} NU controlled the Department until 1971 and \textit{Muhammadiyah} took over the domination henceforth.

\textsuperscript{37} A case study of NU under Suharto by Sidney Jones (1984) makes a similar case in this regard. She points out that the government's increasing role in Islamic affairs brings increasing pressure to bear on non-governmental Muslim organizations; it weakens them institutionally, coerces their members into becoming inactive, or strengthens accommodationist elements within them. This line of argument is also advanced by Feillard (1997).
government to run their private schools; otherwise, they confront harassment by state religious authorities. In the worst case, they are suspected as ‘deviants’ and ‘extremists’ and if seen as a political threat to the government, forced by the religious authorities to terminate their activities. Some of them may enjoy a limited following at the grass-roots level, but their authority is comparatively weak. In short, the state-sanctioned religious apparatus highly regulates the Islamic market. ‘Deviation’ from the state-sanctioned religious rulings and teachings can be a serious offence in Malaysia’s Muslim community.

The study asserts that this ‘undemocratic’ religious regime accounts for the relative weakness of private religious movements and activism—whether radical or liberal—in Malaysia. Political Islam in Malaysia can largely be reduced to an electoral competition between the two Muslim parties, UMNO and PAS, a competition that increasingly centers on ‘who is more Islamic.’ It is generally considered that PAS’s influence in the Muslim community and in Malaysian politics is in large part based on the party leaders’ Islamic credentials and authority. Yet, PAS is after all a political party (and was born as such), and not purely a private religious organization. 38 It is nothing like Indonesia’s NU or Muhammadiyah in terms of the scope and the scale of its religious activities. Besides PAS, there are few alternative mass-based religious movements such as ABIM (Angkatan Belia Islam Malaysia, Malaysian Islamic Youth Movement) but their influence is rather limited. Moreover, unlike in Indonesia, non-theologically trained Muslim individuals and intellectuals in Malaysia have been allowed only little space and scope to express their religious views or speak out in the name of Islam. When they speak, they can be threatened with legal action by state religious authorities who accuse them of having no proper religious qualifications to do so. 39

38 For the birth and the evolution of PAS in an earlier period, see Funston (1976).
39 The Ulama Council, for instance, called for the arrest and imprisonment of several individuals for their propagation of reform within Islam. The individuals included Farish Noor, a Western-educated Muslim academic, and Zainah Anwar, a Western-educated leader of the progressive Muslim women’s group, Sisters
The fundamental issue here pertains to the place of religious authorities: who has the right to speak authoritatively about religious doctrines, and who is qualified to interpret them? Who has the ultimate authority to authorize such religious qualification? Scholars studying other regions have grappled with these questions. In Egypt, for example, the Islamist groups’ successful appropriation of the authority to interpret sacred texts—authority formally monopolized by state appointed ulama—paved the way for popular acceptance of their religious message (Wickham 2004: 239). This case suggests that the possession of religious authority and interpretational skills is a crucial quality for successful religious movements. As I emphasized earlier, the function of religious-educated clerical actors has not simply been limited to religious service; they have also been a vital political force. The level and the mode of their involvement in political activism, however, vary considerably across place and time. This variation, ultimately, is not determined by religious doctrinal differences. Nor is it exclusively determined by the security capacities of the state. Other political and institutional forces must be at work. More specifically, this study contends that the institutionalization of religious authorities within the state can have an important impact on the way in which religious authority structures are formulated and how clerical actors can be involved in political activism and influence political mobilization.

Organization of this Study

This study is divided into nine chapters. This chapter has presented the central questions, a summary of the argument, as well as the theoretical framework of this study. The second chapter briefly overviews colonial legacies of organization of state Islam. It shows that

in Islam.
the institutional foundation of religious bureaucratic authority structures was laid under the British colonial regime. This organizational formula equipped the state with the embryonic means to intervene in religious activities of Muslims in the way it has in post-independent Malaysia. The third chapter introduces the incentive structures of the Muslim ruling politicians that explain the varying levels of state institutionalization of religious bureaucratic authority structures. It shows how one-party dominance and the highly centralized, and competitive, party organization has shaped incentives, and strategies of individual ruling-party politicians to build patronage channels to achieve political ascendancy within the party. These incentive structures have left these politicians amenable to particular social interests according to their place in the ruling party. The fourth through to sixth chapters give an account of how the incentive structures of the Muslim politicians have brought about different outcomes in state institutionalization in three sectors respectively. Against received wisdom, the state intervened in these sectors—Syariah judiciary, Islamic education, and the welfare-based tax system (zakat)—very differently, and different types of state structures regulating respective issue areas have emerged. The seventh chapter examines the rise of two federal Islamic agencies that grew prominent under the Mahathir administration to inquire into the relations between ruling politicians and Islamic bureaucrats within the federal government. It assesses how their corps of officialdom was recruited and organized, and whether the expansion and greater presence of the federal organizations benefited a group of theological trained Islamic elites—the ulama. The eighth chapter inquires into the effects of institutionalization on the state’s capacities to regulate oppositional/autonomous religious political mobilization at the societal level. It suggests that Malaysia’s relatively high level of state institutionalization of religious bureaucratic authority structures—despite some inter-sectional variation—has a strong correlation with the weak mobilizational capacities of religious movements. The process of state
institutionalization has equipped the state—and the Muslim politicians who dominate it—with the infrastructural power and religious authority to define Islamic 'orthodoxy' and control 'unorthodox' variants at relatively low cost. Comparison between Malaysia and Indonesia is brought in to confirm this theoretical point. The final chapter concludes the thesis by summarizing the argument and suggesting implications for comparative analysis as well as policy making.
CHAPTER 2
State Institutionalization of the Islamic Bureaucratic Authority Structures:
The Origin of Institutionalized Religion

This study focuses on the strategic interactions of Muslim politicians in the ruling party in explaining state institutionalization of the Islamic bureaucratic authority structures in the context of Islamic resurgence. Where did Malaysia’s state religious bureaucratic authority come from in the first place? The question of why the UMNO politicians adopted the particular mode of state intervention in religious affairs—state institutionalization—in the face of the religious resurgence cannot be fully understood without taking into account the institutional foundation of the state religious authorities. This chapter traces colonial legacies of state involvement in Islamic affairs under the British colonial regime (1874-1957):

The concept of state institutionalization of religion is not entirely new in contemporary Malaysia. The institutional foundation of religious authority structures was first introduced to the country in the early twentieth century when it was still under the British colonial regime. The process of organizing and centralizing Islam was slow and uneven. But organizations administering various aspects of the Muslim faith were organized and centralized under Malay rulers or sultans in the individual States. The local rulers were formally installed as the guardians of the ‘state religion,’ and supported by the newly emergent bureaucratic authorities governing Islamic affairs. This institutional formula within the formal state bureaucratic structure came to significantly influence the organization and mobilization of Islamic movements at the societal level.
thereafter. More detailed discussion of the historical background of institutional evolution in individual sectors is introduced in the later chapters. This chapter maps out a general overview of Islamic bureaucratic structures under the British colonial regime.

**Institutionalized Religion in Historical Perspective:**

**The Origin and the Significance of the State Religious Bureaucracy**

*Co-optation of the Muslim Ruling Elites*

The expansion of British colonial rule, beginning in 1874 on the Malay peninsula, created an extensive territorial and political state, British Malaya, which together with the Straits Settlements, came under the direct control of the British government as strategically important trade and commercial entrepots. The integration process of these States into the British colonial administrative structure took three forms: the Federated Malay States (F.M.S.) composed of four States, Perak, Selangor, Negri Sembilan, and Pahang; the Unfederated Malay States (U.M.S.), Kedah, Perlis, Kelantan, Terengganu, and Johor; and the Straits Settlements comprising Singapore, Penang and Malacca. The geographical divide was quite distinctive with all the Federated States except Pahang clustering on the west coast and the Unfederated States on the north and east, with the indigenous Malay population much larger in the latter (Allen 1968: 256-57). Since 1896, the Federated States were administered by an expanding British bureaucracy, centralized under the Federal Council, or the 'Conference of Rulers,' in the capital, Kuala Lumpur. The Unfederated States, on the other hand, were not immediately integrated into the Federation to form one political entity, while the Straits Settlements remained separate (Roff 1994: 91-96).

Despite this variation, British colonial policy in Malaya was commonly based upon a
mutually profitable alliance with the Malay ruling class, the *rajas* or sultans of the States and aristocratic elites. The British sought to co-opt them in governing the country, while ‘protecting’ the Malay peasantry from alien exploitation and allowing them to preserve their traditional way of life, with minimal adjustments to rapid social and economic change (Means 1969: 276). This arrangement was intended to preserve the traditional political-cum-social order within Malay society, enabling the individual sultans to maintain their position and prestige, or at least to do so in the eyes of commoner Malays in their own States.

Given the backing of the colonial regime, the status of the Malay rulers was not merely maintained, but rather, strengthened within Malay society. Their customary, but previously infrequently exercised control over religion was carefully strengthened by the British (Cheah Boon Kheng 1988: 7). In practice, however, the sultans were deprived of much of their political power in decision making and assumed symbolic roles as figureheads under the supervision of British Residents, with the Governor of the Straits Settlements standing behind them as the final source of authority (Roff 1994: 18).

Given their supremacy over the Malay indigenous ruling elites, the British authorities’ perceptions and intentions about Islam critically influenced the way in which British policy towards Islam took shape. In general, the British did not possess a sense of hostility towards Islam, in stark contrast to the vigilant attitude taken by the Dutch in the neighboring East Indies (Roff 1994: 67-71). These diverging attitudes were articulated in their respective policies towards Islam: the British policy on religious matters was much more liberal than that pursued by the Dutch (Yegar 1979: 109-17). Under the British regime, Islam was in fact encouraged. Pilgrimage to Mecca was promoted, as was the introduction of religious education in Malay schools (Yegar 1979: 93). Attempting to avoid offending Muslim sensibilities, Christian missions were
forbidden from proselytizing among the Malays (Yegar 1979: 265). Once the British administration was consolidated, the construction of mosques throughout the peninsula was stepped up (Yegar 1979: 211). Furthermore, heavy British involvement in Islamic affairs shaped the particular way in which Islam was institutionalized and consolidated through legislative and administrative means (Yegar 1979: 265-66).

On their part, the sultans appeared increasingly committed to Islamic administration and expressed a keen interest in introducing tighter control over religious affairs. Deprived of their real power in other areas, the sultans and the traditional Malay elite naturally turned to the only spheres now left to them: religion and Malay custom (Cheah Boon Kheng 1988: 7). The sultans’ desire to prove their authority, thus, was translated into their zeal for reorganizing the Syariah court system and religious administration, together with codification of Syariah laws, which, in turn, equipped them with the means to control the religious life of their subjects. The British official, Hugh Clifford’s report on the east coast of the Malay Peninsula in the 1890s suggested that gambling, cockfighting and ‘kindred sinful sports’ were ‘prohibited to Muhammadans’ (Milner 1981: 59). State Mufti and Shaykah ul-Islam\(^1\) issued fatwa (religious decrees) condemning new ideas as kafir (infidel) or Kaiani,\(^2\) and reformist leaders were refused permission to speak in some mosques (Roff 1994: 80).

**Islamic Reformist Movements under Colonial Rule**

The sultans’ interest in spearheading Islamic administration was also intended to contain Islamic critics of the Malay ruling class, a force growing in the 1920s and collectively referred to as the Kaum Muda (Young Faction).\(^3\) This newly emergent group incorporated reformist ideas as solutions to problems and contradictions brought about

---

1 A title of honor given to jurists of more than usual standing.

2 The term is used to imply heresy.

3 For a detail discussion of the Kaum Muda-Kaum Tua controversy, see Milner (1994: 228-36) and Roff (1994: chap.3).
by colonial rule. They sought to return to the wisdom of the fundamental sources of Islam, the Qur'an and the *Hadith* (the sayings and the deeds of the Prophet), and to introduce elements of modern education into Muslim schooling. An equally distinctive character of the *Kaum Muda* was its attempt to re-think Islam in terms of the demands made by the contemporary situation, in order to participate in socio-economic change (Roff 1994: 76). By emphasizing the rule of *Syariah* (Islamic law) as the foundation of the *umma* (Muslim community), and the importance of *ijtihad* (interpretation), the reformists offered an alternative to, and thus threatened, the *raja*-centered traditional elites (Milner 1981: 58; Taufic Abdullar 1993: 40).

The rising influence of the *Kaum Muda* provoked a reaction from the traditionalist religious community, the *Kaum Tua* (Old Faction). These traditionalists comprised much of the official religious establishment of the sultanates: *kathi* (Religious magistrate) and *Mufti* (Religious jurisconsult), and many rural *ulama* (Muslim theological scholars), allied with the traditional Malay ruling elites (Milner 1994: chap.6 and chap.9; Roff 1994: chap.3). The reformist leaders' attack on the village *ulama*, from whom religious officialdom was mainly drawn, was especially severe. These traditional religious elites were castigated as 'hawkers of religion,' obstacles to progress, destroyers of the true faith and so on (Roff 1994).

The reformist-traditionalist dichotomy in the religious sphere took on not only ideological but also political significance; it caused the growing friction between sultans and Islamic reformist critics in many parts of the Malay world. Some sultans banned Islamic opponents of the traditional establishments from preaching in the mosques of their States, and they expelled members of reformist organizations from their territories. Others, who appreciated the importance of these Islamic developments, compromised

---

4 Roff argues that the reformists' insistence upon the equality of all men before God, and upon a more individualistic ethic, in particular, may have been seen as having political implications subversive to the existing socio-political and religious order based on individual attachment and absolute loyalty to the sultans (1994: 79).
with the reformists. In some States, the sultans began to dismantle the ceremonial edifice of the *kerajaan*, which was considered un-Islamic (Milner 1981: 60). It was evident that the Muslim ruler, the leader of the Islamic religion in his State, was forced to accommodate demands for the implementation of *Syariah*. Milner points out, ‘in making such compromises, Malay rulers were perhaps trying to pre-empt the fundamentalist leaders’ (Milner 1981: 60). Furthermore, many of these developments were pushed for by the Malay rulers’ desire to emulate Western administrative systems, seen as ‘modern,’ in a field the Malays felt to be peculiarly their own (Roff 1994: 72).

Despite the British principle of noninterference in religious and customary affairs and the undoubtedly important effect on domestic politics caused by the rise of reformists, however, the British influence was profound in this area as well. On paper, the initial treaties with the Malay States excluded all matters of religion and Malay custom from British ‘advice.’ In practice, however, the British officials actively participated in institutional development of *Syariah* courts and laws, and other Islamic institutions (Yegar 1979: 92-93). The reorganization of the Islamic legal system was part of an attempt by the British regime to modernize the state apparatus for maintaining law and order by introducing a unified and standardized legal system throughout Malaya of equal and universal application (Yegar 1979: 264). The British authorities’ two major considerations accelerated further this ‘modernization’ process: first, to incorporate the religious system into the general framework of court administration; and second, to preserve the interests of the indigenous ruling elites and existing *ulama* and absorb them into the new political arrangement in order to obtain their support for changes and to neutralize anticipated objections (Yegar 1979: 145). With these co-optation considerations, the British administration actually organized *Syariah* courts, and the

---

5 *Kerajaan* refers to the traditional pre-colonial form of government. In Terengganu and Kedah, titles which possessed both a worldly and a spiritual significance for Malays, were nearly all abolished.

6 In the Federated States, British interference in Islamic affairs was much more direct than in the Unfederated States.
system of *Syariah* court administration. The British 'Islamization' policy consequently embraced a creation of, for the first time, a centralized administrative order and legal system for Islamic affairs in the individual States.

*The Judicial Sphere*

In the legal sphere, the British intervention in general, and the introduction of English law in particular, created the three systems of law (English, Islamic, and customary) that had to coexist and inevitably impinged upon one another. The supremacy of English law in relation to the other two traditional systems of law that had existed, in embryonic ways, radically restricted the scale and scope of the application of the *Syariah* and customary laws.

The British replaced much of the *Syariah* with modern ordinances, and limited the jurisdiction of *Syariah* to family laws mainly concerned with the questions of marriage, divorce and alimony (Milner 1981: 60; Yegar 1979: 126 and 140-41).

Despite the jurisdictional erosion of the *Syariah* laws, the gradual intrusion of the British in the legal sphere facilitated the formation of a more formal and organized judicial system of *Syariah* administration in a number of respects. First, British efforts to install legal clarity brought about a clearer distinction between religious and civil courts (Yegar 1979: 126). While shaping a modern system of courts, the British administration separated religious courts (Courts of *kathi* or Assistant *kathi*) from the rest of the legal apparatus (Yegar 1979: 152-53). Second, legal reforms resulted in the spread and strengthening of the *Syariah* at the expense of the customary law (Yegar 1979: 140-42). An important consequence of this arrangement was that the position of

---

7 Before the British came and introduced reforms, the administration of justice in Malaya was entirely in the hands of local chiefs. Justice was conducted according to the *adat* (custom) and the *Syariah* as understood and interpreted by the *penghulus* (local headmen) and chiefs, but without any organized system of courts. *Syariah* courts had not functioned earlier in any methodical fashion. For the traditional legal system, particularly the functions of the *Syariah* and the *adat*, see Yegar (1970: 119-44).
the sultans, who became both the political and the religious heads of the individual States, was elevated, further reinforcing the trend towards 'authoritarianism' (Yegar 1979: 126). Third, alongside the written Constitution, Syariah laws in the form of modern legislation on religious matters were codified. Ancient forms of punishment were abrogated and steps were taken to codify consistent rules out of a heritage of mostly oral 'rules' of conduct. After the adoption of the Muhammadan Laws Enactment in 1904, all the States, to varying degrees, introduced a series of Islamic laws, with the enforcement of the religious regulations correspondingly tightened (Yegar 1979: 193-94).

The Educational Sphere

The British administration also assisted and strengthened religious education. Initially, British officials introduced and advocated a purely secular form of education (English and Malay vernacular schools) for Malays. They found, however, that this approach had the adverse result of discouraging parents from sending their children to the government schools. In rural areas where the majority of Muslims lived, religious schools run by ulama or communities in mosques and suraus (prayer houses) or sekolah pondok, remained popular and continued to be important centers of education. Suspicion towards the government-sponsored secular schools among Muslims was one of the reasons why the government schools were so unattractive; their apathy towards secular education contrasted markedly with their interest in its religious counterpart. The growth of the government schools later was primarily attributed to the introduction of Islamic studies (Qur’anic education) to the curriculum of the Malay schools (Yegar 1979: 241-44). The British were at first reluctant to sponsor Islamic education, but

---

8 For an extensive discussion of religious education under the British administration, see Rosnani (1996: chap.2) and Yegar (1970: chap.7).
realized that it was necessary in order to promote modern schooling among the Muslim community.

The sultans, on their part, expressed a keen interest in sponsoring Islamic education in their respective States. Since the turn of the twentieth century, under the auspices of the British, each State developed some form of administrative mechanism to assist and regulate the running of religious education. Here again, the influence of the British was profound; legislative measures were introduced to systematize and assist the administration of religious education including recruitment of teachers. In Kedah, for example, a compulsory school attendance law (Enactment No.10 of 1914) was passed. One important provision in the enactment was that Malay children enrolled in English, Arabic or Qur’anic schools ‘recognized by the government’ were exempt from attendance at Malay vernacular schools, subject to prior permission of the Superintendent of Education to enter such recognized schools. In Johor, similar legislation was introduced in 1915 to enforce compulsory attendance. Johor went even further by tightening a regulatory measure over religious schools. The Johor Offences by Muhammadans Enactment, 1935, provided that no Muslim could teach any religious doctrine (except in his own house and to members of his own family) unless he had the prior permission of the sultan in council. Similar legislation was also introduced in other States (Yegar 1979: 247-50).

In the late 1920s and early 1930s, administrative structures for supervising religious education were further developed in all the States especially in the area of authorization and recruitment of teaching staff and supervision of teaching materials. State intervention in religious education was reinforced as a result. In Kedah, for instance, enactment No.14 of 1931 was passed to ‘provide for the registration and control of Muhammadan Schools.’ With this provision enforced, no one could teach religion without the written authority of the State council; a registrar for religious schools was
appointed by the president of the council; every school and religious teacher had to be registered; and the registrar and his inspectors could visit schools at any time, examine all teaching material and sequester anything found to contain 'unauthorized doctrine.' Moreover, a committee was authorized to supervise teaching of the Qur'an in Malay schools (Yegar 1979: 251).

In addition, the British administration took steps to elevate the standard of religious teachers. Religious training colleges or high schools were established to train 'qualified teachers' to teach the Qur'an, among other topics. Annual examinations were also introduced in some States to grant higher grades to religious teachers. The colonial officials were constantly concerned that the standard of education was very low. For them, the 'ignorance' of the teachers (including religious teachers as well as kathi or Syariah officials) of religion was especially a source of irritation. All these 'qualification' measures were meant to raise and standardize the quality of religious teachers. The British officials, however, lent assistance primarily to issues concerning management, leaving the religious aspects involving teaching and curriculum to the indigenous ruling elites (Yegar 1979: 254-58).

The Zakat Sphere

The basic organizational structures to manage religious funds including zakat were also laid down early in the British colonial period. In theory, zakat is the alms-tax, one of the five obligations of Islam, levied on different kinds of property and distributed to eight categories of recipient. How this is practiced in reality—by whom and for what purposes—however, diverges considerably across place and time. In colonial Malaya, zakat was traditionally limited to agricultural products and the fitrah (zakat at the end of the fasting month). The sultans entrusted the task of managing the religious funds to the religious councils or committees presided over, or commissioned by, the sultan himself.
The revenue was spent primarily on the building and upkeep of mosques and surau, the payment of mosque officials, and occasionally, the employment of religious teachers (Yegar 1979: 216-22).

Zakat revenues allowed the religious councils, which had depended on often limited royal household financial resources, to become independent from the colonial administration, and its authority to control religious-related activities. An enactment was passed to authorize the sultan to appoint the treasurers and other assistant officers. Religious officials such as kathi and local dignitaries connected to the sultan were appointed to these posts at the discretion of the sultan. The arbitrary power of the sultans and the religious councils was enlarged as a result (Yegar 1979: 219-20).

The Formation of Religions Councils: Institutionalized Religion under the Royal Household

To deal with the Islamic operations that had been expanded and become more complicated, the general administrative structures of Islamic affairs were also developed in each State. Between the two World Wars, all the Malay States were equipped with central organizations, the religious councils, modeled on European administrative patterns, to handle questions of religion. The form and official title of the councils varied from one State to another, but they essentially retained similar functions. The tasks of the councils were all-encompassing, including almost anything related to Islamic matters: nomination of kathi and religious teachers, consideration of points of Islamic law and practices or appeals from lower religious courts, supervision of religious publications and dealing with religious legislation. The collection and management of zakat, as well as wakf (Islamic system of trusts and endowments) were also entrusted to the councils. Their 'official duties' meant that the councils under the royal household, in theory, were equipped with a great deal of prerogatives to regulate
religious life of Muslims in their respective States (Roff 1974; 1994: 73-74; Yegar 1979: chap.3).

The Royal Household and Unqualified Officialdom

The modern administrative reforms sponsored by the British created a whole new hierarchical ‘ecclesiastic order,’ comprising a corps of religious officialdom, a concept alien to the Muslim community in the pre-colonial period. The justices of Syariah courts were made salaried officers of the state, an innovation (Roff 1974: 114). Despite all these administrative developments hinting at a certain degree of institutionalization of the religious bureaucratic structures during the colonial period, however, the quality (type of institutionalization) of the state organizations governing religious affairs was dubious and not close to anything comparable with a rule-bound, disciplined, and systematic government organization envisaged by Weber.

Based on the British model, a number of procedural enactments were passed to define the official responsibilities of the religious councils (Roff 1974). With the councils tightly placed under the jurisdiction of the sultans in the individual States, however, distinction between public and private spheres was not entirely clear. The sultans appointed the council members on a fixed salary at their discretion. The councils commonly comprised a majority of ‘non-theologically trained members’ drawn primarily from the royal household and traditional aristocratic class, in addition to the principal religious officers: the State Mufti, the Chief kathi, kathi, and assistant kathi, whose appointment was also a prerogative of the sultan (Roff 1994: 74). Given the ambiguous and arbitrary system of recruitment, the qualification of these officials was rather questionable; there was no standard system of recruitment and training. After all, the members of the councils were mainly people loyal to the sultans (Milner 1994: 216-18). By making the councils dependent on themselves for their being, their
continued existence, and their revenues, the sultans greatly strengthened their positions (and their immediate advisors) (Roff 1974: 132-33). Moreover, the isolation of the corps of religious officers from the rest of the public service in the course of their evolution meant that they were separate from organizational and administrative development that other parts of the state bureaucracy experienced.

While attempting to remain aloof from the administration of Islamic affairs, British officials' unhappiness about the incompetence of religious administration was obvious. One of high-ranking officers in Kelantan, for example, commented on the ‘difficulties it [Syariah court] had had in appointing and retaining hakim and kathi of ability.’ He regarded the Syariah court as ‘the last stronghold of the corruption and dishonesty formerly characteristic of the whole administration,’ and added that ‘there did not seem to be much prospect of improving [its] condition’ (qtd. in Roff 1974: 113). Given the lower level of British intervention in the religious area, moreover, there were no grounds to expect that the regulations stipulated in the Syariah were put in force effectively. Indeed, Yegar writes, the judges displayed a tendency to ignore the new laws, preferring traditional customs and personal interests (Yegar 1979: 159-60). Roff reiterates the point by observing the Kelantan situation: ‘in general there is no reasons to suppose that the details of the Syariah court regulations departed radically from past practice in Kelantan, and certainly no means of proving this’ (Roff 1974: 114). In the zakat area, too, problems and complaints were rampant with regard to the competence of the councils in managing zakat funds. In Kelantan, for example, there were many complaints about the sloppiness of the council in collection or remittance of zakat and fitrah, problems of handling and storing large sums of money, and hazards of theft and fire (Roff 1974: 146). The apparent lack of competence and discipline of the religious officials was in stark contrast with the newly emerging civil service, the Malay Administrative Service, dominated by the Western-educated Muslim aristocratic elites.
and known for its competence, discipline, and integrity (Khasnor Johan 1984).

The state-sponsored institutionalization of Islam under British rule, however, had very important consequences ideologically and politically. First, the centralization and bureaucratization of Islam under the sultans contributed to the focusing of religious as well as political authority on the traditional Muslim ruling elites who enhanced their paramount position in the Muslim community. This religious hierarchical order, governing in principle every aspect of Islamic affairs in the country, was put under the jurisdiction of the sultans of the individual States, while immediate responsibility was entrusted to the lay officials personally connected to them. In consequence, state authorities alongside the religious establishment came to exert enormous authority over Islamic activities and teaching at the societal level. For example, some Islamic groups were refused permission to speak in some mosques. Printing and publishing were also regulated (Roff 1994: 80). In this climate, the space for liberal religious discussion—let alone dissension—was largely curtailed (Cheah Boon Kheng 1988: 17).

Second, the formation of the Islamic officialdom within the formal state structure helped co-opt a number of theologically trained Islamic leaders and teachers into the Western form of bureaucratized government structure. These religious leaders, as a result, found themselves heavily dependent on the state career-, material-, and authority-wise. This corps of religious officials was ‘officially’ authorized to regulate religious affairs. The alliance of the traditional Malay rulers and aristocratic elites and the religious officials was seen as the supreme authority in the Muslim communities in the individual States—in both the religious and political senses. Religion and state were now so inextricably intertwined that the sultan’s prerogative to regulate the religious lives of their subjects appeared unquestionable (Yegar 1979: 199).

In sum, the institutionalization of Islam under British rule dramatically altered the nature of Islam in Malaysia. In pre-colonial period, Islam was the ‘state religion,’ but
only in a symbolic and nominal sense. The Malay royal courts, in effect, lacked the necessary resources, both politically and economically, to support or centralize Islamic institutions and activities (Milner 1994: 217; Roff 1994: 67; Yegar 1979: chap.3). In the legal sphere, Islamic jurisprudence influenced legal codes in some restricted areas. In practice, however, these laws seem to have been largely neglected in the settlement of disputes. There was no organized class of ulama, nor was there a central religious authority, such as a Mufti. Islam essentially remained local in nature. In general, senior kin, village elders, and local notables were responsible for the administration of religious law and other matters bearing on religion and custom (Means 1969: 269; Peletz 2002: 25-38). Peletz highlights this local nature of Islamic affairs in his assessment of the pre-colonial situation:

Local leaders, headmen, and their superordinates were assisted in the management of Islamic (and other) affairs by village-level Islamic functionaries, especially since there were no district-level or other supra village-level organizations of ulama, nor any mufti capable of issuing opinions with the authority of law or anything approaching law-like status... The village-level Islamic officials in question exercised a fair degree of autonomy and served various functions that were later assumed by kadi and other religious specialists (Peletz 2002: 30-31).

It was under the British colonial regime that the concept of Islam as the official faith was introduced both in theory and in practice. The preservation and reinforcement of the traditional bases of authority and social organization implicit in the British policy were most pronounced in the realm of Islam. Coupled with greatly improved means of communication, and centralization of the administrative mechanisms and legislative sanctions now open to the alliance of the British and the Malay ruling elites, their political and economic will combined to produce an authoritarian form of religious administration much beyond anything previously known on the peninsula. It has to be
reiterated, however, that the level of state institutionalization of the administrative structures regulating Islamic affairs was on the whole quite moderate; the corps of Islamic officials lacked the capacity to carry out a wide range of complex duties in a consistent and effective manner. There was not only uncertainty and irregularity in the administration of Islamic affairs at the State level, but also a great deal of inter-State discrepancy. It was only after independence that these contradictions and problems became overtly evident; the post-independence government that inherited the bureaucratized system of Islamic administration found that these problems increasingly constrained its capacities to deal with Islamic issues and activities. Demands for establishing an effective, consistent, and efficient government organization managing Islamic affairs grew strong only after the resurgence of Islam within the Muslim community in the 1970s.

**Indonesia in a Comparative Perspective: The ‘Anti-Islam’ Dutch Colonial Regime and the Minimal Level of State Institutionalization**

Comparison with the Indonesian experience with respect to institutional evolution of the state Islamic bureaucracy helps us to evaluate the significance of the Malaysian experience. A Muslim-majority neighbor, the Netherlands East Indies (Indonesia after independence), had a contrasting experience with regard to administration and institutionalization of Islam despite the presence of important similar conditions. Overall, state intervention, and the institutionalization of bureaucratic structures overseeing Islamic affairs was kept minimal, leaving administration of religious affairs to non-state actors. Even when the state intervened in the relevant areas (e.g., *Syariah* judiciary), it did so in a very arbitrary and ambiguous manner. Moreover, from the early
twentieth century on various grassroots Islamic organizations expanded in scale and scope outside the formal state structure. Their concerns covered not only ‘after-world’ but also ‘this-world’ issues more broadly, concerning laws, education and social welfare of the ummah. The emergence of vibrant grass-roots Islamic movements such as the modernist Muhammadiyah contrasted starkly with the situation in British Malaya where independent religious activities (especially the reformist types) were actively opposed by the sultans and failed to attract a large number of Muslim followers.9

The contrasting developments in the two neighboring countries were a result of the colonial governments’ approach towards Islam. In the Dutch colony, policy on Islam was not entirely consistent at all times, but essentially reflected official suspicion and in the early decades of colonial rule was based on the twin principles of religious neutrality and political vigilance. Policy was hardened as a result of the violent upsurge of political agitation (not only Islamic, but also communist and nationalist) in the 1920s (Benda 1958: chap.3).

While the traditional authority centered on kiyayi and ulama was largely ignored in the formal state structure, the colonial government consolidated the superior position of the aristocratic elite, the priyayi, in local society by incorporating them into the state administrative machinery. Members of the highest echelon of the priyayi class were appointed as Bupati (Regents) in the newly demarcated administrative districts (Regencies) in return for their hereditary rights; the lower echelon became ‘salaried officials’ (Sutherland 1979: chap.1). They were given—and immensely benefited from—Dutch education and training, and ‘became acquainted with Western administrative and, to a lesser extent, entrepreneurial skills, from which most graduates of Islamic schools were ipso facto excluded’ (Benda 1958: 58). Moreover, the majority of them,

---

9 Islam in Indonesia is divided into two streams—modernist and traditionalist. See Geertz (1960) for elaboration. The Indonesian modernists shared many of the views of the Kaum Muda in the Malay peninsula.
Benda wrote:

adopted an attitude of disdainful arrogance vis-à-vis Islam which was quite clearly derived from, and very similar to, prevalent Western attitudes. The secular, modern state which they envisaged would have as little use for the santri and the ulama as for the adat and the priyayi. Both, in their eyes, represented intrinsically conservative elements doomed to extinction in the envisaged political evolution of their homelands (Benda 1958: 59). ¹⁰

The colonial regime, thus, reinforced the irreconcilable division between the highly Westernized ‘bureaucratic elite’ sponsored by the Dutch on the one hand, and the religious elites excluded from the corridors of formal power on the other, a division unknown in Colonial Malaya. The ‘exclusivist’ attitude of the governing elites—both foreign and local alike—toward Islam in Indonesia contrasted starkly with Malaysian ruling elites’ ‘inclusive’ approach. This ‘exclusivist’ attitude brought about the very low level of state institutionalization of the bureaucratic structure handling Islamic affairs, as shown briefly below.

Islamic Courts

In the judicial sector, Islamic courts established under the Dutch colonial regime were conferred with very limited jurisdiction and power. Unlike Malaysia where the position of Islamic laws was strengthened as against adat laws, in Indonesia the application of adat laws was revived to cover various aspects of personal law. The influence of Islamic law and courts diminished as a result (Noer 1978: 45). Moreover, the Dutch neglect of Islamic affairs meant that development of the Islamic court system was largely nominal, leaving the latter subject to arbitrary intervention by the aristocratic elites. The inevitable result was incompetence, nepotism and corruption among the Islamic court

¹⁰ The term santri refers to the section of the Muslim community that received Islamic education and strictly follows Islamic teachings.
Islamic courts were established for Java and Madura in 1882. They were headed by a *penghulu* (local headman) and had three to eight members. The members of the courts were not paid officials, while the Chairman received a salary as *penghulu* of the civil (secular) courts (Lev 1972: 13-14). They had other political functions at the local level and were not independent ‘professional’ judges in a modern sense. They had jurisdiction over family law such as marriage, divorce, and reconciliation and to a certain extent inheritance. However, decisions of Islamic courts could only be executed after the civil court had given its affirmation, allowing the latter to nullify decisions of the former. Moreover, unlike the Islamic courts in Malaysia, they did not handle matters of prayer, fasting, and *zakat*. Furthermore, a regulation promulgated by the Dutch authorities in 1937 further curtailed the jurisdiction of Islamic courts. The new regulation stripped the Islamic courts of their jurisdiction over inheritance and *waqf* disputes, and transferred these matters to the civil courts (Lev 1972: 19-21; Noer 1978: 42-43).

In the areas outside Java and Madura, the insignificance of Islam in judicial affairs was even more prominent. Islamic legal matters were handled by sultanate courts or left to the Muslim community where there was no sultanate. Muslims living in areas not subject to sultanate rule, for example, conducted marriages themselves in accordance with Islamic principles (Noer 1978: 43).

The colonial government’s general neglect of Islamic affairs meant that only limited resources were invested in the development of the Islamic court apparatus, including its personnel. One important consequence was that the Islamic courts were run by ‘unqualified’ officials, many of them being traditionalist *ulama* having little knowledge about, and no training in, law (Noer 1978: 45-46). Moreover, according to Lev, the *penghulu*, who presided over the Islamic courts, was essentially an appointee of the royal or local aristocratic authority; the latter might often select someone from his own
family for the job. Nearly everywhere, Lev wrote, ‘the penghulu and other Islamic officials remained under the control of local government officials, who (other than Dutch officials) in Java were prijaji [priyayi] and elsewhere customary authorities with little interest in promoting Islam independent of their own influence’ (Lev 1972: 13). It was evident that there was no concept of judicial independence or the separation of powers as far as Islamic courts were concerned. A prominent Dutch scholar, Snouck Hurgronje, stated in his criticism of the royal decree of 1882 that intended to reorganize Islamic courts:

For the bupati (regents) as well as for village heads, Islamic officials were understood not as spiritual leaders but as beamten (officials) with what amounted to a fairly unspecialized but distinctly subordinate kind of responsibility. Nor were Islamic officials educated or trained in Islamic law, a kind of expertise that might also have lent them a measure of independence (qtd. in Lev 1972: 12).

The condition of Islamic judges was hardly improved by the reorganization of Islamic courts in 1882, although it attempted to give the courts a measure of formal independence from aristocratic authority. The principle of non-interference with religion meant that the colonial government did not provide funds for educating religious judges or for paying them. The result was widespread corruption, leaving the religious courts ‘deeply vulnerable to the charge of venality’ (Lev 1972: 13-14). Unsatisfied with the government’s neglect of the Islamic courts, Islamic organizations such as Muhammadiyah, Nahdhatul Ulama, and Sarekat Islam, urged the government to ensure that Islamic courts be staffed by properly trained judges. Far more significantly, Benda wrote, ‘they had threatened to boycott the ‘priests councils’ and organized competing benches of their own, staffed by ulama with unquestioned expertise in Islamic law’ (Benda 1958: 86). Furthermore, the poor quality of the Islamic judges exacerbated even further the unsympathetic attitude towards Islamic courts among law experts as well as
officials, both foreign and local alike. As independence approached, even the possibility of abolishing the Islamic courts was contemplated among the nationalist leaders who were to lead independent Indonesia (Noer 1978: 45-49).

Islamic Education

In the Islamic education sector, too, state intervention was very limited. The idea of incorporating Islamic religious schools in the state education system was acknowledged by the Dutch government in principle, but never realized in practice. Islamic education was customarily organized by Muslims themselves through private schools and training centers. These schools and centers—known as pesantren or madrasah—provided an important avenue for education for those Muslims who either could not afford, or were not willing, to send their children to the government-sponsored schools run by 'infidels.' The Islamic schools varied in scale and scope and had no formal connection with one another initially; each school was organized and managed by an independent kiyai or ulama.

What was common and most distinctive about this traditional religious school system was the deeply personalized nature of school management and teaching that centered on the personal authority of individual teachers, or kiyai. The traditional pesantren, for example, often declined or had to be closed down following the death of the kiyai concerned, especially when his successor was not able to match the deceased teacher in his knowledge (Noer 1973: 15, 75). Moreover, many pesantren in Java were interconnected through personal, and sometimes blood, relationships between kiyai. After more competent students finished their training, kiyai supported them to open new

---

11 Those Indonesians who sent their children to Dutch schools or to Malay/Javanese schools established by the Dutch government were often accused of leaving their children under the care of foreign hands to be converted to Christianity. This was in spite of the fact that many of the teachers were Indonesians (Muslims). It was also not uncommon that a kiyai or ulama issued a fatwa to prohibit Muslims to enter Dutch schools as haram (unlawful) (Noer 1973: 7-8).
schools. It was also not uncommon that these students became sons-in-law of kiyai to take over the latter’s schools (Noer 1973: 14-15). Furthermore, there was no set rule to ‘authorize’ qualified teachers. Some returned to their home village to start their own schools after a couple of years of study at a pesantren, ‘considering themselves ready to become a teacher’ (Noer 1973: 14).

With the emergence of the modernist movement in the early twentieth century, however, a more modern mode of religious schooling was introduced, bringing about some uniformity of curriculum (Noer 1978: 24-25). The modernist leaders realized that they needed to reform their traditional modes and activities to uphold Islam to compete with the challenges posed by Dutch colonialism and Christian penetration. Many modernist organizations established by prominent ulama focused on educational activities (e.g., Noer 1973: chap.2). In some schools, for example, modernized teaching methods were introduced: the system of classes, the use of school desks, a more organized curriculum, and the student’s obligation to pay for their tuition (Noer 1973: 46). Some other schools, founded by Islamic organizations such as Muhammadiyah and Persatuan Islam, followed the Dutch model, in which general (non-religious) subjects as well as religious instruction were stressed (Benda 1958: 48; Noer 1978: 27). Despite such improvements, the disorganized nature of the religious schools by and large remained untouched, especially among the pesantren run by the traditionalist ulama.

It was after these minor changes were recognized that the Dutch began to offer subsidies to private religious schools. Moreover, Dutch vernacular secondary schools introduced religious lessons. The lesson, however, was usually given only once a week.

---

12 The lack of organization and uniformity was also evident in the mode of teaching at these traditional religious schools. Basic religious teaching for the early years of childhood was more or less standardized. But, huge discrepancies persisted in the religious subject taught at the higher level, due to the lack of a standard curriculum or any grade system. What was called a class in the pesantren was merely a group of students, sitting around the teacher. There was no curriculum, and it was up to the students to choose what disciplines they wanted to learn and at what particular stage of the lessons they wanted to start. Many of them withdrew from the school after a few years of study (Noer 1973: 12-14).
as an extracurricular subject, and attendance was not compulsory. No religious instruction was given in the general primary schools. After all, the Dutch government was not particularly interested in developing or promoting religious education; their sponsorship for religious schooling was intended to control the private religious schools, some of which were seen as increasingly ‘political’ (Noer 1978: 26).

*Religion Yes, Politics No: Vigilance against a Threat of Islam*

The colonial government’s general apathy about Islamic affairs was reflected in its noninterventionist policy in other sectors, including the management of *zakat* and other financial and welfare related affairs. The *zakat* system was privately organized and managed by individual *ulama*, *kiyai*, or Islamic organizations. The *kiyai*, as an *amil* (agent), received the *zakat* as well as *fitrah* and passed these taxes to their rightful recipients (Noer 1973: 15). In general, the traditional care of the unprivileged was left to the individual’s initiative. Even the payment of *zakat* was usually not compulsory but left to the willingness of the Muslims concerned (Noer 1973: 80). This situation was quite different from the Malaysian situation where the *zakat* management was placed under the jurisdiction of the royal religious councils. In theory at least, any other third parties were barred from dealing with the business of *zakat*.

In short, state intervention in Islamic affairs in pre-independence Indonesia was kept minimal, greatly diminishing the level of institutionalization of the state Islamic administrative apparatus. The Dutch colonial government’s essentially noninterventionist approach allowed various private Islamic organizations and activities to flourish, as long as the latter did not exhibit any indication of ‘political’ mobilization and agitation. The traditional religious leaders—*kiyai* and *ulama*—were able to exercise their authority over a range of religious affairs relatively independently from the
colonial authorities. The considerable degree of religious freedom accorded to the Islamic groups and individuals—both traditionalist and reformist alike, however, was not always favorable to the interests of the religious leaders. For them, the problem of competition and coordination among various Islamic groups and factions on organizational, ideological, and theological fronts, as much as the colonial government's negligence of Islam, posed a great obstacle to the development of coherent mechanisms supervising Islamic affairs. Moreover, these Islamic organizations were not entirely averse to association with the government; quite the contrary, they sought attention and recognition from the government. They wanted to have their system of justice and education, and social mechanisms such as haj (pilgrimage to Mecca), based on Islamic tenets and values officially recognized and supported. They sought and appreciated financial assistance—if any—to maintain and develop these institutions. However, it was precisely this type of attention that the Islamic organizations hardly ever received.

The colonial government's negligence of Islamic affairs had an effect not only on the level, but also on the mode of state intervention. Despite its principle of noninterference in religious affairs, the Dutch government, in practice, rendered some support for the development of Islamic institutions, as discussed above. The important question here is not only how much they did, but also how they did it. The virtual absence of an officially sanctioned and established set of rules meant that state involvement in the Islamic sector, allocation of official funds for example, was sporadic, ambiguous, and personalistic. Moreover, the overall isolation of the religious agencies from the other parts of the administration dominated by foreign and westernized local officials reinforced this 'patrimonial' and incompetent character of the religious administration. At independence, therefore, the Indonesian state did not possess an adequate

---

13 About the growing division and animosity between the reformists and traditionalists, see, for instance, Benda (1958: 47-51).
administrative foundation to support and regulate the operation of Islamic affairs. Although the Department of Religious Affairs was created as a concession to the Muslims, its jurisdiction over Islamic affairs was largely nominal. Moreover, the Department was not exclusively in charge of Islamic matters but also other official religions in compliance with the national ideology Pancasila.

The fundamental difference between colonial rule in Malaysia and Indonesia was not drastically altered in the period after independence. In Malaysia, the government’s attitude towards Islam essentially remained accommodative on both the ideological and institutional fronts. Most notably, Islam secured an official place in the Constitution. Although this formality by itself meant little at the institutional level, it had a very important symbolic effect; it guaranteed official recognition for religious leaders within the state. In Indonesia, in contrast, the essentially ‘secular-nationalist’ Muslim leadership chose to put Islam aside. The political and socio-economic divide between the western-educated nationalist elites on the one hand, and the traditional religious leaders on the other, remained significant, leaving the latter outside the corridors of state power.

The following chapters investigate our prime inquiry, the cause of state institutionalization, by focusing on the Malaysian case where the state bureaucratic structures overseeing Islamic affairs expanded in scale and scope after the global rise of Islam in the 1970s.

---

14 The Department was primarily set up on behalf of Islam and therefore the Islamic section has been by far the largest. For the origins of the Department, see Boland (1982: 105-12).
15 The other ‘official’ religions are Protestantism, Catholicism, Hinduism, and Buddhism. Pancasila consists of the following five principles which are included in the Preamble to the Indonesian Constitution of 1945: belief in God, a just and civilized humanitarianism, national unity, Indonesian democracy through consultation and consensus, and social justice.
UMNO Dominance, Patronage and Political Ascendancy:
Patronage-maximizing Incentive Structures and the Rise of Islam

The rise of Islamic reformist movements in the Muslim community in the late 1970s provided the context in which Islam emerged as a more significant ideological and institutional force in politics. One aspect of this phenomenon was the institutionalization of bureaucratic structures overseeing Islamic affairs. The federal government's involvement in Islamic affairs that fell constitutionally under the sultans in individual States allowed it greater leverage over a range of 'church' functions such as the administration of Syariah. Moreover, increasing numbers of religiously-educated Muslims were recruited by the government as salaried officials.

The previous chapter demonstrated that the institutional foundation of this particular mode of state intervention in Islam was laid by the British colonial regime. Under British rule, ultimate religious authority was reserved for the sultans at the State level, with religious officialdom generally filled by associates of royal families and aristocrats. This 'patrimonial' recruitment formula—far from the Weberian model of rational-legal bureaucracy—meant that the division between public and private spheres of interests was not yet clear as far as the running of religious matters were concerned. Nevertheless, the colonial regime's official involvement in religious affairs led to the presence of religious authorities within the state bureaucracy. This colonial legacy partly explains why the Malaysian government chose to adopt its particular strategy in dealing with Islamic forces: the use of official bureaucratic channels to regulate religious affairs.

Other explanations have been put forward. A conventional approach emphasizing the
significance of societal pressures posits that state involvement in Islamic issues occurred as a result of a pressure from the newly emerging Malay urban middle-class that was increasingly self-consciously Islamic: a demand for a more systematic, competent and consistent system of religious administration. Another often-cited explanation is the rising pressures from Islamic opposition parties against the backdrop of the resurgence of Islam in the Muslim constituencies. Thus the rivalry between the two major Muslim-based parties, UMNO and PAS is said to explain why the UMNO-ruled government was willing to expand the state regulatory apparatus over Islamic affairs, and to make the state more authoritative and Islamic.

These explanations, however, are not sufficient to explain inter-sectional variation in the level of institutionalization observed in post-independent Malaysia. Federal measures to intervene in, and institutionalize, the Syariah courts and judges were much more successful than in other areas, i.e., religious schools and zakat administration. Why did state institutionalization go further in one sector than in others?

This chapter introduces another explanatory factor emphasizing intra-party tensions within the ruling party UMNO: patronage-maximizing incentive structures facing individual Muslim politicians within the ruling party. The focus is on how the logic of political ascendancy within the party influenced the incentives of Muslim politicians and how this mechanism shaped their objectives, decision making and strategies. I argue that politicians have incentives to cultivate patronage networks in order to rise within the party. Such incentives affected the way in which the state intervened in religious affairs and institutionalized religious bureaucracies. And, as the following chapters show, the structure of these incentives varied across policy areas, leading to a variation in outcomes.

This chapter shows that particular political and institutional contexts played an important role in shaping the incentives of politicians. I focus on two aspects in this respect. The first aspect is the UMNO’s dominance in the multi-ethnic ruling coalition
and in the Malaysian polity in general. Given the one-party dominance that has been entrenched in the Malaysian political system since independence, it is crucial to understand organizational features of the party. This leads to the second aspect emphasized here: the highly centralized party structure and extremely tense—and increasingly expensive— intra-party competition to rise up the party hierarchy, especially since the 1980s. Party elections, which are an effective gateway to state power and capital accumulation, compelled UMNO politicians to seek to expand their support base outside their traditional Muslim constituencies. Importantly, strategies they adopted to achieve patronage-maximizing goals varied according to the arena in which they were competing. For the federal-level politicians, the enormous expenses they had to bear to win higher offices in the party facilitated close ties between them and business interests, both Muslim and non-Muslim, but especially Chinese. This clientele network made the politicians responsive to the interests of business and the Chinese community. For the State-level politicians, their traditional Muslim constituencies remained very important. This federal-State divide within the party affected the way in which the federal authorities intervened in Islamic affairs.

The first section of this chapter introduces the birth and development of UMNO. It discusses the socio-economic and structural backdrop against which UMNO emerged as the center of power accumulation and wealth circulation in the Malaysian state. This is followed by an analysis of the patronage-maximizing incentive structures entrenched in the UMNO hierarchy. Here I examine the logic of political ascendancy in the party and how this influenced objectives and strategies of individual UMNO politicians. I also demonstrate why and how the patronage-maximizing incentive structures left UMNO politicians responsive to the interests of the business class, both Muslim and non-Muslim—but especially Chinese. The chapter concludes by examining how these incentive structures influenced the way UMNO politicians dealt with the resurgence of Islam from the 1970s.
UMNO in Historical Perspective: the ‘Protector’ of the Malay\textsuperscript{1} interests

The hegemonic position of UMNO in Malaysia’s political system and the official position of Islam have their roots in the negotiated pact for independence. The party was created by the Western-educated Malay aristocratic elite in 1946 to oppose the Malayan Union proposed by the British colonial government. Since its inception, UMNO established itself as the ‘protector’ of the interests of Malay community. Their antipathy to the Malayan Union proposal was two-fold: (1) they objected to the transfer of sovereignty from the Malay States to the British Crown; and (2) they opposed the offer of equal citizenship status to Chinese and other ethnic groups.\textsuperscript{2} They feared that the proposals would further erode their traditional privileges as well as the Malay’s political birthright. Fearing marginalization in post-independence Malaya,\textsuperscript{3} they appealed to Malay ethnic and cultural identity to mobilize the Malay community to fight against the proposals (Cheah Boon Kheng 1988: 21-24). Malay nationalism—based on ethnicity, language, culture and religion—has formed the ideological foundation of UMNO ever since. Against the backdrop of a divided multi-ethnic society, UMNO fully capitalized on ethnically-based sentiments to strengthen their political supremacy in the state and society at large. This use of ethnicity—exclusivist \textit{bumiputeraism}\textsuperscript{4} in particular—aimed above all to safeguard the Malays’ political and cultural supremacy against the non-

\textsuperscript{1} In practice, Malays are by definition Muslim.
\textsuperscript{2} A large number of Chinese and Indian migrants were brought to Colonial Malaya as mining and plantation laborers under the British colonial regime. By 1957, the year of independence, the Malay and non-Malay populations of Malaya were roughly equal.
\textsuperscript{3} British Malaya, comprised of the eleven Malay States and the two Straits Settlements, Penang and Malacca, achieved independence in 1957. Malaya merged with Singapore and the States that now make up East Malaysia—Sabah, and Sarawak—to form Malaysia in 1963. Singapore was expelled from Malaysia in 1965.
\textsuperscript{4} \textit{Bumiputera} literally means a son of the soil, or indigenous people, but is used to refer broadly to ethnic Malays.
Malays, especially the economically powerful Chinese (Hamayotsu 2002: 357). At independence in 1957, the hegemonic position of the Malay community was constitutionally guaranteed.

Under the Malay-dominated political system established after independence, the non-Muslim communities (especially Chinese), overall, were perceived and treated as a potential threat to the indigenous Muslim community in general, and to the political supremacy of the Muslim ruling elites in particular. Even before independence, a multi-ethnic coalition, known as the Alliance, was formed as a part of a pact among the top echelons of three parties, UMNO, MCA (Malayan Chinese Association) and MIC (Malayan Indian Congress), each of which represented its own ethnic group (Malay, Chinese and Indian). This UMNO-dominated multi-ethnic coalition ensured Malay cultural and political supremacy in return for safeguarding the Chinese economic position, and laissez-faire economic and cultural policies (i.e., language and education policies). The hegemony of UMNO was firmly entrenched in the coalition as well as in the government, aided to some extent by the dominant personal authority of the first Prime Minister, Tunku Abdul Rahman (Case 1991: 459-60; Heng Pek Koon 1988: 254-58; von Vorys 1975: 122-39). Despite UMNO’s dependence on MCA and Chinese businessmen associated with it for electoral funding, the MCA leadership, by and large, resolved to accept its status as a junior partner in the multi-ethnic coalition. For the MCA leaders, many of whom were businessmen-cum-politicians, protecting their business interests was a foremost priority. Against the backdrop of the unquestioned Malay-dominant political arrangement, they realized that they had no choice but to submit themselves to the dictates of the UMNO leadership. Moreover, UMNO’s, especially the Tunku’s, support of MCA leaders proved crucial in strengthening their ability to maintain control of their party when confronted with intra-party conflicts (Heng Pek Koon 1988: 257). The cooperation between the top leadership of the two parties was based on a mutual understanding that UMNO would not undermine well-
entrenched pro-MCA Chinese business interests to advance Malay special rights, while MCA, in return, would not pursue Chinese equal rights and cultural interests, including in education (Heng Pek Koon 1988: 257-59).  

Islam: Symbol of Malay Dominance

Under the post-independence pact, Islam had no special prominence other than as a symbol indicating that Malaya was the country of the Malay. In the constitution, Islam was instituted as the official religion, with the sultans of the individual States as the guardians of religious institutions. In practice, however, the Islamic institutions were not allowed any significant political role, let alone practical power, within the formal state structure; their function was largely ceremonial and symbolic. Jurisdiction over Islamic affairs was left by the federal authorities to the individual States which inherited from the British colonial regime the administrative mechanisms for supervising Islamic affairs (Yegar 1979). However, the lack of administrative and financial resources at the State level prevented the State religious agencies from exercising supervisory power adequately and effectively.

The nominal status of Islamic institutions in politics was a result of the general indifference of UMNO leaders to Islamic affairs in the public arena. This attitude in part reflected their socio-economic backgrounds and their vision of nation building after independence. UMNO in its early years was dominated by western-educated and secular-oriented Muslim elites, many of whom were of aristocratic origin (Khasnor Johan 1984; Milne and Mauzy 1999: 13-14). Due to the British colonial policy that recruited the Malay traditional aristocratic elites into the administrative corps, a large number of UMNO leaders had civil service backgrounds. In the first elections held in  

\[5\]

The price for these concessions for the MCA leadership was not inexpensive. The party never again regained the level of support it had earlier commanded from the Chinese community, while Chinese opposition parties attracted growing support in a wider spectrum of the Chinese population.
Malaya in 1955, for instance, 80 percent of UMNO’s candidates were former civil servants (Puthucheary 1978: chap.3, especially 34). The first three Prime Ministers, Tunku Abdul Rahman, Tun Razak, and Hussein Onn, as well as the founder of UMNO, Onn Jaafar, all shared this same social and professional backgrounds.

The Western orientation of the first generation of the Malay leaders was evident in their attitude toward Islam, which was ‘secular’ and like ‘that of the average European’ (Milner 1986: 122-24). While they saw great merit in the religious teachings of Islam, and allowed Islamic law to play an important role in Malay personal life, they were convinced that religion had no place in politics (Funston 1980: 147; Milner 1986: 124-25). The Tunku believed that Islam was not a suitable guide to the complex problems of a modern nation. For him, ‘Islam provides spiritual food for thought, while politics is concerned with material progress.’ Above all, UMNO leaders were concerned that a traditional interpretation of Islam might hinder their efforts to modernize their country (Funston 1980: 145-46). This was in stark contrast with the later generation of UMNO leaders, especially Mahathir, who propagated the idea that Islam and development were compatible because, he claimed, Islam promoted prosperity and material advancement.

Thus, many of the Muslim ruling elite may have been religious in their personal lives, but had no interest in building their newly independent nation on Islam. Reference to ‘the excellence of the religion of Islam and to propagate the same,’ was stipulated in UMNO’s first Constitution adopted in 1949. In the first couple of decades after its inception, however, the clause only suggested the building of an Islamic infrastructure such as mosques and the provision of elementary religious education (Nair 1997: 23). For them, donating to mosques and suraus (prayer houses) and paying religious tithes such as zakat were part of their endeavor to render service to the interests of their traditional constituency: the rural Muslim community.6 Although religious scholars—

6 Khasnor points out the importance of the religious element in the relationship between a Malay leader and the community in the Malay social context. For example, she suggests, ‘it was to the advantage of a
ulama—were actively recruited and a substantial number of them were represented in the party, this was still within the constraints of an essentially secular party structure, leaving the corps of ulama at the margin of party leadership (Nair 1997: 23).

Ordinary UMNO members, on the other hand, were mostly of humble origin; teachers, village heads, clerks, and farmers, the majority of whom resided in the rural areas. In 1981, school teachers made up 41 percent of the delegates to the party general assembly. It was the grassroots influence wielded by these teachers and village heads that mattered in winning votes in the party elections. Furthermore, a large section of the Malay electorate generally retained traditional rural lifestyles including strong adherence to Islam, in contrast to the essentially secular orientation and Western style of the Muslim ruling elites.

Given socio-economic conditions where a large segment of the Muslim population was still rural and poor, improving their living standard and providing better socio-economic services for them was a major task for the UMNO leaders. Alongside the hegemonic position of UMNO in the multi-ethnic coalition government, the pro-Malay quota mechanisms formally stipulated in the constitution allowed them to justify the provision of public resources to the benefit of the Malay community (Milne and Mauzy 1999: 16). Moreover, post-colonial bureaucratic expansion of state functions meant that the relatively coherently organized bureaucracy inherited from the British colonial regime was placed under the control of the ruling party. In this context, the distribution of public funds, a task placed in the hands of the UMNO leadership, became an important source for patronage dispensation, and a means to build electoral support.

Malay officer if he showed an interest in the rituals of Islam. Undoubtedly he would rise in the estimation of the people if he was seen to perform his religious obligation such as regular attendance at the mosque for Friday prayers and if he participated in the religious activities organized by the Muslim community in his district (Khasnor Johan 1984: 180-81).

7 'Re-inventing UMNO,' ST interactive, 28 February 1999.
8 'Joining to serve and not be served,' Star, 24 April 2001.
9 The special rights of the Malays are protected by the Constitution. The Article 153 states that a proportion of positions in the public service (including the military and the police) has to be filled by Malays. A similar pro-Malay quota is also applied to provision of scholarship.
UMNO politicians, for instance, utilized development projects to compensate their supporters. Special privileges granted to the Malays in public service employment, land reservation, and the award of scholarships, education grants, licenses and permits were all part of the larger project to create a Malay middle class and to facilitate Malay capital accumulation (Means 1972: 37-51; Shamsul A.B. 1983).

The post-independence Alliance formula, however, proved ineffective and inadequate to satisfy expectations of the general populace, especially Malays. The government's Western-style approach—in the socio-economic sector in particular—entailed a number of contradictions and problems that would eventually require fundamental policy readjustment for the newly independent country to survive as a coherent nation. Overall, *laissez-faire* economic development primarily led by the private sector brought greater benefits to the large foreign sector and the domestic Chinese business class, while the Malays could make little commercial advance. Limited initiatives to promote Malay capital accumulation had only minimal success. Mounting discontent and resentment of the intra- and inter-ethnic socio-economic disparities were translated in ethnic terms, fueling further ethno-nationalistic sentiments in both the Malay and Chinese communities. It was in these conditions that the worst racial riots in Malaysia to date took place in 1969.

*UMNO in the Post-May 1969 Period*

In the aftermath of the 1969 racial riots, UMNO, avowedly committed to the cultural supremacy and economic advancement of the Muslim-Malays, further strengthened its domination in the ruling coalition. This new regime carried out a fundamental

---

10 The Tunku's pro-Western and pro-Chinese attitudes and intimate relations with the Chinese business elite, and his relative neglect of the Malay interests, caused not only criticism but also a breach within UMNO (Funston 1980: 23). It was the widespread feelings of exclusion at the grass-roots level and growing resentment among the rank and file in the party towards its leader, the Tunku, that contributed to the Alliance's worst electoral performance ever in the 1969 general elections. This eventually led to the breakdown of the post-independence political order with the onset of racial riots in May 1969.
readjustment of the rules of the game in politics. The New Economic Policy (NEP) was introduced to increase Malay participation in the modern economic sector and to eradicate poverty, particularly in the Malay community. Moreover, UMNO's reinforced supremacy in the government provided the executive, and the new Prime Minister Tun Abdul Razak, in particular, with greater leverage to implement a wide range of pro-Malay NEP programs. To achieve NEP goals, the government: expanded existing agencies and established new ones intended to help Malays go into business; gave special preference to Malays in the distribution of licenses, concessions, contracts and credit; and put heavy pressure on non-Malay and foreign business to accept Malay partners. In the area of education, a massive expansion of secondary and tertiary institutions took place, scholarships being generously provided to Malay students.11 One very important consequence of this NEP regime was vigorous state intervention in the economy, and expansion of patronage dispensation opportunities for the Malay ruling elite. This patronage dispensation mechanism was used not only to win votes in the general elections, but also to win posts in the internal party elections, the key avenue for the political ascent of UMNO politicians. As the economic and political stakes of public offices increased, the intra-party contestation within UMNO intensified, and party elections became the battleground for politicians aspiring for state power and capital accumulation. The rising rewards of winning party posts contributed to a rising trend of money politics, a trend that came to be firmly entrenched throughout the UMNO hierarchy in the post-NEP era.

UMNO Dominance and the Logic of Political Ascendancy

UMNO's predominance in the multi-ethnic ruling coalition and the government had been evident since independence. The introduction of the NEP cemented further its hegemonic position within the enlarged coalition arrangement, BN (Barisan Nasional, National Front), and the state whose administrative and economic power also expanded enormously.\(^{12}\) Massive state intervention in the economy to develop a Malay capitalist class offered UMNO an opportunity to create its own avenues for capital accumulation activities. As UMNO secured access to a vast amount of funds, the power balance between UMNO and its non-Malay partners tipped sharply in favor of the former. UMNO no longer needed the financial assistance of MCA, which had underwritten the major part of the ruling coalition's election campaign expenses during the 1950s and 1960s.\(^{13}\) This diminished the MCA leaders' bargaining power with their UMNO counterparts.\(^{14}\) Moreover, wealthy Chinese businessmen increasingly preferred to contribute directly to their preferred UMNO politicians, and offered more financial assistance during elections to Malay politicians than to Chinese politicians (Gomez 1998: 260; Heng Pek Koon 1988: 269).

The uneven power balance between the two leading parties in the ruling coalition, UMNO and MCA, made the multi-ethnic coalitional structure, the BN, ineffective as a decision-making body. The insignificance of the BN organization was evident from the fact that it did not hold a convention until 1995 in its almost 20-year history. The BN's

---

\(^{12}\) The BN was formed by bringing major opposition parties, including the main Malay opposition PAS, into the original ruling coalition, Alliance. The formation of the BN allowed UMNO to consolidate further its control over the government (Crouch 1996: 32-34).

\(^{13}\) Despite its mass-based support, UMNO at that time was continually faced with financial problems, because the party's mainly rural, peasant membership could not provide it with sufficient funds to finance electoral expenses. UMNO therefore had to rely heavily on MCA led by wealthy businessmen-cum-politicians to fund the Alliance (Gomez 1998: 231-32).

\(^{14}\) In consequence, by the end of the 1970s, not only were MCA leaders no longer appointed to important portfolios like the ministers of Finance and Trade & Industry that had traditionally been held by them, but barely a quarter of the almost two dozen cabinet ministers were non-bumiputera (Gomez 1999: 133).
Supreme Council meetings, comprising leaders of all component parties, were held infrequently and only before a federal or State election. Given the diminishing representation and influence of the MCA both in the ruling coalition and the government, and the weak BN mechanism, major decisions and policies were first made exclusively among the top UMNO leaders and then passed down to their coalition partners for endorsement—usually at the cabinet level (Gomez 1998: 254-55).

**Personalization of Power: The Mahathir Administration and UMNO**

After Mahathir’s appointment as Prime Minister in 1981, the concentration of power in UMNO became even more pronounced. At the same time, the state’s dominance over various segments of civil society was further tightened. Progressive centralization of power in the Prime Minister’s hands that had taken place under his predecessors also accelerated, especially after the factional struggle within the UMNO leadership in 1987. The struggle left the party split into two, the UMNO Baru (New UMNO) led by Mahathir, and Semangat 46 led by his opponent, Tengku Razaleigh Hamzah. The formation of another Malay-based opposition party led by Razaleigh, an influential member of the Kelantan royal family, and its subsequent alliance with PAS, posed a great challenge to the Mahathir-led UMNO. The UMNO leadership tightened its control over the state machinery to contain this unprecedented challenge. One consequence was increasing authoritarianism and declining independence of the bureaucracy, legislature, judiciary and monarchy. This helped reinforce further the discretionary power of the executive, together with the predominance of UMNO in the government.

The centralized nature of the state authority structure was facilitated by the

---

15 Gomez acknowledges the role of BN as the consultation channel to maintain ethnic cooperation and harmony (Gomez 1998: 254-55).

16 Hwang suggests that the Malaysian political system has become more personalized under Mahathir due to great power concentration under the Prime Minister (Hwang 2003).

17 For a general discussion on the Mahathir administration’s increasing authoritarianism, and the UMNO’s factional dispute in the late 1980s in particular, see Crouch (1992).
correspondingly highly centralized authority structure of the ruling party (see table 3.1). A vast range of prerogatives was conferred on the party president. The most important of these was his effective prerogative to appoint his heir (although his choice had ultimately to be endorsed by the party) with the effect of keeping his deputy heavily dependent on the president for his prospects of promotion to the top post (Milne and Mauzy 1999: 6). Moreover, the Prime Minister and Deputy Prime Minister were almost always the UMNO president and deputy president, allowing the latter massive public resources to expand his/her power base within the party. Below the deputy president are three vice presidents, offices elected by party delegates at the party’s triennial general assembly election. Since the vice presidents normally occupy top cabinet posts, and one of them is usually elevated eventually to the deputy presidency, competition for these vice presidential posts was also very vigorous.

Table 3.1: UMNO's Organizational Structure

The link between party and state was reflected in the parallel hierarchies of government and party, not only in the national leadership but also at the lowest level, making local division-level posts in the party attractive as a step towards holding power in the government. With the party's local divisions coinciding with federal electoral constituencies, local UMNO leaders aimed at winning a divisional post because they expected that holding the chairmanship of the division would increase their chances of
becoming a candidate for parliament or the State assembly. Those who lost their
division seats, on the other hand, ran the risk of losing their posts in the government.¹⁸

The UMNO’s highest decision-making body, the Supreme Council, presided over by
the party president, amassed a great deal of influence over party affairs. Given the
predominance of UMNO in the state, and the weak BN framework, it also wielded
substantial authority over government policy-making. The Supreme Council, comprised
of forty-four seats, includes twenty-five elected seats and nineteen non-elected seats.
The party president has the prerogative to appoint ten of the non-elected members.
Council membership is conventionally a ticket to the highest posts in the government,
and many members serve either as Ministers or Chief Ministers. Therefore, elections for
the Council membership also attract fierce competition during election times (Case
1994: 920-21; 1997). The fiercely contested party elections for the top offices give
some democratic character to the party whose decision-making power is otherwise
highly concentrated in the office of a few top officials.¹⁹ Important decisions and trade-
offs are usually made at ‘secret meetings.’ While the power to decide division heads, for
example, rests in the hands of the delegates, in reality, their power is limited to choosing
from the lists of candidates often already decided in ‘those clandestine get-togethers.’²⁰
The selection of party candidates in the general elections is an illuminating case in point.
The President and a few other top leaders close to him draw up the list of candidates
(Interview with a journalist, New Straits Times, Kuala Lumpur, 10 April 2000). Moreover, the top leaders’ blessing gives the edge to certain candidates. Yet, party
election rules still ensure that only candidates who wield sufficient influence in the
party rank-and-file can triumph over rivals in the party elections. The most effective and
secure way to build a broad support base in the rank-and-file is through the distribution

¹⁸ 'Joining to serve and not be served,' Star, 24 April 2001.
¹⁹ Case emphasizes UMNO’s internally ‘democratic’ character by scrutinizing the openly contested party
elections. He also suggests, however, that its ‘democratic’ nature receded in the 1996 party election (Case
1997).
²⁰ 'Interesting battles shaping up,' Star, 5 March 2001.
UMNO and Patronage Distribution Mechanisms

With UMNO’s hegemony within the ruling coalition BN and the government, Muslim politicians in government recognized that they could exploit their positions to dispense resources to serve both vested political and business interests. Patronage dispensation was used to cultivate support bases not only in their own constituencies, but also within the party rank-and-file, and to increase their chances of rising up the party hierarchy.\(^{21}\)

The goal of rising in the party shaped their strategies and policy making—including policies related to Islamic affairs.

In the political sphere, the highly centralized party structure allowed UMNO president, along with a few top leaders, prerogatives over the distribution of public resources. The most important form of patronage resource in this sphere was the appointment of individuals to public offices. Key positions, at the federal and State levels, were allocated to individuals allied closely to the top UMNO leadership. As a result, the support of the top UMNO leaders became essential to rise within the government (Gomez 1998: 257-58).\(^{22}\)

The rule of the party president and a selected group of people associated closely with him over party affairs was nearly absolute. The president’s will could readily overrule other leaders’ decisions. A recent and instructive (but at the same time controversial) example was the appointment in 2000 of the Chief Minister of Selangor after the abrupt

\(^{21}\) For general discussion of patronage politics in UMNO, see Crouch (1996: 36-44).

\(^{22}\) This does not mean, however, that the president and his circle could ignore circumstances and the preferences of other members. For instance, Ahmed Zahid Hamidi, former head of the UMNO Youth and once a close associate of Anwar Ibrahim, was allowed to stand as a candidate for a parliamentary seat in his home State, Perak, in the first general election in 1999 after the dismissal of Anwar from the party. The decision was made on the grounds that he was too popular in his constituency as well as in the party to be simply dismissed (Interview with a journalist, New Straits Times, Kuala Lumpur, 10 April 2000).
resignation of Abu Hassan Omar. The Selangor UMNO nominated a list of eleven potential candidates including five State Executive Council members to the party president, Mahathir. In the end, however, Mahathir ignored the list entirely and handpicked a relatively unknown and inexperienced junior UMNO Youth member, Mohd Khir Toyo. Moreover, the decision made personally by Mahathir without formal consultation was quickly endorsed by the party.

This recruitment pattern based on personal discretion incited sharp competition among party members seeking favors from top party leaders to attain higher offices in the party. This ascendancy mechanism based on the president’s prerogatives of appointment helped reinforce the internal authority of the president, keeping party members firmly dependent on him. Nevertheless, the rule still stands that the party president would be unlikely to select a politician aspiring for higher offices who lacked a broad support base in the party. Moreover, even if handpicked by the president, he/she still has to cultivate his/her own patronage channels to survive the fierce party rivalry.

**UMNO as a Gateway to Capital Accumulation: Convergence of Political and Business Interests**

A similar patronage-based distributional logic operated in the economic sphere, too. UMNO hegemony and the massive expansion of the state in the 1970s—including public enterprises—gave party leaders access to a wider range of opportunities for

---

24 'Selangor MB: 11 proposed,' *NST*, 12 August 2000. The State Executive Council is the State government cabinet.
25 It should be noted that in the past, too, it was not unusual for Chief Ministers to be selected by the Prime Minister, not by the State party. I acknowledge Crouch for this point.
26 Recruiting young ‘new blood’ to relatively prominent posts in the party was nothing new in the history of UMNO; in fact, it had happened from time to time, and had been acknowledged almost as a party tradition to revitalize leadership. Relatively new figures could be picked—even from outside the party hierarchy—and brought up into a higher office, if favored by the party's top brass—especially the UMNO president. Anwar was an illuminating example in this regard. He was personally picked and awarded an exceptional favor by Mahathir, and elevated to higher and prominent offices not only within the party but also in the government in a short span of time early period in his political career.
patronage dispensation. Their position in government allowed influential UMNO politicians to distribute business resources and opportunities—projects, contracts, licenses, loans, company shares, etc.—to individuals closely associated with them to secure a broad support base (Case 1997: 395-96; Gomez 1996a: 89-93). The implementation of the NEP after 1970 raised the economic stakes of government office. To achieve NEP objectives, state involvement in the economy to acquire and develop assets on behalf of bumiputera grew appreciably. Moreover, the government made available for bumiputera a variety of preferential means and opportunities, including bank loans. In the name of the NEP, public sector capital was utilized to create a Malay business class, while state regulatory mechanisms were put in place to limit the role of Chinese as well as foreign businesses which had dominated the economy in the pre-NEP period (Jesudason 1990: chap.4; Sieh Lee Mei Ling 1992: 104-8). Whereas the NEP achieved a number of genuine socio-economic objectives such as reducing poverty, it was also skewed to benefit the interests of Malay politicians in UMNO and a selected group of politically-connected business people.

**UMNO Politicians and Malay Businesses**

The implementation of the NEP brought about the emergence of Malay businesspeople linked closely to prominent UMNO leaders who had come to own a substantial portion of corporate stock due to political patronage. Since their close ties with influential politicians allowed them access to business opportunities to develop their corporate holdings, such businesspeople in turn were expected to financially support their political patrons. Particularly during the 1990s, those businesspeople linked to the three most powerful UMNO politicians, then Prime Minister Mahathir, then Deputy Prime

---

27 More specifically, the NEP set the target of allowing 'the Malays and other indigenous people' to 'manage and own at least 30% of the total commercial and industrial activities in all categories and scales of operation' (Sieh Lee Mei Ling 1992: 107).
Minister Anwar, and then Government Economic Advisor Daim Zainuddin amassed vast wealth from this patronage mechanism (Gomez 1999: 141; Gomez and Jomo 1997: 120-22). Moreover, since the mid-1980s a massive privatization program allowed UMNO leaders additional patronage resources to sponsor and enrich more Malay businesspeople (Gomez and Jomo 1997: chap.4).

UMNO was also involved directly in business activities. UMNO acquired equity in several major publicly-quoted companies through its holding company Fleet Holdings from 1972. After Mahathir became the party president and appointed his old friend Daim as chairman of Fleet Holdings, the company became one of the key corporate players. The party’s dramatic business expansion took place especially during the 1980s when UMNO’s numerous holding companies took over some of Malaysia’s most important corporate stock by exploiting the NEP and state patronage. UMNO controlled, through its treasurer, vast interests in the private sector. But after its deregistration in 1988, the party dispersed these corporate assets to the businessmen who had previously held UMNO’s corporate assets in trust. Those Malay corporate figures entrusted with these UMNO-linked business ventures later built corporate empires and made enormous fortunes (Gomez 1994: 6-7; Gomez and Jomo 1997: 49-56, 120-23).

UMNO’s dominance in government and the latter’s efforts to achieve NEP objectives also allowed UMNO politicians to use their official positions to distribute business opportunities not only to their clients but also to themselves. This opportunity made the high-ranking posts in the party even more attractive. UMNO politicians, together with other Malay dignitaries such as royal family members gained substantially from their own business ventures. Politicians, almost without exception, emerged as directors and shareholders of publicly-listed companies. In the 1980s and 1990s, as a result, a

28 After Razaleigh’s narrow defeat by Mahathir for UMNO’s presidency in 1987, UMNO was deregistered when twelve Razaleigh supporters claimed that the election should be nullified on the grounds that delegates from thirty unregistered branches had attended the UMNO General Assembly. In February 1988 the court ruled UMNO an illegal organization. Mahathir subsequently formed UMNO Baru (New UMNO).
phenomenon of ‘businessmen-cum-weekend politicians’ became rampant. Among the most prominent examples of this trend was former Finance Minister and the government’s economic advisor, Daim (Gomez and Jomo 1997: 53-56). These positions were important by providing them with funds for their political campaigns or by using such business influence and the media to undermine their political opponents (Gomez 1994: 40). In other words, economic resources derived from their official posts were ‘recycled’ to advance their political ends—to consolidate their power base in the party.

Intra-party Competition and Patronage-maximizing Incentives

The massive expansion of the role of the state in the growing economy raised the stakes in the competition for high-ranking offices in the government. With UMNO’s overwhelming dominance within the state, the high-ranking posts within the party became an effective gateway to government office and wealth accumulation, and competition for higher posts in the party became extremely fierce. UMNO politicians realized that they had to secure their own avenues to raise funds to finance increasingly expensive party elections. The development of various patron-client relationships and structures within the party, in turn, increased competition, factionalism and the cost of rising up the party hierarchy even further. Furthermore, as the costs incurred during UMNO elections rose enormously, money politics became a serious problem in the party in the 1990s (Case 1994; 1997: 396-97; Gomez 1994: 35-44; Gomez and Jomo 1997-30).29

To ascend the highly-centralized party hierarchy and to finance the enormous

29 The battles between former Deputy Prime Minister and UMNO Deputy President Musa Hitam and former Minister of Finance Razaleigh for the UMNO deputy president’s post in the 1980s, for example, required the spending of massive amounts of money and heavily drained their financial resources. It was known that ‘while Razaleigh’s personal wealth and close links with the business elite had apparently kept him flush with funds, Musa was believed to have had trouble honoring the debts he had incurred to mount his election campaign’ (Gomez 1994: 61). It was estimated that a sum of RM20million (approximately US$5.3million) was spent during the campaign period (Gomez 1994: 58-59).
expenses of party elections, UMNO politicians sought to build close ties with wealthy corporate figures—Muslim and non-Muslim alike. Businesspeople, on the other hand, were willing to associate with and fund influential UMNO politicians as a means to promote their personal business interests. These businesspeople expected that, in return for financial contributions, influential politicians would make available to them lucrative government contracts and business opportunities.

Many Muslim businesspeople heavily depended on their personal ties to the politicians for almost every aspect of their business activities; establishment, expansion, success, revival and survival. The active involvement of the state in the economy to achieve Malay quotas and the widespread use of patronage also encouraged a ‘subsidy’ and ‘get-rich-quick’ mentality and behavior among bumiputera (Gomez and Jomo 1997: 117-20). UMNO was increasingly seen as a ‘get-rich’ club, thereby attracting ‘business-oriented’ members to the party.

One consequence of this was a radical transformation in the composition of the party leadership at the grass-roots level. Once dominated by teachers, UMNO’s leadership at divisional and branch levels was taken over by urban-based businessmen-cum-‘weekend politicians.’ In 1981, teachers made up 41 percent of the UMNO delegates at the UMNO General Assembly; this dropped to 32 percent in 1984, and declined further to 19 percent in 1987. Businesspeople, on the other hand, constituted 25 percent of the delegates in 1987, while elected representatives made up 19 percent. The expansion of a rent-seeking business class in the party helped to spread further the trend towards money politics (Gomez 1994: 55-56; Gomez and Jomo 1997: 121).

**UMNO and Non-Muslim Constituencies**

The imperative to be associated with prominent UMNO politicians was felt not only in

---

30 This does not mean that all the Malay businessmen lacked entrepreneurial skills. There are a few prominent cases of Malay entrepreneurial success.
the Muslim, but also the non-Muslim, business community. Under the pro-Malay NEP regime, non-Muslim businesses also actively solicited business as well as political ties with politically well-connected Muslims to secure access to government resources and business opportunities. As intra-party competition within UMNO intensified, however, Muslim politicians' dependence upon these businesses also grew to finance their increasingly expensive party election campaigns. Establishing such patronage links was initially a strategy for these non-Muslim businesses to survive the aggressive implementation of NEP programs hostile to their business interests (Gomez 1999: chap.3, especially 68-72).\(^{31}\) Such an approach was further enhanced when public enterprises—especially *bumiputera* trust agencies—began to dominate key economic sectors such as construction, banking, plantations and mining. Given the declining influence of the MCA, and UMNO's increasing hegemony, Chinese businesspeople realized that they could not rely on the MCA to protect their interests by influencing policy decisions (Gomez 1999: 133; Gomez and Jomo 1997: 39-49).

Moreover, many of them came to accept the reality of Malaysia's political economy: wealth would come from close links with Muslim elites, especially UMNO politicians. Some of them thus readily allied with the top Muslim politicians to expand their business empires. In this way, they could secure state protection and patronage, in the form of the expeditious clearance of bureaucratic redtape, the granting of licenses and business contracts, and simply as capital (Gomez 1999: 151; Heng Pek Koon 1988: 132-34).

Competition escalated among big businesses for access to profitable government projects, further encouraging patronage-networking activities between UMNO politicians and corporate figures. As intra-UMNO rivalry involving various leaders—and factions centered around them—intensified, and financing party elections became

\(^{31}\) Discriminatory legislative measures, such as the Industrial Co-ordination Act (ICA), were put in place to ensure effective implementation of the NEP.
more expensive, the political-business nexus was strengthened. This encouraged aspiring Muslim politicians to build their clientelistic links with leading capitalists (Gomez 1997: 120-30).

UMNO’s Pact with the Chinese Community since the 1990s

The increasing dependence of UMNO politicians for funds from the corporate sector left politicians considerably responsive to the views and interests of businesspeople, both Muslim and non-Muslim. A select few Chinese corporate figures were especially favored and had the ear of Mahathir. It was their entrepreneurship that won the praise of Mahathir. Gomez emphasizes Mahathir’s personal appreciation of the importance of Chinese entrepreneurs—in contrast to the weak bumiputera business community—for the national economy:

Mahathir has ... recognized the importance of Chinese—and foreign—capital for sustaining growth and promoting industrialization, necessitating some checks on the activities of rentier capitalists. Mahathir has also shown signs that he will no longer tolerate rentiers who waste the economic opportunities they secure from the state (Gomez 1999: 151).

The rising bargaining power of the Chinese business community with the UMNO leaders, hence, arose not only based on personal grounds, but also on structural grounds. UMNO under Mahathir emphasized economic development as a foremost priority, and set the national goal of attaining developed country status before the year 2020. Against this backdrop, UMNO leaders had to take into account the obvious entrepreneurial capacity of Chinese businesses, in contrast to the rather embryonic Malay business community which was still heavily dependent on the government for their rise and survival (Gomez 1999: 135-37, 189-90). Mahathir’s strong faith in Chinese entrepreneurs and frustration with their Malay counterparts were evident in this blunt
statement by Mahathir about the government’s use of patronage: ‘those who have productively and profitably utilized concessions from the government will stand to benefit more from state patronage’ (quoted in Gomez 1999: 151). The necessity of Chinese capital for the national economy was confirmed during the mid-1980s recession, and again, during the region-wide financial crisis in the late 1990s. The 1980s recession, the worst in Malaysia’s post-independence history, was exacerbated by capital flight and limited investment by Chinese businesses. UMNO leaders learnt that they needed to keep wooing Chinese businesses to save and develop the national economy. In the financial crisis of the late 1990s, UMNO leaders called upon Chinese businessmen to take over companies owned by Malays to prevent them from going bankrupt, and to help bail out some well-connected Malay businessmen (Gomez 1999: 195-96).

UMNO leaders’ increasing dependence on the Chinese community was also pronounced in the political arena. After the considerable loss of Malay votes to its arch-rival PAS in the 1999 general election, UMNO’s electoral dependence on the Chinese grew more obvious. This electoral trend, related to UMNO’s declining rural Malay support and growing non-Malay backing, was evident even before the 1995 general election but continued to accelerate throughout the 1990s. The BN’s landslide victory in the 1995 general election depended on substantial support from the non-Malays, especially Chinese. The swing of Chinese votes to the BN coalition was evident even in the traditional strongholds of the Chinese-dominated opposition DAP (Democratic Action Party). For example, in Penang and Kuala Lumpur, where all the MCA candidates were defeated in the previous general election, the BN registered victories (Gomez 1996b: 31-45).

Given the eroding support for UMNO among the rural Malay constituencies, the support from the Chinese community was all the more appreciated by UMNO politicians. In 1990, Kelantan fell to PAS, although PAS was assisted in this victory by
its electoral alliance with another Malay-based party, Semangat 46, led by Razaleh.\(^{32}\) The UMNO’s eroding support in the Malay heartland States such as Kedah and Terengganu as well as Kelantan has been primarily attributed to ‘the perception of Malays in these States of the impact of rapid economic development and modernization on the community’ (Gomez 1996b: 39-40). Gomez elaborates this point by arguing:

Many rural Malays appeared to be of the view that they had benefited little from the BN government’s strong emphasis on urban capitalist industrialization and modernization. Some felt that the economic environment that was being created by the BN was not only alien but hostile to rural Malay interests and well being. There also appeared to be growing frustration among rural Malays that government policies were augmenting social differentiation and economic disparities in the community (Gomez 1996b: 40).

Thus, the electoral trend from the 1990s on was related to a general reorientation of the UMNO leadership’s vision of the national direction: where they wanted to take the country, and what kind of nation they wanted to build. Its continual emphasis on economic development and the goal of achieving developed-country status before the year 2020—envisioned in the national slogan Vision 2020—necessitated that UMNO leaders adopt a more accommodative approach towards the non-Muslim community to attract robust Chinese capital and the Chinese workforce. In the economic sphere, lucrative government contracts were awarded to non-Malay businessmen. In the cultural sphere, the UMNO leaders also took new approaches including greater appreciation of the importance of English, lifting of the restrictions on the lion dance, displays of greater inter-ethnic co-operation, as well as an increase of Chinese and English programs on TV and radio. Mahathir went even further by suggesting that Malays learn to speak Chinese in view of the language’s commercial value. All these liberalization initiatives, greatly welcomed and appreciated by the majority of the non-Malays,

\(^{32}\) Semangat 46 was dissolved in 1996 and Razaleh rejoined UMNO (Hwang 2003: 262).
reflected UMNO politicians’ concessions to the Chinese community (Gomez 1996b: 35-36).

In short, UMNO leaders were determined to prioritize economic development at the risk of marginalizing rural Muslim constituencies. Chinese capital and the Chinese workforce were vital to this end. Given the Malay vote split between the UMNO and PAS, non-Malay support was a crucial tradeoff to offset UMNO’s losses in the Muslim dominant rural constituencies. This electoral imperative was further reinforced by widespread anti-UMNO sentiments among the Muslim community after Anwar’s controversial dismissal from government and arrest in 1998, leaving UMNO leaders all the more dependent on the Chinese community.33

The Rise of Islam: Islamization of UMNO and the Politics of Patronage

Implementation of the government’s Islamization policies has to be understood from the perspective of patronage politics. UMNO leaders needed to have good relations with the Chinese community, especially businesspeople, while simultaneously cultivating Malay support. The increasing dependence of Malay politicians on the Chinese community in general and Chinese businesses in particular, both at the individual and structural levels, had a great effect on decision making among UMNO leaders—including their Islamization projects. Even the most ‘Islamic’ UMNO politicians also could not afford to be exceptions. For example, Anwar Ibrahim readily offered the patronage resources attached to his ministerial posts to prominent businesspeople, both Muslim and non-

33 The political crisis ensued in September 1998 after Mahathir sacked Anwar from his posts as Deputy Prime Minister and Finance Minister, as well as from his positions and membership within UMNO, for his alleged sexual misconduct. Anwar, alongside his followers, was subsequently arrested and detained under the ISA after leading a street rally in Kuala Lumpur. In a trial that was widely regarded as unfair, he was found guilty on multiple charges including sodomy and corruption in the following year. For a more detailed discussion about backgrounds of the crisis, see, for example, Weiss (1999).
Muslim alike. This was primarily based on his incentives—similar to those of any other UMNO politician—to expand his clientele networks to fund increasingly expensive party elections, and to reach the highest echelon of party leadership. At the same time, UMNO politicians could not afford to risk loss of support among the Malays. The government’s promotion of Islamization policies and programs offered UMNO politicians with patronage resources at various levels and opportunities to fulfill their political ambitions: by maximizing avenues for patronage dispensation to build wider support bases in their respective Muslim constituencies. These patronage-maximizing activities, after all, were crucial for them to rise in the highly competitive UMNO hierarchy, and to obtain increasingly lucrative positions in the government.

The Rise of Islam and the Government’s Islamization

The rise of religious consciousness in the Muslim community in the 1970s dramatically increased the importance of Islam within UMNO. From the perspective of top UMNO leaders, a major consideration was how to respond to this rising religious fervor in their traditional constituencies in a way that would turn it into their electoral advantage. For them, performing religious duties such as building mosques for their constituencies was nothing new; such contributions had always been part of their service to their electorates, and also an avenue for patronage dispensation, just like any other ‘pork barreling.’ What was new this time, however, was the increasingly self-conscious commitment of a new generation of young urban middle-class Muslims to Islam, in contrast to the more routine Islamic identification of the older generation. Most striking was the development of a number of Islamic associations—commonly known as *dakwah* (Islamic missionary) organizations (For example, Barraclough 1983: 959-60; Chandra Muzaffar 1987: chaps.4-5; Jomo and Ahmad Shabery Chik 1992; Lyon 1979). This was a new—and challenging—trend to which UMNO had to respond skillfully in the presence of the
electoral challenge from its archrival PAS (Crouch 1996: 172).

One strategy adopted by the newly inaugurated UMNO leadership led by Mahathir was the launching of an Islamization campaign. One of the most significant and far-reaching moves of Mahathir was the co-optation of Anwar Ibrahim, the charismatic president of the most prominent non-governmental Islamic organization at that time, the Malaysian Islamic Youth Movement (Angkatan Belia Islam Malaysia or ABIM), into UMNO.34

The co-optation of Anwar to launch various government-sponsored Islamization policies derived from UMNO’s electoral concerns.35 UMNO leaders attempted to preempt Islamic oppositional forces—especially PAS—from becoming too influential in the Muslim constituency. The co-optation of Anwar and the religion-related programs initiated by him had the effect of appeasing anti-government sentiments among confident and idealistic Muslim youth (Jomo and Ahmed Shabery 1988: 849-51; Nair 1997: 28-33). Anwar and his colleagues who followed him into UMNO, on the other hand, apparently had their own agenda and ideals they wished to achieve from within the system. Anwar publicly stated that he would not abandon the principles and ideals for which he fought—that he was not selling out, but would fight for ABIM’s goals from inside the party in power. Soon after, he also asserted that little by little, UMNO was doing what ABIM had sought, and that he would be a ‘third force’ from the inside (Mauzy and Milne 1983-84: 637-38).

Mahathir’s strong confidence in—and support for—Anwar helped him implement his

34 For various other strategies adopted by the UMNO government, see Barraclough (1983). ABIM’s political significance both on ideological and organizational fronts, and grass-roots influence especially among students, posed a great threat to the UMNO leadership. The growth of dakwah movements, especially on the university campuses in the mid-1970s, owed much to the formation of ABIM. ABIM was launched in 1971 to provide an organizational platform for young Muslim graduates to play a legitimate role in their struggle to build a society based on the principles of Islam (Zainah 1987: 17). Since then, ABIM grew rapidly into one of the most influential non-governmental dakwah movements, having attracted, among others, increasing numbers of urban young Muslims (Funston 1985: 171; Mauzy and Milne 1983-1984: 634-35).

35 ‘Putting up a good front: Islam is the issue as the ruling National Front and opposition Party Islam fight a by-election,’ Far Eastern Economic Review [FEER], 17 December 1982.
ideas and programs. In turn, the presence of Anwar and his extensive grass-roots networks was expected to contribute immensely to the Mahathir government’s Islamization enterprise, by giving the latter a more authentically Islamic outlook. Further, it was expected to help outperform PAS’s conservative Islamic vision and programs. Soon after joining the government, Anwar was elevated to the position of Deputy Minister in the Prime Minister’s Department in charge of Islamic Affairs, and began playing a central role in piloting the Mahathir administration’s Islamization enterprise. He helped to formulate new Islamic policies that put the administration into competition with PAS and the *dakwah* movements (Means 1991: 99-100).

As it has turned out, however, the earlier assertions and expectations of Anwar and his ABIM colleagues were greatly hindered by institutional and political conditions. The party Anwar and his supporters joined had its own mechanisms—rules and norms—that they could not simply ignore if they wanted to survive and rise in the party. It was these organizational mechanisms firmly entrenched within UMNO that significantly shaped policy implementation at various levels in the government, and institutionalization of the state bureaucracies administering Islamic matters. The patronage-maximizing incentive structures, as discussed above, shaped the objectives and strategies of individual UMNO politicians—including Anwar. Anwar’s increasing consideration of, and changing attitude to, non-Muslim constituencies since the early 1990s attest to this point. Islamization policies in which Anwar was involved were skewed to meet this condition.

*Islamization of UMNO: The Rise of Anwar*

Anwar’s quick rise in UMNO and in the government stirred a great deal of apprehension and fear among the non-Muslim communities, including Chinese-based coalition partners within BN, as well as some sections of the Muslim community. Their fear was multi-faceted, but one overriding consideration was that a number of newly
introduced government programs could be a step towards turning the essentially secular state system into an Islamic one. Anwar’s rise was not just an electoral strategy to preempt the rising influence of its rival PAS; it also seemed to signify a fundamental and radical change in the ruling party and the government dominated by it. UMNO leaders reiterated that the interests of non-Muslims would not be affected. But, the non-Muslims feared that nothing could be guaranteed against the backdrop of a visible surge in Islamic activities at the societal level, and increasingly sharp rivalry between UMNO and PAS (Mauzy and Milne 1983-84: 639-44).

The victory of Anwar and his allies—called rather glamorously the ‘Vision Team’—and the loss of the incumbent Deputy President Ghafar Baba in the 1993 party election, represented a generational change in the party and marked a major turning point in the UMNO leadership. The NEP’s confidence-building impact was pronounced not only in the Muslim electorates, but also in the UMNO leadership. The thirty years of the NEP produced a new generation of Muslim leadership that was more assertive and confident about its economic as well as political position. Anwar led a team of ‘Young Turks’ to challenge the veteran politicians led by Ghafar, and won the majority of seats on the UMNO Supreme Council. Moreover, Anwar as the Deputy President of the party established himself as Mahathir’s heir apparent (Ho Khai Leong 1994: 179-83).

This new generation of UMNO leaders was not only confident in socio-economic terms, but many among them were more Islamic in their aspirations. They were more committed to observing and promoting ritualistic aspects of religious faith, while initiating more practical programs reinforcing the Islamic character of public affairs including finance and education. For much of this generation, Islam was not relegated to private affairs; but rather, its role was advanced in wider aspects of public life. Moreover, religious credentials became far more important and useful in the political and electoral arenas, driving an increasing number of Muslim politicians to attempt to appear more Islamic or to capitalize on religious causes. Overall, Islamic issues became
central as the religious wave swept through the Muslim constituency.\textsuperscript{36}

Their goal of attaining an ‘Islamic vision’ for industrialized Malaysia contrasted starkly with the more secular and Western-oriented old generation of the Muslim ruling elite. However, increasingly assertive Muslim supremacy and confidence produced growing tensions between the Muslim and Chinese ruling elites that led to occasional political crises over such issues as education and law. The MCA and other non-Muslim based parties appeared powerless to block Islamic projects proposed by UMNO leaders, who themselves were more and more anxious to create and protect their Islamic images and credentials in the eyes of their Muslim constituencies.

\textit{UMNO’s Islamization and Non-Muslim Constituencies}

The rise of Anwar best demonstrated the importance of the effective use of patronage and the forging of links between Muslim leaders and influential businessmen for political ascendancy in the UMNO hierarchy. In the 1993 UMNO party election, then vice president Anwar contested the party’s deputy presidency, and displaced the incumbent, Ghafar Baba, to become deputy prime minister. During this election, it was estimated that between RM200million and RM300million (approximately US$53 million to US$79 million) was spent on the campaign, marking it as the most expensive party election in UMNO history (Gomez 1999: 150). Anwar mobilized corporate networks personally connected to him not only in the Muslim but also the non-Muslim communities. Among Muslims, a young generation of prominent corporate-cum-political figures offered crucial financial and political backing for Anwar in overwhelming Ghafar and a more senior group of politicians. Their support also helped to consolidate Anwar’s claim to succession to the party leadership. Among non-

\textsuperscript{36} Shamsul acknowledges the rise of ‘Islamic’ politicians in the UMNO leadership by the late 1980s. In the 1987 party election, for instance, Anwar, Wan Mokhtar, and Abdullah Ahmed Badawi won the vice-presidencies, while Yusof Nor won the Supreme Council membership with the highest vote of 1,030. Wan Mokhtar, Abdullah, and Yusof were all educated in Islamic studies, while Anwar led the most prominent Islamic NGO, ABIM (Shamsul A.B. 1988: 184-85).
Muslims, prominent Chinese businessmen built a personal connection with Anwar, and funded the latter’s political campaigns. Hong Leng Group’s Quek Leng Chan and MBf Group’s Loy Hean Heon, for instance, were reported to have supported Anwar’s successful bid in the 1993 party election. Those prominent non-Muslim businessmen who had benefited from their support for then Minister of Finance, Anwar, also included Vincent Tan Chee Yioun and his brother Danny Tan of Berjaya Group (Gomez and Jomo 1997: 124-30).37

Anwar’s ascendancy highlighted two important features of the patronage-maximizing mechanism that influenced the behavior of UMNO politicians. First, the party president’s backing alone was not sufficient to ascend the party hierarchy; building personal patronage networks was equally important. Given the importance of non-Muslim constituencies for his political rise, Anwar attempted to dilute his radical Islamic image, while adopting a moderate and accommodative approach to issues concerning non-Muslims. Second, Anwar readily utilized prerogatives attached to his powerful financial ministerial post to dispense patronage resources to consolidate his political base in the party. Anwar, as Finance Minister, was in a particularly strong position to benefit from privatization projects. When nearly 1,200 federal and State-owned companies were privatized in 1993, he benefited from the process politically by allocating privatized business interests to businesspeople, who were also members of UMNO.38

Importantly, this logic of patronage maximization significantly influenced the government’s Islamization programs that Anwar and his group were heavily involved in. To understand why the government carried out Islamization in the way it did, we have to take into account the effects of these patronage incentives so deeply embedded in


107
The Clash of Intra-Party Interests? Strategies of Patronage-maximization

The incentives and objectives shaping the behavior of the UMNO politicians caused clashes of interests, and subsequently, varying strategies among them at different levels. Importantly, the strategies these politicians adopted to achieve the same goal—that is, maximizing clientelistic networks—varied depending on their respective party locations. For the federal level leaders, on the one hand, their close ties with wealthy corporate business, especially economically powerful Chinese businesses, became as important as their traditional Muslim constituencies, because those businesses financed their costly election campaigns. Moreover, the state’s implementation of the NEP and rapid socio-economic changes brought about the rise of urban business/middle-class Muslims and an increasing class divide that corresponded in part to urban-rural divisions. These urban middle-class Muslims, unlike their rural counterparts and the old generation of Muslims, tended to hold strong aspirations for both material and spiritual advancement. The federal leaders could not dismiss—and in fact were keen to boost—these urban Muslim aspirations. Consequently, these clientelistic ties left them considerably responsive to the interests of corporate business and the urban middle class, and significantly, the Chinese community.

Given the constitutional provision that Islamic affairs fell under the jurisdiction of the respective States, however, UMNO leaders at the federal level found themselves constrained in launching and implementing Islam-related policies. Any federal initiative that might impinge on the religious jurisdiction of the individual States generally (but not always) faced resistance from the State authorities—both administrators and politicians alike. The State leaders’ oft-used justification was that Islamic affairs were
the prerogative of sultans, the heads of the individual States, and thus their consent needed to be attained first (Interview with a JAKIM official, Kuala Lumpur, 3 May 2000).

For the UMNO leaders at the State level, particularly those from predominantly Muslim rural States, on the other hand, their ties with traditional Muslim constituencies still remained very important. To win the support of the rural Muslim constituencies, Islam was the key. This was especially so, since Islamic affairs were one of the very few areas where political authority was conferred on them. Since religious leaders are politically very influential in the local Muslim community, State prerogative over Islamic matters offered them valuable patronage-dispensing resources to consolidate their support base. Issues such as Islamic schooling, for example, could be used as an avenue for the dispensing of patronage relatively independently from the federal authorities.

One hypothesis that could be deduced from this structural condition is that the UMNO politicians at the State level might be interested in defending with equal vigor their prerogatives from federal intervention in all the sectors involving Islam, judicial, or educational. However, their approach was different across sectors. Against our expectations, State politicians defied and obstructed some policies—but not others—initiated by the federal government. Importantly, this variation in strategy was derived from the same patronage-maximization incentives of the Muslim ruling elites in UMNO, as demonstrated by the three case studies taken up in the chapters that follow. These chapters show how the patronage-maximizing incentive structures of UMNO politicians brought about diverging strategies among them at the federal and State levels, and subsequently the variation in the level of institutionalization of Islamic bureaucratic authority structures.
CHAPTER 4

Institutionalization of a Syariah Judicial Regime: Becoming ‘Modern’ or ‘Traditional’?

We only reject the interpretation and laws of Kelantan PAS which are not compatible with the Syariah. The rejection of something that is wrong is compulsory if we are to hold on to the teaching of Islam.

—Mahathir Mohamad.¹

A reform drive in the Syariah judicial apparatus spearheaded by the federal government since the 1980s has brought about an unprecedented institutional development on the constitutional, legislative, and administrative fronts. Institutionalization in this sector specifically meant the organizational development and greater administrative competence of the Syariah judicial structures. The administrative machinery overseeing Syariah courts and Islamic laws was reorganized and expanded with increased authority and autonomy within the country’s still essentially secular civil-dominant judicial system. This included the development of a central agency—the Federal Department of Syariah Courts (Jabatan Kehakiman Syariah Malaysia or JKSM)—recruiting better qualified Syariah personnel and coordinating enforcement of Islamic laws. Moreover, the federal authorities drafted a number of more specific Islamic laws to ensure that the Syariah officials apply a moderate approach to Syariah and do not deviate from the progressive Islamic regime that they intended to build.

The Syariah reform, thus, brought about a relatively high level of institutionalization of

¹ ‘Reject hudud laws, say Dr. M’ (NST, 4 March 1994).
the state Islamic apparatus in the judicial sphere—the highest among the three cases observed in this study. The incentive structures of the Muslim ruling elites within UMNO to maximize patronage resources so as to rise in the party made the Syariah reform politically very attractive to some leaders. For UMNO politicians, the threat from the Islamic opposition party, PAS (Parti Islam Se-Malaysia)—and its plea to implement a wider scope of Syariah in particular—was undoubtedly a source of concern in this judicial sector. PAS’s electoral threat alone, however, was not sufficient to determine the particular way in which the UMNO politicians approached Syariah issues. The conservative pressure—to implement conservative interpretation of Syariah—came not only from PAS but also from within UMNO and the state religious departments. This was a particularly problematic trend for the federal UMNO politicians since it could alienate the business and Chinese communities—important patronage sources for their political survival. The federal government’s efforts to standardize administration of Syariah courts and judges as well as Islamic laws were meant to exert greater control over the Syariah apparatus in order to prevent such conservative elements from gaining influence within the state. UMNO politicians’ Syariah agenda, and ultimately the level of institutionalization, was largely shaped by the patronage-maximizing incentives and varying strategies UMNO politicians adopted at various levels of the party hierarchy.

The chapter proceeds as follows. The first section overviews institutional changes that have taken place since the 1980s. It shows that the federal government’s reform initiative by means of constitutional, legislative, and administrative measures brought about a relatively high degree of institutionalization in the Syariah court apparatus. The next section highlights a good deal of coordination between state and societal actors as well as among intra-state agencies that contributed considerably to the course of Syariah reform. The section that follows points out the limitation of the proposition that Syariah court reform stems from this societal input. An alternative—and key—explanation is
introduced here to emphasize the political incentives that operated in the ruling party. In the final section, an analysis of two cases demonstrates how UMNO politicians’ incentive structure had an important effect on the particular outcome observed.

**Syariah Reform in Theoretical Perspective**

*Syariah* reform in Malaysia was concerned not only with the content of *Syariah* laws themselves but also the way in which they were administered. In contrast to the ‘traditional’ system of the past in which the *Syariah* courts were the responsibility of the Sultans and the State governments, the *Syariah* court system was modernized and institutionalized at the national level. The application of *Syariah* laws, however, remained as limited as before. The *Syariah* courts have no authority over non-Muslims and the *Syariah* laws continue to apply mainly to family matters, inheritance, religious observance and belief, and relations between the sexes. *Syariah* did not apply to commercial law except, as will be noted later, to some *Syariah*-influenced provisions which were made available to Muslims in regard to banking and insurance. The federal constitution effectively side-stepped severe Islamic sentences by defining limits on the punishments that could be meted out by the State *Syariah* courts, including maximum sentences of imprisonment and maximum fines.2

One important overall effect of the *Syariah* reform process was greater federal intervention in *Syariah* matters (hitherto the State governments’ turf except in the federal territories of Kuala Lumpur and Labuan which followed national laws). This brought into being better organized state structures at the federal level regulating enforcement of

---

2 The *Syariah* courts have limited jurisdiction in criminal matters under federal law and can only deal with offences punishable with imprisonment up to three years, or a fine not exceeding RM5000 (US$1320), or caning up to six strokes or the combination of all these (Kamali 2000a: chap.3, especially 44).
Syariah matters. Bringing in administrative competence in the Syariah apparatus, however, was only part of the Syariah reform agenda; a more important effect was state extension of control over religious authorities whom the top UMNO politicians considered ‘too conservative’. By incorporating religious officials who run Syariah courts and laws in the tightly organized government bureaucracy, the ruling politicians sought to keep in check conservative and radical elements—both from outside and within the government. At the same time, they pledged to promote a liberal application of Syariah.

It is important to note that the effect of the reform initiative was not equal across various actors: some actors benefited—while others did not. Federal government authorities—both political and religious—for example, promoted the reform initiative since it was expected that they could exert greater control over the State-level authorities as well as over non-governmental Islamic actors. Even within the government, however, tension sometimes arose with regard to implementation of Syariah; politicians tended to support ‘liberal’ interpretations and to avoid strict implementation, while religious officials were inclined to adhere to ‘conservative’ interpretations and to insist on tighter—and broader—enforcement of Syariah. Reaction from the State governments, on the other hand, was mixed; some States opposed the plan since it meant the transfer of their already very restricted powers to federal leaders, whereas other States endorsed it quietly. Some societal actors including Syariah experts and Muslim Women’s organizations were strong supporters of the reform. This does not necessarily mean, however, that these societal actors concurred with one another in terms of ultimate goals and expectations. Conservative Syariah experts, for example, expected the Syariah-based judicial system and supporting institutions to expand and prosper as part of the country’s judicial system which they had regarded as being ‘too secular.’ Women’s organizations, by contrast, hoped otherwise. For them, the worst possible development was that a
conservative *Syariah* regime would gain power from greater formal authority in a system that they already felt was becoming ‘too conservative.’ They expected that the strengthening of federal rule would result in the *Syariah* personnel becoming more professional, competent, consistent, and—above all—sensitive to the interests of women. Moreover, they hoped for the adoption and establishment of liberal interpretations of *Syariah* laws so that Muslim women’s rights would be protected in ways favored by women. Such conflicting interests, expectations, and objectives as these among various actors made the reform process highly contentious and political.

In general, legal reform is not a simple business; rather, it is a matter of

‘fashioning working relationships between judges, prosecutors, police, advocates, notaries, bureaucratic personnel, law faculties, political leadership, and more, all under the influence of ideological principles and myths constantly reinforced by near daily repetition and experience’ (Lev n.a.).

In brief, the short and long-term interests of various actors get in the way, making a reform process complex, time- and resource-consuming and, most of all, highly political. The complexity of this universally acknowledged problem of legal reform was multiplied by at least two other factors in the case of Malaysia’s *Syariah* judicial reform. First, what was at stake was not simply a matter of law and courts, but religion. In Malaysia, Islam is the official religion of the federation. Despite the country’s otherwise highly centralized politico-administrative system, Islamic matters—including the administration of *Syariah* courts and laws—were nonetheless placed under the formal control of the Sultan in each State assisted by State religious agencies, the *Majilis Agama Islam* (Council of Islamic Religion or Religious Council) and the Department of Religious Affairs (or Religious Department).³ These religious authorities at the State level were generally resistant to

³ The council and the department practically share religious authority at the State level, with separate jurisdictions supervised by the one or the other. The balance of influence between these two agencies varies from one State to another. For the case of Johor, for instance, see Abdullah Alwi (2000); for Kelantan,
federal interference, jealously guarding their administrative turf. This federal-State tension over religious authority had a high potential to hold back the reform process.

Second, Malaysia’s multi-ethnic/religious circumstances add a further complication to Syariah reform. Questions abound: Does the Syariah reform ever affect non-Muslims and, if so, in what way? Do non-Muslims care about Syariah issues at all? An ‘Islamic state’ controversy provoked by the electoral success of the opposition Islamic party, PAS, after the Anwar crisis seems to suggest that they do (Lim 2001). If, as therefore seems likely, they do care, can they influence, by supporting Muslim interests in one way or another, an institutional adjustment of Muslim affairs? These questions raise the issue of nation-building, one of the biggest challenges to the post-colonial national leadership. Furthermore, these issues were also associated with the problem of political legitimacy for Muslim ruling elites.

Seen against the backdrop of such difficulties foreseen for the reform process, the degree of institutionalization of the Syariah legal apparatus appears comparatively high, both from cross-national and cross-sectional perspectives. In Indonesia, for example, Syariah courts were allowed to survive under an essentially secular-nationalist regime after independence. The Indonesian constitution adopted in 1945 rejected the idea of an Islamic State and instead incorporated the nationalist ideology of Pancasila (Five Principles). The jurisdiction of the Syariah courts applied only to Muslims and was largely restricted to a few domestic affairs primarily involving marriage and divorce.⁴ Even then, unlike Malaysia, the Islamic judicial procedure was optional for Muslims; they were free to take their cases to the secular (civil) courts—much to the chagrin of Syariah experts and Islamic leaders in general. Even after the government under Suharto began taking a more accommodative approach towards Islam in the late 1980s, the

---

⁴ For the best account of the development of Syariah courts in Indonesia, see Lev (1972).
subordinate position of the Islamic courts remained fundamentally unaltered. Neither the government nor the major mainstream Islamic organizations called for the implementation of Syariah (Kadir 2002).

What was most striking about Malaysia’s Syariah reform was the quality of the Syariah institutions (including laws) that have emerged. Apparent Islamization of the judicial apparatus was not so much a jurisdictional expansion of the Syariah system; it came with modernization—administrative competence—of the Syariah court mechanism, reminiscent of the process seen under the British colonial regime (Yegar 1979). A number of enactments were passed by Parliament and put into effect to regulate the administration of Islamic rules. In other words, the divine laws (Syariah) were formatted into modern legal form by legislative means. In this way, interpretation and adaptation of Syariah in a contemporary context was specified and fixed to make execution of Islamic laws coherent and consistent. Moreover, reformers of the Syariah court system spent much effort to establish a more formal system of recruitment of Syariah personnel. Formal qualifications and training of Syariah judges was greatly emphasized to standardize enforcement of Syariah nationwide. The standardized religious legal regime consequently granted Syariah judges increased authority and autonomy—at the expense of some discretionary power to interpret Syariah.

Furthermore, Islamic laws adopted as such in the Malaysian context were ones carefully chosen from various schools of Islamic jurisprudence. A selective approach was taken and any moves to introduce radical Islamic laws were rejected as a result. Whether the laws adopted were of a liberal character could still be contested, but they were still considered as fairly reasonable even by members of the most vocal progressive Muslim

---

5 For state-Islamic relations under Suharto’s New Order regime, see, for instance, Effendy (1994); Adnan (1990); Liddle (1996); Hefner (1997).

6 The Administration of Islamic Law Act, for example, stipulates jurisdiction, appointment and other procedural matters concerning Syariah courts as well as other religious offices.
force in the country, Sisters in Islam. Why and how did the Syariah reform go as far as it did? Before seeking an answer to these questions, we will assess in more detail institutional changes that occurred in the judicial sector in general and in the administration of Syariah in particular.

The Expansion of the Syariah Court Apparatus

A most important dimension of the Syariah reform launched by the UMNO government was the increased autonomy of the Syariah courts and Islamic laws vis-à-vis their civil counterparts. This did not mean, however, that the civil legal structure had been replaced by one based on the Syariah. Nor did it intend to hint that the country’s judicial system had grown more Islamic in essence. In theory and in practice, Malaysia’s civil-law judicial system inherited from the British colonial regime was very much dominant. The authority of the civil courts had hardly been seriously threatened by the rise of a more authoritative Syariah court mechanism. The tradition of English common-law practices still remains intact. What matters, however, is that the Syariah reform has had the effect of upgrading the status of the Syariah courts and officials through the use of constitutional, legislative and administrative instruments. Physical conditions, qualifications of officials, and bureaucratic machinery overseeing the Syariah legal service were improved dramatically. Such institutional restructuring in the Syariah area had a profound effect overall: promoting the empowerment and autonomy of the state administrative apparatus governing Islamic legal affairs.

---

7 Personal conversations with Sisters in Islam members during field research I conducted from 2000 to 2002.
8 There has been a strong sense of fear in the Bar, however, that Islamic aspects have been excessively tolerated and reinforced in the country’s legal system. Contesting views about such an ‘Islamization’ trend caused tension within the rank and file in the Bar Council. It is said that the ousting of the Council President, Sulaiman Abdullah, in 2000 was due to his open endorsement of that trend (Interview with Bar Council
In view of the universally acknowledged difficulties entailed in legal reform, the move towards a relatively high level of institutionalization of the Syariah judicial apparatus is striking. Major coordination problems, stemming from the transfer of authority from one place to another, were resolved quite effectively. The federal government, through the leadership of JAKIM (Jabatan Kemajuan Islam Malaysia, the Department of Islamic Development), the central religious agency, managed to minimize any 'separatist' tendencies among the individual State religious authorities. This prevented them from building a completely separate religious-legal regime based on their own localized interpretation in each State. The containment of this tendency in turn facilitated the establishment of a relatively coherent and authoritative religious-legal apparatus nationwide, despite some unresolved procedural problems.

The Post-colonial Judicial System: The Inferior Status of the Syariah Courts and Personnel

A brief overview of the overall judicial system surrounding the Syariah courts provides a background for appreciating the effect of the institutional reform under discussion. At independence, Malaysia inherited a relatively well-organized judicial system from the British colonial regime. Under the system that was strongly influenced by British rules and traditions, the civil courts enjoyed a wide range of jurisdiction. Judicial officers and lawyers in the civil courts, like other post-colonial societies, formed an influential and highly respected elite class in the local community.9

On the other hand, the powers of the Syariah courts—running parallel with the civil

---

9 It is noteworthy that a number of prominent Malay nationalist leaders who led the independence movement were law graduates. Those include the first Prime Minister Tunku Abdul Rahman, the second Prime Minister Tun Abdul Razak, and the third Prime Minister, Tun Hussein Onn.
courts—were restricted and defined separate from, and made ‘inferior’ to, those of the civil courts in the wake of colonial rule. Islamic law was strictly applied to Muslims in matters relating to family and inheritance and some Islamic criminal offences such as drinking, deviant worship, and sexual offences (e.g., khalwat). In the field of criminal law, in particular, the jurisdiction of the Syariah courts was very limited. With Islamic affairs placed under the authority of the sultans in their respective States, the Syariah courts were excluded from the federal system dominated by the civil courts. Moreover, this system of Syariah courts comprised only two levels: the Court of the Chief Kadi (Kadi Besar) and subordinate Court of the Kadi (Wu 1999: 63-64). The leading figure of the Syariah reform, Professor Ahmad Ibrahim, characterizes the common perception among Syariah personnel of their inferior position in this way:

In contrast [to the civil courts] the Syariah courts were for a long time neglected and forgotten. There was no independent judicial and legal service for them and the judges and officers belonged to the general administrative service and were subject to the control of the Religious Councils and the religious departments. The judges of the Syariah High Courts did not have the independent status, remuneration and terms of service of the civil judges. The facilities provided for the Syariah courts were far below those provided for the civil courts (Ahmad Mohamed Ibrahim 2000: 194).

Such disparity between the civil and Syariah courts, in favor of the former, continued to fuel a sense of discontent, envy and inferiority among Syariah officials and experts. It is in this context that the UMNO government undertook the Syariah reform in the 1980s.

---

10 Before the reform, the jurisdiction of the Syariah courts could not be exercised in respect of any offence punishable with imprisonment for a term exceeding six months or with any fine exceeding RM1000 (approximately US$260) or both. After the reform, the jurisdiction of the Syariah courts in the field of criminal law was extended to deal with offences punishable with imprisonment up to three years or a fine not exceeding RM5000 (approximately US$1320) or caning up to six strokes or the combination of all
Overview of the Institutionalization of the *Syariah* Judicial Apparatus

The government adopted several statutory initiatives to enhance the overall authority and autonomy of the *Syariah* courts and officials. In the constitutional sphere, the Federal Constitution was amended in 1988 to give more jurisdictional leverage to the *Syariah* courts. Article 121 (1A) was added to ensure that decisions made within the jurisdiction of the *Syariah* courts could not be reversed by the civil courts. Jurisdiction of the *Syariah* courts still remains restricted to matters concerning family, inheritance, and religious offences and regulations. This constitutional amendment, however, had a far-reaching effect: upholding the legitimacy and dignity of the *Syariah* courts and officials and protecting their administrative turf. The symbolic and psychological effect of the amendment was very real not only on the *Syariah* side, but also on the civil side of the judiciary. Before the amendment, *Syariah* judges had no capacity to challenge but could only acquiesce when appeals against their judgments were 'transferred' to the civil courts and ended up being overturned. After the amendment, however, such appeals to the civil courts ceased in principle although the civil court was still exclusively entitled to decide which court had jurisdiction to hear particular cases when a conflict of jurisdictions arose. Moreover, changing perceptions and attitudes in favor of 'Syariah-ization' within the legal community were striking, too. The civil high court judges who made a historic judgment to return a case to the *Syariah* court in the light of Article 121 were celebrated as 'pro-Syariah' within the *Syariah* court community and in these.

11 In a number of cases in the past, there was a conflict between the decisions of the *Syariah* courts and the civil courts, and the civil courts usually prevailed. After the constitutional amendment, this trend has been reversed. For the general background of the amendment, see Ahmad Ibrahim (1989).

12 About cases which brought to light unsettled problems concerning the conflict of jurisdictions after the constitutional amendment, see Kamali (2000a: chap.3). Apostasy cases involving non-Muslim converts were one prominent example. For issues concerning apostasy, see the section on the apostasy controversy in this chapter.
the Muslim community at large. The fate of the judges who decided otherwise, on the other hand, was rather miserable; they were regarded as ‘anti-Syariah,’ a label not favored in the Muslim community.13

The government also widely used legislative measures to reorganize and upgrade the Syariah mechanism. Legislation pertaining to the administration of the Syariah laws and courts was passed in each State on the initiative of the federal religious authorities. A most important effect of legislation was the dismantling of power concentrated in the State Religious Council under the previous Syariah regime governed by more general (and ambiguous) Muslim Law enactments at the individual State level. The new laws set a legal framework for a clear division of power among three principal entities, namely the Religious Council, the Mufti,14 and the Syariah courts. The separation of the Syariah courts and personnel from the State Religious Departments and Religious Councils was an especially important outcome. This organizational separation between the two functions, one judicial and the other executive, guaranteed greater independence to the former—in a physical, administrative, and financial sense. Moreover, the Syariah courts were reorganized into a three-tier hierarchy: the Syariah Subordinate Court, the Syariah High Court, and the Syariah Court of Appeal (Ahmad Mohamed Ibrahim 2000: 140; Wu 1999: 164). The impact of the reorganization of the courts on personnel matters was particularly great. The organizational upgrading and standardization required an emphasis on the classification, qualifications, and professionalism of the Syariah personnel at various levels of the court hierarchy. Previously, those Syariah experts formerly known as kadi were ‘judges’ in a very broad and ambiguous sense; they were administrative functionaries attached to the religious departments. For example, the

13 This observation is based on my interviews and conversations with Syariah judges, Syariah experts, and lawyers as well as civil judges who were personally involved in these cases.
14 The Mufti is the supreme authority in respect of all matters concerning Syariah law in the respective States. He is authorized to issue, modify, or revoke fatwa (Islamic decree) on any unsettled or controversial question of Syariah law (Ahmad Ibrahim and Ahilemlah Joned 1995). In recent years, whether fatwa should be subjected to the normal legislative processes has become a focus of controversy (For instance,
unsystematic circulation of officers among various posts in the State religions departments meant that a general religious officer with little legal expertise could be assigned to the *kadi* office. On the other hand, a *kadi* could be assigned to a non-judicial post in the department. Now, these officials were accorded specific jurisdictional authority to execute the functions as professional judges in the *Syariah* courts more independently and professionally. This organizational independence, authority, and professionalism brought about a *Syariah* judicial mechanism in a more formal sense of organization—for the first time in the country’s history.

To initiate the statutory adjustments, the federal religious authorities exercised a great deal of leadership in inducing the otherwise highly fragmented State religious judicial officialdom to comply with the federal line. Furthermore, the new Islamic legislation placed great emphasis on procedure and evidence; laws that regulate the conduct of judges as well as the operation of the courts. This emphasis was not only intended to upgrade and standardize the operation of the *Syariah* judiciary system, but also extend control over *Syariah* officials and the application of Islamic laws nationwide.

A number of measures adopted on the administrative level also had a great effect in promoting the organizational development of the *Syariah* judicial mechanism. The most significant development in this area was the establishment of the Department of *Syariah* Courts (*Jabatan Kehakiman Syariah Malaysia* or JKSM) under the Prime Minister’s office in 1998. This was an alternative administrative instrument that the federal authorities were trying out in an effort to nationalize the *Syariah* judicial apparatus. In this way, they aimed to offset the jurisdictional constraint imposed by the constitution on federal involvement in the *Syariah* courts. On agreeing to join this federal system, *Syariah* judges and officials previously employed by individual State governments were

---

to be placed under the Syariah official common-use scheme (*Skim Guna Sama Perkhidmatan Pegawai Syariah*) (*BM*, 28 May 2000; *UM*, 23 December 1998). Under this system, Syariah judges may be transferred among the participating States, allowing them better chances of promotion. This career-focused incentive did, in fact, appeal to many Syariah officials. Despite the State religious authorities’ continuing resistance to any steps which hinted at federal intervention, Syariah judges in all the States—including even Kelantan ruled by the opposition PAS—agreed to join this federal scheme. Thus, although the Syariah courts remained within the jurisdiction of the States as provided in the constitution, their judicial personnel in effect joined the federal system. Although, for a variety of reasons, some States have yet to implement this agreement, this federal mechanism is expected to help close gaps between the States in the procedures and execution of the Syariah judicial machinery.¹⁶

The emphasis of the reform agenda on the development of a system to recruit more qualified Syariah officials is particularly noteworthy. The federal Public Service Department (*Jabatan Perkhidmatan Awam* or JPA) introduced a new set of Syariah service schemes including qualifications for recruitment. This set the rules specifying official ranks, qualification, remuneration and other merit-based reward programs. To prepare better trained officials, the International Islamic University of Malaysia (*Universiti Islam Antarabangsa, Malaysia* or UIAM), as well as Islamic studies faculties at other local Universities, launched new programs and curricula. All these programs contributed to organizational improvement of the Syariah court service, making Syariah judges to somehow resemble their civil counterparts.

¹⁶ Interviews with Syariah judges, the Public Service Department (JPA) officials, and legal experts at the International Islamic University conducted during my field research from 2000 to 2001.
The relative success of the institutionalization of the Syariah judicial apparatus stemmed in part from a remarkable level of coordination between governmental and private actors—both on the Syariah and civil-court sides. The pivotal force in this pact was the strong leadership of the late Professor Ahmad Ibrahim—a famous figure in Malaysian judicial and legal circles. He was the most vocal proponent of the establishment of a comprehensive judicial system based on Syariah principles. His belief was that the pre-colonial indigenous system of laws—that is, those laws based on Syariah—ought to be the law of the land, because the present Malaysian legal structure was inherited from the British colonial regime involuntarily (Ahmad Mohamed Ibrahim 2000: 131-33).

Against the backdrop of the rising tide of Islamic consciousness, public objection was hardly heard at least among Muslims. On the contrary, strong support for Professor Ahmad’s stand was expressed openly—especially by Syariah-educated academics and officials. To understand the judiciary’s aspiration for Islamization, one has to take note of the subordinate status unwillingly assumed by the Syariah courts and officials in the post-colonial era. As suggested earlier, the Syariah experts had been ranked as second-class in the civil-dominant judicial system and were looked down upon by their highly elitist civil counterparts. Moreover, public confidence in the Syariah system was very low. In addition, these Syariah instrumentalities came to be overtly criticized by increasingly vocal women’s groups. In the latter’s campaigns that were widely publicized in the local media, they were depicted almost as the prime source of the problems faced by the Muslim community (for instance, FEER, 18 December 1997). Syariah reform was meant to remedy this long-standing damage to their reputation and dignity, by elevating the Syariah system—not only physically, but also administratively and constitutionally. Furthermore, such unprecedented attention to the Syariah branch of the courts and law
meant that more official resources would be allocated to the teaching of classical religious studies at the tertiary level. For Islamic scholars and teachers, the *Syariah* reform project thus offered an opportunity not only to extend their career prospects but also to put into practice their learning and their interpretation of the classic texts.¹⁷

What is striking about *Syariah* reform was that support came not only from the *Syariah* experts but also from officials and experts on the civil side. Two factors accounted for the better coordination between the *Syariah* and civil courts. First, the large majority of the bench was comprised of Muslim judges. As of 2003, fifteen of the nineteen highest-ranking judges in the Federal and the Appeal courts were Muslim.¹⁸ Being Muslim, the judges themselves were not immune to the growing Islamic consciousness in the Muslim community. For them, assisting the upgrading of *Syariah* meant offering service—and doing justice—to the *ummah* (Muslim community) at large. As an example of this type of service, some higher court judges voluntarily sat on the *Syariah* Appeal court panels in some States, despite little material incentive to do so.¹⁹

Second, Professor Ahmad was a key driving force and a valuable asset for mobilizing a wide range of actors with particular vested interests to work for the common goal of establishing a better Islamic legal system. He wielded extraordinary authority not only in *Syariah* but also in civil legal circles. It is widely acknowledged that there was none comparable to him in terms of expertise and experience both in civil and *Syariah* laws. He founded the law faculty, first at the University of Malaya (*Universiti Malaya* or UM), and later at the International Islamic University (*Universiti Islam Antarabangsa Malaysia* or UIAM) and taught and trained large numbers of high-profile judges, lawyers, and legal officers. To honor his contribution, UIAM's law faculty incorporated his name into the faculty's title. Many of his students came to hold senior posts in the bar, bench,

¹⁷ The author acknowledges an observation of Virginia Hooker on this point.
Attorney-General Chambers and government, and in other positions which influenced decision-making and the drafting of laws on both civil and Islamic matters. His students' high regard for his authority—and confidence in his remarkable expertise—helped a wide spectrum of groups and individuals to reconcile their conflicting interests and views and to work for their common goal of establishing a better system of Syariah. Large numbers of experts—civil and Syariah judges, common law and Syariah law academicians, lawyers as well as both religious and legal officials—sat together in the Committees chaired by Professor Ahmad to coordinate Syariah and common laws and to upgrade the standard of the Syariah service.20

These actors, whose work strongly suggests the significance of societal input, no doubt played a very important role in pushing for the demanding task of Syariah reform. The value of the Syariah system in the process of Islamization of the state is almost universally acknowledged in the Muslim community. The significance attached to Syariah among the Muslims in general, and religious elites in particular, was translated into pressure for—and acceptance of—greater Syariah prominence in the judicial structure. Nevertheless, such societal pressures alone do not adequately account for the particular type of legal administrative arrangements that emerged from the 1980s on, as outlined above. The task of drafting Islamic laws, for example, was not left entirely to Syariah and legal experts. The committees for Syariah and civil law coordination in charge of the practical drafting of the Islamic laws were placed under the JAKIM, a central Islamic agency directly under the Prime Minister's Office. The drafts submitted by the Committees were almost always scrutinized closely and altered, if necessary, before being passed in the Parliament, where the ruling party's dominance was unquestioned. The best example in this respect concerned the handling of apostasy (see below). The provisions pertaining to specific rehabilitative and regulatory measures on

20 Interviews with UIAM lecturer, Selangor, 21 July 2000; Legal advisor, JAKIM, Kuala Lumpur, 24 March
apostasy—although included in an original draft presented by the Coordination Committees—were excluded from a final model draft which was scheduled to be presented to the State governments.\footnote{21}{The sensitivity of the apostasy regulation was evident in recent controversies prompted by the Apostasy Bill proposed by the Perlis State government. For a more detailed discussion about the Apostasy Bill, see the case study on apostasy in this chapter.}

What was crucial in explaining the particular institutional development was the political incentives of state actors—specifically, Muslim ruling elites within UMNO. Lavish government sponsorship—political, institutional and financial—was lent to the advocates of Syariah reform, as long as they remained within the boundaries and rules set by the interests of UMNO politicians. For example, UMNO leaders pressed Professor Ahmad Ibrahim not to talk on behalf of, let alone lend expertise to, PAS. At the same time, former Deputy Prime Minister, Anwar Ibrahim, who had a long association with Professor Ahmad, continually promised him full government backing.\footnote{22}{Interview with Syariah expert, Akademi Pengajian Islam, University of Malaya, Kuala Lumpur, 4 August 2000.}

For the UMNO leaders, Ahmad Ibrahim was the best possible individual to lead the challenging task of Syariah reconstruction in the right direction for two reasons. First, his British training in civil law—not Al-Azhar training in Syariah laws—was highly valued. It was expected that his modern educational background would help counter excessive conservative input from other Middle-Eastern trained Syariah experts who had always dominated the Syariah service. Moreover, Professor Ahmad had had an extensive and outstanding career in the legal service in Singapore before he came to Malaysia; among numerous prominent official positions he held, was that of Attorney-General of Singapore in 1963-1967.\footnote{23}{About his remarkable educational and career background, see, for instance, ‘Memperingati Ahmad Ibrahim,’ UM, 10 April 2000, and Pengenalan Ringkas: Profesor Tan Sri Datuk Ahmad Bin Mohamed 128} Second, his massive authority in legal circles especially on the civil side, meant that he commanded high respect not only among Muslim but also non-Muslim elites. This contributed to confidence building among the non-Muslims.
about the Syariah-ization process in the legal system. A senior member of the organization most vocally critical of the Syariah reform, Sisters in Islam, acknowledges that ‘the Syariah court system could have gone in a terribly wrong and conservative direction unless a highly authoritative figure like Professor Ahmad Ibrahim was present to take a strong lead in the Syariah reform process.’ Undoubtedly, ‘his relatively liberal background was attractive to UMNO leaders who wanted to ensure that the reform brought about a moderate and progressive Syariah system.’ Most importantly, Professor Ahmad was appointed to head the UIAM’s Law Faculty—an experimental arrangement combining the two branches of law (civil and Syariah) under one roof—in the year of the establishment of UIAM in 1983.

UIAM’s role in the development of the Syariah system was extremely important. Two factors have to be emphasized. First, UIAM’s Faculty of Law was equipped with a large number of both national and international legal experts on a wide range of legal matters—both Syariah and civil. The Faculty offered a central forum and bank of expertise for the reform of the Syariah judiciary and laws by regularly organizing seminars and workshops in conjunction with the federal religious agencies such as JAKIM and IKIM (Institut Kefahaman Islam Malaysia, Institute of Islamic Understanding Malaysia). They set agendas for general discussions and proposed specific programs to achieve reform objectives in the Syariah courts. By incorporating across the board Syariah officials and experts as well as religious leaders into the dialogue process, they managed to disseminate their reform agenda and ideas to a wider spectrum of the Muslim audience nationwide. The active initiative of these religious

---

Ibrahim.

24 Interview with Sisters in Islam founding member, 25 December 2000. She, however, also believes that Professor Ahmad’s stand on Islam was not as progressive as they had hoped, especially on issues concerning Muslim women.

25 IKIM was created under the Prime Minister’s Department to lead the federal government’s project to promote progressive Islam. The development and functions of the institute are discussed in chapter 7.

26 Various seminar papers from IKIM archive. The author attended a number of these seminars during her field research conducted between 2000 and 2002.
experts at the societal level was particularly important for involving a large number of religious leaders of various political backgrounds. Given the extraordinary politicization of Syariah issues by UMNO and PAS, overt involvement of UMNO politicians could have been harmful for bringing success to the reform outcome.

Second, the Faculty introduced comprehensive legal training programs, combining both Syariah and civil elements. These programs, among others, were implemented with the intention of training a new breed of Syariah officials, familiar not only with Islamic but also common law and procedures (Ahmad Ibrahim 1993; Mahmod Saedon Awang Othman 1993). These UIAM-trained Syariah experts were expected to be more sensitive to, and compatible with, Malaysia’s local cultures and circumstances. In this way, one of the UIAM’s long-term missions was to replace the traditional Syariah experts educated in—and hugely influenced by—the Middle-Eastern system, who customarily dominated the Malaysian Syariah courts, with the new generation of local trained Syariah experts.

As of 2000, only four Syariah judges held degrees from the UIAM but all the rest of the Syariah judges who were already in the service were required to complete the Diploma in Administration of Islamic judiciary, a newly introduced requirement for admission to the Syariah legal service. This course, specifically tailored for them by the Faculty of Law allowed senior Syariah judges including the first director-general (Ketua Pengarah) of the department of Syariah Courts, Sheikh Ghazali Abdul Rahman, to receive extra in-service training.

The UIAM system was intended to produce not only a new generation of judges but also lawyers qualified in both branches of law, civil and Syariah. The Faculty of Law

---

27 This is indeed a very small figure when the total number of Syariah officials nationwide (134) is taken into account. This has more to do with the unexpected unpopularity of the Syariah program at UIAM, however. The higher standard and longer-duration required to complete the program are claimed to have discouraged student enrollment at the program and ultimately affected recruitment of Syariah judges (Interviews with Syariah court judge, Selangor, 16 February 2001; Public Service Department officer in charge of the development of Syariah official service scheme, Kuala Lumpur, 5 September 2000).

28 A large number of high-ranking Syariah judges are educated in the Middle-East, especially at the prestigious Al-Azhar in Cairo (Interview with the Director-general, the Department of Syariah Judiciary,
offered two program options to this end. The first option was the LLB (*Syariah*), a 5-year first-degree program combining both civil and *Syariah* law programs. The second was a one-year Diploma program in *Syariah* legal practice. This course offered civil lawyers who were already in service an opportunity to familiarize themselves with *Syariah* laws and procedures. On completing the course, they could be qualified for admission to the *Syariah* legal service.29

These programs, indeed, had a profound effect on the development of the *Syariah* judicial apparatus; they not only produced a number of better trained *Syariah* lawyers qualified both in *Syariah* and civil laws and procedures, but also offered civil lawyers an opportunity to learn about *Syariah* legal practice. Moreover, the emergence of better trained *Syariah* lawyers drastically altered the tradition of *Syariah* court operations. In the past, it was very common that court cases were heard without representation of lawyers. Now, attendance of lawyers at courts is increasingly a common practice. An unexpected irony was that many UIAM law graduates opted to practice in the civil rather than the *Syariah* court because the civil practice was more rewarding financially.30 The original mission of the program to train better qualified *Syariah* lawyers was therefore somewhat thwarted by market forces. Overall, however, the contributions of the University observed here suggest that the establishment of UIAM was not merely a superficial Islamization effort by the UMNO leaders to fight PAS; it had a substantial practical consequence for the development of the state religious apparatus in the judicial sector.31

---

29 Interviews with civil and *Syariah* lawyers, Kuala Lumpur, 12 December 2000 and 16 June 2001. There is minor inter-State variation in the admission procedure of *Syariah* lawyers. Some States such as Johor and Kelantan, for example, require proficiency in Arabic. The UIAM’s Diploma program helped to set a qualification standard nationwide. For various problems related to the admission of *Syariah* lawyers, see also ‘Have one rule for *Syariah* admission,’ *NST*, 23 April 2002.


31 This is a received view about UIAM’s role in the UMNO’s Islamization project.
Despite the significant role played by some societal actors, societal pressures are not the sole determinant of policy change. A popular societal pressure paradigm, for example, explains the development of the state *Syariah* apparatus by primarily looking at the threat from PAS. The electoral threat from PAS may explain why UMNO leaders were willing to intervene in *Syariah* affairs; but this factor alone could not fully explain why they could have done so to the degree they did. Nor can the societal perspective clarify why institutionalization took place in the particular way it did.

UMNO’s concern about the electoral pressures emanating from PAS’s Islamic assertiveness undoubtedly had some implications for the UMNO government’s campaign for *Syariah* reform. The key issue here related to the question of political legitimacy within the Muslim-Malay community. As Islam grew important as a factor defining legitimacy to rule the *umma*, UMNO needed to be seen as assisting the Islamic cause, but without hampering the party’s modernist credentials. Standardizing and upgrading the *Syariah* judicial system nationwide was an instrument to achieve this end. Moreover, the effort served to preempt PAS in its attempt to fulfill its aspiration of building an ‘Islamic state’ on its own terms. A controversy stemming from the *Hudud* Bills proposed by the PAS-led State governments in Kelantan and Terengganu, and ensuing tension between UMNO and PAS illuminated this point. Further, the UMNO’s backing for the creation of a well-organized national system recruiting qualified *Syariah* judicial personnel was intended to keep the administration of *Syariah* free from the interference of private interests outside the government—especially PAS.

Despite the significance of the electoral threat posed by PAS, however, one could not expect that UMNO would adopt a strategy just to follow the lead of PAS because of this
pressure. This, in fact, was precisely the course avoided by UMNO. In this Syariah sphere, PAS’s strategy and focus were quite different from those adopted by UMNO. PAS’s primary concern was to extend the scope of Syariah laws in their States, especially in the field of criminal offences, as seen in their introduction of the Hudud (Islamic criminal code) Bills. They also insisted initially that this Islamic criminal code should be applied not only to Muslims but also non-Muslims. Moreover, PAS leaders were not particularly focused on developing an efficient and competent Syariah court apparatus. Thus, appreciation of the electoral threat of PAS alone cannot give us a picture of the strategy UMNO leaders would adopt and what consequences their strategies would bring to institutional change.

To help understand the choices taken—and the emphasis given—by the UMNO leadership in the course of Syariah reform, we need to focus on the incentive structure of the ruling Muslim politicians. The political incentives facing UMNO politicians to maximize opportunities for patronage in order to rise in the party hierarchy strongly influenced the extensive governmental support for Syariah reform and the high level of institutionalization of the religious legal structure.

It is important to note, however, these political incentives worked very differently to bring about the various choices and strategies of Muslim politicians according to their place in the party. For the federal-level UMNO politicians, the intra-party logic of political ascendancy—the necessity to build close ties with urban business communities—meant that they had to be more attentive to the concerns of the non-Muslims in the Syariah area. But, they had to do this without alienating the Muslim constituency. It is commonly understood that the Chinese in Malaysia were not particularly concerned about Syariah-related issues, unless their interests were directly affected. After all, Syariah only applied to Muslims. The increasingly intense electoral competition between UMNO and PAS over the last two decades, however, aroused
anxiety and suspicion among the non-Muslims. Their fear was that the UMNO government would adopt more drastic Islamization measures to stem the tide of PAS’s influence. PAS’s proposal to introduce hudud laws further reinforced this fear. Despite the substantial popularity of Islamic law within the Muslim community, the hudud proposals stirred massive apprehension and opposition in the urban areas, especially within the business and Chinese communities because they feared that they might be extended to cover non-Muslims.32

The Muslim ruling politicians’ sensitivity to the urban middle-class and corporate interests—both Muslim and non-Muslim—meant that they had a special aversion to radical and conservative types of Islam. Although many well-educated Malays favored Islamic policies, most did not endorse the full application of Syariah law. For them, a prime threat of this conservative type of Islam came from PAS. After it came to power in the northern State of Kelantan in 1990, the Islamic party launched a campaign to introduce the hudud law, a law generally considered too harsh. PAS’s heavy commitment to this law undoubtedly remained a source of serious concern to the UMNO top leaders. Differing from UMNO’s more secular outlook, PAS had long aspired to establish an ‘Islamic state’ based comprehensively on Islamic laws and principles in Malaysia. Its commitment to this goal against the backdrop of the considerable popularity of the law in the rural Muslim community meant that UMNO leaders could not bluntly quash it; on the contrary, they needed to apply adequate care and skill in dealing with the subject.

UMNO top leaders who pledged commitment to a progressive Islam compatible with economic development regarded the PAS’s ‘Islamic state’ vision as a threat to UMNO’s vision of creating a modern Malaysia as well as progressive Muslim urban middle-class.

32 For non-Muslim reactions to the Bill, see, for instance, ‘Hudud laws: What worries non-Muslims,’ NST, 9 October 1994. In the face of strong objections from non-Muslim organizations, the PAS-led Kelantan government changed its initial stand by deciding that the hudud laws would not apply to non-Muslims (NST, 19 October 1993). The treatment of non-Muslims in the proposed hudud laws remained highly controversial, leaving the stance of PAS leaders on this subject ambiguous (‘Hudud “will not apply to non-Muslims”,’ ST, 2 July 2002; ‘Terengganu says Islamic laws will eventually cover non-Muslims,’ Star,
Within the context of rising Islamic consciousness among the party’s traditional support base, the Muslim-Malay community, UMNO leaders were alarmed that PAS’s commitment to the full and stringent implementation of the *hudud* law might frustrate this vision. Moreover, UMNO’s defensiveness against PAS was all the more understandable if UMNO’s preoccupation with economic development was taken into account, a factor claimed by PAS to be a cause of secularization and moral decay (See, for instance, *Star*, 6 October 2001; *UM*, 1 October 2001).\(^{33}\)

For the federal UMNO leaders, the intra-party logic of political ascendancy—the necessity to build close ties with urban business interests, both within Muslim and non-Muslim communities—made *Syariah* reform in the form of institutionalization politically very attractive. By implementing reforms that strengthened the authority and prestige of the *Syariah* courts, UMNO politicians hoped to counter pressure from PAS to extend the application of *Syariah* beyond its current limited scope and thus avoid alienating business interests, both non-Muslim and Muslim.

For the State-level UMNO leaders especially in Malay-dominated rural States, in contrast, serving the interests of urban business and middle-class communities was not essential to achieve political ascendancy in the party. The demographic and socio-economic gap between urban and rural areas influenced the difference in strategy between the federal and State leaders. UMNO leaders in predominantly Muslim-populated rural States in general faced more serious electoral challenges from the Islamic opposition party, as for example in such States as Kelantan, Terengganu, Perlis, Kedah and to some extent in Pahang. Their primary interest was to attract the hearts and minds of the rural Muslim constituency with the result that they were less

---

\(^{33}\) The UMNO’s frequent use of ‘threat’ rhetoric—rhetoric to embellish the threat of PAS in an extremist light—was intended to contain this electoral challenge from PAS. Furthermore, the UMNO leaders even started claiming that Malaysia was already an ‘Islamic state.’ This was largely seen as a way of countering the unprecedented electoral threat from the Islamic opposition since the Anwar crisis in 1998.
attentive to non-Muslim interests. They may have to build friendly relationships with Chinese businessmen, just like other UMNO politicians aspiring higher posts in the party. But, the cost of losing a more immediate party constituency was higher than the likely benefit gained from entertaining a small group of non-Muslims.

It was therefore reasonable that UMNO leaders in rural States were very interested in introducing conservative Islamic laws (such as the one on apostasy) by making use of their prerogatives over Islamic affairs. Apart from their individual personal convictions, this was a strategy to maximize their chance to rise in the party. They could prove their Islamic credentials in the eyes of their generally conservative Muslim constituency. Their strategy was not well accepted by the party top brass in Kuala Lumpur. But the cost of losing the latter's favor was overwhelmed by the benefit of winning popularity among the local religious dignitaries and the Muslim constituency more generally.

UMNO politicians in more urbanized States with larger non-Muslim populations, however, needed to be more responsive to more liberal and cosmopolitan middle-class interests in their multi-ethnic constituencies. For them, the electoral challenge from PAS was less urgent. They had to be concerned about appeasing pressures from liberal rather than conservative forces. Moreover, they had the task of serving the interests of the large corporate community, a task not so immediately required of UMNO leaders in the rural areas. Thus, those leaders in urbanized States could not afford to adopt the same strategy adopted by the State leaders in rural areas to meet the same end: maximizing opportunities to build individual patronage networks. In Selangor, for example, proposing a law on apostasy might provoke a backlash among large middle-class and non-Muslim constituencies. This, logically, was not a wise move for those politicians who needed favor from the top party leaders, especially the former party president.

---

34 Some Kuala Lumpur-based NGOs such as Sisters in Islam were already on alert when a proposal to introduce the apostasy law was put forward by the Perlis State government ('It's not right to legislate on faith,' Star, 30 September 2000).
Mahathir and his successor Abdullah Ahmad Badawi. They were aware that UMNO leaders at the national level were fully committed to a campaign to inculcate a progressive Islamic culture in the Muslim community. They would not like to lose any points in the notoriously hard-fought party competition; the favor of the party president was crucial to winning in this race. These diverging attitudes and strategies between urban- and rural-based politicians became conspicuous in the controversies on the Hudud Bills and the law on apostasy, as seen below.35

In addition to these considerations, for State-level politicians, retaining control over Syariah administration at the State level did not offer major patronage benefits. In any case they lacked technical and financial resources as well as political will to commit themselves to institutionalization of the Syariah court apparatus at that level. Their privilege of appointing Syariah officials, for example, was not particularly useful for their patronage distribution purposes, given that there were very few posts to be filled at the State level.36 The relative lack of patronage opportunities in the Syariah sector was in stark contrast to the two sectors discussed in the following chapters. In the education sector, for example, the chances to expand channels to distribute patronage were much higher than in the judicial sector because there were many teaching posts available at State-run religious schools. Moreover, the excessive supply of religious teachers (more than the State religious schools could accommodate) meant that the bargaining power of the State government leaders was higher and the patronage effect could be maximized in their favor. This patronage effect accounted for considerably less resistance among the State-level UMNO leaders against federal intervention in the Syariah sphere.

35 Polygamy issues also caused controversy and revealed intra-party tension.
36 Even in the largest State, Selangor, there are only thirteen Syariah judges. In the smallest State, Perlis, there is only one Syariah judge (Interview with JPA official in charge of the Syariah legal service scheme, Public Service Department, Kuala Lumpur, 5 September 2000).
Intra-government Threat of Conservative Islam

It is important to emphasize that the threat of conservative and radical Islam to UMNO's liberal regime did not always come from outside the government; it also came from within the government. The proposition that exclusively focuses on the electoral threat from PAS does not count this internal conservative element. This element, as discussed below, caused great apprehension and irritation for the top UMNO leaders and had a critically important effect on the outcome of Syariah reform.

One source of this tension derived from officials of the Islamic religious bureaucracy. Their conservative approaches greatly agitated UMNO's top leadership, especially Mahathir. This intra-governmental tension between appointed and elected officials grew more evident in the late 1990s when disputes between the two took place regarding such issues as women's rights. This culminated in the 'beauty contest' controversy in 1997.

The UMNO federal leaders' perception of these religious officials as a threat to their liberal regime motivated the former to adopt firm measures to control the latter. The UMNO leaders' strong support for the campaigns to standardize and upgrade the Syariah judicial apparatus was meant to exert tighter control over the conservative and inconsistent behaviors of these religious administrators and to compel them to endorse UMNO's policies.

An even more threatening adversary to the UMNO's liberal regime, in fact, came from within the party's rank and file. Excessive focus on the divide between the 'secular' UMNO vis-à-vis the 'Islamist' PAS in the conventional analytical approach resulted in the neglect of intra-party differences with regard to a party member's position and approach on Islamic issues. Despite its modernist and secular label, for example, there were members in UMNO who personally believed in—and formally

37 A later section discusses in more detail the beauty contest controversy.
supported—implementation of *hudud* laws, which was proposed by PAS but blocked by the UMNO federal leadership. Moreover, some of the State-level UMNO politicians insisted on the implementation of the law on apostasy and a ‘rehabilitation’ measure to punish apostates—against expectation of the federal leaders.

The State-level politicians’ campaigns for these Islamic measures were their strategies to achieve political advancement within the party in the context of fierce intra-party rivalry. The inconsistency of their strategies with the federal leadership sometimes led to controversy in some areas related to *Syariah* within the party, despite UMNO’s highly reputed consensus-making that was facilitated by its centralized power structure. The UMNO top leaders were particularly concerned about the growing influence of conservative elements within the party and regarded it as a threat to their supremacy as well as party unity and survival. The *Syariah* reform and greater federal control over the *Syariah* court apparatus as well as Islamic laws were important means to prevent these conservative elements from gaining influence within the party and the government.

**UMNO’s Incentive Structures and *Syariah* Legal Reform**

Federal UMNO politicians’ political incentives—and their close ties with corporate communities in particular—thus significantly shaped the outcomes of *Syariah* reform. Under the present constitutional framework, *Syariah* jurisdiction was tightly restricted to areas concerning family, inheritance, and more general religious-related matters, including religious offenses. Since this condition was kept intact, the *Syariah* reform did not pose a serious threat to the interests of the corporate business sector. There was no reason for corporate actors to be seriously bothered about whether UMNO politicians wanted to make the judicial system slightly more Islamic for their own political ends, as

139
long as Malaysia's liberal-capitalistic business practices were left untouched. For the UMNO leaders who were keen to keep corporate businesspeople happy, it was not a sensible approach to introduce a radical Syariah program that could harm the country's business environment.

On the other hand, the Islamization of laws was quite welcome when it was found to serve business interests and to encourage business activities. A few legal changes were introduced in the business sector to promote economic transactions based on Islamic principles. The Islamic Banking Act was passed in 1983 as an effort to regulate the increasingly popular Islamic banking service (Zakariya Man 1988). A law pertaining to Takaful (Islamic insurance) was a similar mechanism introduced to oversee Islamic insurance activities (Kamali 2000a: chap.12). Moreover, the Syariah and Civil Law Coordination Committee under the federal government proposed to introduce additional Islamic laws in this area—for instance, one dealing with the administration of property. 38

Two important facts have to be noted here. First, these business-related Islamic laws were introduced without replacing parallel civil laws. Second, the administration of these laws remained under the jurisdiction of civil courts. These facts suggest that the Islamization of law in the business-related area was primarily intended to facilitate business activities—both for Muslims and non-Muslims—without altering the basic judicial framework. In other words, there was almost no real effect on the jurisdiction of the Syariah courts and officials in this area.

A greater threat to corporate business interests, in fact, was posed by the inauguration of the more conservative PAS regimes in Kelantan and Terengganu. There was concern that PAS's radical application of Syariah laws might scare off foreign investors and hamper domestic business activities. Such fears compelled the corporate business sector—both Muslims and non-Muslims—to favor the more liberal legal regime under UMNO.

38 Interview with Appeal court judge, Kuala Lumpur, 17 April 2002.
Moreover, the expansion of more professional and better organized *Syariah* judicial structures was a reasonable development for the business community as well as others.

Two high-profile cases further illustrate how the political dynamics outlined above—intra-party tensions in particular—shaped the outcomes of the *Syariah* reform. The first case is the *Hudud* Bill controversy in 1993; and the second is the Apostasy controversy in 2000. The final section of the present chapter examines these cases to demonstrate how the incentive structures facing Muslim ruling politicians shaped the high level of institutionalization of the *Syariah* legal structures.

**Hudud Bill Controversies: ‘Islamic State’ à la PAS in the Making**

The *Hudud* Bill controversy occurred in the wake of the introduction of the *Syariah* Criminal Code (II) Enactment by the PAS government in the Kelantan State in 1993 (Kamali 2000b; Kamarul Zaman 2000; Rose Ismail 1995). Since PAS was elected to power in Kelantan in 1990, the introduction of *hudud* laws was the highlight of the party’s Islamization campaign. After winning the Terengganu State in the 1999 general election, the party leadership, once again, attempted to introduce *hudud* laws at the State level. The UMNO-ruled federal government was adamant in opposing these attempts, and relied on the Constitution for this purpose. The implementation of the *hudud* law would require the amendment of the Constitution, which imposed limitations on punishments imposed under State laws—including Islamic laws. Given the parliamentary dominance of the ruling coalition, BN (*Barisan Nasional*, National Front), in which the UMNO’s supremacy was unquestionable, the federal government’s use of the Constitution enabled it to block the PAS’s plans without making UMNO leaders appear to be opposing *hudud* laws.

---

39 *Hudud* (plural for *hadd*, Arabic for limits or restrictions) are offences for which punishments are specified by the Qur’an. One of three main categories of what is understood as *hudud* comprises six offences: theft, highway robbery, fornication, intoxication, false allegation and apostasy. The mandatory punishments for these offenses are stringent including amputation of limbs, death, and whipping.
laws. Even if UMNO had agreed to introduce such an amendment, it would have needed to persuade the non-Malay parties in the BN coalition to support the amendment in order to obtain the two-thirds majority needed to amend the Constitution. In other words, it was almost impossible in any circumstances that the PAS’s campaign to implement the *hudud* laws would succeed. Both UMNO and PAS politicians knew this. Then why did they bother?

For PAS leaders, the whole point of pushing for the *hudud* laws, in fact, was to demonstrate to their Muslim constituency that they failed to achieve their stated goal of implementing the *hudud* laws because of UMNO’s objection to their implementation. In doing so, they also meant to underline their claim that UMNO politicians were ‘anti-Islam.’ For UMNO leaders, on the other hand, damage control was essential; because the PAS’s claim was rendering their Islamic (and thus political) credentials suspect in the eyes of the rural Muslim constituency. At the same time, however, they could not afford to have their pledges to promote progressive Islam damaged in the eyes of the urban business communities—non-Muslim and foreign investors in particular. The use of the constitutional argument was one of their strategies to achieve this end with minimal damage to their interests.

Since the onset of the controversy, the UMNO leaders thus emphasized the constitutional provisions in the name of non-Muslim interests. They kept claiming that the treatment of non-Muslims under this ‘unjust’ law was their utmost concern, despite the PAS’s later decision to exclude non-Muslims from its provisions. What is worth noting is that the Muslims themselves in Kelantan were not averse to the introduction of the *hudud* laws. The proposal, in fact, seems to have been quite popular.\(^{40}\) Due most likely to both personal conviction and political calculation, the two UMNO members in

---

\(^{40}\) The author appreciates an observation of Harold Crouch on this point. A survey conducted by PAS’s research center also supports this trend. According to this survey, many Muslims in the northern belt of Perlis, Terengganu, Kedah and Kelantan favor the imposition of an Islamic panel code (*ST*, 14 August 2002).
the State assembly supported the passage of the Bill. On the personal level, for example, Wan Mohd Najib Wan Mohamad, one of the two UMNO State assemblymen, acknowledged that ‘their support for the Bill was unquestionable because as Muslims they agreed to the laws’ (NST, 28 November 1993). No less important was their concern for its implications for their electoral support at the grassroots. The sensitivity of religious issues in generally conservative rural Muslim areas did not allow them to appear to oppose the *hudud* law. Moreover, increasingly fierce intra-party competition among second-echelon UMNO leaders who aspired to rise up the party hierarchy, coupled with the weight of local delegates in the party elections, meant that they could not ignore the religious sentiments of their grassroots supporters (FEER, 28 May 1992).

Such grassroots considerations, however, did not mean that the Kelantan UMNO leaders could entirely ignore another iron rule of UMNO politics: the mandate of the central party leadership required for their survival and political ascendancy. Despite his open support for the *hudud* bill, Wan Mohad Najib justified his defiance of the central party leadership by claiming that his intention was to give a chance to the PAS-led government so that ‘the people would be able to study in-depth the principles and methods as well as PAS’s ability to struggle for Islam and whether they have benefited from it or not.’ In this way, he claimed, ‘we also hope that any prejudice against UMNO on the question of Islam will be eliminated and at the same time free Islam from being used as a political tool by PAS.’ His claim was that his action was ultimately to defend the party’s interest by exposing the incompetence and the lack of credibility of the PAS government (NST, 28 November 1993). Further, he also argued, the move should invalidate allegations by PAS leaders that ‘UMNO was against the *hudud* laws’ (NST, 5 December 1993).

---

41 In the case of the *Syariah Criminal Offences (Hudud and Qisas)* Bill 2002 passed by the PAS-led Terengganu State government, four UMNO State assemblymen defied a federal Cabinet directive to vote against the Bill by abstaining from voting (Star, 9 July 2002; ST, 14 August 2002).
The UMNO leaders’ steadfast objection and their ultimate decision which led to the scrapping of the *hudud* bills—despite the latter’s popularity in a large part of the Muslim community—cannot be explained by electoral considerations alone—particularly those related to the PAS’s electoral threat. In the face of the same challenge from the PAS, UMNO politicians at different levels adopted different strategies. While the national leaders campaigned to block the PAS’s *hudud* proposal, UMNO leaders at the State level endorsed it. The incentive structure facing the ruling party politicians, again, played a role in explaining this outcome. As mentioned above, the UMNO national leaders, in general, perceived Islamic conservatism, or whatever appeared ‘fanatical’ and/or ‘radical,’ as a major threat to their capital accumulation and nation-building activities. Such instances of ‘extremism’ were not at all welcome because worries about Islamic extremism and conservatism were widespread among non-Muslims both within and outside the country. The UMNO leaders feared that such antipathy might discourage active participation of Chinese and foreign capital in the Malaysian economy. To promote foreign direct investment, on which the Malaysian economy heavily relied, a politically conducive—namely an extremist-free—environment was of utmost importance. For the UMNO national leaders, the *hudud* laws symbolized no more than a radical element of Islam, which they did not wish to see becoming too visible. Among the urban business and middle-class constituencies, UMNO managed to mobilize such sentiments, contributing to tacit support for the UMNO’s stand on the *hudud* issue. The source of trouble needed to be nipped in the bud, but this was not possible without incurring the party some cost; the UMNO had to sacrifice some votes in the rural Muslim constituencies.

The UMNO politicians in the Muslim-dominant rural States, however, could not afford to forgo the support of the rural Muslim constituencies by taking the same approach as their bosses in Kuala Lumpur. Losing their support not only meant the immediate loss of
their seats in the State assembly; the loss of rural grass-roots support was also detrimental to their bids in the party elections. But they also had to take into account the price that they would have to pay for their defiance against Mahathir and other UMNO leaders in the capital. At stake was their prospect to rise in the party hierarchy. It was proved, however, for these UMNO politicians at the State level, the cost of rejecting the bill was much higher than that of defying the party leaders.

The *hudud* controversy exemplified a dilemma confronted by UMNO national leadership. On the one hand, they were extremely uneasy with, and intolerant of, ‘extremist’ and ‘fanatical’ varieties of Islam. This ‘extremist’ character of Islam was domestically represented by PAS. *Hudud* laws were one such example. The problem for the UMNO leadership, however, was that the *hudud* laws were not considered as radical but were quite acceptable to many Muslims including a number of rank-and-file members within the party. Nevertheless, it was not politically possible for the UMNO national leadership to approve the laws. Hence, one tactic they adopted to overcome this problem was to label the laws as ‘extreme,’ ‘harsh,’ and ‘unjust’ as well as exemplifying a ‘PAS’s version of ‘incorrect’ Islam.

The UMNO national leaders’ major concern here was not simply their electoral competition with their archrival PAS. Nor was it their popularity among their traditional electoral base in the rural Muslim community. An even more important consideration for them was the expected reaction of non-Muslim and business interests who provided an indispensable foundation for their national development objectives. Equally importantly, they were concerned with the rising influence of conservative elements within the party.

To tame unfavorable conservative elements seen as the greatest threat to these

42 There are no reliable statistics publicly available on this question. It was believed, however, that Muslims generally supported, or at least did not oppose, introduction of the *hudud* laws. In fact, as suggested above, the laws seem to have been quite popular in the Muslim community in Kelantan. In any case, the UMNO leaders’ defensiveness on the controversy was a clear indication of strong endorsement of the laws among the Muslim community.

43 Mahathir adopted this rhetoric on numerous occasions. See, for example, ‘Islam guarantees Justice for all
interests—and their own, the UMNO leaders readily exploited whatever resources were available to them. The costly efforts to upgrade and standardize the Syariah judicial machinery were one such instrument, contributing to the relatively high level of institutionalization of the Syariah apparatus and the government’s adoption of relatively liberal Syariah laws. Furthermore, professionalism of the Syariah officials was emphasized to help make the latter immune to interference from conservative elements not only from PAS but also within the party.

The Politics of the Apostasy Law: Shall the State Approve or Hinder Conversion?

The apostasy controversy that took place in 2000 illuminated more publicly than any other prior cases tensions within the government about application of Syariah: the conflict of interests and approaches among UMNO politicians, and the discord between UMNO leadership and religious officials. The case demonstrated that a force UMNO top leaders regarded as ‘extreme’ was strong not only outside but also within the government and the party. Despite considerable support for apostasy measures within the Muslim community, however, the UMNO central leadership led by Mahathir decided to ‘put off’ introduction of a law on apostasy. Moreover, the UMNO leaders were not particularly concerned about the constitutionality of the Bill when they hampered the adoption of the bill. They evaded engagement with the constitutional argument concerning ‘freedom of religion’ while a few liberal NGOs opposed the bill on the grounds of their unconstitutionality.

In this case, again, the electoral threat from PAS was not the sole—or even primary—factor that shaped the federal government’s stance on apostasy-related issues. Both the apostasy proposal by some State-level UMNO leaders and the federal citizens’ (NST, 4 March 1994).
politicians' opposition to the proposal were a result of the patronage-maximizing incentives facing UMNO politicians. For some UMNO politicians, the proposal was meant to appeal to the Muslim constituencies and to impress—unsuccessfully—top UMNO leaders. For federal politicians, the opposition was meant to attend to the concerns of non-Muslim and business communities on which top UMNO leaders became more dependent both on economic and political fronts than ever before. The federal leaders' fight against 'conservative' elements within the government and the party resulted in greater federal intervention in the *Syariah* court apparatus.

The apostasy controversy derived from the introduction of the Bill on apostasy *(Rang Undang-Undang Perlindungan Akidah Islamiah or Faith Protection Bill)* by the Perlis State government in 2000. The UMNO-ruled State government presented the bill and the State Assembly passed it subsequently. This law regulated conversion of Muslims—that is conversion *out* of Islam. The Johor State government (also under UMNO rule) proposed a similar Islamic regulation in the same year. This initiative was aimed at extending and tightening punishment against offences recognized by Islam, but not included in the penal code under the civil courts. This included, for example, caning and jailing for offences like pimping, lesbianism, prostitution, sodomy and the teaching or organizing of events contrary to *Syariah* laws (Maznah Mohamad 2001: 215). This Islamization initiative came not only from the State level; the federal religious authority, JAKIM, made a similar proposal. The parliamentary secretary in the Prime Minister's Department, Noh Omar, announced in September 2000 that a bill on apostasy *(Rang Undang-Undang Pemulihan Akidah or Restoration of Faith Bill)* would soon be presented as an attempt to prevent an alleged trend toward apostasy and deviation from the faith *(MM, 17 September 2000)*. However, the Federal government retracted the proposal soon after, and ultimately decided to put the bill on hold pending thorough studies. The 'postponement' was primarily justified on technical grounds: the
government lacked the capacity to implement it. Moreover, then minister in the Prime Minister’s Department, Abdul Hamid Othman, elaborated on the government’s decision by pointing out the necessity to study ‘social implications’ more carefully. He acknowledged ‘a lot of people have raised concerns over the issue’ and therefore ‘the matter must be handled carefully’ (NST, 6 October 2000; Star, 6 October 2000).

A proposal to introduce a law on apostasy was nothing new. PAS always intended to introduce a law on apostasy. The *hudud* law proposed by the party in Kelantan in 1993 included a punitive measure to regulate this particular offence. In the late 1990s, again, the party attempted to table a bill in Parliament to make apostasy a capital offence (Star, 6 October 2000). Unlike the relatively lenient sanction proposed by UMNO for apostasy, PAS took an uncompromising approach to regulate apostasy: the death sentence as required by the Qur’an.

Muslim politicians were not the only group proposing a law to control apostasy. Legal experts also suggested the necessity to do so. The technical Committee of *Syariah* and Civil Laws, for instance, had long proposed to introduce a specific provision on apostasy into the Islamic law. Their suggestion was primarily based on technical grounds, unlike the politicians’; the absence of a provision—specifically one on conversion out of the faith—had caused a conflict of jurisdictions between the civil and *Syariah* courts. Indeed, many cases causing such a jurisdictional problem were related to apostasy, such as ones involving non-Muslim converts (Abdul Hamid Mohamad 2000).

What is often neglected is the fact that Muslims in general were not particularly hostile to a law on apostasy. Quite the contrary, they believed in the law in principle; where they differed, however, was whether the law should be enforced in practice. For example, the

---

44 The committee, composed of *Syariah* and civil law experts, was formed under the central religious agency, JAKIM, to draft and coordinate Islamic laws at the national level.
45 Interviews with Appeal (civil) court judge, Kuala Lumpur, 16 March 2001; civil lawyer, Selangor, 4 April 2002; *Syariah* court judge, Selangor, 14 August 2001; *Syariah* lawyer, Kuala Lumpur; 19 December 2000.
President of a mainstream Islamic NGO, ABIM (Angkatan Beria Islam Malaysia, the Malaysian Islamic Youth Movement), readily acknowledged the importance of prohibiting apostasy. He also admitted, though, that it would be very difficult to sanction it in practice in Malaysia’s multi-ethnic context.\[46\] At a workshop on apostasy organized by UMNO in Johor, a number of participants expressed a sense of apprehension regarding the difficulty for the government to readily implement Islamic laws—including the one on apostasy (Maznah Mohamad 2001: fn.15). It is also worth recalling that the hudud law proposed in Kelantan was very popular despite the UMNO’s effort to portray it as ‘extreme’, ‘radical’ and ‘draconian.’ Furthermore, non-Muslim parties—both MCA and DAP—were conspicuously silent on this apostasy issue.

Despite all this evidence indicating support for the bill in the Muslim community at large, UMNO central leadership was not interested in entertaining these demands. Mahathir was particularly unsupportive of the proposal. He suggested that ‘Nor (the parliamentary secretary who announced the federal bill on apostasy) had got things a little mixed up,’ and denied—albeit cautiously—the possibility that the Federal government intended to introduce the apostasy law in the immediate future (BH, 25 October 2000; Star, 30 September 2000). Furthermore, then Minister in charge of Islamic affairs, Abdul Hamid, supported Mahathir’s position by insisting that there were very few apostasy cases among Malays, and thus no need to introduce the law. It was the opposition, he added, that ‘had exaggerated the issue (increasing incidence of apostasy) for political mileage as it was sensitive among the rural folk’ (NST, 25 October 2000).

The Federal government’s rejection of the proposal, however, attested to the fact that such pro-apostasy pressure within the party was not sufficient to determine the central government’s policy course in the legal sector. Nor was the concern of the legal experts in regard to the technical problems adequate. Moreover, oppositional pressure from PAS

\[46\] Interview with ABIM President, Kuala Lumpur, 16 January 2001.
was strong, but this apparently did not determine UMNO's formal policy against the apostasy law. The Islamic party had exerted heavy pressure on UMNO since the general election in 1999 as it took away substantial support from the ruling party. Many observers suspected that the two Muslim parties would intensify their Islamization battle, with the result that the legal system would become more Islamic.

For UMNO politicians, handling of apostasy involved a number of complex considerations. On the doctrinal front, UMNO leaders were neither ready nor equipped to question the validity of apostasy. In general, apostasy was regarded as a serious offence in the Muslim community, even though the question of whether the death penalty should be imposed in practice remained very much contested. Moreover, in reality, very few Muslims, after all, were inclined to renounce the religion.\(^{47}\)

A unique sociological factor in Malaysian society—its multi-communal character—further complicated the question of apostasy. Apostasy cases were occasionally associated with inter-faith marriages. Inter-faith marriage, however, was still a controversial issue both for Muslims and non-Muslims, unlike in neighboring Indonesia where inter-marriage was not too difficult or uncommon. Although marriages between Muslims and non-Muslims were not uncommon, the non-Muslim partner was required to convert to Islam. A controversy over a young Muslim woman and her Christian boyfriend in 1997 offered a prominent example (Kamali 2000a: chap.10). The problem of this couple was that the Muslim woman, Nor Aishah Bokhari, decided to renounce Islam (become apostate) to get married to the Christian boyfriend and defied common practice as a result. Because she abandoned her family who attempted to block her conversion and marriage, this initially trivial family matter brewed into a communal and ultimately political issue on a national scale.

This case highlights three important issues for the purposes of our discussion. First,

\(^{47}\) Interview with ABIM President, Kuala Lumpur, 16 January 2001.
apostasy (conversion out of the Islamic faith) is a sensitive communal matter for Muslims in Malaysia. This communal element makes conversion extremely difficult, and readily pushes aside such ideas as 'freedom of religion' stipulated in the Constitution. The issue cannot be relegated exclusively to the private domain; this is not a question of choice or rights—a right to choose one's own faith, as argued by more liberal Islamic NGOs. As the Nor Aishah case proved, the pressure of public opinion in the community strongly discourages apostasy among Muslims (Kamali 2000a: 210).

Second, the question of apostasy emanating from intermarriage poses a legal question that has yet to be resolved; jurisdictional conflict between civil and Syariah systems of law. Under the present system, whether a civil court or a Syariah court should hear an apostasy case is still highly contested. A number of apostasy cases, as suggested earlier, raised the question of jurisdictional conflict. In theory, this problem should have been settled since the constitutional amendment in 1988. However, the problem concerning the handling of apostasy still remains because there is no specific provision in Islamic law for deciding how to settle an apostasy case. The Nor Aishah case, due in part to extensive media attention, highlighted this unresolved legal problem. This high-profile controversy, again, reminded authorities of the need to draft a specific law on apostasy (Kamali 2000a: 205, 213).

Third and finally, the legal controversy raised a fundamental ideological question: whether the 'secular' rule (the Constitution) or the 'Islamic' rule (not stipulated yet) should prevail. Against the backdrop of the ideological climate in the Muslim community, there is a high risk of being labeled by conservatives as 'anti-Islam' or 'secular' if a Muslim sides with the argument in favor of the constitutional claim of 'freedom of

48 There was a famous apostasy case where the civil court decided to hear and settle the case after the constitutional amendment in 1988. The civil judge who heard the case supported this position (Interviews with Appeal court judge, Kuala Lumpur, 23 February 2001, 16 March 2001; the lawyer who argued against the decision, Selangor, 4 April 2002). See also the lawyer's paper published in a local law journal (Pawancheek 1998).
religion.’ Such Muslims may be seen as a threat to the solidarity of the Muslim community and Islam.

It is therefore unsurprising that few Muslims, aside from some urban-based progressive NGOs, opposed the introduction of the Apostasy bill. The most vocal opposition came from an Islamic women’s group, Sisters in Islam. The group objected to the Apostasy Bill on almost all possible accounts—constitutional, doctrinal, social, administrative and procedural. A particular concern for them was the question of ‘religious freedom.’ The group, for instance, insisted on the point in a memorandum to a local newspaper in the following way: ‘freedom of religion must necessarily recognize the freedom to change religion. How can Muslims demand this notion of religious freedom for those wishing to convert to Islam and at the same time argue the denial of this freedom to those wishing to repudiate their faith in Islam?’ (Star, 30 September 2000). It was on the same constitutional ground that a few other groups, such as the Malaysian Consultative Council of Buddhism, Christianity, Hinduism and Sikhism, objected to the proposal. They all referred to Article 11 of the Federal Constitution that guarantees freedom of religion and worship to argue that controlling personal faith by legal means was not valid constitutionally (Star, 30 September 2000).

UMNO central leadership, however, was extremely reluctant to engage in the debate to defend the constitutional position, although they objected to the apostasy proposal. Then Minister in the Prime Minister’s Department Rais Yatim (de facto minister of legal affairs) hinted only in passing that the government was aware that Article 11 of the Federal Constitution should not be violated in drafting the proposed enactment on apostasy (NST, 29 September 2000). He did not, however, elaborate any further on whether the proposed bill contravened the Constitution. It became clear that whether the

49 Due to the group’s position on this and other Syariah related issues, Sisters in Islam is perceived as an ‘extremist’ and ‘dangerous’ group by a large segment of the Muslim public (Interview with Sisters in Islam founding member, Selangor, 25 December 2000).
case in hand was constitutionally appropriate or not was a secondary consideration for UMNO leaders. What was more crucial for them instead was whether it was politically feasible. In other words, constitutionality was not a prime concern and could be adjusted according to their political circumstances and calculations.

**Ideological or Political? The Modernist vis-à-vis Traditionalist Divide within the Muslim Ruling Elites**

What is significant about this apostasy case is that it exposed ideological discord within the government as well as within the ruling party concerning the state’s position on Islam: What kind of Islam should formally be implemented and how? This reflected a tension inherent in the state’s involvement in religious affairs, a tension between the Muslim politicians, especially Mahathir and Anwar, and the traditionalist group including religious officials or government-sponsored *ulama* (theologically trained Islamic scholars). Whereas the former group championed a progressive approach to Islam, the latter defended a conservative position. UMNO leaders viewed the rise of a conservative religious force within the government as a threat to their liberal-modernist regime and wanted to block it at all costs. Their decision to put aside the apostasy bill meant that the traditionalist approach and a group of *ulama* who advocated it would be prevented from exercising too much influence in the government.

The religious officials—including the *Mufti*, religious prosecutors, and *Syariah* judges—on the other hand were very keen to introduce the law on apostasy. The legislation would also empower *Syariah* Courts to prosecute those who practiced deviationist teachings among Muslims and detain them for up to a year at rehabilitation centers located in Negeri Sembilan and Selangor (*NST*, 6 October 2000). 50 The

---

50 State *Syariah* courts have always had powers to prosecute deviationists but rehabilitation centers is a new
law—once introduced—would give religious officials wider administrative authority and legitimacy to control the religious activities of the Muslims. This also meant that their presence within the government and society would be more visible.

The empowerment of the religious officials, however, was not in the interest of UMNO politicians. Neither did some progressive women’s groups wish to see them being given more regulatory power. In reality, UMNO leaders considered the behavior of some of the government ulama running the state religious agencies as ‘retrogressive’ and ‘oppressive,’ and became increasingly impatient with them. Intra-governmental tension between some of the top UMNO leaders and the generally very conservative religious officials grew as UMNO politicians campaigned to promote a progressive type of Islamic thinking. UMNO leaders felt that some religious officials took advantage of the power conferred on them to impose their conservative and stringent interpretation of religious rules. They feared that this would pose a threat to their liberal regime. As the government-sponsored Islamization campaigns accelerated, discord between these UMNO leaders and the religious officials with regard to enforcement of Syariah laws became more common.

The beauty contest controversy in June 1997 provided the best example of this intra-governmental tension. The controversy occurred in the wake of the prosecution of three young Muslim women by the Selangor religious authorities. They were charged under section 31 of the State Islamic Crime Enactment for ‘dressing indecently’ and also for violating a fatwa (authoritative Islamic decree) of the Selangor Mufti that prohibited Muslim women from taking part in beauty contests.

Mahathir and Anwar were particularly disturbed by the attitude of the Mufti as well as religious officials whom they considered as extreme. Mahathir bluntly criticized the Selangor religious officials and urged them ‘not to use their “little power” to merely arrest
and handcuff those who broke Islamic laws.' He also contended that 'it does not help strengthen the people’s belief. We can take other methods of action which are more effective' (*NST*, 23 July 2000). Anwar, similarly, expressed unease at these religious officials, stressing that a rational approach was important when dealing with implementation of *Syariah* laws (*NST*, 18 August 1997). Moreover, the federal government decided to tighten control over religious officials. Mahathir called on all States to stop gazetting *fatwa* until a Prime Minister’s Department committee had completed a study of the system. This action brought about a further deterioration of the already tense relationship between Mahathir and the religious officials. *Mufti* and *ulama* used mosque sermons to fight back against the government—in which they were functionaries—and its leaders (*Australian*, 15 August 1997). As a result of this rebellious behavior, the *Mufti* of the Selangor State, Ishak Baharom, could not get his tenure renewed, an often-used tactic to punish ‘rebel’ officials in the public service (*Australian*, 18-19 October 1997).

**Combating a Conservative Threat: Controlling the Traditional Religious Authorities—*Mufti* and *Fatwa***

The beauty contest incident raised a number of important questions concerning the place of religious authorities in the government and their jurisdiction and power in general. It also prompted federal politicians to extend control over these religious officials. The most important issue was the jurisdiction of the *Mufti* and the validity of *fatwa* that had hardly ever been questioned in the Muslim community (*NST*, 22 July 1997; *Star*, 31 August 1997). After the incident, a few top UMNO politicians—especially Mahathir—not only verbally campaigned against the religious officials but also maneuvered to gain more effective means of controlling religious offices nationwide. These campaigns naturally
exacerbated a sense of unease felt by the Mufti as well as other government ulama. While denying the speculation that they wanted to abolish the office of Mufti, UMNO leaders were obviously not hesitant to reduce the influence of these officials. To this end, Mahathir announced that the government would review all Islamic laws in the country, and those found to suppress Muslims or put the official religion in a bad light would be repealed (Star, 9 August 1997). A committee headed by Mahathir was also formed under the Prime Minister’s Department to study the function of fatwa (Star, 31 August 1997).

Mahathir particularly questioned the qualifications and thus the legitimacy of ulama. He claimed that the main problem (with the implementation of Syariah laws) lay with the ‘wrong’ perception within the Muslim community of the position of the ulama, and suggested, ‘there are many who claim being ulama... those who consider themselves as descendants of the Prophet, thus their words cannot be rejected. This is incorrect’ (NST, 9 August 1997). By arguing that ‘there is no university anywhere in the world which can award an ulama degree’, Mahathir overtly challenged the legitimacy and doctrinal monopoly of religious officials (Sun, 13 August 1997).

The UMNO leaders’ reluctance to enforce the apostasy law—and other initiatives they spearheaded in the judicial sphere—has to be seen against this backdrop of intra-governmental contestation. The incentive structures of the UMNO politicians again accounted for the government’s policy on the apostasy law.

UMNO leaders’ patronage-maximizing incentives, and close business ties with non-Muslim and corporate communities in particular, left them obsessed with the image question of Islam. They were especially disturbed by a widespread negative image of Islam and Muslims in the eyes of non-Muslims both at home and abroad. Their fundamental concern can be summarized by Mahathir’s comment that: ‘the world doesn’t know the difference between Kelantan and the rest of Malaysia’ (FEER, 28 May 1992). Mahathir’s antipathy towards ulama—both within and outside the government—was
founded on this image problem: ‘the image of Islam has been tarnished by the actions of extremists who use force … who have only divided the Muslims. In a way, they have become the tools of the enemies of Islam (emphasis added).’ Mahathir continually urged the State governments to ensure that the implementation of Islamic law would not paint a negative image of the religion (NST, 9 August 1997).

UMNO leaders’ obsession with creating a moderate image of Islam stemmed from the incentive to attract non-Muslims as well as a large segment of the Muslim community to their liberal developmentalist regime both economically and politically. Then minister in charge of religious affairs, Abdul Hamid, reiterated, ‘if the government threatens the people with proposals of harsh sentences against Muslims as proposed by PAS, our mission of attracting people to Islam will fail’ (Star, 11 July 1999). The apostasy bill was proposed at a time when the Malaysian economy confronted the most serious slump in recent decades after the region-wide financial crisis in 1997. Foreign investment was greatly needed and domestic capital—especially Chinese—was equally important. With the opposition Islamic party PAS rapidly expanding its influence within the Muslim community after the Anwar crisis in 1998, non-Muslims’ concern about the ascendancy of a more conservative Islamic regime was more acute than ever before. This was especially since PAS spearheaded a vigorous campaign to establish an Islamic state after the party emerged as a leading opposition force in the general election in 1999. On the other hand, the UMNO-led BN coalition was dependent upon the non-Muslim vote as a result of its eroding support in the Muslim constituency. Thus, to follow PAS by implementing radical Islamic measures—such as the apostasy law—was not a politically a feasible option for the UMNO leaders. They could not afford to lose non-Muslim support.

Seen from this perspective, Mahathir’s apprehension about the apostasy bill proposal—and concerns about non-Muslim as well as business reactions to it—was quite
understandable. It is intriguing that he retracted the proposal *despite* the absence of much public opposition from any organized interests. There was little visible opposition from non-Muslim parties and organizations against the apostasy bill. Nor was there any marked reaction from the business community; but there was obvious unease about the idea of an apostasy law on the part of some UMNO politicians, especially Mahathir.

Mahathir's reaction to the proposal initiated by one of his own party leaders at the State level was conspicuously swift; he obviously wanted to circumvent any debate about the bill and prevent the issue from developing into a big controversy. His reaction can be explained in two ways. First, UMNO leadership did not want to allow PAS a chance to exploit the issue. It was very likely that PAS would have portrayed UMNO's rejection of the apostasy law un-Islamic—just as it did in the *Hudud* bill controversy. Given the considerable acceptance of the apostasy law within the Muslim community, UMNO's calculation was reasonable. Second, UMNO leaders, at the same time, did not want the party to be seen as extremist. A few, but very vocal, NGOs, such as Sisters in Islam, were ready to raise their voices against the proposal. They aimed at appealing to the urban middle-class (not only non-Muslims but also Muslims) who were anxious about the consequences of the apostasy law. It is arguable that fear among UMNO top leadership of possibly losing non-Muslim support and confidence was so grave that the radical proposal needed to be killed without even being considered. On the other hand, there was *little need* for the Chinese-based parties or organizations to make even a little fuss about the proposal because UMNO leaders were already aware of the implications of any moves pushing toward policies that would make non-Muslims anxious. Moreover, those non-Muslim groups which benefited from close personal ties with top UMNO politicians developed private channels through which they could get their views adequately heard. They did not need to make their views public; nor did they need to organize a lobbying forum to influence the policy choice taken by UMNO leadership.
The apparent absence of Chinese and business pressures against the Apostasy Bill, thus, should not be interpreted to mean that they did not object to, or care about, it. There is no doubt that they would have been deeply alienated by the implementation of the apostasy law. The crucial point was that UMNO leaders already anticipated such a reaction. UMNO leaders’ fear of alienating urban non-Muslims as well as business communities stemmed from the incentives of UMNO politicians: the pressure to retain the support of the urban business communities. Against the backdrop of UMNO politicians’ dependence on these communities for their economic and political survival, especially since the Anwar crisis, this pressure was more acutely felt. This compelled top UMNO leaders to swiftly suppress the ‘radical’ proposal to adopt the apostasy law.

The federal government’s efforts to standardize the Syariah judicial apparatus and Islamic laws nationwide were intended to contain a threat of radical and conservative Islamic forces emanating not only from outside but also within the government. By placing the ‘conservative’ religious elites within the orbit of the federal government, UMNO leaders hoped to curb their conservative views, while promoting an official progressive version of Islamic thinking and ruling. Moreover, newly introduced Islamic laws emphasized procedural aspects to effectively limit interpretational discretion of Syariah judges. UMNO’s attempt to promote moderate Islam in the judicial sphere was meant to preempt possible alienation of non-Muslims—especially the economically important Chinese. As UMNO grew more dependent upon the Chinese—not only economically but also politically, from the late 1990s—the UMNO leaders had little choice but to eliminate any possibility of the rise of extremist forces—either outside or inside the ruling circle. They had to do so even though this resulted in a loss within their traditional support base in the rural Muslim constituency. UMNO central leaders’ receptiveness to the new constituencies derived from their incentives to maximize political support and resulted in greater federal interference in Syariah affairs.
It is also important to note that the State-level politicians had different views and strategies from their bosses in Kuala Lumpur, but strove to achieve the same ultimate goal. The apostasy bill initiated by the Chief Minister of Perlis, Shahidan Kassim, should be seen from the perspective of political incentives. By proposing the bill, he intended to impress his predominantly Muslim constituency and UMNO central leadership. Shahidan stated very proudly: ‘the Perlis government is better than the PAS governments in Kelantan and Terengganu because it is more serious about protecting the faith in the Muslim community’ (UM, 8 April 2000).

The incentive structure of UMNO politicians had an important effect not only on the degree but also the type of federal interference in Syariah matters. UMNO politicians’ interest in controlling the corps of Syariah officials nationwide, and in creating a modern system of Syariah administration, was largely meant to assure their urban middle-class and business constituencies about this essential point: the government’s Islamization policy would never undermine its modernist developmentalist project. The institutionalization of a body of a professional, law-bound, and competent Syariah officials was a key to protecting the state organization of Islamic administration from conservative and radical religious forces; a major threat to UMNO’s modernist developmentalist regime. Furthermore, increased federal control over the Syariah apparatus provided top UMNO leaders—the party president in particular—an institutional means to punish rebel officials in the religious bureaucracy and to defend their supremacy in the government.

Syariah reform is still far from complete and various procedural problems remain unresolved. Moreover, problems of jurisdictional conflict between the Syariah court and the civil court will continue to surface as long as the aspiration to introduce more Syariah laws in the legal system stays alive. Nonetheless, the reform process in the past two decades has brought about an extremely important consequence: the formation of the
better organized and relatively effective state apparatus overseeing enforcement of Syariah. The administrative structure was institutionalized to a relatively high degree and in a way that made it more professional and effective. At the same time, this made the Syariah system less vulnerable to private interests—both within the state and the societal spheres—and to corrupt practices. Despite a potential vulnerability to intervention from the ruling politicians—whether UMNO or PAS—the institutionalization of the Syariah legal apparatus has provided Syariah officials with much-sought authority and jurisdictional independence; independence from interference of the civil court, and the State religious agencies. Such a high degree of institutionalization of the state religious organization in the judicial sector stood in marked contrast with the two other sectors examined in the following two chapters that we turn to next.

51 For example, in Kelantan, Muslim politicians both from PAS and UMNO were charged for polygamy offences in the Syariah court. The two Syariah cases indicated a degree of impartiality in the Syariah court despite considerable political pressure (‘PAS leader jailed for polygamy,’ ST, 23 May 2002; ‘UMNO leader jailed for polygamy,’ Star, 14 June 2002).
Islamization and institutionalization of the educational system took place in many ways, but not to the extent of the judicial sphere. With an intra-governmental coordination mechanism at the federal level introduced, jurisdictional expansion of the state apparatus running Islamic education was evident in general since the 1980s. The number of federal-sponsored religious schools, religious teachers as well as students enrolled in religious classes newly introduced by the federal authorities grew significantly. Moreover, bureaucratic mechanisms were reorganized to support and regulate these institutions and personnel. In particular, the federal government took steps to build a system of recruiting better-qualified religious teachers nationwide. Further, the federal government introduced various measures to extend tighter control over State as well as private religious schools and personnel.

Despite these developments, poorer coordination between the federal government on the one hand, and the State governments as well as private religious teaching institutions on the other, was painfully evident. The federal government's attempt to take over full administrative control of the State and private religious institutions has been unsuccessful so far, prompting it to try out other means. Its initiatives, however, made the increasing number of State- and private-sponsored religious schools and teachers more dependent upon federal assistance than ever before. But, a number of them managed to resist complete federal take-over and retain a considerable degree of administrative autonomy.
All these brought about a somewhat fragmented and less coherent administrative mechanism overseeing Islamic education.

The intermediate level of institutionalization in this issue area cannot be explained by societal pressures alone, that is, pressures from the younger generation of religion-oriented urban middle-class Muslims to get their children into Islamic schools run by qualified teachers. Nor was oppositional pressure from the Islamic party adequate to account for the particular pattern of institutional arrangement. A received wisdom is that private religious institutions are loyal supporters of PAS on ideological grounds, and therefore tend to oppose UMNO’s Islamization initiatives. In reality, however, a number of private religious schools—even ones in opposition-ruled Kelantan—in fact supported the federal government’s take-over initiative. Who held back the federal initiative? One needs to understand the incentive structures of Muslim politicians in the ruling party and intra-party rivalry in particular to answer this question. The intra-party logic of political ascendency and the patronage-maximizing incentives shaped the implementation of Islamization initiatives in the educational area.

The Islamic Education System in Historical Perspective

A brief historical overview of the traditional Islamic educational system will help us to assess the institutional transformation that occurred in the period under discussion. Before the British regime introduced a secular educational system in Colonial Malaya, the traditional Islamic schools were the sole form of education available to the Malay community (Yegar 1979: 235). It was the tradition among Malays to send their children

---

1 The British initially established schools through Christian missionaries as early as 1816 in Penang, with English as the medium of instruction. English and Malay vernacular education in the Malay States was
to a religious teacher when they reached the age of five or six (Rosnani Hashim 1996: 19).

The history of Islamic education can be traced back to the fourteenth century, when Islam was first introduced to the Malay Peninsula. The earliest form of Islamic education was the Qur’anic school, where five or six-year-old children were taught the Arabic alphabet and reading the Qur’an in Arabic. It was only after they had mastered the Qur’an that children went on to study the Malay language. This fact reflected the importance of equipping children with basic Islamic teachings among the Muslims. These schools were usually conducted in the homes of religious teachers, in mosques, or in the surau (prayer house). The teachers were usually the imam (the leader of the congregational prayer) attached to the local mosques or a hajji (one who has made the pilgrimage to Mecca). They were normally farmers or fishermen who taught in their spare time (Rosnani Hashim 1996: 18-20). Most of them lacked formal qualifications. The only qualification required for them was basic knowledge of reading Arabic or the simple fact that they had undertaken the pilgrimage to Mecca (Yegar 1979: 235).

This primitive form of traditional Islamic education evolved into a pondok²-type school in the mid-nineteenth century. Despite very limited formalization, however, the management of the religious schools was still far from organized. Education in the pondok was free and open to Muslims of all ages. The minimum requirements for admission were the ability to read the Qur’an, to read and write in jawi, (the Arabic-based script used for writing in Malay) and to have adequate financial support. A number of the advanced students who completed their basic instruction in the Qur’anic schools continued their education in the pondok (Rosnani Hashim 1996: 21). The curriculum in the pondok schools emphasized Islamic religious studies, with very little attention given to practical skills or other academic subjects. Some of them conducted the classes in

---

² Literally hut; in Islamic education it refers to a village religious school.
Arabic, as a preparation for admission into universities in Cairo or India (Syed Othman Alhabshi 1997: 4-5).

Private individuals or organizations often run the pondok. Their expenses were met through donations, charity, zakat (Islamic tithe) and meager fees, and teachers were not paid a salary. It was only later that tuition fees were imposed on the students. There were no examinations or school certificates. Upgrading of students to a higher level largely depended on their individual abilities (Rosnani Hashim 1996: 21-22; Syed Othman Alhabshi 1997: 4-5). In pondok, the teachers exercised a wide scope of authority and discretion in running programs. The syllabus and methods of teaching depended on the teachers. The school timetable was flexible and left to their own preferences (Rosnani Hashim 1996: 22-23). Importantly, the pondok were not subject to government control and determined their own system of education (Syed Othman Alhabshi 1997: 4-5).

The Expansion of Madrasah Education

In the early twentieth century, the Islamic education system underwent further transformation from largely informal pondok-type schools to the more formal and better-organized madrasah (Islamic school or college) system. The growth of the madrasah system was a reaction to socio-economic transformations in the local Muslim community. One was the rise of the reformist movement (Kaum Muda). These progressive Muslim scholars attempted to mobilize awareness among the Malays of the importance of education (Roff 1994: chap.3; Rosnani Hashim 1996: 25-26, 29).

The madrasah were organizationally more systematic than the pondok system in a number of respects. Students were divided into classes according to age and academic ability. Examinations were used to determine upgrading. The class timetable was fixed and certificates were awarded to students who completed the full course of study. In the most advanced madrasah, there were three levels of study: tahdiri (preparatory), ibtidai
(primary), and *thanawi* (secondary).³

In terms of curriculum, there was inter-school variation except for some core subjects. However, the *madrasah* schools commonly underwent some changes from the pre-World War II period to the post-independence period. In the pre-War period, religious subjects dominated the curriculum. After the War, however, the curriculum was broadened to include some academic subjects such as history and geography. In the post-independence period, subjects offered in the national examination (such as English, Malay literature, science and economy) were further added to the *madrasah* curriculum (Rosnani Hashim 1996: 28).

Despite some organizational and technical improvements after the introduction of the *madrasah* system, the traditional type of Islamic educational institutions remained largely unsystematic and pre-modern. These schools were usually funded and controlled by individuals—mostly *ulama*—or by local communities. The curriculum and syllabuses varied from one teacher to another. Further, there was no age restriction and thus almost everybody was welcome to attend the schools (Rosnani Hashim 1996: 5).

**The Decline of Traditional-type of Islamic Schools**

This unsystematic mode of Islamic education proved unsustainable against the backdrop of wider socio-economic transformation in the post-independence period, however. The traditional Islamic schools confronted a number of problems and challenges. Student enrollment both at *madrasah* and *pondok* plunged as a result, bringing about the decline of these schools in the 1960s. For example, between 1967 and 1971, the number of *madrasah* in Kelantan dwindled from 151 to 111 (Rosnani Hashim 1996: 62).⁴

---

³ In practice, most of the *madrasah* included only preparatory and primary levels.

⁴ The factors encouraging the decline in enrollment at the religious schools were many, but the most important one was the establishment of national secondary schools. With the implementation of the National Education Policy, Malay pupils could easily continue on to state secondary schools (Rosnani Hashim 1996: 60).
The *madrasah* faced increasing financial difficulties, especially in the post-War period. These schools found themselves unable to survive financially without resorting to external funding. Various State Islamic religious departments and religious councils (established during this period), thus, took over the management of some of the *madrasah*. Moreover, State governments themselves began establishing their own Islamic schools (Rosnani Hashim 1996: 5).

The involvement of State religious authorities in Islamic education brought into being two types of *madrasah* school. The first type was funded and managed by the State religious authorities—either State religious departments or State religious councils. These schools came to be known as *Sekolah Agama Negeri* (State Religious School). The number, level and scale of schools and the curriculum, however, varied from one state to another. Whereas some States allowed sufficient resources to provide comprehensive Islamic education up to the secondary level, most could only afford primary-level schooling. Johor, for example, had a very unique—and the most comprehensive—religious education system. It was made compulsory for every Muslim child to attend the religious school financed and administered by the State government. These religious schools were held in the afternoon either at the Malay schools or the mosques so that Muslim children could attend the religious class after the morning session at the secular Malay schools (Rosnani Hashim 1996: 42; Syed Othman Alhabshi 1997: 4).

The other type of *madrasah* was founded and administered by local committees through funds collected from donations, *zakat*, and *waqf* (Islamic system of trusts and endowments). These *madrasah* were also known as the *Sekolah Rakyat* (People's School) or *Sekolah Agama Rakyat* (People's Religious School). Financial difficulties in these private-run religious schools were particularly acute, and affected the quality of schools and teachers, and teaching equipment and materials. Financial issues continued to
impinge on the administration of the private-run Islamic schools in the years to come. Importantly, the issues developed into a major political controversy between the religious schools, the federal government and the Islamic opposition party PAS.

The most important challenge to the traditional-type religious schools came from the concurrent development of language-based secular schools (Malay, English and Chinese schools) under the colonial regime, and the implementation of the National Education Policy after independence (1957). One of the biggest disadvantages of the religious schools was their curriculum. Because of the limited scope of their curriculum that emphasized religious subjects and Arabic language, there was little market value for graduates of the Islamic school system. The lack of facility in the religious schools in preparing students for national examinations in academic subjects (particularly in science, mathematics, and English) put them at a disadvantage when seeking employment or places for higher studies (Rosnani Hashim 1996: 9, 60-62).

This was an unsurprising consequence, however, since many of the Islamic secondary schools were primarily meant to prepare students for entry into prestigious tertiary institutions of Islamic learning in the Middle East or the Subcontinent—most notably the University of Al-Azhar in Cairo. Moreover, the madrash system produced a steady supply of religious teachers and officials. Given that courses leading to careers as religious teachers or religious officials were among the most popular for the madrasah students, it is arguable that the traditional-type of Islamic educational system could only be sustainable as long as wider Islamic administrative structures were retained and expanded (Rosnani Hashim 1996: 29).

The popularity of the madrasah schools in the pre-independence period, however, dwindled after independence. In the pre-independence period, a combination of factors contributed to a general inclination towards the religious schools among Muslims. In contrast, the Malay vernacular school established to cater specifically for the Muslim
community was not a popular option. The unpopularity of the Malay vernacular school derived from, among others, strong suspicion towards—and unhappiness about—their secular character; the fact that these schools did not offer Islamic education was a major concern.

After independence, however, the secular school system—both Malay and English schools—began to gain popularity among Muslims on both religious and socio-economic grounds. On the religious front, in 1960, the government accepted the Rahman Talib Report and decided to make Islamic education compulsory for all Muslim students in all the government-sponsored schools—including the national schools (formerly the Malay vernacular schools) and the national-type English schools (formally the English schools) (Abdullah Ishak 1995: 149-157; Rosnani Hashim 1996: 7). On the socio-economic front, Muslim parents found that graduates from the national schools would have better employment opportunities than those from the religious schools (Rosnani Hashim 1996: 60). Moreover, prestige attached to the ‘religious professions’ such as religious teachers or religious officials steadily declined in an environment of wider socio-economic changes in the Muslim community, contributing further to the falling popularity of the traditional-type religious schools.

The private-run religious schools found themselves under huge pressure to reconcile themselves to such challenges if they wished to remain relevant. In some States, for example, schools agreed to adopt a uniform curriculum prepared by the State Religious Department in exchange for accepting financial assistance. At the secondary level, the curriculum was revised to correspond to the National Education Policy; incorporating secular subjects such as English, Malay language, mathematics, geography, history, and

---

5 The Rahman Talib Report (1960) laid the foundations of the post-independence national education policy stipulated in the Education Act of 1961. The Report was instrumental in ensuring that Islamic religious instruction—which was made compulsory for all Muslim students in government-assisted schools—was fully implemented and supported. It recommended, among others, that the federal government contribute partially to the payment of teachers for religious instruction in government-assisted primary schools. For a more detailed discussion about the Report with regard to Islamic education, see Rosnani Hashim (1996: 7).
general science (Rosnani Hashim 1996: 60-61). Further, some schools (at the secondary level) had to transfer the administration of teaching staff to the government, thereby allowing their administrative autonomy to be compromised (Abdullah Ishak 1995: 157). For the private religious schools, thus, how to preserve their Islamic character while preempting excessive government intrusion in their operations became a topmost concern, as discussed in more detail in the section that follows.

On the other hand, the government’s involvement in Islamic education—following the introduction of the Education Act 1961—brought about significant transformation in the Islamic educational apparatus in general and the administration of religious teaching staff in particular—albeit very limited in scale and scope. The curriculum for Islamic education was for the first time formulated for the government-sponsored schools. And the units of Islamic studies were restructured. While religious teachers at the government-sponsored primary schools remained under the jurisdiction of the State governments, their counterparts at the secondary schools were placed under the supervision of the Ministry of Education. Recruitment of the religious teachers was also systematized, putting greater emphasis on formal qualification such as the completion of the form 4 (Empat Thanawi), a certificate from the Islamic College, and the bachelor degree from the University of Al-Azhar, Cairo. Moreover, the Ministry of Education offered in-service training courses to standardize the quality of religious teachers at the secondary schools.

From the perspective of the school board, the government’s efforts to sponsor Islamic education within the formal educational framework threatened the interests of their schools—the administrative autonomy of the schools in particular. From the perspective

---

6 The form 4 is equivalent to the forth year at the secondary school and the first year at the high school.
7 Similar training courses were also offered to the religious teachers at the primary level. These courses were initially arranged by the religious authorities in the individual State, but later taken over by the Ministry of Education (Abdullah Ishak 1995: 157).
of teachers, on the other hand, such governmental intervention was not necessarily a bad thing; they could possibly expect better material rewards (in the form of financial assistance) from the more resource-rich government. Given that many of them lacked appropriate qualifications required by the authorities, however, the danger was that they could be excluded from mainstream educational mechanism. Further, all these bureaucratization processes had the potential for destroying the special Islamic character of the traditional religious schools.

Despite limited improvements, however, the level of state institutionalization of the mechanisms regulating religious education remained low until the late 1980s. The federal government's attempt to revamp the private religious schools was largely unsuccessful; the Ministry of Education attempted to persuade the State religious departments and religious councils and the boards of governors of the schools to place 150 religious schools under its control, but succeeded in taking over only eleven of them (Rosnani Hashim 1996: 69). An important consequence of this policy failure was that the administration of these private religious schools was left untouched, retaining the notoriously disorganized nature of the entire religious educational system. Although some State religious authorities attempted to standardize and regulate the running of the schools at the State level, such efforts were generally unsuccessful due largely to the lack of finance. The status of religious teachers within the formal educational structure declined, and their material conditions remained dismal as a result. The monthly salary of a religious teacher in Selangor in 1963, for example, was as meager as RM58.60 (approximately US$15), lower than the salary of school gardeners (RM80). Even after he passing Sijil Pelajaran Malaysia (SPM), the minimal qualification to be accredited as a teacher at the government schools, material conditions improved little: the base salary was raised to RM72 (US$19), to which a small amount of allowances were added to make

---

8 These rates are based on exchange rates in 2005.
the monthly earning RM90 (US$26) in total. Moreover, an unsympathetic response from a Ministry of Education official to appeals to address such grievances typified the Ministry officials' — and the government's — general disregard for religious teachers: 'how can religious teachers be on the same level as the Ministry of Education's teachers who hold the SPM certificate!'9

The federal government's neglect of Islamic schooling in the post-independence period left the corps of religious teachers unqualified, unauthorized, and highly disorganized. Although a system of certifying religious teachers emerged at the individual State level, the weak enforcement capacities of the State religious agencies left these teachers more or less unchecked. In short, Islamic schooling was largely left to private actors until the late 1970s, with the level of state institutionalization in this religious education sector relatively low.

The Medium level of Institutionalization of the Islamic Education Apparatus

Rising Islamic Consciousness and the Renaissance of Islamic Education

The waning popularity of the religious schools among the Muslims after the consolidation of the National Education Policy in the post-independence period did not mean that these schools faded away altogether. Nor did the interest of Muslim parents in equipping their children with Islamic learning disappear. Quite the opposite, the Islamic educational institutions were given fresh attention and official emphasis, and were revitalized at all levels against the backdrop of rising Islamic awareness since the late 1970s.

The state Islamic schooling machinery — policy measures, schools, teaching staff, and

9 'Memartabatkan guru,' UM, 16 May 2000.
the bureaucracy to administer them—developed dramatically, especially since the mid-1980s when Anwar Ibrahim was the Minister of Education (1986-1991). The government’s will to attend to the growing interest in Islamic schooling among the younger generation of Muslim parents was evident even before Anwar took office. Hence, the expansion of Islamic education was in part a result of the government’s response to such demand, and was not exclusively of his making. Anwar’s aggressive policy input and political initiative during his tenure, however, had a marked effect on the overall development of Islamic education in the years to come. By fully exploiting prerogatives conferred on the office, he laid down new legislative and administrative frameworks under which Islamic schooling—as well as Islamic teachers—was given a wider official presence, together with larger material allocations, than ever before.

The federal authorities—namely, the federal Islamic agency, JAKIM, and the Ministry of Education—developed a joint administrative mechanism to coordinate the efforts to promote Islamic schooling from the primary to the secondary levels nation-wide since the early 1980s. Separate initiatives from State governments as well as private organizations and individuals to expand their own schooling programs, however, restrained federal initiatives to create a more standardized high-quality Islamic education system across the country. Resistance from the private-run religious schools (Sekolah Agama Rakyat) against what they perceived as political intrusion was especially persistent, although the teachers themselves were not necessarily unhappy about the federal interference. The State religious departments in charge of State-run religious schools (Sekolah Agama Negeri) on the other hand, were put on the defensive against increasing federal encroachment upon their sphere of influence. Further, the Ministry of Education developed its own national-type religious secondary schools, Sekolah Menengah Kebangsaan Agama (SMKA), fully funded by the federal government. As a result, three tiers of religious schooling system came into being at the federal, State, and private levels, with little formal coordination between them. Competition grew intense among these
schools to recruit better students as well as qualified teachers, while such a large-scale Islamization trend within the government schools helped drive away non-Muslim students (especially Chinese) to ethnic-based national-type/independent (private-run) schools.\(^{10}\)

Given the jurisdictional constraint on the federal government with regard to religious affairs, the federal government employed policy and administrative measures to develop and standardize Islamic education nationwide. Unlike in the judicial sector, it is important to note, the government did not express any particular interest in resorting to more authoritative constitutional measures. Nor was a nationwide statutory mechanism introduced, although JAKIM prepared legislation reinforcing State religious agencies’ supervisory power over private and State religious schools.

On the policy front, the federal government exploited its jurisdictional authority over educational matters through the Ministry of Education and employed a range of policy tools to intervene in religious education at all levels. In 1987, the Ministry introduced a new concept into the National Education Philosophy emphasizing a ‘holistic approach’ with specific reference to ‘a firm belief in and devotion to God’ (Malaysia 2000: v). Although ambiguity remained about its reference to God (which was not exclusively Islamic), the introduction of the new concept was considered as a step toward Islamization of the national education system.

In line with this concept, a number of important steps were adopted at the secondary level. Federal-funded national religious secondary schools (SMKA) were spawned nationwide (table 5.1). In 2000, fifty-three SMKAs were in operation. It was expected

\(^{10}\) In March 2002, the National Union of the Teaching Profession (NUTP) submitted a memorandum to the Ministry of Education claiming that there was growing segregation along religious/ethnic lines in a number of national schools due to the existence of religious stream classes and other religious related activities. This memorandum caused a political controversy involving the Prime Minister (Malay Mail, 22 March 2002; 25 March 2002; 28 March 2002). This concern continues to be aired by non-Muslims (e.g., Star, 10 April 2005). There are also other reasons for this outflow of non-Muslim students into the increasingly popular Chinese schools. Outstanding performance of students studying at these schools at the national examinations is one such example. The main reason since the 1970s has been the language issue.
that the number of these schools would grow to sixty-seven before 2003. Likewise, student enrollment in these schools also steadily increased (table 5.2).

Table 5.1: The Number of National Religious Secondary Schools (SMKA)

<table>
<thead>
<tr>
<th>Year</th>
<th>Schools</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>30</td>
</tr>
<tr>
<td>1995</td>
<td>40</td>
</tr>
<tr>
<td>1996</td>
<td>50</td>
</tr>
<tr>
<td>1997</td>
<td>60</td>
</tr>
<tr>
<td>1998</td>
<td>70</td>
</tr>
<tr>
<td>1999</td>
<td>80</td>
</tr>
<tr>
<td>2000</td>
<td>90</td>
</tr>
<tr>
<td>2003</td>
<td>100</td>
</tr>
</tbody>
</table>


Table 5.2: The Number of Students enrolled in SMKA

<table>
<thead>
<tr>
<th>Year</th>
<th>Student enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>15000</td>
</tr>
<tr>
<td>1995</td>
<td>20000</td>
</tr>
<tr>
<td>1996</td>
<td>25000</td>
</tr>
<tr>
<td>1997</td>
<td>30000</td>
</tr>
<tr>
<td>1998</td>
<td>35000</td>
</tr>
<tr>
<td>1999</td>
<td>40000</td>
</tr>
<tr>
<td>2000</td>
<td>45000</td>
</tr>
</tbody>
</table>


Although the growth in the number of SMKA appeared moderate on paper, the overall reputation and popularity of these schools grew dramatically among Muslims (especially among more urban higher-educated Muslims). Applications for entry continued to rise
every year throughout the 1980s and 1990s since students from these schools excelled at the national examination. The academic results of these students proved that SMKA’s unique emphasis on religious education (lacking at regular national schools) did not prevent the integration of top-quality education in both fields—religious and secular (Interview with Ministry of Education officials, 8 September 2000, Kuala Lumpur). Such characteristics of SMKA were particularly attractive to the Islam-aware generation of middle-class Muslim parents who valued highly the attainment of religious knowledge without neglecting regular academic subjects.

Religious education was also given additional emphasis in national schools. The time allocation for Islamic religious education for Muslim students was increased from three to five periods a week. Moreover, the federal government introduced an additional Aliran Agama (religious stream) course in some national schools in the early 1990s; an effort to accommodate rising—and unfulfilled—demands for places in the SMKA. Since its inception this supplementary course grew steadily. By 2000, such classes had been introduced in 342 national secondary schools, with 48,312 students enrolled nationwide (Jabatan Pendidikan Islam dan Moral, Ministry of Education, 2000).

Furthermore, the Ministry of Education took some significant steps outside the core curriculum, thus transforming the overall atmosphere of the national secondary schools into one that was more Islamic. Friday prayers were made compulsory for all the Muslim students in the national secondary schools. The Ministry also launched a campaign to inculcate strong Islamic values and teachings in national schools teachers.

---

11 See, for instance, ‘SPM: Keputusan meningkat 0.7%,' UM, 5 April 2000.
13 Those rejected would usually apply for the State or private religious schools.
Administrative Mechanisms to Supervise Religious Education

In the administrative sphere, the most important step taken by the federal authorities was the formation of the Advisory Council for the Co-ordination of Islamic Education (Lembaga Penasihat Penyelarasan Pelajaran dan Pendidikan Agama Islam or LEPAI) in 1983. A major function of the council was to coordinate the teaching and management of all religious schools not administered by the Ministry of Education, that is, private- and State-run Islamic schools (both at the primary and secondary levels). Its secretariat was placed under the federal religious agency, JAKIM, but the majority of its staff was seconded from the Ministry of Education. This staffing mechanism facilitated intra-governmental coordination at the federal level and to a lesser degree, between the federal and State governments.

LEPAI was also intended to improve cooperation between the federal and State governments. With the majority of the States controlled by the ruling party UMNO, one might expect that the religious authorities in the UMNO-ruled States would be willing to comply with federal initiatives. In practice, that was not the case, however; it was often a time- and resource-consuming process for the federal religious authorities to persuade their State counterparts to agree to—let alone implement properly—their policies. The primary problem, after all, was the lack of statutory power in the hands of JAKIM (Interview with JAKIM officials, 5 June 2000; 11 September 2000).

Given such legal constraints, LEPAI’s influence over the State religious agencies largely depended upon the abundant financial means available to them. Within the framework of LEPAI, federal funds were channeled through the State religious departments to authorized private religious schools for financing teachers’ salaries, renovation of facilities, and the purchase of teaching materials (Interview with JAKIM officials, 11 September 2000). In other words, these financial assistance schemes provided the federal government with a tool not only to coerce the State religious
authorities to comply with federal initiatives, but also to control private and State religious schools. As demands for upgrading school infrastructures and the quality of teaching staff increased, the cost for non-federal religious schools to meet these demands rose, too. Being generally resource-poor, they found themselves increasingly vulnerable to these material incentives offered by the federal government.

The federal government also took the initiative to provide additional opportunity for Islamic education at the primary level. In 1990, JAKIM, in collaboration with the Ministry of Education introduced voluntary Qur'anic and Fardhu ‘Ain (obligatory personal duties for Muslims) Studies Classes (KAFA) nationwide outside the regular curriculum for primary-level pupils at national schools. A major consideration was that existing religious classes offered at the national primary schools—six classes a week—were not sufficient for pupils to master even very basic knowledge regarding Islam. KAFA was intended to rectify this weakness by offering primary-level pupils (from Standard One to Six) an optional course on basic religious skills and knowledge such as reading the Qur'an and writing Jawi. These classes were usually conducted for two hours daily at venues such as national schools, community halls, or private residences outside regular school hours (either in the morning or afternoon). To run the classes, JAKIM allocated RM88 million (approximately US$23 million) (2001) with as many as 30,000 religious teachers employed each year across the country. The student enrollment approximately amounted to 1 million (JAKIM, Maklumat KAFA Negeri: 2000; Interview with JAKIM official, 8 January 2001).

Traditionally, a large number of Sekolah Agama Rakyat (SAR) offered primary-level religious education for those who were interested in attaining extra-curricula religious knowledge and skills. Except in Johor where religious schooling was compulsory at the primary level, attendance at these schools was optional. Although comprehensive national statistics are not available (except for 1998 and onwards), it appears that the
number of private religious schools (SAR) that registered with—the government, as well as the number of students and religious teachers, increased since the 1980s. By 1998, 1,327 private religious schools offered primary religious education and 303,676 students were enrolled in these schools nationwide (Statistics from JAKIM). Since the availability of these religious schools varied not only across States but also across areas within States, one needed to find an alternative channel if there was no such school in the neighborhood. The introduction of KAFA helped to meet the needs of such Muslims.

Despite all these developments oriented towards the enhancement of federal jurisdiction over religious education, however, signs abound to suggest that the federal apparatus overseeing Islamic education was not fully in place, leaving the control of some areas to private as well as non-federal actors. The coordination both within the government—as well as between the government and non-governmental actors—was much more problematic in this educational sphere than the judicial sphere.

A major obstacle to better intra-governmental coordination—especially between the federal authorities and the State religious departments—was the lack of executive power on the side of the federal government to enforce designated policies at the State level. JAKIM could advise the State governments, but not bind them to federal policy guidance. In this educational sector, no single authority oversaw Islamic education. In other words, there was no central agency that supervises Islamic education matters as there was with Syariah judicial matters. The absence of a JKSM equivalent has impeded the emergence of a coherent administrative mechanism overseeing Islamic educational activities and securing efficient policy implementation nationwide.

To overcome such statutory weaknesses, the federal government proposed a legislative measure to the State governments: codification of the Administration of Islamic Religious Schools Enactment. This law, once passed, will stipulate that all types of
private religious institutions should obtain licenses from State religious departments for their operations, and will give the department the prerogative to oversee and regulate them. The fact that the law has yet to be passed in many States, however, is indicative of the State governments' implicit resistance of the federal proposal. Moreover, the presence of many private Islamic educational institutions still operating without licenses revealed the weak enforcement capacity, or indeed the reluctance of the State governments to tighten supervision over the private religious institutions (Interview with JAKIM official, Kuala Lumpur, 11 September 2000; State religious department official, Selangor, 22 August 2001).

The relatively weak intra-governmental coordination in the educational sector raises two important questions relevant to our inquiry into institutionalization: first, in the case of Syariah, the central authority, JKSM, was created by government policy. Just like in the educational sector, the federal authorities were confronted with the same constitutional obstacle in the judicial sector: the lack of statutory power for them to secure State compliance. The creation of JKSM was meant precisely to overcome this weakness. Why couldn’t an equivalent central agency be created in the case of education?

Second, the Administration of Islamic Religious Schools Enactment, if implemented successfully, would give the State authorities additional power over private religious educational institutions in their respective States. This may not be a bad deal for the State authorities. Why, then, were the State governments unable or unwilling to pass the enactment? An answer to these questions is sought in the internal organizational mechanisms of the ruling party.
Patronage-maximizing Incentive Structures of UMNO Politicians: The Threat of 'Extremist' Islam and the Strategic Position of Religious Schools

The intermediate level of institutionalization in the educational sphere was closely related to the ruling party's organizational mechanisms. Societal-pressure views may suggest that state intervention in religious education was a response from the government dominated by the Muslim-based UMNO to a new demand conspicuously growing in its Muslim constituency: a demand from the younger generation of urban middle-class—and self-consciously more Islamic-oriented—Muslims to get their children better quality religious education. Meeting such demands would require the government to develop a systematic institutional framework to provide adequate religious teaching materials as well as qualified religious teachers.

UMNO politicians, for their part, were becoming more religious just like many other Muslims. Their willingness to serve the religious cause, therefore, was reasonable, a distinctive trend and departure from the more secular and western-oriented UMNO leaders of the past generation. More importantly, the changing religious inclination in society—especially in their traditional Muslim constituencies—offered UMNO politicians both challenges and opportunities. On the one hand, their Islamic credentials became far more important in appealing to the Muslim constituencies, both rural and urban. In the context of electoral rivalry between UMNO and PAS, Islamic issues grew far more prominent. On the other hand, a strong religious identity or a religious cause could give extra political mileage and contribute to their political ascendancy in the party as well as the government. Religious as well as political credentials came to be more intertwined than ever before (For instance, Shamsul A.B. 1988: 184-85).

The rising pressure from the Muslim constituency to upgrade the religious schooling

---

16 See chapter 3 for this trend.
system alone, however, cannot explain why the level of institutionalization in this sector was only moderate. Similar social pressures to systematize the administrative mechanisms were also evident both in the judiciary as well as the zakat sectors; but the level of institutionalization varied across sectors. Another oft-cited explanation is the rising pressure from Islamic opposition parties trying to capture votes from Muslim constituencies in the rising tide of Islamic consciousness. The sharp rivalry between UMNO and PAS, for example, is said to explain why the UMNO-ruled government was willing to expand the state regulatory apparatus over Islamic affairs including education, and to make the state more authoritative and Islamic. The pressure from the Islamic opposition party, however, was equally evident both in the judicial and educational sectors, but with varying outcomes.

The key to fill this gap lies in the patronage-maximizing incentive structures that shape objectives and strategies of individual Muslim politicians to secure broad-based support and to ascend within the ruling party hierarchy. The intra-party logic of political ascendancy and patronage-maximizing incentives drives the UMNO leaders at various levels to a particular pattern of decision making and policy implementation. This incentive mechanism ultimately brings about a particular type of administrative arrangement and a particular level of institutional capacity.

The Patronage-maximizing Incentive Structures and Societal Interests

The logic of political ascendancy—and increasingly competitive patronage-networking activities—within the UMNO party hierarchy left Muslim politicians responsive not only to the traditional Muslim constituencies, but also to other social interests: the business class—both Muslim and non-Muslim, and the Chinese community in general. Indeed, the interests of their traditional support base—the Muslim constituencies—had to be taken
into account with special care, against the backdrop of the persistent threat from their Islamic archrival PAS. But, the views and interests of the corporate and Chinese constituencies grew far more important than ever before as shown in chapter 3.

The federal-level Muslim politicians’ orientation towards these interests had brought about more specific effects on their decision making and policy implementation in the educational sphere. First, the UMNO leaders’ receptiveness to corporate and Chinese interests made the former particularly alert to the emergence of ‘conservative’ ‘extremist’ and ‘anti-establishment’ demands. For the business community, the growth of such Islamic forces in any visible form could have an unfavorable impact on the business environment. For the non-Muslim community, this might create a hostile social context, altering the inter-ethnic equilibrium in a way harmful for the non-Muslims (Interview with a female DAP politician, Penang, 10 February 2001). For the UMNO leadership, the pressure to contain the threat of conservative Islam, thus, was quite high, although an overt and organizationally unified form of extremist threat—such as the one seen in the judicial area—was not observed at first glance in the educational arena. A highly charged challenge from PAS like the proposal to introduce hudud (Islamic criminal codes), for instance, was absent. The apparent lack of urgency on the side of the UMNO leadership, however, did not mean that the ruling party lacked any political stake in this area. On the contrary, for UMNO leaders, the political stake here was very high, and increasingly so in the context of the rising popularity of religious schooling and the increasingly sharp electoral competition between UMNO and PAS. The political stakes increased even further after the September 11th terrorist attacks in the U.S. and subsequent anti-terrorism operations—primarily carried out by the UMNO government on the domestic front. Under these circumstances, the Muslim ruling elites targeted the traditional-type of religious schools as a breeding ground for ‘radical’ and ‘anti-establishment’ elements.

Second, Chinese interests—traditionally well organized and very strong in the
educational area—constrained the UMNO leaders in formulating policies related to Islamic education. One might expect that the Chinese community in general—and the Chinese educational organizations in particular—cared little about Islamic education. This issue, for them, was exclusively a Muslim matter, and therefore it was not an issue for them to be greatly bothered about; this was especially so in the overtly pro-Muslim institutional and political context of the post-NEP period. As long as their Chinese interests—that is, the welfare of Chinese-medium schools—were intact, they would only make trouble for themselves by blatantly intervening with Muslim affairs. Outcomes in fact defied such expectations, however. The expansion of Islamic education meant that a disproportionate amount of public resources would be allocated to pro-Malay policies and interests. What is important here is that the issue was not simply material but also symbolic and political. In the post-NEP era, the Chinese community at large felt that their interests had eroded in relation to the majority Malays, and grew highly defensive of whatever interests were left for them. Education and language were such issue areas having enormous symbolic value and political consequence (Tan Liok Ee 1992). The Chinese educational organizations, for example, in collaboration with Chinese-based political parties, exploited this symbolic value to mobilize their community against some important policies proposed by the government in the educational sector. As the importance of the Chinese grew both in economic and political terms, moreover, UMNO national leaders could not afford to ignore the pressures and demands expressed by them. It has to be reiterated that the influence of Chinese businessmen was felt and the latter’s financial power appreciated not only at the organizational level, but also at the individual level as an important source of electoral funding for political ascendancy within the party.

Third and finally, in addition to their obvious aversion to Islamic extremism, the business community had little interest in enhancing Islamic education. In general, they were more interested in securing high quality recruits from local universities as well as tertiary institutions abroad. They valued highly a workforce equipped with practical skills
and knowledge useful for the modern economic sectors such as economics, accounting, science and engineering; religious knowledge was secondary. To put it more bluntly, corporate people tended to see those Muslims from religious educational backgrounds as 'not modern enough,' 'incompetent,' or else 'useless.' This meant that the UMNO leadership could not allocate too many resources on the development of Islamic education. Indeed, since the late 1990s and in public Mahathir expressed concern that government policy had given too much attention to Islamic education, only to produce pious yet practically incompetent members of the workforce. This excess, he also suggested, needed be rectified. In conjunction with NEP programs intended to upgrade the socio-economic status of Malays, moreover, the government sent a massive number of Muslim youth to tertiary institutions in UK and other Western countries every year.

It is in these conditions that the federal government's interventionist policies—and resistance from the State authorities—need to be understood. What was distinctive about the federal initiative in this religious education sector was that much effort was spent on the take-over and centralized administration of traditional-type private religious schools. An answer to this question, again, was related to the incentive structures of UMNO politicians at the various levels.

Three specific concerns motivated the UMNO leaders at the federal level to take steps towards the nationwide centralization of the private religious schools. First, many of the traditional-type private religious schools—and religious-educated teachers to man these schools—were seen as a source of political unrest or as agents for oppositional anti-establishment and anti-modernization mobilization. If unchecked, the UMNO leaders considered, these institutions could be breeding grounds for PAS support or even deviant extremist teachings seen widely as a threat to national security in general—and the UMNO-dominant liberal regime in particular.

17 See, for instance, 'Pendidikan Islam perlu dirombak,' BH, 27 May 2000; 'Blame it on choice of subjects,
Second, religious teachers and traditional religious schools run by them were usually perceived as a strong electoral base for PAS. For UMNO leaders at all levels, wooing them by offering material incentives was not simply meant to extend administrative control over these institutions. It was for an electoral effect that UMNO leadership expected to obtain the endorsement of the religious elites.\textsuperscript{18} For the leadership of the Islamic party, the authority of religious teachers or \textit{ulama} is paramount. Unlike Indonesia’s Islamic organizations such as NU and \textit{Muhammadiyah} which operate and shelter a network of religious educational institutions under their umbrella, PAS in theory and in practice does not possess an organizational structure with which religious schools and teachers are formally and tightly affiliated. PAS runs its own schools and kindergartens in geographically restricted areas, but many of the private religious schools are politically independent in theory. Allegiance of loosely associated religious teachers to the Islamic party is essentially on a voluntary basis, and may be upset or shift to UMNO—often for materialistic reasons.\textsuperscript{19} It is nevertheless commonly believed that these religious teachers tend to be sympathizers of PAS and its policies. Given their socio-political standing and influence in the Muslim community in general and in rural areas in particular, there is a strong reason for UMNO leaders to attempt to win the hearts and minds of religious teachers. Public resources were lavishly spent to this end (e.g., Syed Othman Alhabshi 1997: 8).

Third and finally, the federal UMNO leadership considered the traditional-type private religious schools as wasting human resources, a vital source for national economic development. Many of them still used traditional modes of teaching and mainly emphasized a religious (traditional-type) curriculum, neglecting other regular subjects. Physical and teaching infrastructure was lacking and the quality of teaching was not

\textsuperscript{18} 'Kerajaan cari jalan terbaik ambil alih SAR,' \textit{UM}, 4 July 1999.

\textsuperscript{19} This fluid nature of political allegiance within the Muslim community is pointed out by Crouch (1996: 64-69).
adequate, with many of the teaching staff under-qualified. For the pro-development UMNO leadership, reproducing religiously-obsessed Muslims unequipped with practical skills and knowledge was not doing Muslims any good when their socio-economic status was already backward. This was, after all, not compatible with UMNO’s vision of building a modern industrial nation. 20

The lower echelons of the party leadership—the State leaders in particular—however, did not always endorse these considerations and objectives of the UMNO leadership at the national level. The clash of interests and strategies between the federal and State leaders within the ruling party, in fact, had a significant effect on the way in which federal Islamic policies were implemented. In principle, the highest level of the party leadership in Kuala Lumpur tends to dominate policy-making in the party. The highly centralized policy-making apparatus—and party members’ heavy dependence on the top leaders for their political ascendancy and business opportunities in particular—meant that in principle little space was allowed for the State-level party leaders to overtly object to proposals initiated by the central leadership. In practice, however, some of the federal policies were frustrated by a set of incompatible interests and objectives of UMNO politicians at the State level. Importantly, it was precisely the same logic working along the party hierarchy that brought about somewhat conflicting objectives and strategies between the national- and State-level leaders: the incentive to create their own avenues for patronage practices, and to maximize opportunities to build broad-based support to secure ascendancy in the party. One important consequence was inadequate implementation of federal policies.

In the context of the rising popularity of Islamic schooling among Muslims, contributions to religious education in general and to private religious schools and teachers in particular offered one of the most rewarding patronage-dispensing channels

---

20 For instance, ‘Keeping an eye on religious education,’ NST, 1 June 1986.
for State-level UMNO leadership. Two specific considerations need to be taken into account in this respect. First, State leaders (such as the Chief Ministers) could exercise relative discretion in dispensing State as well as federal funds to develop and renovate State and private religious institutions. Monitoring by central leadership on their activities is minimal unless they are seen as overtly contravening the interests of the former. As long as the jurisdiction of religious education, including schools and teachers, remained under individual State governments, these public funds could be distributed to particular constituencies to bring about patronage benefits for State leaders. The massive expansion of State-sponsored Islamic educational institutions at all levels could also be best understood from this patronage perspective. For State-level leaders, especially Chief Ministers, their jurisdictional prerogative over Islamic education was a valuable resource for maximization of patronage avenues as well as authority in their Muslim constituencies. Their efforts to build and renovate religious schools at the State level were intended not only to meet their constituents’ demands for better Islamic schooling; but more importantly, to meet their own interests to expand their clientelistic networks within the religious circles and to secure their political ascendancy within the ruling party.

Second, the scale and scope of the patronage-maximizing impact of extending material assistance to private religious schools and teachers could be extensive for the State-level leaders if one takes into account the number of religious schools and teachers who benefited from the assistance. The impact may even be more significant when this is compared with the very limited patronage effect of retaining and developing the Syariah court system by individual State governments. For State-level UMNO leaders, it was not a particularly attractive option to retain the jurisdiction of Syariah courts from this patronage perspective. It was precisely for this reason that they did not resist the increasing level of federal interference in the judicial sector. By contrast, the State UMNO leaders had good reason to hope that the administration of religious schools would remain firmly under their control. The registration system of private religious
schools that emerged so far, for example, was the best possible arrangement for them. Under this system, financial assistance derived from an unprecedented amount of federal funding was distributed to private religious schools that had registered with individual State religious departments. Given that the task of allocating these federal funds was subcontracted to the State religious departments, this financial assistance mechanism could best serve the State-level UMNO leaders’ personal interest to maximize opportunities to dispense patronage resources and build a broader personal support base in their own constituencies.21

In short, the administration of religious educational institutions was institutionalized in a way that served the incentive mechanisms of individual UMNO politicians at the various levels to maximize patronage-dispensing opportunities, as shown in detail in the sections that follow.

Co-optation of Private Islamic Schools and Teachers:
The Federal Take-over Campaigns and Resistance

The federal government spent much effort to take over the administration of private religious schools and teachers and to place them under the jurisdiction of the Ministry of Education. The take-over exercise was first launched in the late 1970s, but accelerated in the 1990s (Rosnani Hashim 1996: 69-70). The federal authorities’ campaigns, however, proved not so successful after all. A conventional explanation of this failure points to resistance against the plan from PAS, which governed the predominantly

Muslim-populated State—Kelantan. The structure of resistance against the federal take-over initiative, however, was not so simple; resistance came not only from PAS but also from some leaders within UMNO. Moreover, not all the private religious schools and teachers opposed the plan; in fact, some supported it.

Resistance from religious schools and teachers against the federal government’s take-over plan was based on administrative and political grounds. From a school’s perspective, the take-over meant that the schools would have to concede a substantial share of administrative autonomy to the government. While this arrangement was intended to lessen the financial burden of the schools, it was by no means an option desired by the schools. The schools would have to adopt the teaching curriculum prescribed by the Ministry, allowing them little leeway to decide what they could teach. They were extremely afraid of losing their individual school character—especially religious instruction—preserved for many years with the support of neighboring communities. Further, they were equally anxious about the prospect of being ‘secularized’ by conforming to the curriculum set by the government.

We should not underestimate the importance of retaining control of the religious curriculum for ulama. The character of traditional-type religious schools is primarily determined by religious instruction conducted by the individual teachers who run these schools. The personal teacher-pupil relations were also an important and unique aspect of the individual schools. Some students even travel to places far away from their home to acquire religious knowledge from particular prominent teachers and/or at renowned schools. State interference with school affairs in general and the curriculum in particular meant that such unique characteristics of the traditional religious schooling might be disturbed. Their resistance to the federal government’s take-over plan hence was not unexpected.

---

22 PAS governed another predominantly Muslim State, Terengganu, from 1999 to 2004.
To induce the reluctant schools, the government offered a range of material incentives such as financial assistance to renovate old facilities, higher salaries for teaching staff as well as various allowances (by incorporating them into the national public service schemes); and providing free training for unqualified teachers. From the perspective of the school management, this financial assistance from the government was increasingly important and appreciated as the cost of running schools and securing qualified teachers became more expensive than ever before. Pupils and parents, on the one hand, would expect not only traditional religious subjects but also regular academic subjects to be taught. Offering regular subjects was not an easy task for resource-poor religious schools; it required not only authorization from the relevant governmental agency, but also hiring qualified teachers (Interview with a teacher at an ABIM-run school, Kajang, Selangor, 4 May 2000).

Religious teachers, on the other hand, were generally dissatisfied with their poor working conditions—especially their remuneration scale. Compared with teachers at the national schools, their salary was extremely low with inadequate allowance and welfare schemes. Some of them were even required to do agricultural work or other part-time jobs to earn extra earnings, because their salary earned from teaching at the religious schools was not sufficient to make ends meet.

The government’s approach, however, proved only partially successful, with many private schools remaining still independently run or unauthorized (Interview with a Ministry of Education official, Kuala Lumpur, 8 September 2000). The continuing tension between the Ministry and the religious schools cannot be explained by technical or material factors alone. The political dimension also played a very significant role. As suggested above, the government’s general view was that religious teachers were sympathizers of PAS and private religious schools and teachers the latter’s support base.

---

On the other hand, the schools—whether indeed PAS sympathizers or non-partisan—tended to perceive the Ministry’s interference as an UMNO trick to neutralize them politically, while tempting them with the material benefits needed for their own survival.

The PAS-ruled Kelantan State offered the most conspicuous and tense battleground for this conflict, symbolizing both material and political dimensions. Involving the federal government/Ministry of Education, an alliance of private religious teachers, and the incumbent PAS government, the controversy developed into a trilateral battle. It is, in fact, suggested that the Ministry was about to achieve agreement on the administrative transfer of the religious schools in exchange for material reward before the late-1990s (Interview with Rosnani Hashim, Department of Education, UIA, Selangor, 9 March 2000). The controversy was partly derived from a petition submitted to the Ministry of Education by an association of private religious teachers in Kelantan, Persatuan Guru-Guru Sekolah Agama Rakyat Bantuan Kerajaan Kelantan (PGSARBK). Their claim was that their welfare had been neglected by the State government, and thus the federal government should take steps to rectify their grievances.24

The Ministry’s take-over attempt this time, thus, was made apparently justifiable: there was a demand from a group of discontented religious teachers about their material conditions. Moreover, then Minister of Education, Najib Tun Razak, assured that the characteristics of Islamic instruction would be maintained after the take-over, an action to preempt protest from parties suspicious of the federal authority’s motive. He also claimed that the Ministry’s true intention was to upgrade the physical conditions of the schools as well as teachers, with the quality of teaching elevated for the benefit of students. The Ministry, in other words, declared its responsibility to safeguard the interests and future of those students studying under such poor conditions.25

The PAS leadership in the Kelantan State strongly resisted the take-over plan. The Chief Minister Nik Abdul Aziz Nik Mat expressed his determination not to 'give up the private religious schools in Kelantan to the central government.' Further, he even threatened the private religious school teachers sponsored by YIK (Yayasan Islam Kelantan, Kelantan Islamic Foundation) by urging them to resign if they wanted the federal government to take over the administration of the schools. At the same time, PAS leaders apparently managed to mobilize suspicion and anxiety among the teachers about the hidden motives behind the federal campaign initiated by UMNO leaders, namely the aim to secularize the religious institutions. The Ministry of Education was put on the defensive and urged to reiterate that religious education would never be secularized after the federal take-over.

Despite the federal government's blandishment—and in response to PAS leaders' mobilization against the federal campaign—the religious teachers decided to remain under the supervision of State authorities. An unanticipated political event was partially responsible for this outcome. The sacking of former Deputy Prime Minister Anwar Ibrahim and the ensuing political crisis in 1998 occurred at a time when the Ministry of Education was campaigning to take over the administration of private religious schools. This fueled the contestation between UMNO and PAS even further, allowing the Islamic opposition party to take the offensive. Every initiative by the federal government and Ministry of Education hereafter was seen in the light of partisan politics, making conciliation between the government and the religious schools extremely difficult. Moreover, the particularly crude way in which Anwar was ousted from office put the UMNO leadership in a very negative light not only on a political, but also on a moral

---

26 SMAR: Nik Aziz digesa terima cadangan Pusat, UM, 2 August 1999.
27 YIK is a semi-governmental organization under the Kelantan State government handling Islamic education affairs, among others, in the State. It provides financial assistance to religious teachers at the private religious schools in the form of monthly allowances. YIK exerts considerable influence over the administration of those religious schools.
28 Kesatuan guru, CUEPACS gesa Nik Aziz tarik ancaman,’ UM, 2 August 1999.
basis and was perceived in religious terms. UMNO as a Muslim-based party was seen as morally wrong and thus un-Islamic. The ‘secular’ label that PAS had long exploited to discredit the religious credibility of UMNO was somehow validated in the eyes of Muslim constituencies. Given the surrounding context, the Islamic opposition leaders played up the politics of secularism, damaging the credibility of UMNO leaders on issues related to Islam—including education.

Despite the impact of this moral force behind the federal government’s unsuccessful take-over bid, the role played by material incentives should not be ignored. On top of the ‘stick’ measures mentioned above, PAS leaders did not forget to offer ‘carrots’ to the rebel schools to pacify them. The Kelantan State government decided to grant an extra bonus as well as a 10 percent salary rise to all the religious teachers under the supervision of the YIK including those teaching at State-assisted as well private schools. The deal was along the lines of the measure taken by the federal government: a 10 percent salary rise for all the federal-employed public servants. The pressure to counter the UMNO’s offensive by material measures suggests that the moral base alone was not sufficient to secure the political loyalty of religious teachers. The Kelantan case also suggested that religious teachers in Kelantan would not simply stay quiet; they exercised whatever power they possessed to maximize opportunities to benefit themselves materially. In short, a combination of moral and material forces brought to an end the federal government’s attempt to take over the private religious schools.

**Intra-party Conflict of Interests: The Logic of Patronage Maximization and Distribution**

The failure of the take-over campaign by the Ministry of Education cannot be fully
explained by the electoral competition between UMNO and PAS alone. Resistance against the take-over plan came not only from the PAS-ruled States, but also from an UMNO-ruled State: Johor. The Johor State government led by the Chief Minister, Abdul Ghani Othman, continued to administer the religious schools in the State, while appreciating—and agreeing to receive—annual allocation of developmental assistance from the federal government. The decision was made from the two options proposed by the Ministry of Education: either to give up entirely the administrative control over religious schools to the Ministry, or to receive an annual allocations of development funds from the Ministry which would be directly distributed to the religious schools.\(^3\) This specific set of choices in itself was proof that the Ministry of Education intended to diminish authority of the State government over the administrative control of religious schools, while reinforcing its own. On the other hand, the episode proved that UMNO leaders at the State level would not necessarily concede to pressure from the central leadership.

The intra-party tension within UMNO leadership over religious educational affairs—and why the Johor Chief Minister was unwilling to give up his control over religious educational institutions—was explained by the patronage-maximizing incentive structures for individual politicians within the ruling party. The control over the religious educational institutions—especially religious teachers—is a very lucrative patronage tool for Muslim politicians. The federal leadership may want to take over or at least to exert influence over it. Their political as well as financial might was fully manipulated to this end. The State-level leaders, however, do not want to simply let go their administrative control over the religious schools since it helps them build up their personal support base in their home States. Their jurisdictional independence on religious educational affairs assures them that the federal religious agency JAKIM will have little scope for

---

interference in their affairs; either in regard to allocation of federal funds or appointment of religious officers and teachers. Moreover, the growing allocation of federal funds to individual States—a federal effort to court the religious schools—discouraged the State-level leaders even further from giving up their limited yet immensely valuable administrative authority.

On top of these general circumstances, an additional factor had an impact on the case of Johor. The Johor State had developed a well-structured compulsory religious schooling system unrivaled by any other State. Further federal intervention was not welcome because it might disturb an already well-established system. A vital factor that ultimately deterred the Johor State leadership, however, was the clientelistic relationship embedded in the structure that perpetuated the patronage-maximizing incentive mechanism of individual UMNO politicians at the State level. This had to be tightly safeguarded to maximize the interests of those politicians tied to the structure—particularly the Chief Minister Abdul Ghani Othman. Abdul Ghani took the chief ministerial post in 1995, a gateway to the highest office in the party and thus in the government. Yet, highly competitive party politics in Johor meant that Abdul Ghani needed to consolidate his power base at the State level. To outperform his peers within the party, Abdul Ghani had to exploit whatever prerogatives attached to his office. The administrative and financial control over State as well as private religious schools was one such area that was full of patronage-maximizing advantages. Abdul Ghani’s decision to retain this control while agreeing to receive allocations of annual development funds was meant to maximize these advantages.

This same patronage concern also accounted for the Minister of Education’s zealous take-over initiative at the federal level. Najib was not only the Minister of Education, a

post traditionally held by promising UMNO politicians; but he was also a Vice President of the ruling party when Deputy President Anwar lost his post in 1998.\textsuperscript{33} With the general election as well as the party election on the horizon in the coming years, Najib needed to mobilize all the resources available to him to increase his chance in this race.\textsuperscript{34} The intra-party contest among the top national leaders was growing tense after the sacking of Anwar. Najib was one of the party leaders who benefited from Anwar’s elimination, and was aiming at the post made vacant by it. For him, the educational ministerial post provided a source of abundant patronage to be utilized for his personal ends. Against the context of rising tension between UMNO and PAS, winning administrative control over the private religious schools—a base of anti-governmental political mobilization—would not only be a gain for the party, but more importantly, equip him with extra patronage-dispensation instruments.

**Legislative Measures: State Authorization and Material Reward**

The federal government also attempted to adopt legislative measures to expand the registration/authorization regime nationwide. The Enactment of Administration of Islamic Schools was proposed to reinforce the supervisory capacity of the State authorities over private religious schools. Under this mechanism, the private religious schools would be required to register with the religious department in their respective States. In a way, this was a second best option for the federal religious authorities that failed to take-over the administration of the private religious schools, and yet hoped to exert some influence over them.

\textsuperscript{33} There are three Vice Presidential posts. Normally a vacancy at the Deputy Presidential level would be filled by one of the Vice Presidents.

\textsuperscript{34} The General Elections and the UMNO party election were held in 1999 and in 2000 respectively. Both Najib and Abdul Ghani were contenders for UMNO’s three vice presidential posts.
This measure could enable federal religious authorities to exercise some control over the operation of the schools by obtaining basic information about them to identify, for example, how many religious schools were run in various States, how many students attended these schools, and how many teachers were employed by them. Under the previous weak supervisory regime, even such basic information was lacking. It was thus almost inevitable that a large number of private religious schools were left largely unregulated. The deal under the new regulatory regime was that the federal government —through the State religious departments—would allocate financial assistance for staff salaries and other necessities; in return, the authorized schools would be required to adhere to the curriculum as well as other administrative regulations prepared by the government.

However, only a few governments such as Negeri Sembilan were enthusiastic about adopting the measure proposed by the federal authorities. A key puzzle here was the State-level UMNO leaders' reluctance to fully enforce the Enactment, despite the fact that the central authorities—also under the same party—supported the plan. This puzzle of intra-state tension, again, had to do with conflict of interests within the ruling party: the incentive structures of individual UMNO politicians to secure their own avenues for patronage dispensation.

This measure, if fully implemented, would help State religious authorities tighten control over private religious institutions by legal means, thereby making the former more authoritative. But, at the same time, it would also entrench a more legal-bound bureaucratic mechanism regulating not only how the school should be run, but also how public funds should be dispersed. Further, it would reinforce federal encroachment upon the individual State agencies. In other words, it was not only the private religious schools, but also the State government authorities—politicians as well as administrators alike—that would be affected by the implementation of the administration enactment.
This could be especially damaging to the patronage interest of State UMNO leaders by restricting their discretionary power in dispensing ‘public goods’ to their intended constituencies. On the other hand, the enthusiasm of the federal religious agency, JAKIM, in urging State authorities to adopt the measure was equally understandable from the same patronage-maximizing perspective. The head of JAKIM, the Minister in the Prime Minister’s office in charge of religious affairs, Abdul Hamid Othman, could expect to gain substantially from the successful implementation of the enactment, with more patronage instruments in his own hands. However, quiet resistance from the State-level UMNO leaders helped impair the nationwide implementation of this legislative measure.

Introduction of the National Religious Examination (STAM)

A most recent—and perhaps the most momentous—administrative measure taken by the federal government was the introduction of the new national religious examination called STAM (Sijil Tinggi Agama Malaysia) effective in 2001.35 Previously, there had been no uniform nationwide examination mechanism, allowing across-State and even across-school variance in the system certifying religious school graduates. Individual States and even some schools managed their own certificate mechanisms based on particular criteria such as Kelantan’s Sijil Tinggi Ugama (Religious Higher Certificate, or STU). This patchy system did not harm students as long as they could be admitted to tertiary institutions to pursue Islamic studies—the most prestigious of those being the Al-Azhar University in Cairo. In addition to its high prestige among Islamic scholars and students, Al-Azhar’s relative openness to Malaysian students as well as low tuition fees attracted a large number of graduates from various religious schools nationwide.36 It is important to note here, however, that their entry to the University was secured solely on

35 Warta Pendidikan, No.3 (September-December 1999); Abdul Monir Yaacob (2000: 14-18).
36 Among 5,724 Malaysian students studying at the Al-Azhar as for 2000, 70 percent of them were self-sponsored (‘Malaysians do badly at Al-Azhar,’ NST, 18 September 2000).

200
the ground that Al-Azhar agreed to acknowledge the certificates issued by the State
governments on an individual basis.37

With this new system effective, however, passing the STAM examination was made a
prerequisite for admission to Al-Azhar, and the existing 26 examinations including *Sijil Tinggi Ugama* and *Sijil Tinggi Agama* conducted by the various States were abolished. In
other words, any other certificate—either from the State governments or individual
schools—would no longer be acknowledged as an entry ticket to the Al-Azhar
University.38 The ruling was particularly detrimental for private religious schools because
many of them aimed at sending their students to Al-Azhar or other Islamic tertiary
institutions, both abroad and locally. They were not intended nor equipped to prepare
these students for any other options but religious study courses.39

A challenge posed to private religious schools is how to prepare their students for this
new exam. They have to train their teaching staff to be familiar with the new mechanism,
and if necessary, have to hire teachers trained under the government program. This will
incur extra costs for the resource-poor private religious schools, encouraging the latter’s
compliance to governmental rules. In addition, they have to secure access to information
from the government in order to prepare for the new system. Otherwise, students may
simply leave, seeing no future in staying in out-dated schools. For the schools, isolation
from government may be too costly in the long run.40

37 See, for instance, ‘Kerjasama Universiti Al-Azhar iktiraf kelulusan pelajar Azuddin akan diusah,’ *UM*, 6
38 ‘Kelantan students’ Al-Azhar hopes may be dashed,’ *NST*, 19 September 2000.
39 Some modern types of private religious schools acknowledged the problems deriving from the limited
offering of courses exclusively focused on religious subjects, and began accommodating secular subjects in
their curriculum.
40 For implications of the introduction of STAM for religious teachers at private religious schools, for
instance, ‘Religious teachers set to get better pay,’ *Star online*, 10 June 2002.
Demobilizing Islamic Teachers: the State's Manipulation of 'Stick' and 'Carrot' Tools

Religious teachers were beyond doubt attracted to better salary schemes, training, and various additional material incentives offered by the federal government. Their socio-economic standing, by any standard, was extremely low and the relatively high esteem they enjoyed in the Muslim community in the past had dramatically diminished as socio-economic development proceeded at such a rapid pace and on an overwhelming scale. It is unsurprising that they sought better career opportunities to upgrade their qualifications and achieve better socio-economic standing (Interview with religious secondary school teachers from Johor and Pahang, Kuala Lumpur, 29 August 2000).

Importantly, their lack of resources—not only financially but also organizationally and politically—meant that they could not organize a forum powerful enough to pressure—and negotiate a better deal with—the federal authorities to their advantage. Thus, the government could take advantage of their organizational and financial weakness whenever necessary. The religious schools' financial dependence on the federal sources, in particular, offered federal authorities a 'stick' to penalize politically defiant institutions by threatening to terminate financial aid.

The possible use of the stick was not merely meant to threaten private religious schools associated with opposition parties to give up their anti-UMNO stance and to concede to federal initiatives. The federal government, in fact, used the stick to punish them, finding that private religious schools were penetrated and mobilized by PAS for anti-government campaigning. The government decided to suspend grants and financial aid to all private religious schools on the grounds that they had been 'misused to teach children politics instead of religion.' The Prime Minister Mahathir was particularly alarmed that opposition parties were using the schools to sow anti-government sentiment among
students especially after the dismissal of Anwar in 1998. There was also a general concern that these schools had ignored a syllabus for religious studies required by the government.41

The tightening of administrative control over religious educational institutions took place not only at the federal but also at the State level. In UMNO-ruled Negri Sembilan, for example, the State government passed a bill to amend the State Islamic Schools Regulation Enactment 1996. The amendment authorized the State religious department to seal illegally-run Islamic schools and kindergartens and bring the school authorities before the State Syariah Court. This measure was intended to facilitate the State religious authorities to act against anti-government elements that had an objective of ‘infusing negative political influence and religious extremism in young children.’42

All these measures were obviously targeted at opposition parties—especially PAS. After the dismissal of Anwar in 1998 culturally unacceptable to many in the Muslim community, anti-government sentiment was running very high. Private religious educational institutions—at all levels from kindergarten to college—provided oppositional forces an outlet for anti-UMNO mobilization. To contain the spread of such oppositional forces through Islamic channels, UMNO leaders took advantage of their control over the state administrative apparatus. The federal government’s proposal to introduce the national religious examination, STAM, was one such measure, and caused great agitation among the opposition leaders.

PAS attempted to mobilize the private Islamic schools to counter this proposal as well as other federal government’s initiatives to strengthen its administrative control. After learning that Al-Azhar would no longer consider students without the STAM certificate, the Chief Minister of Kelantan and spiritual leader of PAS, Nik Abdul Aziz Nik Mat, led a

42 ‘Closure for religious schools not registered with Negri department,’ NST, 3 November 2000; ‘No
State delegation to the Al-Azhar University in Cairo to negotiate a special deal for students from the religious schools in Kelantan.\(^43\) Al-Azhar officials, however, did not heed the PAS leaders’ plea and advised them to negotiate directly with the Federal government.\(^44\) Despite the PAS leaders’ resistance campaigns, STAM was put in effect after all, with the opposition party as well as relevant religious schools left in despair (Interview with the PAS Secretary-General, Selangor, 16 April 2002).

All these episodes suggested that ‘carrots’ offered by the federal authorities could readily be turned into ‘sticks’ to discipline private religious schools and teachers when the latter proved a source of unfavorable activities. The administrative apparatus that was, in theory, erected to protect the social-welfare interests of the private organizations was abused in practice to fulfill private interests of UMNO politicians.

The Politics of Education: Power of the Chinese and Business Interests

The patronage-maximizing incentive structures of UMNO politicians left the latter responsive not only to Muslim concerns but also to pressures from the non-Muslim constituencies. The pressures especially from the Chinese community were much more strongly felt and politically and systematically expressed here than on Syariah issues, altering the contour of the Islamic education system. The Chinese community was not particularly happy to see the government allocating disproportionately large resources exclusively for the development of Islamic education and thus for the interests of Muslims. They had long been unhappy with the unequal distribution of public funds on educational matters. The sense of discontent was further intensified as the government politics in school, warns Negri MB,’ NST, 19 March 2001.


\(^{44}\) ‘Kelantan students’ Al-Azhar hopes may be dashed,’ NST, 19 September 2000.
began relocating an increasing amount of federal funds to the expansion of religious educational mechanisms since the 1980s. They felt that their interests, in contrast, were not sufficiently served (Interviews with Chinese educationists, Kuala Lumpur, 27 July 2001; Selangor, 1 August 2001; the Education bureau chief, DAP, Kuala Lumpur, 10 April, 2002).

For the Chinese community of the post-independence era, these issues were very contentious. Chinese educationalist organizations were established and grew politically prominent to protect the cultural rights of the community, especially Chinese-medium schools and the Chinese language (Kua Kia Soong 1999; Tan Liok Ee 1992, 2000). The presence of the highly organized and influential lobby groups focused on education enabled the educational issue to be translated into a larger communal problem in the political arena. Against the backdrop of eroding Chinese representation within the UMNO-dominant government and strong oppositional pressure from the mainly Chinese DAP (Democratic Action Party), the Chinese-based political parties within the ruling coalition such as MCA (Malaysian Chinese Association) felt desperate to prove the value of their presence. They needed to reclaim lost support in the community they were supposed to represent (Kim Hoong Khong 1991: 27-32). Together, these circumstances allowed the formation of a broader community-based coalition to resist the government’s excessive intervention in their educational affairs.

The Chinese-based parties—both in the ruling and oppositional fronts—and educational pressure groups, for instance, formed an informal alliance in 1987 to mobilize Chinese resistance against—and put pressure on—the then Minister of Education, Anwar Ibrahim, to quit office. He was seen as intervening excessively in the administration of Chinese primary schools while allocating too many resources—and visible patronage—to the Islamization of the national education system. There was a growing fear on the side of the Chinese that their schools would be merged into the
national school system—one that was becoming increasingly Islamic and alien to them (Interviews with Chinese educationists, Kuala Lumpur, 27 July 2001; Selangor, 1 August 2001).

The federal government—especially the Minister of Education—faced a dilemma: if they wanted to expand Islamic education within the framework of the national education system, it would alienate non-Muslims from the national schools and they would move to the ethnic-based Chinese-language national-type primary schools. On the other hand, they needed to accommodate the rising demand from the Muslim community to provide a wider range of religious subjects within the national educational system. Otherwise, they could simply lose students to State government- and private-run religious schools with own curriculum.45 On political as well as ideological grounds, this was not a favorable option for UMNO leaders. Politically, the outflow of students from the national schools to private religious schools might help expand opposition support bases, given that many of these schools were seen as PAS sympathizers. Ideologically, the danger for them was that more students would be exposed to deviant, anti-establishment, or potentially radical Islamic teaching and ideas at these private religious schools, not fully regulated by government religious authorities.46 This dilemma was never resolved, contributing further to fragmentation of the national education apparatus.

At the national level, UMNO top leadership was aware of the value of the role of the economically dynamic Chinese businesses in national economic development, and also of their essential political support in elections. Hence, they could not afford to ignore the strong and well-organized Chinese demands in the educational sphere. The power of Chinese pressure, however, was felt equally firmly at the individual level. As shown in the earlier section, the logic of political ascendancy within the party hierarchy and the

---

45 Mahathir reiterated the government's hope that the people send their children to national schools instead of religious schools, given the popularity of the latter (For instance, 'PM: Acquire both spiritual and academic knowledge,' Star Online, 28 November 2002).
incentive to maximize opportunities for dispensing patronage affected the decision making and policy implementation of individual UMNO politicians. Since the late 1980s the increasing value of businesspeople—both Muslim and Chinese—as political financiers for individual UMNO politicians meant that Muslim ruling politicians were obliged to address the particular interests of corporate figures. The Muslim businesses, on the one hand, might generally be sympathetic to the predicaments of the Islamic schools. Yet, they were more concerned about recruiting those trained in more practical areas such as economics, accounting, engineering and sciences. Increasing the religious content of the national education system was not their topmost priority. The important point here, however, is that many of the Muslim businesspeople—unlike their Chinese counterparts—heavily depended on their personal ties with UMNO politicians for their business success and survival. Their relative lack of bargaining power meant that their views about Islamic education issues could readily be overruled by decisions made by UMNO politicians.

The circumstances of Chinese businesspeople were rather different. Their entrepreneurial skills and networks were highly valued by business-oriented UMNO leaders. For the Chinese businesses, too, their personal ties with individual UMNO politicians grew important for their business expansion. But UMNO politicians’ increasing willingness to associate personally with Chinese corporate figures to finance massive electoral expenses, in an environment of increasingly expensive intra-UMNO competition, allowed the latter more leeway to have their views heard by these Muslim politicians at higher echelons of government.

Overall, both the business and Chinese communities as well as the urban middle-class Muslim community, found the moderate type of Islam promoted by the liberal UMNO regime more acceptable than the conservative type of Islam associated with PAS. One way to preempt the spread of PAS’s Islamic vision was to institutionalize the
administrative control over the private Islamic schools and the corps of religious teachers who run them. This had to be done without UMNO leaders appearing to be suppressing Islamic schools and therefore anti-Islam. The federal government’s initiative to build their own religious educational structures within the national school system—and to take over the administration of the private religious schools—was one such effort.

However, achieving these objectives was not easy, because the perception that this was a step towards Islamization of the educational system agitated the Chinese community and helped drive away Chinese students to the ethnic-based vernacular schools. The necessity to balance these contradictory pressures led to the moderate level of institutionalization of the state machinery overseeing religious education.

**UMNO Politicians and Chinese Interests: Anwar’s Islamization Drive in Education**

The campaigns to Islamise the national education system pushed by the then Minister of Education, Anwar Ibrahim, in the late 1980s best demonstrated UMNO politicians’ patronage-maximizing incentives—and their vulnerability to Chinese and business pressures. Alongside the Chinese pressures, the lack of corporate business interest in this area meant that UMNO leaders at the national level had comparatively little incentive to be overly attentive to these issues. It was when Anwar was the Minister of Education (1986-1991) that the Islamic educational apparatus expanded rapidly at the national level.47 A new concept emphasizing a ‘holistic approach’ was introduced into the National Education Philosophy; the time allocation for Islamic religious education for Muslims students was increased; and federal-funded national secondary religious schools (SMKA) were spawned nationwide. Moreover, his care to get his religion-focused policy line maintained by the ministers and officials who followed reflected Anwar’s special interest in inculcating Muslim youth and teachers with strong religious values (Interview

---

with one of Anwar’s close associates, Kuala Lumpur, 15 January 2001).

Importantly, it was the patronage-maximizing incentive that was also driving Anwar’s aggressive Islamization campaigns when he was at the helm of the Ministry of Education. The expansion of the Islamic schools and classes at the various levels resulted in an increasing number of religious teachers being employed and given a larger official presence in the national education system, together with better material benefits. One of the most prominent Islamization projects in this educational sector with which Anwar was closely associated was the establishment in 1983 of the International Islamic University of Malaysia (UIA), the highest Islamic educational institution. His personal commitment to the expansion and operation of the University was seminal; he allowed himself to become the second President of the University, and a number of his close associates and supporters—both old and potential—to hold teaching as well as executive positions. Anwar’s networking through this project went beyond the administrative realm. Tens of thousands of students studying at, and graduating from, the University were key targets of his Islamization projects.

UIA offered local students—especially those religious-educated—a new avenue to study Islamic-related subjects locally. An unique character of this Islamic university, however, was not only its emphasis on religious training in such an area as Islamic jurisprudence or Islamic laws, but also its quest to produce better qualified Muslims both in religious as well as secular fields. Since its inception, UIA had been successful in these goals; a number of UIA graduates took up prominent professional positions in a range of sectors including the judiciary, business, industry and the public service, fields where theologically trained Muslims were traditionally under-represented. These religiously better-grounded and professionally better-equipped young urban middle-class Muslims came to form a strong support base for Anwar.

Through these official Islamization programs, Anwar also expanded an extensive clientelistic network within religious circles to which an increasing number of better-qualified and better-treated religious teachers and officials were linked. It was not at all surprising that Anwar was popular and highly regarded among religious teachers and experts, even amongst the opposition.\textsuperscript{50} Given their influence in the Muslim community in general and on students in particular, Anwar’s patronage-maximizing activities through the educational channels had the multiple effect of cementing his personal support base among those urban middle-class Muslims as well as theologically trained religious teachers and officials. It was those urban middle-class Muslims, especially students who participated in the anti-government reformasi movement after the sacking of Anwar in 1998 (Weiss 1999: especially 428).

His aggressive campaign to revamp the national education system and to expand Islamic education in the late 1980s, however, not only paid him handsome rewards, but also cost a huge price: coupled with his Islamization campaigns, his heavy interventionist approaches towards Chinese-medium schools, offended the Chinese as well as business communities.

The key controversy that caused trouble for Anwar was his (his Ministry’s) move in 1987 to appoint non-Mandarin-educated Chinese teachers to administrative posts, including as assistant headmasters and senior assistants in Chinese national-type primary schools.\textsuperscript{51} On its own such a move seems minor, but it developed into a controversy confirming that educational issues could easily be politicized in conditions of tense inter- and intra-ethnic rivalry. The Chinese-based opposition party, DAP, in collaboration with the Chinese educationalist organizations, the United Chinese School Committees’

\textsuperscript{49} For instance, the law major students are required to take both Syariah and civil law subjects.


\textsuperscript{51} Government-sponsored primary schools are categorized in two types. One consists of the national schools, which use Malay, and the other includes the national-type schools teaching in Chinese. While the former are fully funded by the federal government, the latter are only partially supported by the
Association Malaysia (MCSCAM or Dong Zong) and the United Chinese Schools Teachers’ Association (MCSTAM or Jiao Zong), took up the issue and objected to the proposed appointments. These groups had always been suspicious of any plan proposed by the Ministry that might be a step towards full integration and ‘Malayization’ of Chinese schools. They perceived the recent exercise as an attempt by the government to change the character of Chinese schools. They felt that they needed to take firm action against the new systems of appointments to preempt any further interference in their schools. Their animosity towards the government was immediately translated into condemnation of the Chinese-based parties within the ruling coalition BN, especially MCA. Yet, the issue was too critical for MCA’s reputation in the Chinese communities to be ignored, in the context of their eroding electoral influence. Some MCA leaders, led by the deputy president and Labor Minister, Lee Kim Sai, joined with DAP as well as 15 other Chinese-based organizations to form a joint action committee to protest against the Ministry of Education’s policy. They not only urged the Ministry to cancel the appointments, but also called on Anwar to resign from office. Further, in some States such as Penang and Malacca, they called for a boycott of classes. The issue was not simply ethnic, nor inter-party rivalry between DAP and MCA. Intra-party factionalism within the two ruling parties, UMNO and MCA, also played some role in exacerbating the already wide discrepancy between the government and the Chinese community even further.

The Chinese business community also adopted a strong stance against the Ministry. The Kuala Lumpur and Selangor Chinese Chamber of Commerce and Industry, for instance, urged the government to ensure promotion of teachers with Chinese language

government. The number of non-Malay pupils in the national schools has been declining.

54 ‘Get them back to school: Call to parents as thousands of pupils stay away from classes,’ NST, 16 October 1987; ‘Lessons as usual in most schools,’ NST, 17 October 1987.
qualifications to fill the vacancies for administrative posts in Chinese primary schools. It also called on the government to train more teachers with Chinese qualifications to solve the problem of shortage of teachers in the Chinese schools. The president of the Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCIM), likewise, expressed ‘full support’ for the resolutions adopted by the joint action committee, while suggesting that ‘the UMNO leadership should respect the wishes of the Chinese community and not deliberately hinder the Chinese community from striving for their legitimate rights.’

For Chinese organizations, increasing Islamization trends at the national schools were already a source of sufficient concern, since these had the inevitable consequence of negligence of non-Muslim interests (Interview with a Chinese educationist leader, Kajang, Selangor, 1 August 2001). But, on top of this, the Ministry of Education’s overt interference in the management of the Chinese-medium schools, evidently, was a grave offence beyond their tolerance. Other political factors, such as deep-seated intra-party factionalism within MCA as well as UMNO, helped incite ethnic mobilization, and escalate the dispute out of proportion, eventually causing the arrest of a number of Chinese community leaders. But what should not be overlooked in the context of our discussion is that Anwar himself did not take an overtly hostile step against the Chinese organizations. He initially expressed his readiness to take drastic action against those who did not comply with the Ministry’s decisions. However, he soon acknowledged the sensitivity of the issues dealing with Chinese schools, since he faced fierce resistance from Chinese organizations. He publicly conceded that he would handle promotion and transfer exercises of non-Chinese educated teachers ‘with more care and consideration.’

The UMNO Youth led by Nazib Tun Razak planned mass rallies to threaten the Chinese

55 ‘Call on Government to promote Chinese teachers,’ NST, 14 October 1987.
56 ‘Anwar warns school heads: “Provide right leadership or face action”,’ NST, 18 September 1987.
organizations to withdraw their resolutions, but Anwar largely stayed away from open confrontation. It was apparent that Anwar did not want to be personally involved in the conflict and to harm his name any further. Yet, some Chinese leaders still recall that Anwar's tenure at education was a bad time for the Chinese community in general and the Chinese schools in particular. His aggressive 'Islamic activist' image apparently remained too vivid to be erased among them, an image unfavorably compared with his rival, Abdullar Ahmad Badawi, who had been the Minister of Education in the early 1980s (Interview, a Chinese educationist leader, Kuala Lumpur, 27 July 2001). And, this was precisely the image that he modified to expand his support base. Since the late 1980s, as the other chapters show, the UMNO leadership began taking an accommodative approach towards the non-Muslim communities, and especially the Chinese. This new nation-building attitude—envisioned in Vision 2020—essentially derived from the UMNO leaders' recognition that they would need Chinese capital and Chinese skills to survive the worst recession to date, and in the long term, to achieve their goal of national economic development. Moreover, a number of UMNO top leaders—especially the new generation of Muslim politicians represented by Anwar—began individually to build clientelistic partnerships with wealthy corporate figures including Chinese to secure funding sources to rise up the party hierarchy. It was not prudent for them and Anwar to keep offending their communal interests.

All these political considerations had two important effects on policy making and implementation on the national education system. First, Chinese schools were left largely intact after their clash with the Ministry of Education in 1987. In fact, their popularity grew even further despite a shortage of financial support from the government. The Ministry of Education may have held a view to fully integrate them into the national education system one day. But it was simply impossible without a strong political...
incentive for UMNO leadership. It was precisely this incentive that was lacking in the context of patronage-maximizing incentive structures embedded within UMNO. The necessity to continually court the Chinese community in general and the business class in particular discouraged the ruling Muslim politicians from taking drastic steps against the Chinese schools.

Second, UMNO leadership, on the other hand, could not neglect growing demands from Muslims to provide their children with adequate religious education. Despite the increasing significance of the non-Muslim and business communities, the Muslim community—both rural and urban—remained their important electoral base. Some parents thought that the religious content of the national schools was not sufficient, while others considered the national school system too secular. One alternative way to meet their demands was to send their children to private religious schools, some of them outside the government’s administrative orbit. This allowed the latter not only to survive, but also to thrive despite poor physical conditions and a lack of qualified teachers. UMNO leaders, thus, needed to develop a formula to accommodate them within the national education system, while preventing them from being attracted to the unauthorized religious schools. The increasingly Islamization of the national schools and the development of the national religious secondary schools (SMKA) as well as extra religious classes were measures to meet this need. Further, the federal authorities proposed to take over the management of private religious schools by offering material rewards to teachers. However, this bid proved largely unsuccessful, forcing the federal leadership to adopt other administrative and policy measures to exert influence over the private religious schools and teachers. The federal authorities’ various ‘carrot’ and ‘stick’ tactics brought about a mixed result, leaving some of the responsibility of providing and regulating religious education to State and private actors.

These patchy arrangements were primarily a result of patronage-maximizing incentive
structures of individual UMNO politicians, and intra-party conflict of interests and goals among them at various levels—precisely derived from these incentive structures. These patronage-maximizing incentives created a new dilemma for UMNO politicians; that of balancing contradicting pressures from the Muslim community and the non-Muslim community, especially Chinese. Mahathir acknowledged this nation-building problem all too well. He pointed out the failure of the national school system to forge understanding between the Muslims and the non-Muslims. He lamented that ‘the Chinese felt that the national schools were “too Malay” while the “Islamic factor” also played a part in their perception. On the other hand, the Malays preferred to go to religious schools.’ 59 Given the patronage-maximizing incentive mechanisms for UMNO politicians, and clientelistic networks firmly entrenched within the ruling party hierarchy as a source for intra-party political ascendancy, this nation-building dilemma in the educational sector was never resolved.

The overall outcome of all these considerations and arrangements was a medium-level of institutionalization of the state mechanisms regulating religious education. Non-federal and private actors continually shared the responsibility for providing religious education in an arrangement perceived widely as unsatisfactory.

59 Star Online, 24 November 2002.
The Islamization policy inaugurated under the Mahathir administration in 1981 created and revamped a range of Islamic institutions. As the prior two chapters have shown, the jurisdiction of Islamic agencies was expanded—to various degrees and in a variety of ways—within the state. Moreover, the Muslim religious elite, known as ulama, had become better-qualified with the influx of theologically trained graduates who had been produced at the Islamic educational institutions that had thrived since the 1980s. This new religious elite was swiftly incorporated into the civil service as Islamic court officials, teachers and Islamic affairs officers in government agencies.

Given this conspicuous trend toward institutionalization of state Islamic agencies across sectors, the comparatively low level of state institutionalization of administration of zakat, one of the five pillars of the Muslim faith, was intriguing. In this charity-based welfare-financial sector, there were some organizational efforts by individual religious authorities at State level to incorporate new expertise and develop new mechanisms and schemes. A primary objective of these efforts was to increase zakat revenue as well as diversify distribution of collected funds to a wider range of less-privileged Muslims. Efforts to make the management of zakat funds more efficient and reliable were also evident. Extremely limited official, and unofficial, coordination among various governmental agencies, however, left the system of zakat administration weakly organized and with little authority. Moreover, the concurrent development of an Islamic welfare mechanism equivalent to the zakat but outside the formal bureaucratic structure,
personally sponsored by powerful UMNO politicians, further undermined the reputation and morale of the zakat institution and religious officials who ran it. UMNO politicians promoted the development of zakat-like mechanisms not only for religious reasons, but also as a means to create their own avenues for the practice of patronage. This arrangement was, after all, intended to maximize opportunities to build up broad-based support to secure ascendancy in the party hierarchy.

This chapter is structured as follows. The first section briefly overviews the fundamental mechanisms, as well as structural problems, of zakat management. This is followed by a review of the organizational development of zakat management since the late 1980s. The subsequent sections examine how patronage-maximizing incentive structures of individual UMNO politicians have shaped the institutionalization of Islamic welfare mechanisms within and outside the state. Here, the logic of intra-party political rivalry is introduced as the key explanatory variable.

The Underdevelopment of the National Zakat Mechanism

Outdated and Incompetent Zakat Management

A brief overview of the zakat management structures helps us identify issues that influenced the reform campaigns spearheaded by the federal and State religious authorities since the late 1980s. Zakat, theoretically, is an obligatory payment for all Muslims. Zakat funds are dispersed to the asnaf (those entitled to receive zakat payments) according to rules set by the Syariah (Islamic laws). In principle, zakat is an instrument to help eradicate poverty, and it functions as a ‘taxation’ mechanism for social and welfare purposes and for the redistribution of wealth. In reality, the institution of zakat is interpreted broadly to tax a wider range of revenues and to sponsor a wider range of social-welfare and financial schemes. The scope and the scale of zakat, therefore, vary
across time, place and circumstances.

In Malaysia, unlike some other Muslim countries, the legally recognized administration of *zakat* is solely managed by the government. There is, however, variation between the States in the administration of *zakat* payment, collection and distribution. In view of this, in the late 1980s, the federal and State religious authorities initiated a reform campaign to improve the management of *zakat*.

Since Islamic affairs fall under the jurisdiction of the State governments, specifically the Heads of States or sultans (except in Kuala Lumpur, Penang, Malacca as well as the East Malaysian States), the State authorities handle administration of *zakat*. In all States except Kedah, the *Majlis Agama* (Religious Council), which is responsible to the sultan, runs a *zakat* office. In other words, the *zakat* fund was administered exclusively at the State level. There was almost no coordination among the State governments or between the federal and State authorities. The limited coordination among the Religious Affairs Departments in the management of *zakat* was a major contributory factor to the inefficient and ineffective implementation of this fund nationwide (Aidit bin Ghazali 1991: 85-87).

The most widespread problem faced by the *zakat* offices was the shortage of resources—physical, financial as well as technical expertise—to develop and enforce new programs and mechanisms. The *zakat* departments were almost exclusively staffed by those trained in Islamic Studies—*ulama* and *ustaz* (religious teachers). Expertise in the *Syariah* was, however, not an adequate qualification to operate *zakat* funds. *Zakat* officials were also poorly equipped with key secular knowledge, in such fields as accounting, finance and administration. The lack of financial resources, and limited political attention, had left the *zakat* offices unequipped to mobilize adequate resources and develop a better system of *zakat* administration. For example, bookkeeping was not systematic, and survey or census data that could facilitate *zakat* administration in their planning was not adequate. The problem of nonpayment was left unattended as a result
Furthermore, since public campaigns were rare, due to inadequate manpower, many Muslims were uninformed of their religious duty. A problem arising from such public unawareness was that many Muslims misunderstood their obligatory zakat payment as limited to the annual fitrah tax (zakat collected at the end of the fasting month), and were ignorant of other types of zakat.¹ The fitrah tax was very small, usually, RM3-5 (US$0.8-1.3), compared to other taxes with much more potential to raise funds for welfare purposes.

In addition, a public perception that the zakat is a royal matter and thus these funds cannot be touched has provided zakat offices with much insulation from both the government and society.² Therefore, allegations of corrupt practices, such as the misuse of zakat funds, were common. An outcome of such allegations, as well as the other shortcomings, was that some Muslims paid zakat directly to mosques or orphanages known personally to them. Since there was no administrative control over these unofficial zakat collections by third parties, this created an opportunity for illegal activities, such as bogus collectors. On the whole, public confidence was very low in the way the zakat offices were managed and these funds were distributed (See, for instance, Aidit bin Ghazali 1991: 106).

In addition to these problems was the issue and impact of partisan politics, involving the long-standing rivalry between UMNO and PAS. Partisan politics had had a major influence on the pattern of zakat payment. PAS supporters, for instance, tended not to make contributions to zakat institutions in States ruled by UMNO. They had little faith in

¹ The rate of zakat fitrah was changed every year and varied from one State to another. (For the rates charged in the individual States in 2000, see BH, 7 December 2000). In some small States, such as Perlis, the expenditure incurred by the collectors took up a major part of the zakat income, leaving little for welfare purposes (Aidit bin Ghazali 1991: 100).
² The level of administrative insulation of zakat management from the royal house varies from State to State depending on, for example, who is the head of the religious council. If the chief minister or the head of the religious department leads the zakat office, as is the case in Negri Sembilan, the State government obviously possesses considerable influence over the way these funds are managed.
the impartiality of zakat managers, especially in the way they dispersed funds, in UMNO-led States (Harakah 16-30 August 2001). It was against this backdrop that the Religious Councils in some States launched a reform campaign in the late 1980s to restructure the outdated and inefficient system of zakat management.

**Limited Evolution of National Zakat**

During the early 1990s, all States recorded a dramatic increase in zakat revenue, primarily due to economic growth, a rise in personal income and a stronger religious consciousness and sense of obligation among increasingly affluent Muslims (see table 6.1). In some States, especially those in the more developed west coast of the peninsula, the zakat agencies developed new mechanisms to collect funds more efficiently or they revamped their administration to introduce more innovative revenue sources, for example, the business zakat (zakat perniagaan). Other types of zakat include zakat harta (property zakat), zakat pendapatan (income zakat), zakat simpanan (saving zakat) and so forth. These types of zakat revenues, in fact, take up a major part of the annual zakat revenue in most States (PPZ, Laporan Zakat, 1999-2000: 78).

The most notable development in the 1990s was the establishment of a corporate body under the Religious Council solely to manage the collection of zakat in six States. The Federal Territory of Kuala Lumpur initiated the new experiment in 1991, followed by five other States—Selangor, Penang, Pahang, Malacca and Negri Sembilan. These corporate bodies introduced a computerized management and accounting system, new programs, document forms, advertisements and PR activities and other services. These new instruments were introduced not only to increase revenue but also to transform a system traditionally seen as inefficient or corrupt into one that was transparent and efficient. Kuala Lumpur the—most advanced technologically—even developed its own on-line networking system that links the headquarters to various branch offices. This device allowed any branch officers access to up-to-date information, thereby making the
management system more efficient, systematic, and customer-friendly. In the late 1990s, Selangor and Penang went one step further by allowing these corporate bodies to take over the zakat collection as well as distribution operations. This was a remarkable development because the religious councils were normally very hesitant to relinquish even a small amount of authority, let alone give up control over distribution of religious funds, as a means to exert influence over Muslims. Moreover, these corporate bodies employed a large number of non-Syariah educated officials—those trained in fields such as accounting, economics, business and public administration—to run the zakat offices.

In Kuala Lumpur’s zakat collection agency, PPZ (Pusat Pungutan Zakat), for example, only five out of the thirty-three staff were educated in Islamic theology. Twenty of these thirty-three staff were employed to perform administrative duties. The top management staff all had some business background—academic qualifications as well as career experience—while some were even educated abroad (and not in the Middle-East). Their

---

3 Interview with the zakat collection agency official, PPZ, Kuala Lumpur, 8 November 2000. For the development of the zakat management in Kuala Lumpur, see Mohamed Dahan (1998).
4 For the changes that occurred in the State of Penang, see Ismail Saad (2000: 12).
emphasis on professionalism and efficiency was in sharp contrast with the attitude of the theologically trained officials that had originally managed the zakat departments.

These improvements were, however, essentially technical in nature, involving little reform of the organization and administration of zakat. Since the 1980s, when UMNO launched a variety of Islamization programs, there had been occasional calls from Islamic scholars and economists to develop and standardize zakat management nationwide. Against the backdrop of an Islamic resurgence in Malaysia, the economics departments in the public universities—in conjunction with Religious Departments—organized seminars and workshops aimed at exploring ways to develop the zakat system into a comprehensive welfare program. It was not until the early 1990s, however, that the federal Islamic Development Department (Jabatan Kemajuan Islam Malaysia or JAKIM) expressed particular interest in encroaching upon the management of zakat. The zakat was originally not high on JAKIM’s agenda.

In 2000, Abdul Hamid Othman, the Minister in the Prime Minister’s Department responsible for religious affairs, announced that the federal government would standardize nationally the system overseeing both the collection and distribution of zakat funds to ensure optimal performance in all States. To this end, a new national administrative agency, Lembaga Urusan Zakat Malaysia (LUZAM, or Malaysian Zakat Management Board), was proposed. Under the proposed system, a fixed-rate (2.5 per cent) of zakat would be deducted from the income of Muslim individuals. The Inland Revenue Board was to be responsible for collecting this tax (NST, 21 June 2000; UM, 21 June 2000). However, no formal administrative coordination between the federal and State governments has emerged so far.

Even prior to this new proposal from the federal government, zakat officials had

---

5 The newly established Islamic think-tank sponsored by the federal government, Institut Kefahaman Islam Malaysia (IKIM, or Institute of Islamic Understanding, Malaysia) also organized some seminars on zakat. 6 When this mechanism is put into operation, the current zakat management offices in the States will become redundant. It is, therefore, not surprising that almost no State has responded positively to this
viewed new developments in other States with envy, and competed with one another in terms of annual revenue targets. Competition existed not only among zakat offices in the various States, but also among institutions within a State, making coordination even more difficult. Sultans, the constitutional heads of religious affairs in each State, and the religious councils were extremely suspicious of any attempt to impinge on their fiscal authority. For example, they did not give their consent to a suggestion to subcontract distribution of zakat funds to corporate bodies after the notable success of the corporate mechanism in collection, leaving the system organizationally less integrated. Their resistance to change weakened attempts to enhance transparency, efficiency and accountability in the management of zakat funds.

The biggest obstacle to the reconstruction of zakat management was the weak enforcement powers conferred on its officials. Unlike the other two sectors—judiciary and education—no legislative measures were introduced to facilitate the administration of zakat. In other words, the state religious authorities had little executive power to impose new types of zakat and enforce the obligatory payment (in a legal sense). Even though some States were now equipped with a range of very innovative zakat programs and new technologies to advance them, these payments—unlike ordinary taxes—were not legally authorized. Thus, payment of these new types of zakat was left solely to the goodwill of individual Muslims. Zakat officials acknowledged that the absence of legal authority to collect payments was the main hindrance to the full implementation of zakat collection. It was not easy, they argued, to persuade Muslims, who were often unenthusiastic about being levied extra taxation, to see the payment as an obligation.

---

7 Such inter-State rivalry was understandable since the State zakat agencies, especially the corporate ones, had to be self-sufficient with little or no external financial assistance.
8 This suggestion was only adopted in Selangor and Penang. The reluctance to adopt this suggestion was apparently because it involved loss of discretionary power to determine how the funds were distributed.
9 Some States, such as Malacca and Johor, did attempt to introduce legislation involving the zakat (BH, 24 October 2000).
10 Interviews with various zakat officials in Kuala Lumpur and Selangor in 2001 and 2002.
Patronage-Maximization and Minimal Institutionalization of Zakat Administration

The absence of intra-governmental coordination, specifically between the religious departments and the Ministry of Finance, was the most critical administrative barrier to the state institutionalization of a better-organized zakat system nationwide. The type of zakat collection mechanism that emerged in the Federal Territory of Kuala Lumpur is an illuminating case. The zakat levied on individual income earners evolved into a successful program, bringing substantial funds into the coffers of this agency. On the other hand, the failure to expand this tax on business, possibly the most lucrative source of zakat revenue if enforced successfully, contrasted sharply with the success of the personal income zakat. Despite relatively large contributions from some prominent (often Muslim-led) firms, the business zakat did not take off. Even Islamic-based corporate contributors, such as the Tabung Haji (the Pilgrims Management and Fund Board) and Bank Islam, regularly contributed business zakat primarily because this was required under the legislative provisions governing their operation (e.g., Akta Lembaga Urusan dan Tabung Haji 1969 and the Islamic Banking Act 1983).

Zakat officials from the Federal Territory of Kuala Lumpur and Selangor (the States registering the highest collection of revenue and which were the most innovative in terms of management) acknowledged that the unwillingness of corporate bodies to pay zakat was very problematic and disturbing. Without the statutory power to compel company owners to pay business zakat, the only avenue left to zakat officers was to deploy Syariah-trained officers to patiently preach to them about the importance of fulfilling their religious duties.

---

12 See, for instance, Pusat Zakat Selangor, Asnaf (February 2001: 9).
13 Interview with zakat official, Kuala Lumpur, 19 June 2000.
The non-payment problem arose primarily because of the reluctance of the Ministry of Finance to grant corporate contributors a tax rebate incentive in return for zakat payment. The impact of the tax rebate was potentially significant as the case of the rebate on individual income tax shows. In the case of individual income zakat, the revenue from this source increased dramatically after a tax-deduction scheme (potongan gaji) was put into effect. This scheme encouraged Muslims to make zakat payments as part of their regular tax payments without taking the trouble of going to a zakat office to make the payment. Potential zakat payers, especially those living in urban areas, apparently appreciated this service as the old procedure of zakat payment could be very time-consuming. Even with this tax-deduction instrument, however, there was a loophole. For this scheme to be implemented properly, employers had to agree to send to the taxation office the deductions made from their employees’ income. In practice, a considerable number of private companies have yet to utilize this scheme to make the deductions.\textsuperscript{14} This fact alone suggests that there was inadequate pressure from any one of the parties involved—employers, employees or the Ministry of Finance—to enforce this religious obligation. The inadequacy of the scheme, without legal compulsion, was painfully evident.

It appeared that the Ministry of Finance had little confidence in the capacity of the religious officials in either JAKIM or the State Religious Councils to competently manage vast sums of public funding. This was evident when JAKIM, as well as zakat officials, approached the Ministry of Finance to seek the latter’s assistance in their efforts to standardize the zakat operation. When asked to grant tax rebates for zakat (business zakat in particular), the ministry officials urged JAKIM to first standardize its operations.

\textsuperscript{14} In 1999, in the Federal Territory of Kuala Lumpur, for instance, only 227 employers adopted this tax deduction arrangement. Despite various new facilities introduced by the zakat office, some people still preferred the over-the-counter payment method, reportedly to get a feeling of having performed a religious obligation (Pusat Pungutan Zakat, Laporan Zakat 1999-2000: 27). Another important factor discouraging private companies to agree to this tax deduction arrangement is that many of the companies are owned by non-Muslims, especially Chinese.
to make it more professional. In other words, the Ministry of Finance sought a ‘mission impossible’ from JAKIM: unless all the States consented to conceding jurisdiction over zakat to federal authorities, the idea of granting a tax rebate for a corporate zakat would not be considered. The Ministry of Finance’s distrust of officials from religious agencies thus posed a great obstacle to the institutional advancement of the zakat administration.

The failure of zakat officials to forge a wider intra-governmental pact was in contrast to the better coordination established among various agencies in other sectors. In the case of the judiciary, for instance, there was good coordination among various state actors, i.e., between the Syariah court officials and their civil counterparts, as well as among federal and State religious departments. This helped bringing about a high level of institutionalization of the Syariah court.

Even in education, where the institutionalization of the national religious educational system was modest, some intra-governmental coordination to create a more comprehensive administrative mechanism overseeing these Islamic institutions emerged at the federal level as well as between the federal and State authorities. The Advisory Council for the Co-ordination of Islamic Education (Lembaga Penasihat Penyelarasan Pelajaran dan Pendidikan Agama Islam, or LEPAI) was formed in 1983 in an effort to coordinate the teaching of Islam in all religious schools not administered by the Ministry of Education (i.e., private as well as State-run religious schools). Its secretariat was placed under JAKIM, but a majority of the staff was seconded from the Ministry of Education, facilitating intra-governmental coordination at the federal level and to a lesser degree, between the federal and State governments.

The importance of intra-state coordination among various government agencies was also seen in the 1980s with the establishment of the Islamic bank and Islamic insurance company (Takaful). Malaysia’s Bank Islam was the first Islamic bank to be established with direct government involvement. To successfully develop Bank Islam, the goodwill of various authorities including officials from the Ministry of Finance and Bank Negara
(the central bank) was imperative. This was especially so because there was some concern, among Muslims and non-Muslims, that the establishment of Bank Islam was a first step toward the Islamization of the entire financial sector (Zakariya Man 1988).

As for the zakat, the lack of intra-state coordination reflected—and was the result of—the reluctance of UMNO's top leadership to intervene to secure its proper implementation. UMNO's reluctance to intervene in this matter was rather odd given its stated commitment to its Islamization policy and the rising religious consciousness among Muslims and their economic affluence. The zakat system, in fact, could potentially be developed and utilized as a comprehensive social welfare mechanism. Indeed, the zakat revenue rose and charity (sadaqat) activities became common in the Muslim community since more Muslim attained material affluence in the past decades. ¹⁵

Given this condition, building a better zakat system could have earned Muslim politicians extra political points. An especially attractive incentive for Muslim politicians was the Islamic rhetoric that they could articulate to advance charity welfare activities for their Muslim constituencies. Indeed, the initiatives of some UMNO politicians holding office at State level (for instance, as the chief minister) helped to develop the administration of zakat in some States, such as Malacca, Negeri Sembilan and the Federal Territory of Kuala Lumpur. These State leaders made use of their prerogatives to do service in the interests of Muslims—their chief electoral constituency. Nonetheless, only some relatively minor UMNO politicians carried out these efforts to promote zakat; the involvement of federal-level leaders was minimal. Zakat officials suggest that even Anwar Ibrahim, a most resourceful and celebrated UMNO politician as far as Islamic matters were concerned, did not express particular interest in centralizing the system despite, they believe, his capacity to do so, particularly after becoming the Minister of

---

¹⁵ For the general trend of these activities in Southeast Asia, see, for instance, Mohamed Ariff. In Islam, the concept of sadaqat (charity), an action of rendering assistance to the under-privileged, is highly cherished and strongly recommended (Muhammad Nejatullah Siddiqi 1991).

Anwar, of course, did not oppose entirely the proposal to standardize the implementation of zakat. He, in fact, fully acknowledged the need and the benefit of revamping the management of zakat nationwide, and expressed a desire to do what he technically could to achieve this objective. For instance, he proposed that zakat should be collected just like the income tax and that all Muslims, including the Sultans, pay the zakat (Star, 29 January 1993). He also revealed that the Ministry of Finance was consulting various experts, including ulama and legal experts, to develop efficient and systematic zakat programs (NST, 29 January 1993). In substance, however, his contribution to the promotion of zakat was minimal.

Anwar’s reluctance to promote zakat was especially puzzling if one considers the potential effect of developing a sophisticated Islamic system to reduce poverty, a personal agenda advocated by him since the beginning of his political career. Anwar acknowledged that ‘the zakat system was based on compulsory assistance to the poor rather than voluntary charity, and an efficient modern method of disbursal was needed to ensure that it reached those most in need’ (NST, 29 January 1993). Why, then, was Anwar unwilling—or unable—to get involved in the zakat?

UMNO’s patronage-maximizing incentive mechanisms provide an explanation for the reluctance of top party leaders to deal with zakat operations, and its underdevelopment as a national administrative system. The patronage-maximizing mechanisms, and the intra-party logic of political ascendancy in particular, had a significant effect on decision making among top UMNO leaders.

Three points need to be reiterated to appreciate the impact of the patronage-maximizing incentive mechanism on the institutional formation and development of the zakat. First, the UMNO’s growing dominance within the ruling coalition Barisan Nasional (BN) and the highly centralized party structure meant that the UMNO president, along with a few top leaders, were endowed with massive prerogatives
over the distribution of public resources for both vested political and business interests. In
the political sphere, key public offices at federal and State levels were allocated to
individuals allied closely with UMNO top leadership. An important result of this was that
the support of these UMNO leaders, especially the president, became essential to rise
within the party and the government. The same patronage-based distributional logic
operated in the economic sphere, too. Business resources and opportunities—projects,
contracts, licenses, loans, company shares and so on—were distributed to individuals
closely associated with influential UMNO politicians (Case 1997: 395-96; Gomez 1996a:
89-93).

Second, to ascend the highly centralized party hierarchy and to finance the enormous
expenses to contest party elections, UMNO politicians sought to build close ties with
wealthy corporate figures—Muslim and non-Muslims alike. Businessmen were willing
to associate with and fund influential UMNO politicians as a means to promote their
personal business interests. Competition escalated among big businesses for access to
profitable government projects, further encouraging patronage-networking activities
between UMNO politicians and corporate figures (Gomez and Jomo 1997: 120-30).

Third, the increasing dependence of UMNO politicians on funds from the corporate
sector made politicians considerably amenable to the views and interests of businessmen.
This influenced decision making among UMNO leaders, including the development of
Islamic welfare agencies. Moreover, given their emphasis on economic development,
UMNO leaders had to take into account the obvious entrepreneurial capacity of Chinese
businesses, in contrast to the rather embryonic Malay business community which was still
heavily dependent on the government for their rise, success and survival (Gomez 1999:
135-37, 189-90). An important result of this was that UMNO leaders became very
receptive to business interests, especially those owned by Chinese.

In this context, the political drawbacks of alienating businessmen through business
zakat had to be weighed against the potential gains from promoting the zakat to assist
poor Muslims. Another factor encouraging UMNO leaders to consider alternatives to zakat was that neither PAS nor any other organizations posed an immediate threat to them in terms of developing or promoting this welfare system. If there had been such a threat, it might have motivated UMNO politicians to reinforce federal control over zakat management. The lack of an attempt by a third party to develop a ‘private’ zakat organization allowed UMNO leaders to consider developing and institutionalizing alternative patronage-maximizing mechanisms, similar to the zakat, but outside the formal bureaucratic sphere.

In the Name of NGO: Rise of Islamic Welfare Organizations

The reluctance of UMNO’s top leaders to contribute to the expansion and centralization of the zakat does not necessarily mean that they cared little about this religious duty or the need to upgrade the welfare of underprivileged Muslims. The value of the Islamic welfare mechanism and its impact on their political profile, in fact, were well recognized by UMNO politicians, and Anwar in particular.

Anwar committed himself—and provided ample political and financial patronage—to the expansion of a financial-cum-welfare organization equivalent to the zakat, but under a different label. Most importantly, this institution was placed outside the ambit of the federal bureaucracy, taking the form of a non-governmental organization (NGO).

One prominent welfare organization was the Yayasan Pembangunan Ekonomi Islam Malaysia (YPEIM, or Malaysian Islamic Economic Foundation), previously an inactive quasi-government foundation established in 1974. Having noticed its potential for

16 Other prominent UMNO politicians used this yayasan (welfare foundation) formula as a means to promote their political profile. One example was the former Mentri Besar (chief minister) of Selangor, Muhammad Taib, who established the Yayasan Basmi Kemiskinan Selangor (YBK, or Foundation for the Eradication of Poverty, Selangor). For a discussion on the formation of this organization and the role it played in helping to promote Muhammad’s political objectives, see Tuan Nooriani (2001: chap.3).
developing Islamic economic activities, the Islamic Consultative Council (*Badan Perunding Islam*) chaired then by Anwar took up the task of re-capitalizing and revamping the foundation in 1984. Prime Minister Mahathir lent his quiet backing to this endeavor as its founder, but his involvement in the foundation was minimal at best. That YPEIM had access to preferential government treatment was evident when the Ministry of Finance authorized that all corporate contributions to this foundation could be declared as a tax deduction, a privilege not granted to the government-run *zakat* office.

The list of corporate contributors to YPEIM (see Table 6.2) and the size of each contribution underline three important points. These points help explain why Anwar—or any other UMNO politician—was unwilling to concentrate on the official *zakat*, and instead sought an alternative channel to advance the welfare cause. First, some of the business contributors to YPEIM were Chinese-owned companies. In other words, this type of charity mechanism, although Islamic in principle, could draw donations not only from Muslims but also from non-Muslims. The *zakat*, in contrast, is a charity system meant exclusively for Muslims, both the contributors as well as the beneficiaries. If non-Muslims are involved in a business, *zakat* is imposed solely on the Muslim shareholders. Thus, compared to the *zakat* agency, a *yayasan* (foundation), in theory, can expect a larger volume of donations from a wider source of contributors. Second, the size of the contribution by each individual or company can be large. No company was willing to contribute such a large amount as the *zakat* purpose—without legal compulsion—as long as this payment was not tax deductible. On the other hand, the size of the donations by corporations to YPEIM, led by an influential politician, was usually quite large; even if the tax rebate for its corporate contributors is discounted. Third and finally, a number of the contributors were politically well-connected companies, mostly having ties to Anwar or UMNO. They had a history of being granted lucrative government business
<table>
<thead>
<tr>
<th>Company</th>
<th>Size of donation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Talam Corporation Bhd.</td>
<td>RM 2,000,000</td>
</tr>
<tr>
<td>2. Lankhorst Pancabumi Sdn. Bhd.</td>
<td>RM 1,000,000</td>
</tr>
<tr>
<td>3. DRB-Hicom Bhd.</td>
<td>RM 750,000</td>
</tr>
<tr>
<td>4. Classic Horizons Sdn. Bhd.</td>
<td>RM 500,000</td>
</tr>
<tr>
<td>5. Hong Leong Foundation</td>
<td></td>
</tr>
<tr>
<td>6. Darul Sasarn</td>
<td></td>
</tr>
<tr>
<td>7. Philleo Allied Bank Bhd.</td>
<td></td>
</tr>
<tr>
<td>8. Malaysian Resources Corp Bhd. (MRCB)</td>
<td></td>
</tr>
<tr>
<td>9. Malaysia Alliance Assurance Bhd.</td>
<td>RM 200,000</td>
</tr>
<tr>
<td>10. MBF Group of Companies</td>
<td></td>
</tr>
<tr>
<td>11. Affin Holdings Bhd.</td>
<td></td>
</tr>
<tr>
<td>13. ABRAR Group International Sdn. Bhd.</td>
<td>RM 160,000</td>
</tr>
<tr>
<td>14. Koperasi Tunas Muda Sungai Ora</td>
<td>RM 100,000</td>
</tr>
<tr>
<td>15. Southern Bank Bhd.</td>
<td></td>
</tr>
<tr>
<td>17. Permodalan Nasional Bhd. (PNB)</td>
<td></td>
</tr>
<tr>
<td>19. KFC Holding Bhd.</td>
<td></td>
</tr>
<tr>
<td>20. Bank Bumiputra Malaysia Bhd.</td>
<td></td>
</tr>
<tr>
<td>22. Guthire Bhd.</td>
<td></td>
</tr>
<tr>
<td>24. Syarikat KMZ Sdn. Bhd.</td>
<td>RM 60,000</td>
</tr>
<tr>
<td>26. Kumpulan Syarikat Safa</td>
<td></td>
</tr>
<tr>
<td>27. Tetuan Tarmili, Azhar &amp; Co.</td>
<td>RM 30,000</td>
</tr>
<tr>
<td>29. Hisyam, Sobri &amp; Kadir</td>
<td></td>
</tr>
<tr>
<td>30. Bank Islam Malaysia Bhd.</td>
<td>RM 25,000</td>
</tr>
<tr>
<td>31. Avon Cosmetics (M) Sdn. Bhd.</td>
<td>RM 20,000</td>
</tr>
<tr>
<td>32. BBIM Securities Sdn. Bhd.</td>
<td>RM 10,000</td>
</tr>
<tr>
<td>33. Koperasi Kesatuan Guru-Guru Melayu</td>
<td></td>
</tr>
</tbody>
</table>

*Source*: Bulletin YPEIM.
concessions through these political ties. Taking all of these factors into consideration, it is reasonable for us to suspect that such sizable contributions to this politically well-connected organization were motivated by more than purely religious considerations.

The special favors granted to YPEIM included not just the tax rebate for corporate contributors. The federal government, through the Prime Minister’s office, circulated an instruction to the public sector, at both federal and State levels, that individual departments introduce a potongan gaji (salary-deduction) arrangement for its employees with YPEIM. This was to encourage public servants to make ‘voluntary’ contributions to YPEIM’s charity-welfare schemes (Maklumat YPEIM). This type of assistance from the highest echelon of the federal government was not offered to the zakat agencies, although some State governments provided a similar salary deduction facility for their employees.

The corporate contributions, along with other government sponsorship, brought in a significant amount of funding for YPEIM’s operational expansion. It is particularly noteworthy that YPEIM’s dramatic organizational expansion and high profile occurred after Anwar took over the Ministry of Finance in 1991. The Ministry made available to YPEIM considerable funding and facilities through the Ministry-linked banks, most notably the Bank Islam and Bank Rakyat, for developing new Islamic schemes and expanding branches nationwide. For instance, an Islamic pawn scheme (Skim Ar-Rahnu/Pajak Gadai Islam) was launched in 1993 through Bank Rakyat, in conjunction with Bank Negara, the central bank. Bank Rakyat’s branches and finance facilities were utilized to provide the service nationwide. What is significant is that individuals associated with Anwar through ABIM were appointed as senior officials in YPEIM.

Although YPEIM had abundant funding, it lacked the mechanisms, skills and
information to reach out to the poor at the grass-roots. To offset its weak institutional framework for welfare work, cooperative ties were developed by YPEIM with another prominent NGO, the Amanah Ikhtiar Malaysia (AIM). AIM was originally established by some academics based in the Universiti Sains Malaysia (USM, or Science University of Malaysia) in the State of Penang, as a micro-credit financial program aimed at uplifting the livelihood of the hardcore poor.¹⁹ The program, based on the Grameen Bank micro-credit concept, did not have any particular Islamic consideration when it was first introduced.²⁰ Nor did AIM have any intention of customizing its program exclusively for Muslims. AIM managed to secure attention of high-ranking Malay bureaucrats who were willing to offer assistance to further the NGO’s welfare program. AIM then drew substantial financial support, as well as official backing from the government at both federal and State levels, enabling it to rapidly expand geographically and operationally.²¹

The potential of AIM’s program, in reaching out to underprivileged Muslims, caught the attention of YPEIM—and Anwar. Through YPIEM and other official and personal channels, Anwar and individuals associated with him offered lavish financial assistance and provided much publicity to AIM in exchange for access to its technical skills, expertise and grass-roots networks. What made this pact unique was that AIM was urged to adjust its operations to one clearly based on Islamic principles. The riba (interest) elements were eliminated from the loan scheme, and a fixed administration fee was introduced instead. This Islamization effect, in fact, had a positive impact on AIM: the growth of Muslim membership. Muslim members, however, soon came to see the program as their own, driving off non-Muslims members as a result.

In the mid-1990s, Anwar and individuals closely linked to him apparently plotted a takeover of AIM. The original AIM management staff was sidelined and replaced by

---

¹⁹ For more detailed information on AIM, see Gibbons and Sukor (1990).
²⁰ Grameen bank is a micro-credit system for the poorest of the poor in rural Bangladesh. The program was introduced by Professor Muhammad Yunus, the founder of Grameen Bank and its Managing Director.
²¹ Interview with David Gibbons, Kuala Lumpur, 14 December 2000; Sukor Kasim, Penang, 9 February
ABIM associates linked to Anwar. This takeover maneuver had a number of significant outcomes. On the political front, AIM’s flirtation with one of UMNO’s most prominent politicians undoubtedly earned the organization extra mileage in terms of drawing abundant financial assistance from, and recognition by, the government. The government’s five-year Malaysia Plans made special reference to AIM to acknowledge its contribution to poverty eradication among the hard-core poor (Malaysia 1993: 66). Following this management takeover by ABIM members, AIM’s fundamental principle of a non-partisan approach—a prime source of its success—was abandoned, thereby locating the program in Anwar’s personal turf.

This political maneuvering seems to have had a high cost on the operational front. Under the new management, the orientation of AIM’s program was skewed more towards business. New programs, such as entrepreneurship development, were emphasized, while the fundamental objective of the organization—poverty eradication of the hard-core poor—was neglected. The organization’s new orientation then encouraged the less poor and even the non-poor to become members, thereby alienating the poorest—AIM’s chief clients. These old members came to see that the program was evolving into one similar to existing government development strategies, which aimed to distribute benefits to the poor, but the actual beneficiaries were the non-poor (Sukor Kasim 2000: 279). Consequently, the membership dropout rate rose dramatically (Sukor Kasim 2000: chap.12).

The most important political consequence of the AIM takeover was the patronage-maximizing benefit accruing to Anwar. With AIM under his control, Anwar managed to extend his personal patronage networks to the poorest Malay communities. Through AIM, he could utilize more flexible, redtape-free, non-bureaucratic channels to

---

22 The analysis in this section is drawn largely from the evaluation by Sukor Kasim, AIM’s former director see Sukor Kashim (2000), as well as my interview with him, Penang, 9 February 2001.
reach out to poor Malays. This was, indeed, a politically astute move. Anwar’s associates justified this takeover on the grounds that he had little confidence in the capacity of the state religious agencies to implement an effective social welfare program. He chose to launch his own program in the non-government sphere rather than wasting time and resources by making use of the inefficient and incompetent state agency. Anwar’s association with a welfare-charity NGO helped further enhance his profile as an exemplary Muslim leader willing to fight for his fellow underprivileged Muslims.

**UMNO-Business-Chinese Nexus**

The development of two overlapping, and competing, systems based on the same Islamic charity principle highlights, and is best explained by, the patronage-maximizing mechanisms influencing UMNO politicians. The importance of contributions by business corporations—both Muslim and non-Muslim, especially the Chinese—to UMNO politicians to help them ascend the party hierarchy has shaped the institutional formation and development of these Islamic agencies.

UMNO leaders at the federal level considered it politically imprudent to promote the zakat controlled at State-level, and thus had little incentive to encourage Malay businessmen to contribute funds to this agency. Moreover, a majority of Malaysian businessmen appeared very anxious about the religious rhetoric advanced by PAS. They feared that PAS’s growing influence would lead to an increasing Islamization trend within UMNO, which would have a negative effect on investment patterns in Malaysia. The concerns of this business community were understandable given the increasing inroads made by PAS in the Malay heartland during electoral contests, diminishing UMNO’s

---

presence in parliament. These businessmen were more assured that their capital accumulation activities would not be altered or hindered in any significant way under UMNO, given the party’s secular outlook and emphasis on economic development.

An increasingly obvious Islamization trend had been emerging in UMNO, alarming the business community. A most clear indication of the Islamization of UMNO was the co-optation of Anwar into the party and his meteoric rise within its ranks. The personal backing offered by party president Mahathir to Anwar was crucial for the latter’s rapid ascendency in UMNO. Anwar was appointed to key ministerial posts one after another after his induction into UMNO, posts that only a select few could dream of attaining in such a short span of time: as Minister of Youth and Sports, Agriculture, Education and finally Finance. Along the way up, Anwar fully utilized the prerogatives attached to these ministries to ‘Islamize’ public policies and programs. His aggressive approach and popularity among the younger generation of Malaysians stirred a measure of concern among some Muslims as well as non-Muslims, especially the Chinese.²⁴

The Islamization of the business sector was an extremely risky endeavor for UMNO leaders who depended on corporate figures for funding as well as to promote economic development. Even though the Islamic banking system in Malaysia eventually received international acceptance, it had been difficult for UMNO leaders to promote the idea initially. They had to spend a considerable amount of effort and resources convincing the business community of the importance of this Islamic project. A lesson for UMNO leaders from the implementation of the Islamic banking project was that an Islamization initiative in the modern corporate sector would necessitate substantial coordination and cooperation between the government and business to secure acceptance. These initiatives could also be politically costly, unless they were handled with care.

Anwar was aware of the need to handle the Islamization of the business sector

carefully, especially when the premiership came within his reach after he won the Deputy Presidency in the 1993 UMNO election. Anwar’s reputation as a radical Islamic leader was still vivid in many people’s minds. And this reputation was not one that was held in high regard by the business community. Anwar’s ‘un-UMNOish’ traits stemmed from his youth days. Before joining UMNO, he led activist student groups and later the leading Islamic NGO, ABIM, in the struggle to promote social justice. Poverty, capitalist exploitation of the economy and the injustices resulting from socio-economic inequalities, for example, were among ABIM’s chief concerns. ABIM utilized Islamic idioms and Islamic organizational networks to mobilize popular protests against the government. Given the relative scarcity of prominent Islamic NGOs and figures in Malaysia, Anwar emerged as an icon of progressive Islamic ideas, a reputation he retained even after he gained prominence in the corridors of state power.

As Finance Minister and Deputy Prime Minister, however, Anwar needed to banish his past radical image and to cultivate a new image as more than just a progressive Islamic leader, in order to be seen by businessmen, especially the Chinese and foreigners, as a moderate and reliable successor to Mahathir. These businessmen were not only a primary source of investment for the national economy, but also an important source of funds for political activities. The promotion of an Islamic tax on businesses for welfare purposes was not a particularly wise policy strategy from a political point of view.

Moreover, UMNO politicians, including Anwar, had little faith in State-level zakat management known for its inefficiency and corruption. The key question for them was whether a revamp of this agency would be rewarding politically. It is important to note that there was little patronage incentive in this zakat operation for top UMNO politicians: even if the zakat was operationalized more efficiently, UMNO leaders could not use the agency as a means to dispense patronage as they had little control over the way these

25 For a study of Anwar’s close ties with prominent businessmen and their role in his rise in UMNO, see Gomez (1993).
funds were distributed. In theory, *Syariah* provides a set of inflexible rules over the way *zakat* funds should be distributed. Inter-State variation in the dispersal of this fund indicates that *zakat* officials are permitted some flexibility and inventiveness, but only within the limits set by *Syariah*. A rather extreme example of such flexibility was the interpretation of one of the eight *asnaf*, *ar-riqab* (those who need assistance to free themselves from slavery), to include a means to eliminate illiteracy by offering library facilities. Only in this way could *zakat* agencies enhance the scope of their operations.

On the whole, however, *Syariah* regulations are tight, thus restricting the interpretation of its codes by *zakat* officials to more conventional understandings.

One key issue within the *zakat* that made it especially unattractive to UMNO politicians was its strict rule on investment. A majority of *zakat* officials adhere to the interpretation of Yusuf Qaradawi, a famous scholar of *zakat* laws. His ruling was essentially ‘don’t take any risks’; in other words, commercial investments were unacceptable. Moreover, *zakat* money collected during one particular year should be spent before the end of that year, since there is no shortage of people in need of immediate financial aid; long-term investments, therefore, were not recommended. On one occasion when Yusuf Qaradawi was invited to give a talk in Kuala Lumpur, Anwar, who was chairing the session, alluded to a government plan to invest *zakat* funds in low-risk shares. He emphasized that such funds would only be invested on a short-term basis and would not be utilized for investment purposes alone (*Star*, 24 January 1993). Anwar’s cautious attitude, and the fact that no initiative was taken to implement this plan, illuminated the potentially high cost of altering the rules and norms dictating the *zakat*. If Anwar had been more forceful in his attempt to determine the use of *zakat* funds, he might have offended a corps of *ulama*, an act not politically prudent for a Muslim politician then aspiring to a higher office in an impending party election.

---

*26 Interview with a *zakat* official, Kuala Lumpur, 8 November 2000.*
Moreover, the government’s social welfare expenditure and programs for the poor, either at federal or State level, were commonly integrated into UMNO’s patronage networks in the villages (Shamsul A.B. 1983). However, these social welfare resources available to UMNO leaders varied between federal and State levels, resulting in different strategies adopted by them to expand their personal patronage networks. For UMNO leaders at State level, for example the chief ministers and State assemblymen, welfare funds from the zakat made available to them was one of a few alternative sources of patronage. They could use these non-federal funds to promote their political interests, expanding their individual patronage networks in their own areas. They could do so relatively independently of the federal leadership, albeit within UMNO’s organizational boundaries. Control over the zakat funds arguably grew even more important for UMNO State leaders as intra-party rivalries intensified from the late 1980s. UMNO State leaders also had limited access to patronage-maximizing opportunities compared to politicians holding office at federal level, such as the Minister of Finance.

The competition among UMNO leaders to secure control over patronage-maximizing mechanisms was also intense at federal level. Thus, the exceptional enthusiasm of the Minister in charge of religious affairs, Abdul Hamid Othman, for the national zakat concept, LUZAN (Lembaga Urusan Zakat Malaysia, Malaysian Zakat Management Board), introduced in early 2000 was perplexing; the Minister of Finance and other UMNO top leaders, on the other hand, were unenthusiastic about the concept. Hamid’s behavior was quite logical in the light of the ‘patronage maximizing’ incentive mechanism. During UMNO’s Islamization drive, Hamid’s educational background in Islam proved valuable for his rise within the party. Like any other UMNO politician, Hamid needed to cultivate his own patronage networks to climb the party hierarchy. Islamic-related matters were the most important—and perhaps the sole—issue that he could exploit to promote himself: if he handled them adequately, he could accumulate extra points; otherwise, he could easily lose out in the UMNO’s power struggles.
Since his value within the party almost exclusively depended on his contribution when dealing with contentious Islamic issues, he needed to constantly demonstrate that his Islamic credentials were important to UMNO. In this regard, the UMNO’s substantial loss of Muslim votes to its arch rival PAS in the general election in 1999 put politicians with Islamic credentials under tremendous pressure. PAS’s rising influence was interpreted as evidence that UMNO was not doing enough to promote Islam. Indeed, during the 1999 elections, Hamid lost his parliamentary seat to a PAS candidate. During the 2000 UMNO election, Hamid also found his ranking in the Supreme Council had declined. Hamid only managed to retain his ministerial post when Prime Minister Mahathir appointed him a senator. He, however, was soon urged to resign from his ministerial post, although he was given a newly created position, as Special Religious Advisor to the Prime Minister. It was against this backdrop that Hamid almost single-mindedly pushed for the centralization of the management of zakat.

Since federal Islamic projects and funds under the supervision of JAKIM had increased appreciably since the early 1980s, Hamid had access to a patronage instrument that he could exploit to develop his support base in UMNO. For example, federal funds for private- or government-run religious schools and their teachers were allocated to exert federal influence over these educational institutions. JAKIM’s control over the allocation of this relatively large volume of funds provided the agency and the minister in charge with many patronage-maximizing resources.

Moreover, successful centralization of Islamic affairs, including administration of the zakat, meant that through JAKIM, Hamid would secure control of a considerable amount of resources—funds, licenses, offices, welfare programs, to name a few. Given UMNO’s

---

27 Shamsul points out that the ‘Islamic factor’ was crucial when individuals like Anwar, Wan Mokhtar and Abdullah Badawi secured victories during UMNO election contests for the post of Vice-President. Similarly, when Yusof Noor obtained the largest number of votes during the contest for a seat in UMNO’s Supreme Council in 1987, his Islamic credentials held him in good stead (Shamsul A.B. 1988: 184-85).

28 Only members of parliament, including the Dewan Negara or Senate, are allowed to hold cabinet appointments.
hegemony over the bureaucracy, this transfer of jurisdiction would provide the Minister with the power to distribute these resources to designated areas and individuals in a way that would benefit him and the party. If management of zakat was nationalized as proposed by JAKIM, this agency could determine how zakat funds collected nationwide could be re-allocated to individual States according to an appropriate 'quotas' and 'needs.' Unsurprisingly, JAKIM and the minister in charge of religious affairs were enthusiastic about nationalization of the zakat administration.

The limited interaction between JAKIM and the Ministry of Finance over zakat administration, thus, was not simply a question of coordination problems. The key issue was politics, specifically intra-party rivalry for control over massive public resources. The logic of patronage-maximization had influenced the choices and strategies of individual UMNO politicians holding government posts.

It is in this context that the decisions made by Anwar during his tenure as Finance Minister need to be understood. According to some officials, the rather frosty relations between Anwar and Yusof Noor, formerly the minister in charge of religious affairs as well as an UMNO Supreme Council member, had a significant impact on Anwar's decision not to interfere in the zakat sector. Yusof was a key figure who first offered political backing to the idea of establishing a corporate body for zakat collection in the federal territory of Kuala Lumpur. A zakat official felt that the uneasy relations between Yusof and Anwar were a major reason why the latter showed little interest in the management of the zakat. Indeed, Anwar hardly ever showed any interest in invitations from the Federal Religious Department for ceremonies or workshops on zakat-related issues; nor did he offer support for the promotion of the zakat. Both men apparently understood that the zakat was 'Yusof's personal turf.' For Anwar, interfering overtly in a

29 Yusof Noor had also once held the post of UMNO vice president. His influence in the party had been waning from the early 1990s, after Anwar had secured the post of UMNO deputy president in 1993.
30 Interview with zakat officials, Kuala Lumpur, 19 June 2000.
rival’s territory and offending the latter would lead to unnecessary tensions with other high-ranking UMNO politicians and thus impose extra political cost.

By using the NGO formula, on the other hand, Anwar could bypass the politics within UMNO while also promoting himself as a champion of the poor. The NGO formula had positive political impact on at least three counts. First, it was far easier and more efficient for a politician to create or take over an agency outside the state bureaucratic sphere and staff it with his own men than to intervene in an agency controlled by the state bureaucracy. Being free from red-tape, rules and protocols, NGOs, unlike the bureaucracy, could be managed more efficiently and used more expediently for political purposes. Moreover, the government-run zakat management was renowned for its inefficiency and lack of professionalism. To replace this agency—with a long history and royal connections—with a new institution would have been a costly and time-consuming affair.

Second, poor Muslims viewed NGOs like AIM as politically neutral, thus freeing them from any obligation to a party during elections. Whether they supported UMNO or the opposition did not matter when they made a claim for benefits. This was not the case with government agencies, which were usually abused by the ruling party. This political neutrality was essentially the organizational strength of AIM and a reason for the success of its poverty-eradication programs (Gibbons and Sukor Kasim 1990: 94). In view of AIM’s non-partisan character, when PAS took control of the Kelantan State government in 1990, this NGO was allowed to expand its operation in this State, provided its poverty eradication program did not discriminate against any party supporters.31

Third and finally, the support for such welfare-oriented NGOs like AIM put Muslim politicians in a very positive public light. It also strengthened their appeal to the middle-class electorate. On the whole, the use of the NGO formula served Anwar’s political interests remarkably well.

As for the corporate sector, since a majority of businesses were non-Muslim, especially Chinese, enterprises, it was not practical for them to re-allocate a substantial amount of tax payment to Islamic institutions specifically aimed at the underprivileged Muslims. Moreover, a good record of tax payments would have provided businessmen with some political leverage over government in dialogues over economic policies. On the other hand, it was important for corporate leaders to cultivate ties with Anwar through financial contributions to private institutions associated with him. Anwar was then not only the Minister of Finance, but widely viewed as Mahathir’s heir apparent. It is difficult to prove how their contribution to the Anwar-connected organization could have influenced financial decision making in the Ministry of Finance. But it is not difficult to expect that the business leaders were willing to ‘invest’ in Anwar’s Islamic charity program in exchange for his favor possibly being shown toward their business interests. This was even more so if they were granted a tax incentive. The point here is that the UMNO politicians recognized—and had to take seriously—such business interests.

The promotion of an NGO carrying out a function similar to the state-run zakat under the auspices of an UMNO politician earned the party some publicity. But the chief beneficiary of this mechanism was Anwar himself. Moreover, the promotion of a more professional and politically well-connected alternative system helped further undermine the efforts and reputation of the government-run zakat, possibly damaging its authority too. It has to be emphasized, however, that patronage-based political connections can be an ingredient for disaster if the patron falls from grace. The logic is quite simple: when their patrons are on the rise, they prosper with them; but their fortunes can easily tumble when their patrons fall into trouble. Anwar’s dismissal as UMNO Deputy President and imprisonment in 1998 seems to have had a considerable impact on the organizations connected with him. AIM’s future, for example, appears uncertain. The organization has been under investigation for allegedly misappropriating welfare funds (BH, 6 April 2002; NST, 8 April 2002).
In sum, the patronage-maximizing incentive structures influencing the behavior of UMNO politicians impaired the level of state institutionalization and development of zakat management. As a result, the system was left organizationally fragmented and without much authority, and its enforcement capacity inevitably limited. The puzzle of why Anwar, then the powerful Minister of Finance and Deputy President of UMNO, was unwilling and unable to promote the zakat was answered by the logic of intra-party political ascendancy that dictated the behavior of UMNO politicians. Since UMNO politicians have continually cultivated close ties with prominent corporate figures, Muslims and non-Muslims alike, to fund their political activities, this has left the former rather dependent on the latter. This trend became even more conspicuous as intra-party rivalry intensified from the early 1990s, at a time when Anwar and his allies were consolidating their position within UMNO. This patronage-based political-business nexus kept UMNO leaders receptive to the interests of the business elite. Coupled with the government's single-minded pursuit of economic development, this patronage-maximizing incentive had an important effect on UMNO's top leadership; specifically making them value the contribution of Chinese businesses, not only as a dynamic domestic entrepreneurial community but also as a source of funds for their campaigns in party elections. This meant that implementation of the government's Islamization policies was largely left vulnerable to—and skewed in favor of—the private interests of UMNO politicians.

The value of this business class was well recognized by Anwar, greatly restraining his, and the government's, choices when formulating policies related to the Islamic welfare system. Anwar rode the Islamic factor to power within UMNO, fully exploiting state prerogatives made available to him by the Prime Minister's strong personal backing, primarily to mobilize support from rural Malays as well as the ascendant, Islamic-conscious, middle-class urban Muslims. Yet, his Islamic rhetoric had to be tempered when he began to pursue the office of Deputy President of UMNO. This was
due to his recognition of the need to maximize clientele networks with businessmen, including the Chinese, to ascend the UMNO hierarchy. The patronage-maximizing factor largely influenced the behavior of UMNO politicians, resulting in the relatively low level of institutionalization of Islamic-based welfare structures within the state.
CHAPTER 7

The Rise of the Federal Religious Authority and the Co-optation of Ulama

Today, the bishop, the priest, and the preacher are in fact no longer, as in early Christian times, holders of purely personal charisma... Nowadays, in spite of the partial survival of the old theory, such religious leaders are officials in the service of a functional purpose, which in the present-day 'church' has become routinized and, in turn, ideologically hallowed (emphasis added).

—Max Weber.¹

There is no university anywhere in the world which can award an ulama degree.

—Mahathir Mohamad.²

The institutionalization—albeit incomplete and uneven—of the Islamic administrative machinery resulted in an increasing number of theologically trained religious scholars and teachers—commonly known as ulama and ustaz—being mobilized and employed by the government to support its national development efforts. The secular outlook and image of the UMNO leadership, however, were not easily erased by its vigorous decade-long Islamization campaigns both at the organizational and ideological levels. UMNO continually confronted a challenge on the religious front from its archrival PAS, which had an ideological advantage due primarily to its religious-based party doctrines

¹ Quoted in Gerth and Mills (1948: 199).
² Sun, 13 August 1997.
and leadership. Moreover, the UMNO leaders’ heavy emphasis on material development was seen as supporting the PAS’s accusation that UMNO was a source of the widespread materialism and secularism in the country at large.

This popular paradigm, secular UMNO versus spiritual PAS, however, should not obscure the structural transformation that took place under the Islamic regime à la UMNO. This chapter assesses the overall effects of institutionalization of the state religious bureaucracies on the state capacities to regulate religious mobilization. Who benefited from the process? Who were the losers? Why did the Malaysian government’s co-optation strategy go as far as it did?

To adequately appreciate the political effect of institutionalization of the religious administrative apparatus, examination of the three sectors alone is not sufficient. One needs to take into account the relations between ruling politicians and Islamic bureaucrats within the federal government. The chapter examines the rise of two federal Islamic agencies that grew prominent under the Mahathir administration. It specifically assesses how their corps of officialdom was recruited and organized, and whether the expansion and greater presence of the federal organizations benefited a group of theologically trained Islamic elites—the ulama.

Institutionalization and Co-optation of Ulama

The UMNO’s Islamization campaign in various sectors led to large-scale recruitment, and upgrading in some respects, of the corps of theologically trained religious officialdom. This process had at least three very important political effects.

First, these recruits came to be incorporated into the tightly defined national public service schemes, thereby making them heavily dependent upon the state for their
authority and livelihood, as well as career prospects. Unlike Indonesia where religious authority depended considerably on the traditional and personal modes of authority of individual religious leaders (personal charisma and lineage, for example), in Malaysia, religious authority was traditionally determined by the ‘office’ held by individual ulama. Prestige attached to religious offices in the government was high in the Muslim community. Religious officials such as imam and kadi were highly respected and influential figures at the grass-roots level. Such prestige, however, was not necessarily complemented by material benefits. Their economic status was very low as shown in the prior chapters. These unfavorable material conditions made the religious professions rather unattractive career options, especially since more lucrative—and perhaps more glamorous—career opportunities were available to educated and qualified Muslims in the post-NEP era. Yet, for religious-educated Muslims, various posts in state religious agencies continued to provide a modest yet stable long-term career option. Once admitted to the public service, for example, a pension was guaranteed on retirement. Given the very restricted career opportunities outside the religious sectors, appointments to the state religious agencies offered reasonable career prospects. Over the past few decades, the opportunities for ulama and ustaz did not diminish as a result of the UMNO government’s modernization drive. Rather, their welfare was reasonably well taken care of, and their socio-economic status somewhat upgraded under the government’s Islamization project.

Second, the process of institutionalization provided a significant degree of protection for their influence within the government while safeguarding their political and socio-economic standing within society at large. Under a highly modernist and liberal developmentalist regime such as UMNO, it was quite plausible that these religious officials could have been completely neglected or deprived of any official position and

---

3 For various effects of the NEP, see chapter 3.
authority. Instead, they were given what they saw as their rightful place in national development—however limited (Mauzy and Milne 1983-84). They may not have been particularly happy with UMNO politicians and their rule that they perceived as too secular. Nor may they have been entirely satisfied with their subordination to these secular rulers in formal decision making. As federal intervention in Islamic affairs intensified, friction between Muslim politicians and religious officials flared up from time to time with regard to interpretation and application of Islamic rules. Religious officials usually had to give in to the dictates of politicians or otherwise their careers in the government could have been put at risk. Nevertheless, the government's official recognition of the role of the religious scholars and teachers—together with increased career opportunities and material benefits—meant that they benefited from the expansion and modernization of the religious establishment despite their loss of autonomy. Moreover, UMNO politicians were aware of the grass-roots influence of prominent religious officials. They made a considerable effort to keep religious officials happy. In Pahang and Malacca, for example, the State governments decided to upgrade the status of Mufti to the same level as State Executive Council members (State-level cabinet members). This decision, it was specifically emphasized, would 'entitle the Mufti to the same level of benefits and allowances granted to the Executive Council members.' Furthermore, it would allow their views about religious matters to be heard and appreciated at the highest echelon of the State government (UM, 12 November 1994 and 5 October 2000).

Indeed, some high-profile Islamic scholars and officials appeared to enjoy the 'celebrity' status accorded by government-sponsored Islamization in the era of Islamic renascence: close association with powerful politicians, publicity in the media and, perhaps most important of all, the prestigious title of 'Dato' that was often bestowed on them. Many appeared to not care at all about the 'disrepute' into which they fell in the
eyes of some Muslims as a consequence of compromising their religious autonomy and integrity by serving the interests of the secular politicians. For the few ‘very fortunate’ ones, the fame and benefits attached to these offices were too attractive to decline, particularly against the backdrop of the gloomy past which had been full of neglect, humiliation, and lack of reward. ‘Not so fortunate’ Islamic figures, on the other hand, could still dream of attaining such celebrity status one day. The very existence of the expanded Islamic establishment meant that there were still opportunities ahead. Moreover, one has to understand the political, socio-economic and cultural context in which these theologically trained Muslims lived. As chapter 3 demonstrates, association with the UMNO in general and with its individual politicians in particular was an essential gateway to the corridors of power and wealth at all levels from the villages to the capital in Kuala Lumpur. Moreover, the prevailing culture of patronage was combined with a Malay culture that exhibited, to quote Peletz, ‘greed, envy, and malice’ and the ‘display of status and prestige’. Condemnation and disparagement by the ‘more Islamic’ ulama and their supporters was perhaps an acceptable price for the co-opted ulama to pay for much-sought prestige and material benefits in the era of Islamization and modernization.

Third and finally, the co-optation of an increasing number of religious scholars in the state administrative apparatus brought about a very important political consequence to the benefit of the ruling party: splitting a potential united oppositional force under the banner of Islam. In general, throughout the Islamic world, the organizational and ideological strength of Islamic parties greatly depended on the leadership of ulama. They are the source of inspiration, moral guidance, and above all, political mobilization.

4 It should be noted, however, that despite PAS’s occasional disparagement, high-ranking state religious officials such as Mufti are still accorded high respect as well as popularity in the Muslim community (see, for instance, ‘Lifting the veil on a burning issue,’ Star, 22 October 2000; ‘PAS questions Ismail’s appointment as fatwa council head,’ Star, 11 April 2001).

5 For this point on culture, see (Peletz 2002). This, of course, is not to suggest that such characteristics are peculiarly Malay and inherent in their ‘culture.’
and organization. Moreover, the Malaysian case, as well as many other nations in the Muslim world, demonstrated that a corps of ulama could pose a powerful oppositional threat against secular Muslim ruling elites. The prime examples of this trend included Iran, Algeria and Sudan. One scholar of Muslim societies highlights the universally observed socio-political significance of such religious elites in this way:

The ‘ulama’ have not only continued to respond—admittedly, with varying degrees of enthusiasm and success—to the challenges of changing times; they have also been successful in enhancing their influence in a number of contemporary Muslim societies, in broadening their audiences, in making significant contributions to public discourses, and even in setting the terms for such discourses. In many cases, they have also come to play significant religiopolitical activist roles in contemporary Islam (Zaman 2002).

Co-optation of these ulama into the tightly organized state bureaucracy has had a significant effect on the state’s capacity to regulate religious-political mobilization of oppositional Islamic forces. By becoming part of the tightly defined state bureaucracy, an increasing number of theologically trained Muslims now had to comply with the iron rule of obedience and acquiescence. Institutionalization thus gave Muslim ruling politicians the vital means to control the religious elites and prevent them from gaining too much power within the state bureaucracy and the Muslim community in general. Institutionalization also equipped the Muslim ruling politicians and the state dominated by them with an institutional tool to define ‘correct’ Islam while limiting the influence of unfavorable Islamic elements. In this way, it enabled the ruling politicians to carry out Islamic policies relatively independently and effectively.

Furthermore, the Malaysian government now became a chief provider of tertiary education, job security, career opportunities, and welfare for religious school graduates. The religious-educated youth in Muslim societies often fall victim of the state’s policy
of modernization and the expansion of modern sectors of the economy. These Muslim youth could have been socio-economically marginalized and displaced under an aggressively modernizing regime such as Malaysia's. The ideology of Islam—and justice—could have offered these religious graduates an attractive ideological rational for the mobilization of discontent against the government. The Malaysian government's Islamization policy—and co-optation of theologically trained Muslims—not only built an infrastructure for traditional religious schooling (as did other Muslim nations), but also created recruitment mechanisms within the public sector to ensure that there were not too many 'losers.' By keeping them dependent on the state, the Islamization policy helped to nip the bud of discontent and radical religious mobilization. As a result, religious graduates were much less inclined to turn against the Muslim ruling politicians.

The Rise of the National Religious Bureaucratic Apparatus

The federal government's co-optation of ulama and intervention in various Islamic issues brought about a concurrent development of federal agencies managing Islamic affairs at the national level. The examination of the rise of two federal Islamic agencies that expanded and grew prominent under the Mahathir administration helps us to appreciate the political effect of institutionalization of the religious administrative apparatus. The key question here is to what extent religious officials retain autonomy from the UMNO politicians.
JAKIM: The Federal Islamic Development Department

The most prominent among these was the Federal Islamic Development Department (Jabatan Kemajuan Islam Malaysia or JAKIM), previously known as Pusat Islam (Islamic Center). JAKIM was the central agency administering a range of issues related to Islamic affairs. In the early years after its inception, the role of the federal agency was largely restricted to *dakwah* (missionary) activities. Yet, it steadily grew in scale and in scope to become the most high-profile and powerful Islamic agency to date. Given its conspicuous influence on religious matters, some people came, with considerable exaggeration, to dub JAKIM as the ‘Vatican’ of Malaysia.

The body considered as JAKIM’s predecessor was first set up as a secretariat to the National Council for Islamic Affairs (Majlis Kebangsaan bagi Hal Ehwal Ugama Islam or MKI). The National Council was created in 1968 to coordinate religious administration across the peninsula; too many complexly overlapping Islamic agencies at the State level had caused a great amount of confusion and inefficiency. The Prime Minister chaired it and its members were representatives from the State governments. For the first decade after its inception, the council appeared to play a merely nominal role; it met only infrequently, and even when it did, it did not produce any concrete answers or directions for the problems it was expected to resolve. It was after Mahathir became Prime Minister and launched his Islamization initiative that the council was transformed into a more active organization. The federal government’s will to activate and utilize the council as an effective agency to carry out its Islamization policies nationwide was illustrated by the new composition of the council membership. Initially, the head of the Religious Affairs Department or the Religious Council represented each

---

*6 Dakwah is usually directed more to strengthening religious commitment among Muslims than to converting non-Muslims.*
State government; after 1984, however, the Chief Minister, or a member of the State Executive Council (State-level cabinet) in charge of Islamic Affairs in the case of the Chief Minister not being a Muslim, represented each State government (JAKIM n.a.: 46-47).

Alongside reactivation of the council, its secretariat—JAKIM's predecessor—also grew in size, function, and influence. The agency was initially a religious division in the Prime Minister's Department, and renamed in 1985 as the Division on Islamic Affairs (Bahagian Hal Ehwal Islam or BAHEIS) (JAKIM n.a.: 50-51). The division was entirely funded by the federal government and placed under a cabinet minister attached to the Prime Minister's Department. Its prime task was defined as policy making and planning, and coordination and standardization of the administration of Islamic affairs at the national level; yet its actual functions were not specific, and in any case, its influence was extremely limited (JAKIM 1999: 12-13).

Since the 1980s, however, its function has become more comprehensive and specific, and its organization more complex. For example, it took up the task of conducting missionary campaigns (dakwah) both within the government and in the Muslim community. The growth of the government-sponsored agency committed to missionary activities—despite the existence of the longstanding and well-established departments of religious affairs in individual States—symbolized the federal government's attempt to preempt increasingly popular and influential non-governmental dakwah groups without upsetting the established arrangement of religious administration at the State level (Shamsul 1994).

In 1997, the division was organizationally upgraded to the rank of department, and renamed as the Islamic Development Department (JAKIM). Along the course of its development, the department took up additional issue areas ranging from laws (Syariah)

---

7 Initially a Deputy Minister, and after the division was upgraded as a department, a Minister in the Prime Minister's Department.
to education, information, training and research, each being organized into separate divisions. To upgrade its *dakwah* activities, it also launched its own TV and radio programs nationwide. Given its jurisdictional restriction as a federal agency, these media offered JAKIM a useful tool to widely disseminate its policies in general and its version of the Islamic message in particular. As of 2000, JAKIM was staffed by no less than 1,000 permanent officers and supporting staff (JAKIM 2000: 5).

Despite its obvious functional expansion and sophistication, however, the extent to which JAKIM exercised actual authority was still debatable. Moreover, a particular pattern of recruitment cast some doubt not only over the level of authority of the organization but also on the overall effect of institutionalization on the co-optation of *ulama*.

JAKIM's organizational weakness was identified from three perspectives. First, JAKIM's control over non-governmental actors appeared paramount. In reality, however, JAKIM suffered from the lack of a constitutional and administrative base to independently exercise executive power nationwide. This structural weakness left JAKIM heavily dependent on UMNO politicians to enforce policies. As a result, JAKIM found their stance, policies, and authority readily compromised to serve the interests of particular non-governmental actors; this was especially so when the latter were close to high-ranking UMNO officials. A case in point was JAKIM’s dealing with Muslim women’s organizations. Religious officials generally had a problematic relationship with women’s groups and the issues they advocated. Women’s groups perceived them as insensitive to women’s rights and criticized them for not doing enough to improve the welfare of Muslim women. Religious officials, on the other hand, considered these Women’s groups as far too liberal and dangerous. Despite their generally ‘conservative’ and ‘unsympathetic’ attitudes to women’s issues, JAKIM officials decided to take sides with women’s groups, when the latter formed a coalition,
the Coalition of Women’s Rights in Islam, to launch a ‘Monogamy campaign’ in 2003. The campaign was intended to discourage polygamy, but was interpreted by many ulama as attacking the institution of Islam. It thus caused uproar among high-ranking religious officials including a number of Mufti as well as Islamic bodies. Many of them demanded that the coalition stop the campaign immediately. After a meeting with the coalition, however, JAKIM Director-General Mohamad Shahir Abdullah announced that ‘the controversy was actually due to misinformation and unbalanced reporting and there was no need for the campaign to be called off.’ JAKIM’s compromise was not surprising. The Acting Prime Minister Abdullah Ahmad Badawi’s wife, Endon Mahmood launched the campaign. Moreover, Sisters in Islam, whose good political connection with high-ranking UMNO politicians, including Mahathir and Abdullah, was widely suspected by the ulama, of initiating the campaign. Abdullah’s meeting with JAKIM top officials and his statement to ‘leave the matter to JAKIM’ conveyed the message to JAKIM. Given the blessing of the Acting Prime Minister, JAKIM had little choice but to ‘endorse’ the controversial campaign.

Second, JAKIM’s influence within the state—especially over the religious authorities at the State level—was not absolute, either. JAKIM had to be very careful not to offend the latter in imposing federal policies because JAKIM did not have its own secretariats manned by its staff at the State level (except Sabah and Sarawak). Inevitably, JAKIM had to depend on the State religious authorities for effective implementation of its policies at the grassroots across the States. JAKIM invested a substantial amount of resources to rectify this weakness. Under the auspices of JAKIM, for example, a variety of forums and training schemes were organized to promote coordination and

---

8 ‘Understand nature of polygamy,’ Star, 18 March 2003; ‘Muftis hit out at “one husband, one wife” initiative,’ ST, 19 March 2003.
10 ‘Pak Lah; Refer monogamy campaign proposals to Jakim,’ Star, 19 March 2003.
cooperation between the federal and State governments as well as among State governments. Furthermore, a substantial sum of financial aid was distributed to resource-poor State religious departments to help finance the latter’s administrative costs (For instance, JAKIM n.a.: 309-10). Yet, securing the States’ compliance remained a difficult and costly business. When confronted with the States’ defiance, JAKIM could not help but seek ‘assistance’ from UMNO leaders who could employ various other political tools to secure compliance. But this reinforced even further JAKIM officials’ dependence upon and allegiance to UMNO leaders, thereby leaving them highly vulnerable to the latter’s political interference.

Third, JAKIM’s weakness in relation to extra-bureaucratic actors was combined with its internal organizational weakness to affect the level of institutionalization of the national religious administrative machinery. Compared with other longstanding and established State religious agencies such as the Religious Affairs Departments (Jabatan Agama Islam Negeri or JAIN) and the Religious Councils (Majlis Agama Islam Negeri or MAIN), JAKIM was a relatively new organization. In the course of organizational development, JAKIM had a clear aspiration ‘not to become like them.’ In the department’s development plan for national religious administration, both the religious departments and the religious councils were categorically branded as ‘inefficient’ ‘incompetent’ and ‘disorganized.’ The plan proposed that the two agencies undergo a comprehensive overhaul since they could not simply be eliminated. The chief task for JAKIM in this context was to ‘help achieve efficient, effective, and uniform administration of religious affairs nationwide in organizational, legal, and procedural respects. The task, more specifically, covered areas ranging from the development of system and human resources, codification and standardization of laws, and standardization of administration as well as dakwah matters’ (JAKIM, n.a.: 75-76). The

12 JAKIM distributed about RM90 million annually for the management of the primary level student Qur’an class program (KAFA) alone.
development plan emphasized the creation of an 'efficient and competent' officialdom to run religious affairs. More specifically, it proposed to equip JAKIM with officials and staff skilled and qualified in the relevant managerial field (JAKIM n.a.: 76).

The JAKIM's plan identified two strategies to achieve this goal. The first strategy was to train officials through an in-service training program. This program, however, had limitations. It was found that the academic background of the currently employed officials—that is, Islamic Studies—was not adequate in preparing them for certain fields; whatever training they received, the theologically trained ulama officials would not easily be transformed into 'qualified administrators.' The second strategy aimed to off-set this weakness by bringing in officials qualified in relevant (non-religious) fields from outside JAKIM on a short-term basis, or opening the service to candidates from other fields rather than Islamic Studies (JAKIM n.a.: 76).

What is worth noting here is that creation of competent, efficient, and effective religious officialdom was interpreted as the large-scale employment of officials educated and qualified not in the field of Islamic Studies, but in non-religious/secular fields. In a way, JAKIM's development plan implicitly acknowledged that theologically trained officials were of little use in running religious affairs efficiently.

The vision of creating an effective religious officialdom nationwide was reflected in the pattern of recruitment of JAKIM officials in two respects. First, JAKIM employed a number of loaned officials (pegawai pinjam) from other secular services and agencies. Although some of these loaned officials had a minimum level of religious knowledge and qualification, the real value of these officials was not their religious qualification but their training in non-religious fields and experience in other parts of the public service or governmental agencies such as the Ministry of Education. For example, the Director of the Legal Affairs Division was a federal legal officer (Grade 1) seconded from the Attorney-General's office. Having expertise and experience in civil laws, he
was designated the task of assisting the codification of Islamic laws.\textsuperscript{13} Officials from
the elite Administrative and Diplomatic Service (\textit{Perkhidmatan Tadbir dan Diplomatik})
were also appointed to posts dealing with managing and planning. According to the
director in the administrative and financial affairs division, himself an official from the
administrative and diplomatic service, about 30-40 percent of JAKIM’s officials and
staff have non-religious backgrounds.\textsuperscript{14}

Second, the federal government proposed an introduction of the officer common-use
scheme (\textit{Pegawai guna sama}) in 1997—similar to the mechanism introduced in the
\textit{syariah} system. Once put in force, religious affairs officers previously employed by the
individual State governments could be placed under the federal public service scheme
(\textit{Skim Pegawai Hal Ehwal Islam}, Islamic affairs officer scheme), and be allowed to be
posted in any of the States that joined the scheme. On the official level, this was an
effort of the federal government to standardize and upgrade religious officers
countrywide. At the unofficial level, however, it was a federal tool to exert tighter control
over religious officials who proved defiant from time to time. Given some States’ likely
hesitation, JAKIM offered additional material incentives such as better chances for
promotion, something unknown to them under the previous State public service scheme.
As of 2000, seven States had agreed to join the schemes, but full implementation had
yet to be achieved.\textsuperscript{15}

Despite all these efforts to make the religious service more effective and efficient,
however, it is not entirely clear whether—and how—these policies contributed
practically to the organizational development of JAKIM, and to efficient and effective
running of religious affairs.\textsuperscript{16} It is important to note that JAKIM continued to be

\textsuperscript{13} This division is in charge of drafting \textit{Syariah} laws at the federal level. Once passed at the federal level,
these laws are presented to the State governments for consideration and eventual adoption by the State
parliaments.
\textsuperscript{14} Interview, JAKIM, Kuala Lumpur, 12 June 2000.
\textsuperscript{15} Interview with JAKIM official, Kuala Lumpur, 12 June 2000.
\textsuperscript{16} Anecdotal evidence suggests that JAKIM is comparatively ‘efficient’ and ‘successful’ among various
governmental agencies in terms of ‘budgetary spending.’ This is apparently a standard measurement used.
dominated by Islamic affairs officials with Islamic Studies backgrounds (*Pegawai Hal Ehwal Islam*). This category of officials commonly shared the same educational background with the traditional type of religious officials at the State level; for example, graduates from Islamic Studies at the National University of Malaysia (*Universiti Kebangsaan Malaysia*, or UKM). Some of the high-level officials (above Grade 3) held higher qualifications like master’s degrees in Islamic studies from Western universities. Yet, in essence they had not broken away from the old and standard socio-economic milieu—in contrast to graduates from the International Islamic University (UIA). Moreover, the top posts—including the director-general and deputy directors—were almost always reserved for religious-trained Islamic officials.

The persistent domination of religious-trained Islamic officials in JAKIM had a significant effect on the character and image of the organization. A former high-ranking official of IKIM (*Insititut Kefahaman Islam Malaysia, the Malaysian Institute of Islamic Understanding*), a semi-governmental federal agency created to promote UMNO’s progressive Islam, for example, claimed that difficulties he encountered to ‘get things done’ when he coordinated some Islamic projects with JAKIM had much to do with the background of JAKIM officials; many prominent JAKIM officials came from a traditional Islamic studies background. Quite a few projects he and his organization initiated were ‘lost’ or not properly implemented. These failures, according to him, were primarily due to the incompetence of JAKIM officials.¹⁷

The blatantly negative view of this governmental official about JAKIM, in fact, characterized a typical perception about *ulama* officials among other secular-trained Muslim officials, both politicians and bureaucrats alike: an outdated, unsophisticated, inefficient and ineffective group of people. For UMNO politicians and government officials who were eager to achieve fully developed country status, these religious elites

---

¹⁷ By officials to assess the efficiency of governmental organizations (Interview with the Director in the Administrative and Financial Affairs Division, JAKIM, Kuala Lumpur, 12 June 2000).
were seen increasingly as ‘nuisances’ and ‘hindrances’ to their goal of national development.

Especially frustrated with them (and their conservative attitudes in particular) was none other than then Prime Minister Mahathir. However, Mahathir was not openly harsh towards them in the beginning when his administration launched an aggressive campaign to promote progressive Islam in the early 1990s. Nor was he brave or reckless enough to offend them publicly. Quite the opposite, he and his former deputy, Anwar, attempted to incorporate them into their vision of national development, a development emphasizing a balance between material and spiritual attainment. That Mahathir was resolved on this point was quite clear in one of his landmark speeches delivered at a congress entitled ‘Towards the 21st Century: Islam and Vision 2020’:

An Islamic administration must strive to ensure that its nation achieves rapid development so that it can compete with the rest of the developed world. Nevertheless, efforts to retain moral standards and high values of life that are demanded by Islam must not be neglected. The culture and civilization of Islamic countries must balance between spiritual attainment and material development... The country’s objective is to be a fully developed country by the Year 2020. The definition of a developed nation has already been explained. It definitely does not mean material development which disregards spirituality. Our objective is a nation which is developed in terms of knowledge, efficiency and affluence without losing our moral values and religious teachings (Mahathir 1993).

In this vision intended to incorporate Islam as a key ingredient, religious elites should have an important role to play. Some prominent controversies implicating State religious officials, however, seem to have convinced Mahathir that they were not up to the task; their ‘conservative’ and even ‘reactionary’ approaches in handling religious issues revealed that they would only undermine UMNO’s efforts to promote progressive

17 Interview with former IKIM official, Kuala Lumpur, 9 June 2000.
Islam both at home and abroad. Mahathir was increasingly impatient with these religious officials and his hostility towards them grew more public in the late 1990s (i.e. the beauty contest controversy and sacking of Mufti). It was hardly surprising that such an increasingly hostile climate put these religious elites in the government on the defensive.

Overall, the extensive use of officials from other secular administrative agencies in the JAKIM hierarchy, coupled with an increasingly hostile climate for the religious elites, meant that esprit-de-corps in the religious officialdom long bound by common traditional religious schooling was badly hurt. The practice of loaning officials across governmental agencies was nothing unusual in Malaysia’s public service. For the religious affairs agencies, however, this was a relatively new and uncommon phenomenon. It was not so surprising that the religious-trained officials felt that this trend toward ‘secularization’ was a threat to their turf; the only sphere where they could exhibit their expertise and usefulness with a sense of pride and integrity.

‘Neutralized’ Co-optation

These employment patterns in the most influential religious agency at the national level had an important implication for the co-optation effect of institutionalization discussed above. The religious affairs agencies—either on the federal or State level—were traditionally the bastion of Islamic studies graduates. In the past, official posts in the State religious agencies were respected and popular professions among Muslims. The posts in the State religious departments and religious councils attracted a number of ‘qualified’ Muslims in the relevant field, although the recruitment mechanism to these posts was rather dubious.18 As the Muslim community went through dramatic

---

18 Roff’s study, for example, indicates that the membership of the influential Council of Religious Affairs in Kelantan was filled by ‘the ruler’s own men.’ In other States such as Selangor, Perak or Johor, similar religious bodies were heavily dominated by members of the ruling house and the hereditary aristocracy.
economic development that made available many more (lucrative and glamorous) career opportunities in such areas as business since the 1970s, the popularity as well as socio-economic status of these religious positions waned. Those Muslims educated at religious schools were ‘losers’ in this situation; their training and qualifications in Islamic studies were seen as impractical and irrelevant, while career opportunities outside the religious sectors were extremely limited.

This socio-economic context, combined with the shortage of autonomous private/social organizations that could have otherwise provided them with alternative career opportunities, maximized the co-optation effect of institutionalization of the state Islamic administrative apparatus. They could have sought employment outside the public sector such as in private religious schools. But, this did not promise a particularly rewarding and stable long-term career option; the return was so small that some of them had to take secondary employment outside office hours. Others even had to depend on farming in villages to make ends meet. Such economic circumstances forced many of the private schools and teachers to seek financial assistance from the government simply to survive. Under such circumstances, posts and jobs created in the public sector—judicial, educational, or administrative—offered those Islamic studies graduates a precious refuge: relatively secure and rewarding career opportunities.

The large-scale recruitment and involvement of officials and staff with non-religious educational backgrounds in JAKIM, however, meant that the expanded authority of religious agencies and increased employment opportunities within them at the federal level did not necessarily bring great benefits to religious-trained Muslims. Moreover, a generally hostile climate to the religious elites in the government, and Mahathir’s obvious low opinion of them in particular, put them very much on the defensive. The co-optation effect of institutionalization of religious administrative apparatus was

(Roff 1974).

19 Interview with Ministry of Education officials, Department of Religious Education, Kuala Lumpur, 8
reduced somewhat as a result.

**IKIM: Ideological Vehicle for the ‘Progressive’ Islamic Regime**

Islamic scholars who had always urged the government to stress Malaysia's Islamic identity generally welcomed the government’s Islamization policy. The policy, of course, provided limited yet high-profile and rewarding career opportunities for selected Islamic scholars. The patronage aspect of the Islamization policy should not be forgotten, but material rewards were not the sole incentive for them. The expansion of career opportunities for religious-educated Muslims meant that more official resources would be spent for advancement of Islamic learning including the teaching of classical religious studies. For Islamic scholars and teachers, the Islamization initiatives offered rare and valuable opportunities not only to extend their career prospects but also to apply in practice their learning and their interpretation of the classic texts of Islam. This scholarly interest seems to have helped Islamic scholars and leaders to come together to support the government initiatives. The rise of another high-profile and influential federal Islamic agency, the Malaysian Institute of Islamic Understanding (*Insititut Kefahaman Islam Malaysia* or IKIM) was a product of this trend. IKIM was established by the federal government in 1992 as a supplement to such organizations as JAKIM and the Institute of Islamic Thought and Civilization (ISTAC), the educational institution established by Anwar.20

Institutionalization of the religious bureaucracy, alone, did not necessarily guarantee the ideological impact that UMNO politicians expected; it could more likely—and often actually did—benefit ‘conservative’ *ulama* by entrenching their authority and rule.

February 2000.

20 ISTAC was officially opened in 1991 and was the brainchild of a prominent Islamic thinker, Syed Naquib al-Attas, who was its founder-director. In its early years, ISTIC received much support and patronage from the government. Anwar Ibrahim was the first chairman of the institute.
within the state bureaucracy. The establishment of IKIM was meant to promote progressive Islam in a way that UMNO politicians envisaged would prevent traditional ulama from gaining too much influence within the state bureaucracy and in the Muslim community at large. At the official level, the prime aim of the institute was to assist the government’s policy of Islamization by promoting the progressive understanding of Islam (Star, 29 May 1993). Then IKIM Director-General Ismail Ibrahim described the role of the institute as: ‘to produce Muslims who are not only morally strong but also progressive, in line with the Government’s Vision 2020’ (Star, 29 May 1993). To this end, the institute organized conferences and seminars to bring together a wide spectrum of Muslim elites in religious administration, including State religious department officials, Syariah court judges, academics, as well as religious teachers. It was hoped that these activities would present to these religious officials and leaders an integrated approach and practical solutions to building high moral values among Muslims. These forums were also meant to publicize to these religious officials and authorities the modernist version of Islamic teachings and concepts. The UMNO leadership expected them to propagate this progressive type of Islam to the Muslim community at the grassroots.

The institute’s activities were not only targeted at the Muslim community. They were intended to enhance understanding of a progressive modernist Islam among the non-Muslim and business communities as well as urban middle-class Muslims. A local academic, and member of the prominent Penang-based NGO, Aliran, Ariffin Omar, cast this goal in positive light, commenting in this way: ‘Perceived as modern and progressive, non-Malays seem to feel very comfortable and positive with IKIM’s views and activities.’ Given extensive publicity and funding, IKIM served as an ideological vehicle for the Mahathir administration to propagate the UMNO version of modernist

21 Interview with Ariffin Omar, Science University of Malaysia (USM), Penang, 17-27, February 1997.
Islam. In so doing, it attempted to limit the influence of a more conservative version of Islam that the UMNO leaders—Mahathir in particular—did not want to see widespread.

The overall effect of this ideological campaign had two aspects. The Mahathir administration’s ideological campaigns to promote the progressive type of Islam and the rise of its vehicle, IKIM, had considerable impact on the standing of the traditional ulama who were viewed in a more negative light as backward and conservative, especially by the urban middle-class Muslims. Mahathir’s open hostility towards them aggravated this impact.22 On the other hand, the glamorous presence of IKIM—and abundant material rewards—attracted a number of religious experts to serve the cause and interests of the UMNO leadership, especially Mahathir and Anwar. IKIM became instrumental in producing a new breed of Islamic intellectuals rivaling the conservative group of ulama, whilst acknowledging the ideologically and politically strategic position of the UMNO leaders.

The employment of a new type of religious official to run this flagship institution in a way to serve the purposes of the UMNO leadership required the latter to circumvent the established system of public service recruitment. IKIM was administratively placed under—and fully supported by—the Prime Minister’s office at the federal level, but operated as an extra-bureaucratic semi-governmental agency.23 Its officials and staff were placed outside the formal public service scheme, therefore allowing the UMNO leadership considerable leeway to appoint men who were adequately qualified to meet the UMNO leaders’ expectations.

What was noteworthy about this apparently personalistic mode of recruitment was the

---

22 His exceptionally harsh attitude towards ulama, however, was often seen as rather offensive. A close associate of Anwar states retrospectively that Anwar had to appease the traditional ulama who had been alienated by the Prime Minister.

23 In this respect IKIM followed in the steps of the Institute of Strategic and International Studies (ISIS) that was set up as a special think-tank to provide independent analysis of foreign and defense policy. IKIM was formed as a limited company under the Company Act 1965. It was headed by five-member board of directors under the chairmanship of the then Chief Secretary to the Government Ahmad Sarji Abdul Hamid (NST, 22 March 1994).
relatively high formal qualifications of its personnel. Moreover, their qualifications were not only in the field of Islamic studies. At the highest echelon, only a very few officers had formal qualifications in Islamic studies. Some, like the former Director-General Ismail, taught at the Faculty of Islamic Studies at the Malaysian National University (Universiti Kebangsaan Malaysia or UKM). Others had PhD degrees in Islamic-related fields. Yet, the main corps of IKIM officials differed from the traditional type of ulama in significant respects. First, the value of the IKIM officials was not so much based on religious qualification but more on practical expertise. For example, many officials did not have formal qualifications in Islamic Studies, but were qualified in secular fields such as economics. The majority of the director-level officials had qualifications (often PhD) in such fields as economics, science, and sociology. The best example for this was former Deputy Director-General Dr. Syed Othman Alhabshi. He became widely known and was seen by government leaders as a model of the progressive Islamic intellectual and an architect of Mahathir’s modern Islam project. He wrote about a range of Islamic issues including Islamic finance and Islamic education. Despite his reputed Islamic credentials, he had no official qualification in Islamic studies and in fact his PhD degree was in Econometrics.24

Second, some had high qualifications (PhD for instance) in Islamic fields not from institutions in the Middle East but from ones in the Western countries. The former Director-General Ismail, for instance, held a PhD degree from St. Andrew’s University, a British university with a reputation for Islamic studies. Several other high-ranking federal Islamic officials had also graduated from St. Andrew’s, including the former Minister in charge of religious affairs, and currently the religious advisor to the Prime Minister, Dr. Abdul Hamid Othman. Their Western education distinguished them from the traditional high-ranking religious elites who were almost always graduates of

---

Third, another distinctive ‘Western’ attribute of IKIM officials was their clothing. Not a single IKIM official was dressed in ‘Arabic’ Islamic attire (such as the white long robe and turban relished by many traditional-type ulama). Instead they were always dressed in a conventional Western-style suit just like officials in the non-religious agencies or businessmen. This modern outfit signified their efforts to promote IKIM’s progressive image and to differentiate themselves from the old type of religious officials.25

The UMNO leaders’ expectation that this new genre of religious scholar would play a pivotal role in their Islamization campaign was indicated by the appointment of the Director-General of IKIM as the Chairman of the National Fatwa Council, the highest official religious body with the authority to issue fatwa (BH, 13 September 2000).

The federal government’s recruitment of individuals favored by UMNO politicians from outside the formal bureaucratic structure to high-profile posts in the government, however, meant that the authority of these officials and the organizations they led were not fully entrenched in the government. One could expect that their influence over other governmental Islamic agencies (such as those at the State level) would not be automatic or unconditional. Their influence at the societal level was not absolute, either. Their achievement of high-profile posts was not based on organizational support or recognition in society; their authoritative dominance in the national Islamic administration primarily depended on the favor of UMNO politicians. Their inevitably partisan stance seemed to damage their professional and religious credentials. PAS often questioned the legitimacy of the government-sponsored religious officials and their rulings.26

Moreover, the institute’s close association with UMNO—especially

25 About the symbolic effect of this dress ‘code’, see (Peletz 2002).
26 See, for instance, ‘PAS questions Ismail’s appointment as fatwa council head,’ Star, 11 April 2001. Farish also points out that the ‘middle-class’ character of IKIM (alongside other government-sponsored Islamic institutions) was responsible for the limited appeal and influence of the institute in the rural
Mahathir—outside the formal administrative channel meant that the fate of the organization as well as its personnel tended to be influenced by its patron’s fate. Since the Anwar crisis badly undermined the moral (and thus religious) credentials of both Mahathir and the government, the religious bodies associated with him also seem to have lost some respect. The damage to the religious bodies was especially severe because it was precisely on religious grounds that the opposition condemned Mahathir.

This system of apparently personalistic recruitment, however, should be differentiated from pure nepotism and favoritism widely observed in countries such as Indonesia. These religious officials might have been recruited on the basis of their expected loyalty to ruling politicians. But, this was not the single and most important criterion for their appointment. Nor were their appointments based simply on being ‘brothers’ or ‘in-laws’ of some prominent figures. It is important to note that their religious knowledge and expertise in other professional fields mattered equally. This somewhat meritocratic element in the system seems to have saved their credentials and authority both within the government and society from being tarnished too badly by their flirtation with UMNO politicians.

**Conclusion**

The two cases involving JAKIM and IKIM strengthened a new type of religious elite at the expense of the theologically trained traditional religious leaders. On the one hand, as proved by the JAKIM case, the federal leaders’ emphasis on creating a systematic, efficient and competent organization administering Islamic affairs nationwide reinforced the importance of formal qualifications, rather than more traditional forms of

---

Muslim community (Farish A. Noor 2003b).
authority (such as those based on personal charisma or family lineage at the community level). Moreover, it had the effect of increasing the proportion of officials with secular backgrounds and loaned officials from non-religious agencies. In a way, institutionalization of the federal Islamic agency facilitated ‘secularization’ of the Islamic administrative officialdom, thereby blocking otherwise the absolute dominance of theologically trained Islamic officials.

On the other hand, as illustrated by the IKIM case, the increased authority of the federal system of Islamic administration helped marginalize the traditional type of ulama as well as those unsympathetic with the UMNO version of progressive and materialistic Islam in the corridors of power. Despite the increased emphasis on formal qualifications and standards in the process of recruitment of religious officials at the federal level, the federal government’s concurrent use of extra-bureaucratic agencies to pursue their religious policies meant that partial, personalistic, and informal criteria were also present. Moreover, the arbitrary and short-term appointment of individuals favored by, and loyal to, UMNO politicians to high-ranking posts in these agencies left the former highly vulnerable to the latter’s private interference in policy implementation. Given their ultimate dependence on the UMNO politicians for their posts, livelihood and authority, these high-ranking officials had little choice but to serve their patrons’ expectations on the religious and political fronts. In this way alone, they could defend their usefulness.

The UMNO government’s employment of highly qualified Islamic scholars and experts combined with its pledge to promote the progressive type of Islam had the effect of reinforcing divisions among the theologically trained religious leaders. The enlarged career opportunities for Islamic Studies graduates in the public sector under the pro-Islamic UMNO regime, however, meant that a sizable segment of the theologically trained graduates was readily mobilized and co-opted to support the Islamization cause.
of the UMNO leadership.
Despite some limitations, the level of institutionalization of the state apparatus regulating a range of Islamic activities in Malaysia has grown comparatively high. State religious organizations are much more organized and disciplined than they were before, and compared with other Muslim nations such as Indonesia and Pakistan. This bureaucratic structure allowed federal politicians a considerable amount of authority and autonomy to legitimize and enforce their policies related to Islam more effectively. The rise of 'organized religion' within the formal state structure, thus, considerably increased state capacity to assert authority in the religious sector and to regulate religious mobilization at the societal level.

In practice, however, a few Islamic organizations—most notably the Islamic opposition party PAS—remain active outside the state and manage to put considerable pressure on the government. Yet, it is important to note, PAS has never been able to develop into a national movement in the way that, for example, the Islamist Justice and Development Party in Turkey has. Its influence is largely limited to rural Muslim constituencies in only a few States. Similarly, liberal Islamic movements and figures that became active in the 1990s, such as Sisters in Islam, only managed to influence an extremely limited urban middle-class Muslim constituency, despite the obvious backing of some prominent UMNO politicians. Given that religious institutions comprise important bases for political organization and mobilization, to what extent, and in what way, has the institutionalization process affected non-governmental Islamic

---

1 The Islamist Justice and Development Party won an overwhelming victory in parliamentary elections in 2002, sweeping out political parties that had dominated Turkish politics for the past decades.
organizations and actors?

This chapter assesses the political effects of the institutionalization of the state administrative structures overseeing Islamic affairs and the latter's effect on state-society relations. It asks what the effects of institutionalization of the religious bureaucracies on the state's capacity to regulate Islamic activities are, and why the Malaysian government's co-optation of religious authorities went as far as it did. In theory, it is hypothesized that the institutionalization of the religious apparatus within the state will strengthen the state capacity to control non-state religious actors. Thereby, it will restrain development of politically threatening autonomous religious activities in the societal sphere, including oppositional and radical Islamic movements. I examine the government's dealing with oppositional Islamic challenges including PAS and some extremist Islamic movements, and also bring in comparison between Malaysia and Indonesia to test the proposition about religious mobilization. Weak Islamic activism in Malaysia contrasted starkly with its neighbor Indonesia where a variety of societal Islamic groups—radical or liberal—remained very active. By comparing the two cases, I evaluate how far the institutionalization of the religious administrative apparatus reinforced state capacities to regulate oppositional religious movements, and how it helped to temper radical religious mobilization.

Demobilizing PAS's Challenge

In Malaysia, PAS's leaders managed to mobilize a large section of the rural (and to a less extent urban) Muslim community and often succeeded in forcing UMNO regime onto the defensive. To express its principles, goals, and aspirations based on Islam, the party always bestowed ulama with a special position in the party hierarchy. The
influence of ulama within the party fluctuated over time, but remained especially high ever since the ulama-led ‘Young Turks’ rose to power in the party in the early 1980s at a time when the wave of Islamic revival was sweeping the Muslim community. Several indicators illustrated this Islamization trend in the party; the supremacy of the Ulama Council (Dewan Ulamak) and the spiritual leader (Mursyidul Am), Nik Aziz Nik Mat, in the party organization had become almost indisputable; many of the prominent leaders, such as the former Chief Minister of Terengganu and the current party President, Abdul Hadi Awang, were ulama trained in Islamic law, and traditional-type religious schools (Sekolah Agama Rakyat or SAR) run by ulama continued to provide an important support base for the party.

The ulama’s religious-prescribed moral order and guidance became a special asset for PAS when the Anwar crisis in 1998 caused enormous fury in the Muslim community. PAS fully exploited religious symbols and vocabularies to criticize—and mobilize against—UMNO, and Mahathir in particular, for the crude way in which they dismissed Anwar. Their accusations against the UMNO regime, articulated in religious terms, appealed to a wide spectrum of the Muslim community, and gave PAS its highest level of electoral support since independence in the 1999 general election. Yet, UMNO leaders’ tighter administrative control over key religious institutions including the State Mufti and private religious schools greatly hindered PAS’s mobilizational capacity. The impact of this administrative control was especially significant since the schools had

---

2 For the rise of ulama-led leadership and increased emphasis on Islam in PAS, see Hussin Mutalib (1990: 113-18).

3 It is suggested, on the other hand, that the influence of the non-ulama ‘professionals’ has been growing since the late 1990s and an increasing number of party members were recruited from this ‘non-ulama’ group (Interviews with PAS MP from Terengganu, PAS’s office, Kuala Lumpur, 14 June 2000; PAS MP from Kelantan; Kuala Lumpur, 3 October 2001). This ulama versus professional divide at the top echelon of the party leadership drew attention, again, in the latest Muktamar in 2003. The newly elected 18-member Central Committee was composed of 10 professionals and 8 ulama (‘Hadi: Ulama-professional gap is nothing,’ Star, 15 September 2003; ‘Hassan’s win shows ulama still has grip on PAS,’ Star, 15 September 2003).

4 PAS’s membership had grown from 500,000 in September 1998 to about 700,000 a year later (Weiss 1999). The sales of the party’s newspaper, Harakah, also went up, prompting the UMNO government to take a repressive step; the paper was not only banned from public sale, but also forced to change its publication from twice-weekly to twice-monthly.
become heavily dependent on the federal government for their survival and therefore vulnerable to government interference.

The co-optation of a number of ulama into the state administrative structure meant that a potential source for political mobilization was neutralized. It is important to note that the Weberian attribute of state bureaucratic organizations did not ensure state enforcement of religious matters to be completely insulated from particularistic social interests. Institutionalization having taken place under the one-party-dominant regime meant that the implementation was somehow skewed to favor the interests of ruling politicians. Although religious officials were recruited to state offices on merit to carry out official tasks designated to their office both in theory and practice, the religious officials were obliged to comply with the iron rules of obedience and acquiescence in the state bureaucracy; they were to serve the 'not so neutral' interests of the Muslim ruling elites within UMNO. The process of institutionalization, as case studies in the later section of this chapter demonstrate, helped strengthen the capacity of the state in handling Islamic activities. Furthermore, it reinforced the power base of the ruling party by limiting sources for oppositional religious mobilization.

The Political Economy of Career Incentives and the Prospects for Religious Autonomy: An Unbalanced Demand and Supply Problem

The Malaysian government’s use of co-optation and a corporatist approach is not a unique phenomenon. Other Muslim nations also employed similar mechanisms to control theologically trained Muslim religious elites. For example, in Indonesia, the Suharto regime created several government-sponsored Islamic organizations to co-opt prominent Islamic leaders and organizations, and to use them as channels to distribute
patronage (e.g., Hefner 1993; Liddle 1996; Porter 2002). In Egypt, too, the government attempted to control the most prestigious Islamic institution, Al-Azhar, to co-opt ulama into the state (e.g., Moustafa 2000; Zeghal 1999). However, the degree of success of co-optation strategies varied across nations. The Malaysian case stood at the relatively ‘successful’ end of the spectrum. The government’s Islamization policies in the past two decades managed to incorporate a large number of theologically trained Muslims into the public sector. Despite Islamic opposition’s constant accusations and mockery, religious officials command a good deal of authority and esteem in the Muslim community. The government’s co-optation had the effect of restricting the scope of religious autonomy as well as the mobilizational capacities of religious actors in the societal sphere. Why do some countries manage to achieve intended goals more effectively than others?

One explanation relates to the type of co-optation. In the Malaysian case, the co-optation took on a special character and was carried out by a strategy that contrasted starkly with that used in many other Muslim nations. As the prior chapters have shown, the government itself took over traditional religious functions and expanded state bureaucracies to carry out these functions along Weberian lines. Importantly, religious officials were recruited into the religious establishment within the state as ‘salaried officials.’ This mode of bureaucratic co-optation should be differentiated from patrimonial co-optation based on personalistic distribution of public resources through extra-bureaucratic channels.

Comprehensive assessment of the co-optation effect under the UMNO’s Islamization regime needs to take account of one additional factor: the demand-supply equation of career opportunities for religious-trained Muslims. In theory, the significance of co-optation will be influenced by two factors: (1) the government’s will and capacity to provide a steady and sufficient supply of long-term career opportunities for
theologically trained Muslims in the public sector, and (2) the deficiency of career opportunities for them in the private sector. In Malaysia, the very limited availability of career opportunities for theologically trained Muslim graduates in the private sector maximized the co-optation effect of the expanded religious public service.

Comparison with Indonesia illuminates this point. In Indonesia, the government’s essentially ‘secular-nationalist’ approach in the post-independence period meant that state intervention in religious administration was moderate, leaving the task of running religious affairs largely to societal actors. Non-governmental Islamic organizations were the main providers of not only religious functions but also employment opportunities for traditional religious school graduates. The two most prominent religious NGOs, Nahdlatul Ulama (NU) and Muhammadiyah, for example, run not only religious education, but also medical, social-welfare, and financial services for their followers. These functions offered a social network as well as career opportunities for graduates of their affiliated schools. Moreover, the lack of necessity (as well as will) of these religious elites to depend too much on the government for livelihood as well as religious authority helped dilute the effect of co-optation policies adopted by the Suharto regime in the late 1980s (Porter 2002). Even then, a massive supply of government funds— together with official approval of Islamic groups—was very attractive for some non-governmental organizations and leaders since they tended to be short of resources (both economic and political) to manage their affairs.5

An unexpected consequence of the government-sponsored Islamization projects in Malaysia was a balance sheet problem: the government could not supply sufficient career opportunities for religious graduates who disproportionately increased under the

---

5 Material incentives of this sort indeed influenced the relationship between the government and non-governmental Islamic organizations. The tentative rapprochement of NU (especially its then Chairman, Abdurrahman Wahid) and the Suharto regime in the early 1990s was largely explained by this factor (Feillard 1997; Kadir 2002). Moreover, receptivity to the government’s interference varied among organizations. It is a common knowledge that modernist organizations, especially Muhammadiyah, were less successful in maintaining their autonomy due to their reliance on state resources.
UMNO's Islamization regime. The demand for job opportunities from religious graduates was simply too high for the public sector to accommodate. Moreover, these religious graduates lacked the skills needed by modern sectors of the economy in the private sector.

UMNO leaders, especially Mahathir, came to realize with much apprehension that private religious schools were producing an excessive number of graduates, who only possessed what they considered 'impractical' skills and knowledge. To make it worse, they claimed, some of them were involved in 'undesirable' political activities, such as supporting the opposition to the government. It was UMNO leaders, it has to be remembered, that extended generous financial assistance to these Islamic schools and teachers in the name of support for the religious cause, albeit in practice to fulfill their patronage-maximizing goals. This financial assistance, the allocation of which was determined by the number of student enrollments in each school, not only helped them to survive financially but also encouraged them to increase student enrollment without much consideration of their students' future career options.6

The problem concerning enlarged student enrollment at religious schools was two-fold. First, there was little capacity in tertiary institutions at home to accommodate all the potential candidates from private religious schools nationwide. Since the 1990s, faculties of Islamic studies at national universities had developed both in qualitative and quantitative terms.7 Coupled with the establishment and expansion of the International Islamic University (UIAM), this trend helped to some extent to absorb the pressure of religious school graduates aspiring to pursue tertiary level education. However, Mahathir administration's promotion of progressive and modern Islam meant that these tertiary institutions, at the same time, were pressed to standardize their admissions to

6 See, for instance, 'Aziz: Some SARs lied to get more govt funds,' Star, 17 February 2003.
7 Interview with Dean of Faculty of Islamic Studies, the National University of Malaysia (UKM), Selangor, 2 June 2000; Faculty member of Akademi Pengajian Islam, University of Malaya, Kuala Lumpur, 31 May 2000.
maintain the quality of their programs and students. These Islamic faculties, however, often adopted a lenient approach to religious school graduates by admitting them without the required school grades. Yet, this only exacerbated the fundamental problem that there were insufficient opportunities for too many unqualified religious tertiary graduates. Furthermore, those Islamic studies graduates who managed to complete their degrees also found that their career prospects were not as bright as they had expected. Against the backdrop of rapid economic development, religious expertise was not a skill particularly useful or attractive in the modern economic, industrial, and administrative sectors. On top of this, the government’s drive to standardize and upgrade the qualification of some religious offices (e.g., Syariah judges, religious teachers), ironically, made the prerequisite for admission too high and time-consuming for the majority of Islamic studies graduates.

Second, religious school students also had an option to go abroad (the Middle East more specifically) for tertiary education. As suggested in chapter 5, however, relatively easy admission to tertiary institutions known for Islamic studies in the Middle East and the Indian subcontinent, including the most prestigious Al-Azhar, allowed the acceptance of an excessive number of Malaysian Muslim students every year only to produce an equally excessive number of unqualified and failed graduates. A select few might find high-profile posts in the federal agencies such as JAKIM and IKIM as well as Syariah courts. However, many apparently came home to find themselves unfitted for Malaysia’s booming market place; fortunately some found posts at religious schools or State religious departments as religious teachers, imam, or mosque officials. Or else,

---

8 Interview with former UIAM academic, Kuala Lumpur, 9 June 2000.
9 UIAM graduates may be exceptional in this regard. UIAM’s principle of training its students both in religious and practical fields, in fact, made them very attractive candidates on the job market in a variety of sectors including the judiciary, education, finance and industry. This was not usually the case, however, with graduates of faculties of Islamic studies at other universities.
10 The qualification for the Syariah legal service is a case in point. It requires the degree in Islamic legal administration in addition to the Syariah law degree previously required. For detailed discussion on this point, see chapter 4.
they ended up starting their own schools back in their home villages.

The bleak career prospects for many graduates from Islamic institutions both at home and abroad contrasted markedly with secular-educated Muslims who benefited enormously from the government-sponsored pro-Malay preferential package. Under such conditions, it was not so surprising that some of these religious-educated Muslims felt that the government was not doing enough for Islam in general and Islamic education in particular. Some of them were readily attracted by PAS’s rhetoric against the UMNO government’s ‘secular’ outlook. Others became vulnerable to reactionary or radical ideas and anti-establishment/anti-West doctrines of fringe religious movements and teachers. In Muslim societies, these religious school graduates could be ready recruits for oppositional and radical religious mobilization against the government. The Malaysian government’s recruitment of religious graduates into the public sector under its Islamization drive helped to preempt the potential of discontent mobilization that would do political harm to the ruling party but did not absorb all of them.

Dealing with ‘Extremist’ Islamic Challenges

Patronage Distribution and Discontent Mobilization

The balance sheet problem—a surplus of religious-educated Muslims—against the backdrop of rapid modernization under the UMNO’s developmentalist regime meant that not all Muslims benefited from the government’s Islamization policies; there were some ‘losers.’ In the environment of widespread patronage norms in Malaysian politics, the institutional expansion brought with it an expanding opportunity for ‘pork barrel’ distributional practices—in the form of offices, funds, perks, licenses and various other benefits that could be distributed to present as well as potential UMNO supporters. Such
patronage-oriented distributional politics discouraged the full entrenchment of a more meritocratic, rule-bound, and authoritative administrative mechanism in all sectors. For example, in the Syariah judicial sector, the upgrading of the status of the Islamic court officials helped incorporate the highest echelon of the ulama into the public service and thus prevented the highest qualified religious elites from offering leadership to the opposition, or even voicing dissident opinions. The courts therefore came to be seen as servants of the UMNO government. In the educational sector, the process of institutionalization helped incorporate a rising number of religious teachers who could have otherwise been dislocated in the context of rapid modernization in the process of national development. That the government publicly acknowledged the value of religious education meant that religious teachers were given the official recognition they believed they deserved. Various material benefits—however limited—to which other public servants were entitled were also awarded to them. However, the allocation of dramatically expanded funds and posts as a result of newly introduced religious schools and classes left them vulnerable to political interference of the ruling party. UMNO politicians used the allocation of those public goods not only as ‘carrots’ to woo potential and present supporters, but also as ‘sticks’ to discipline oppositional elements. In the welfare (zakat) sector, prominent UMNO politicians’—especially Anwar’s—patronage incentives worked to develop an alternative Islamic charity fund outside the formal bureaucratic sphere to cultivate a personal support base among the underprivileged class of Muslims. The same incentives left the official charity-based taxation system—zakat—largely neglected.

The government-sponsored Islamization project consequently brought about a

11 More recently, however, against the backdrop of the war against terrorism, the federal government began to claim that too much emphasis had been given to religious education, and that religious education needed to be revamped (See, for instance, ‘A Plan to End Extremism, FEER, 26 December 2002-2 January 2003; ‘KL set to overhaul religious education to blunt political Islam, ST, 24 December 2002).
perception that the state religious agencies as well as the officials who manned these offices were 'employees of the UMNO' and did not run religious affairs fairly for all Muslims. This perception contributed to a sense of discontent and unease among those who did not benefit from the system and provided opposition leaders with political grievances on which to capitalize. Thus, the patronage-based allocation of the expanded 'goods' had a far-reaching distributional consequence, alienating further non-UMNO supporters—especially those on the opposition side.

Islamic movements offered those Muslims who were generally discontented with the government policies an ideological and organizational frame to express their discontent. In Malaysia, fringe Islamic movements, which the religious authorities generally referred to 'deviant' movements, were not unusual, and sometimes caused tension—and even occasional violent clashes—with the government authorities. How did the Malaysian government deal with challenges from these extremist movements?

**State Capacities to Combat Extremist Movements**

The Malaysian government's battle against 'deviant' or 'extremist' Islam at the national level demonstrated the significance of a well-institutionalized state religious bureaucracy.\(^{13}\) In the context of the War-Against-Terror in the aftermath of the 9/11, both policy makers and observers alike tend to attribute the Malaysian government's strong capacities to deal with religious radicalism to its security tools—the police (especially the special branch) and draconian security acts. However, the government's

\(^{13}\) In Malaysia, the concept of 'deviationism' (*sesat* or *sonsang*) is widely used to describe religious movements or activities of an extremist sort. Peletz casts doubt about the Malaysian government's exploitation of the concept of 'deviationism' for suppressing 'unfavorable' religious movements on religious-legal grounds. He points out that 'the concept of "deviationism" as such does not exist either in the Shafi'i legal school of Islam that is institutionalized in Malaysia (and in many parts of the Muslim world) or in any other orthodox school of Islamic law; and that the concept of "deviationism" has no clear basis in any realm of Malaysia's present-day legal system' (Peletz 2002). The wide currency of the concept in the Muslim community in Malaysia is precisely due to its socio-political utility in purging socio-politically unfavorable religious movements.
dealings with radical types of Islamic activities did not rely exclusively on the use of the security forces. Alongside the highly controversal security instruments—most notably the Internal Security Act (ISA)—the government extensively used the administrative machinery ruling religious activities and teaching in the religio-legal and educational spheres. For government leaders, the key concern was not only technical but also political; the religious administrative mechanisms not only provided government leaders with effective operational tools, but also allowed them to avoid heavy dependence on the politically unattractive ISA in combating radical Islamic elements.

Moreover, the well-organized religious authority structures equipped the Muslim ruling politicians with institutional power to define an Islamic group as 'radical' and 'dangerous' on doctrinal grounds when it posed a political threat to their rule and authority. For them, whether targeted groups were genuinely 'deviant' or not was not a prime concern; the point was that they developed authority structures within the state to dictate the 'official' definition according to their political interests and to discredit politically unfavorable Islamic elements.

Religious officials, on the other hand, were more concerned about doctrinal issues. For them, a major task was to monitor religious deviation and enforce the 'correct' Islam as they interpreted it. They could prove their function and value by actively hunting down radical movements, and in fact exploited the threat of extremism so as to extend their operational power and to defend their religious supremacy within the Muslim community.

The ways in which the effectiveness of security operations against religious movements considered politically 'dangerous' were crucially dependent on the doctrinal authority of the religious bureaucracy are illustrated in the following two cases—one negative and the other positive. In the first case, the religious bureaucracy seems to have failed to anticipate the challenge while in the second it backed the security measures.
The Memali Incident, 1985

The Memali incident occurred at a time when UMNO was facing a strong political challenge from PAS in the Malay-majority States of the north and northeast of the peninsula. In a climate influenced by the Islamic revolution in Iran, younger PAS activists were calling for a more vigorous challenge to UMNO. In late 1985 the most violent confrontation between government security forces and radical Muslims that Malaysia had experienced occurred in Memali, a village in the northern State of Kedah. Heavily armed police raided the village to arrest Ibrahim Mahmud, a local religious teacher and his lightly armed supporters. The security forces included the para-military field force and the federal reserve unit (the elite riot squad). In the ensuing clash, eighteen people, including Ibrahim, were killed and a number of policemen and villagers were wounded. The police arrested 159 village followers and imposed a curfew on the entire area.

Ibrahimm was a graduate of Al-Azhar University and had also studied at Tripoli, Libya. He appears to have been a classic case of an alienated graduate of the Islamic educational system who lacked the skills needed for 'modern' employment. After his return to Malaysia, he worked for the government's Pusat Islam for a while but then returned to his home village to set up his own madrasah. Ibrahim was known for his fiery rhetoric and radical ideas. He openly criticized the secular government and called for an Islamic revolution and the setting up of an Islamic state in Malaysia by whatever means necessary. Significantly, he was also an active member of PAS and had previously contested an election as a PAS candidate. (Barraclough 1986: 202-03; Farish A. Noor 2003a: 216-17).

The Memali incident raised a number of security and political questions. First, skepticism remained strong about whether Ibrahim’s group really constituted a
significant threat to order and stability while some believed that the security forces themselves may have been responsible for exacerbating the violence by their decision to storm Ibrahim’s compound in the village. The government’s various efforts to ward off public suspicion were not entirely convincing. In response to PAS supporters in Kedah who regarded Ibrahim as a martyr, the Islamic Council of Kedah was urged to issue a fatwa that declared that he was not a shadid (martyr) and that those who were killed did not die in the name of Islam. Public sympathy for Ibrahim’s group remained strong enough to damage the government in a State where it faced a strong political challenge from PAS. The incident seems to have persuaded some of the government leaders that the excessive use of security forces could be politically costly and counter-productive in dealing with Islamic radicals.

Second, the government attempted to implicate PAS leaders as the instigators of the violence. UMNO’s aim was to discredit Islamic opposition by linking the party with militancy and extremism. PAS, however, distanced itself from the violence and maintained that the dead religious teacher and those of his followers who were PAS members acted in a private capacity and not on behalf of the party (Barraclough 1986: 202). The linking of PAS to religious extremism and violence became a regular tactic for UMNO leaders to discredit PAS by claiming that the party was extremist and dangerous.

Third, and most relevant for the argument of this chapter, the high level of violence strengthened the government’s conviction that it needed to build a strong and centralized religious apparatus to regulate Islamic activities. UMNO leaders seem to have felt the need particularly in the face of massive public concern about the deployment of coercive forces to deal with Islamic movements after the violent and tragic incident at Memali (Barraclough 1986: 203). The failure of local religious authorities to counter Ibrahim’s movement before the intervention of the security forces
provided the government with an important lesson.

Since the 1980s, the government continually made use of the threat of Islamic extremism to build up the state capacity to regulate Islamic activism. The state religious officialdom, especially Pusat Islam, was constantly pressed to be more effective and efficient in containing deviant movements. After all, Pusat Islam had been a previous employer of Ibrahim Mahmud. They were undoubtedly keen to maximize their operational capacity to meet this demand. The federal religious bureaucracy expanded over the years in a way that met the interest of the federal religious authorities in fighting what they perceived as a ‘chief enemy’: Islamic extremism and ‘deviance’. The federal religious authorities under Pusat Islam/JAKIM frequently played up the fear of Islamic extremism to expand their regulatory functions and jurisdictional authority.

*The State Campaign against the Al-Arqam Movement*

The government’s operation against the Al-Arqam movement (often referred to as *Darul Arqam* or just *Arqam*), one of the most influential Islamic revivalist movements to date, exhibited the value of the well-organized state religious bureaucracy in combating an Islamic group targeted as a political threat to the ruling politicians. Arqam is a Sufi movement that was founded in 1969 by Ustaz Ashaari Muhammad. It aimed to set up relatively self-contained communities where Muslims could live a simple life to some extent untainted by the secular outside world. For this purpose it established a commune on the outskirts of Kuala Lumpur as a model to be followed by Arqam communities elsewhere. Although the government had initially enjoyed cordial relations with Arqam, by the 1990s it was claiming that the growing influence of the movement was dangerous and a ‘threat to national security’ and banned the group in August 1994. The teachings and beliefs of the movement were declared to be ‘against true Islamic practice
and teachings and could mislead Muslims.\textsuperscript{14} Although Al-Arqam had no record of resorting to violence, the government played up the security threat of the movement and employed the ISA as well as the police force to terminate it.

However, by now the Malaysian government had some reservations about the excessive use of coercive security tools in handling Islamic movements. Given the special political and symbolic value of the religion, being seen as suppressing an Islamic movement was not a smart move politically. The government hence preferred to take less controversial measures such as co-optation, and/or propaganda through the media.\textsuperscript{15} Security measures were normally kept as a final resort (Barraclough 1985). Even when they adopted a coercive approach, the government leaders concurrently used other mechanisms to minimize the political damage inflicted by the excessive use of such unpopular measures as the ISA.

The Malaysian government’s campaign against the Al-Arqam movement highlighted the inadequacy of security tools and the value of a well-institutionalized strong state religious machinery in two ways. First, the banning of the Al-Arqam movement needed to be grounded on an official religious ruling. The Prime Minister insisted that the government would not take action against the movement without referring to religious experts (\textit{FEER}, 11 August 1994). The National Fatwa Council\textsuperscript{16} met in Kuala Lumpur in August 1994 and ruled that the Al-Arqam movement was a ‘deviant’ group and thus should be disbanded. The council declared that the movement had strayed from the Islamic teachings officially prescribed by the government-backed ulama.\textsuperscript{17} One example was Arqam’s belief that its doctrines had been personally conveyed by the Prophet Mohammad who had appeared physically before an Indonesian sufi, Sheikh

\textsuperscript{14} \textit{FEER}, 11 August 1994, and various articles from \textit{NST}, for example, 6 August 1994.
\textsuperscript{15} Hostile media reporting against the Al-Arqam movement in the state-controlled local media, for example, embellished the movement with allegations such as the existence of a secret army and sex slaves. Such media campaigns undoubtedly served to undermine the public perception of the movement.
\textsuperscript{16} Fatwa is an authoritative legal ruling given by an authorized official interpreting Islamic law.
\textsuperscript{17} For instance, \textit{FEER}, 11 August 1994; \textit{NST}, 6 August 1994.
Muhammad Abdullah Al-Suhaimi, in Mecca. According to Arqam, Suhaimi, who according to others had died several decades ago, was in fact miraculously still alive and could be the promised Mahdi who would usher in the end of the current age (Ahmad Fauzi Abdul Hamid 2004). The religious ruling issued by the National Fatwa Council (under the Prime Minister’s Department) was intended to legitimize the government’s action. This mechanism allowed the politicians considerable leeway and authority to implement an otherwise controversial policy related to Islam to their advantage.

Second, security instruments alone could not completely eliminate the movement; many of the tasks to achieve this objective required the active participation of religious agencies. At the outset of the government’s campaign against Arqam, a stringent security regime was put in place. The initial phase of the campaign saw police detaining some forty-one members in August 1994 alone (FEER, 11 August 1994). In the years after the banning, the movement remained under close government scrutiny because authorities kept finding it ‘difficult to wipe out what was in the members’ hearts and minds’ (Star, 1 June 1996). In 1996, a revival of the movement was detected and met with a severe response from the authorities. Ex-followers of the movement were detained under the ISA; four in May, and seven in August 1996 (NST, 3 June 1996; Star, 6 August 1996). But the security authorities could not deal with Arqam alone. The problem was that the police could not do much beyond arresting movement followers, and could hardly keep on doing that forever. Facing mounting pressure to be more effective in stemming the movement, the Deputy Home Minister, Megat Junid, blamed religious officials for the ineffectiveness of the campaign to rehabilitate the former Arqam members. His claim was that ‘police could only make arrests, conduct surveillance and monitor the movements of ex-followers, but rehabilitation must be undertaken by Pusat Islam (the predecessor of JAKIM)’ (NST, 3 June 1996).
The central religious agency, *Pusat Islam*, thus took a number of steps toward the dismantling of the movement. On the ideological front, *Pusat Islam* launched a rehabilitation program, carried out at the newly established *Pusat Pemulihan Aqidah* (Faith Rehabilitation Center). The program was drafted by *Pusat Islam* together with the State religious departments, and featured, among others, lectures by experts on *Syariah* laws (*Star* 8 March 1995; 28 March 1995; 29 June 1995). On the educational front, *Pusat Islam*, in coordination with the Ministry of Education, shut down the Arqam schools and urged them to register with the Ministry to comply with the national curriculum. They also coordinated the transfer of pupils from Arqam schools to government schools. The government placed high priority on this school issue because ‘that is the key to their strategy’ (*FEER*, 11 August 1994). Arqam ran 257 schools nationwide at pre-school, primary and secondary levels, taught by 696 teachers and attended by 9,541 pupils (*NST*, 11 August 1994). Moreover, the government shut down business operations under Arqam management. By 1993, Arqam had established an extensive commercial network not only in all of the Malaysian States, but also overseas. 18 The total assets of the company were said to be RM300million (approximately US$79million). 19 Security forces were not adequately equipped to stop these business operations that funded the expansion of the religious movement.

The government’s campaign to disband the Al-Arqam movement showed that the conventional security apparatus alone was inadequate to neutralize religious extremism. In fact, few really believed that the security apparatus was needed to deal with the

---

18 Its business group, the Al-Arqam Group of Companies (AGC) successfully ran 20-odd subsidiary companies and dealt with a wide range of businesses and services; groceries, mini-markets, food stuffs and drinks, clothes and tailoring, animal husbandry, restaurants, marketing and distribution, trading, transportation, medical services, land and development, media and publication, tourism, finance, high technology and many more.

19 The estimate of the group’s worldwide assets varied from one source to another. The group leaders estimated their worldwide assets at over RM15 million (*FEER*, 11 August 1994). The government, on the other hand, estimated them at some RM115million (*Asiaweek*, 20 July 1994). Even if the government’s claim is correct, the Arqam network was insignificant compared to Chinese conglomerates as well as the business empires associated with UMNO leaders. For a summary of Arqam’s activities, see *Aliran Monthly*, 14, 8 (1994): 18-27.
movement. The deployment of non-security instruments helped mitigate public pressures against the government’s excessive use of coercive measures, especially the ISA. Ironically, strong criticism came from a section of the community that was least reflected in the Arqam membership. The continued detention of Arqam members under the ISA led multi-ethnic liberal groups such as the Bar Council as well as Human Rights organizations to express special concern to the government. The council’s chairman, for example, stated that ‘any infringement of religious enactments should be dealt with under appropriate laws and not the ISA because freedom of worship was guaranteed under the Federal Constitution’ (Star, 31 May 1996). UMNO politicians could not afford to entirely dismiss such criticism from the politically important middle-class constituencies.

The approach of UMNO leaders towards Al-Arqam was essentially based on political considerations rather than religious doctrinal concerns. It is doubtful that the Arqam movement seriously posed a security threat but UMNO leaders had a strong political incentive to adopt a firm approach towards the movement. Among the factors that agitated UMNO leaders was Arqam’s considerable capacity to attract a wide spectrum of Muslims ranging from the youth to influential government officials, as well as its accusations against the government for deviating from true Islamic practice. Involvement of some prominent UMNO politicians in the movement, including a former chief minister of the State of Perak and members of the family of the former Deputy Prime Minister, Ghafar Baba, disturbed UMNO leaders because of the potential threat it posed to their supremacy and authority within the party. Moreover, Arqam’s unsophisticated outlook appeared very alien in the eyes of non-Muslims. UMNO leaders’ aversion to extremist elements—however insignificant—was also intended to avoid alienating their increasingly important non-Muslim constituencies and the
business community. The political incentives of UMNO politicians helped to forge the alliance of political and religious authorities that was determined to ensure that Muslims in Malaysia were free from such ‘deviationist’ doctrines and activities as Arqam.

Other ‘Deviant’ Movements

Throughout the 1990s, a range of so-called ‘deviant’ movements were targeted by the authorities as ‘threats to national security’ and kept under surveillance.21 Most, in fact, were quite small and their influence hardly extended beyond a few villages. Others, however, achieved some national prominence but did not constitute genuine ‘security threats.’ Besides Al-Arqam, the authorities targeted, for example, the Jemaah Al-Quran Malaysia (JAM) that questioned the authority of the hadith; a group following Shi’ite teaching; and a group that originated from the Nakshabandiah Sufi movement in Syria. The first group, JAM, was led by a noted Malay literary figure and former socialist politician, Kassim Ahmad. It was accused of undermining religious belief by rejecting hadith as authoritative sources of Islamic doctrine (Star, 12 July 1995). Although the group had only 300 members, the religious authorities banned a book setting out its views (Star, 18 July 1995; 23 July 1995; 29 August 1995). The second group, the Shi’ites, was said to include sixteen sects with 100,000 followers including some foreigners (Star, 25 February 1996; 26 July 1996). The religious authorities were particularly concerned about potential ideological discord within the Sunni-dominated Muslim community, and the possibility of Shi’ite teaching infiltrating educational institutions including universities (Star, 25 February 1996; 24 May 1996; 26 July 1996). The third group associated with a prince of a Malay royal family had only about 250 followers. The authorities’ concern was that the group involved many highly educated individuals with prominent social status and professional backgrounds, and had strong

21 According to Ariffin’s study, the authorities identified at least fifty groups as ‘deviant’ (Ariffin Omar 1995).
financial backing (*Star*, 23 September 1995; 14 September 1995, 28 September 1995). In all three cases, however, the authorities took no further action beyond keeping them under surveillance.

Unlike religious officials, politicians had to consider political implications of the government’s dealing with Islamic matters. Thus the government’s treatment of these minor ‘deviant’ groups contrasted starkly with religious officials’ aggressive assault on Al-Arqam. In response to the ‘Anti-hadith’ group, for example, Mahathir maintained that the government would have to study the matter carefully because it concerned religion, and defended his position in this way: ‘Islam permits certain differences in interpretations and we have to study if the interpretations are actually against Islam’ (*Star*, 5 July 1995). He concluded, after all, that the government did not need to take action in this case (*Star*, 7 August 1995).

From the point of view of security, a more genuinely dangerous, although still very small, group emerged in 2000. In July of that year, twenty-nine members of Al-Ma’unah, a hitherto unknown group, were convicted following raids on two army camps in the Perak State where they stole more than a hundred weapons. They took four hostages, two of whom were murdered after a four-day standoff. Al-Ma’unah’s leaders included military personnel but they appeared to have no international connections. They were later convicted and received severe sentences (Martinez 2001: 196; Maznah Mohamad 2001: 216-17).

Malaysia’s security world changed after 9/11, especially after the arrest of Malaysians accused of being part of a plot to blow up foreign embassies in Singapore at the end of 2001. In that year, twenty-five members of another Islamic group, KMM (*Kumpulan Militan Malaysia*), apparently linked to Al-Qaeda, were arrested under the ISA. The government claimed that some members of the KMM had gone for training in Afghanistan and maintained contacts with Al-Qaeda. Among the arrested members was
Nik Adli, the son of Kelantan Chief Minister, Nik Abdul Aziz (Asian Wall Street Journal, 8 January, 2002; ST, 9 January 2002). As usual, the UMNO government took the opportunity to implicate PAS with religious extremism and militancy and to discredit the Islamic opposition, resulting in public suspicions of the validity of the government’s accusations (Martinez 2001: 196). Following the exposure of the plot in Singapore, Malaysians involved in the Al-Qaeda-linked Jemaah Islamiyah were detained under the ISA.

Against the backdrop of the War-Against-Terror, the government was able to mobilize its strong security apparatus to crack down on extremist suspects to the extent that concerns were raised about the ruling politicians’ abuse of security power to infringe religious freedom. Yet, the ruling politicians could also deploy state religious officials to justify their actions against Islamic extremists and to minimize political damage.

The extremist threat helped the government to rationalize a further build-up of the state religious apparatus, thereby reinforcing the state’s capacity to regulate Islamic activism at home. Moreover, the centralization of the religious administrative apparatus endowed religious officialdom with the ultimate authority to define and dictate the ‘orthodoxy’ of the Islamic faith within the national boundaries and to police and punish ‘unorthodox’ variants. This tighter administrative control of Islam had negative consequences for the development of civil society in the Muslim community, as it restrained not only radical but also liberal religious movements. The danger was that ruling politicians could exploit the state religious apparatus to harass oppositional and ‘unfavorable’ religious movements in the name of protecting the unity of the Muslim faith. Despite this drawback from the perspective of civil activism, the religious regulatory structures institutionalized in the state provided the government with a critical capacity to deal with Islamic activism at the societal level.
Institutionalized Islam and Religious Mobilization: Comparing Malaysia and Indonesia

The Malaysian case suggests that, as much as the state’s security mechanisms, the ruling party’s administrative control over the religious apparatus led by religious-educated Muslim officials enhanced the government’s ability to regulate religious mobilization and organization in the Muslim community. It was precisely in this respect that Malaysia differed from other Muslim nations including Indonesia. Comparison between Malaysia and Indonesia highlights the significance of the mode of state intervention in religious affairs to control religious mobilization at the societal level.

In Malaysia, as shown in the previous chapters, the Islamic institutions were placed—and relatively centralized—within the formal state structure where the dominance of UMNO was not questioned. Religious officials employed by the government—including Mufti, Syariah court officials, and religious teachers—were seen as the ultimate, and legitimate, source of Islamic rulings and teaching in the Muslim community at large. The working environment of non-governmental ulama, on the other hand, was highly restrained. For instance, they were required to obtain a license from the government to run their private schools; otherwise, they would be harassed by the state religious officials. In the worst case, they were suspected as ‘deviant,’ and if seen as a threat to ‘national security,’ forced to terminate their activities. Some of them might enjoy a limited audience at the grass-roots level; the popularity and the influence of PAS ulama, for example, had little to do with official positions in the government, but more to do with their personality, comparable to Weber’s ‘charismatic authority.’

Their personalistic authority, however, was inevitably temporary in nature, and was not

---

22 For an explanation of the popularity of the PAS ulama, see, for example, Farish (2003b).
powerful enough for them to ignore the influence of the state religious officialdom. Moreover, non-theologically trained Muslim individuals and intellectuals in Malaysia have been allowed only little space and scope to express their religious views or speak out in the name of Islam. When they speak, they can be threatened with legal action by state religious authorities who accuse them of having no proper religious qualification to do so. In short, the Islamic market was highly regulated by the state religious apparatus. Deviation from the state-sanctioned religious rulings and teachings could be a serious offence in Malaysia’s Muslim community.

Where did this mode of religious authority structure come from in the first place? Answering this question is to look at the approach adopted by the government towards Islam on institutional and ideological fronts. Overall, in Malaysia, Islam was allowed a central place within the state. Islam was instituted as the official religion of the Federation at independence and meant to guarantee the cultural and political dominance of the majority, yet socio-economically less advanced, Muslims. The place of Islam, however, was, in practice, reinforced since the former Prime Minister Mahathir came to power. One important consequence of his aggressive Islamization policies was unprecedented state intervention in religious affairs; the state apparatuses overseeing Islamic affairs were institutionalized—albeit in different degrees across sectors—as discussed in the prior chapters. Moreover, the process of institutionalization under the paternalistic one-party dominant regime brought about a significant outcome: co-optation of Islamic scholars and teachers into the tightly defined public service just like any other public servant. Under this mechanism, Islamic elites came to depend further on the government for their religious authority as well as material rewards. In the educational sector, for example, increasing state encroachment upon private religious schools meant that their teaching curriculum as well as their relations with followers and students were increasingly regulated.
In the context of UMNO's predominance in the state, the expansion of such a regulatory system armed UMNO leadership with the capacity to manage religious views more efficiently and effectively. They did not usually need to resort to the notorious Internal Security law to achieve this end. Moreover, they also attained relative independence in making decisions on Islamic issues. On the other hand, the state designated ulama were expected to be responsive to the interests and preference of the UMNO leaders in performing their religious duties—including issuing fatwa.

The relatively high level of institutionalization of the religious apparatus also helped facilitate the Malaysian government's handling of the international War-Against-Terrorism by curbing manifestations of Islamic opposition. The government openly condemned the US bombing and occupation of Afghanistan but at the same time it quietly cooperated with the US in intelligence and security matters. The government therefore wanted to prevent Islamic groups, including PAS, from mobilizing big anti-American demonstrations of the sort that occurred elsewhere. Although religious officials had no sympathy for terrorists operating in Malaysia, many had at least deep reservations about Western, especially American, policy in the Middle East, and many strongly opposed it. When the Malaysian Ulama Association issued a resolution declaring that 'support of any kind of the military attacks in Afghanistan or any other Muslim country should be regarded as haram (forbidden for Muslims),' UMNO leaders bluntly dismissed the view as lacking legal 'validity.' Then Deputy Prime Minister Abdullah Ahmad Badawi, for instance, said that 'it has no right to make any fatwa. Only the National Fatwa Council has the right to do this' (Malaysiakini, 3 December 2001). The National Fatwa Council Chairman, Ismail Ibrahim, on his part, issued a simple statement advising that 'Muslims in Malaysia should stay away from the conflicts of other nations and not get caught up by their calls for a holy war' (Star, 26 September 2001). Given the fact that council was under the Prime Minister's
Department, it was hardly surprising that his stand was in line with that of UMNO leaders. The episode reminds us, again, that the government had the monopoly over the issuing of *fatwa*. Whatever their personal feelings about the US War-Against-Terrorism, religious officials remained silent.

The significance of its administrative control over religious institutions was further demonstrated by the government’s intensified scrutiny of private religious schools after the exposure of the involvement of Malaysians in the planned *Jemaah Islamiyah* (JI) attack on embassies in Singapore (For instance, *Star*, 2 January 2002, 19 January 2002 and 22 January 2002). The use of the state coercive apparatus—most notably the ISA—may have been necessary and effective to crush extremist movements. But it proved politically quite costly for Muslim politicians in the government to rely heavily on the security apparatus to suppress Islamic movements. The religious apparatus, located within the state bureaucracy, helped to buffer such political damage by offering doctrinal confirmation for actions taken by the ruling politicians.

In Indonesia, by contrast, religious authority has been largely placed *outside* the formal state structure and dispersed widely in the societal realm. Religious political activism at the societal level is diverse and very active. There is no one single institution that could claim the ultimate authority over Islamic matters. Even the Islamic court system is very decentralized and the government has no monopoly over the issuing of *fatwa*. Various non-governmental Islamic organizations administer their own hierarchical orders, run schools, hospitals and various other socio-economic and political activities, and wield considerable command over their respective constituencies. In particular, private Islamic schools—both traditional- and modern-type—have produced numerous independent-minded Islamic scholars and teachers. Some individual Islamic scholars—such as the prominent Nurcholish Madjid—were highly respected both in their own intellectual capacity and influential as public opinion leaders. Debate
on Islamic issues covers a wide ideological spectrum and not only a few, but many, organizations and individuals competed to claim ‘the true version of Islam’ (Hefner 1997).\(^\text{23}\) Under these liberal ‘free-market’ circumstances, religious dissension—and even radical ideas and organizations—was relatively tolerated. Since the fall of Suharto’s New Order regime, radical and militant Islamist groups such as Laskar Jihad and FPI (Front Pembela Islam, Islamic Defenders’ Front) emerged and stayed active—and vocal—although their support base was limited (Fealy 2004; Kadir 2004: 211-14). Moreover, an overtly Islamist party, PKS (Partai Keadilan Sejahtera, Prosperous Justice Party), and the, at least formally, Islamist PPP (Partai Persatuan Pembangunan, United Development Party) have won significant electoral success, while the mainstream ‘secular-nationalist’ party, Golkar—has adopted Islam-friendly programs and emphasizes Islamic credentials (Baswedan 2004).\(^\text{24}\)

The Indonesian government’s approach to Islam—the way in which the government intervened in religious affairs—greatly contributed to such vigorous and diverse religious political activism at the societal level. In Indonesia, Islam has only been given a minor place in the formal state structure since independence, despite more than 85 percent of the population being Muslims. The government, in general, adopted a ‘secular-nationalist’ approach; it did not adopt the principle that the state and religion should be kept separate but that all religions should be acknowledged. At the ideological level, for example, it promulgated *Pancasila*\(^\text{25}\) as the official ideology of the Republic. *Pancasila* was promoted as the symbol of national integration, and provided both Muslims and non-Muslims with an official assurance that the Indonesian state

---

\(^\text{23}\) Hefner is somewhat cautious about this view in his other account. He points out that there is a certain ‘standardization’ tendency both at intra and inter-religious levels as a result of state policy (Hefner 1999).

\(^\text{24}\) After the fall of Suharto in 1998, political parties mushroomed. Among 141 new political parties, 42 were Islamic; defined as parties that either explicitly claim Islam as their ideology or draw support mostly from Islamic organizations. Only 20 Islamic parties qualified to compete in the 1999 election (Baswedan 2004: 672).

\(^\text{25}\) *Pancasila* consists of the following five principles included in the Preamble to the Indonesian Constitution of 1945: belief in God, a just and civilized humanitarianism, national unity, Indonesian democracy through consultation and consensus, and social justice. For debates surrounding the national
would not prioritize Islam over other religions. Moreover, this ideological position reflected—and came to confirm—the received assumption that the state should not play a major role in the running of Islamic affairs at the institutional level.26

During much of the New Order period (1965-1998), the government’s chief focus was to monitor and control the political activities of Islamic organizations. It heavily relied on security and intelligence agencies to achieve this goal. Despite the restrictions it imposed on political Islam, however, the government under Suharto did not discourage religious socio-cultural activities. In fact, its accommodative stance included the sponsorship of various Islamic organizations and activities, especially since the 1980s (Effendy 1994; Hefner 1997; Liddle 1996). It provided massive infrastructural support, especially in the field of education and social welfare, once the Suharto regime recognized that Islam was no longer associated with an overt form of political activism (Hefner 1997). In the educational sphere, for instance, the government not only developed the state religious school system, but also subsidized tens of thousands of private Islamic schools. An already existing system of state Islamic teachers’ training colleges (IAIN) was expanded and granted additional state funding (Feillard 1997). The Department of Religious Affairs was assigned the task of assisting and regulating religious matters such as religious education. But, the government’s ‘secular-nationalist’ principles served to limit its role. In the educational sphere, many private Islamic schools were short of financial resources and requested the department’s assistance. The department, on the other hand, was willing to help because this allowed it to tighten its administrative control over such schools (Feillard 1997: especially 141-45). ‘Secular-nationalist’ politicians, however, often opposed such aid on ‘secular-nationalist’ ideological grounds (Interview with a Department of Religious Ideology, see Ramage 1995).

26 This ideological mechanism, however, was later used by President Suharto as an instrument for political control of religious (particularly Islamic) groups. In 1985, the government required all social, religious, and political organizations to adopt it as their asas tunggal (sole ideological foundation). See,
Affairs official, Jakarta, 26 September 2001).

The government's approach generally left many of the religious functions including education to non-governmental actors, and kept state-sponsored Islamic institutions such as Islamic courts on the periphery of the state administrative structure. Although their political activities were largely restrained during the Suharto era, religious activities of non-governmental religious organizations—including the NU and Muhammadiyah—flourished against the backdrop of rising Islamic consciousness in the past decades (Hefner 1987; Liddle 1996; Schwarz 1994). These organizations, after all, oversee religious educational institutions, and control key channels for the proliferation of Islamic teaching and ideas. It was, therefore, not surprising that education was one area most emphasized. Importantly, their relative administrative autonomy from the state in the educational area meant that there was little pressure to homogenize Islamic teaching. Further, these non-governmental organizations were permitted to retain great leverage over enforcement of Islamic ruling and interpretation of doctrines. The most notable example was their privilege to issue their own fatwa for their respective constituencies (Hooker 2003).

The relative autonomy allowed to private ulama and kiai, however, does not mean that the Indonesian government had no interest in regulating their religious activities. The government was well aware of the immense grass-roots influence of religious leaders in the Muslim community. During much of the New Order rule, it devised various means to interfere with—and exert control over—the ulama and kiai's followings. Yet, it is important to remember, what matters is not so much the size as the quality of state intervention to adequately understand the effects of state intervention in Islamic affairs. It is precisely in this quality aspect that Indonesia differed from Malaysia. The government's intervention in religious institutions, was overwhelmingly

---

for instance (Adnan 1990; Hefner 1997).

27 For more recent developments in this legal sphere, see (Effendy 1994; Hooker 1999).
'personalistic' and sometimes aimed at 'divide and rule,' as opposed to Weber's model of merit-based legal-rational bureaucratic authority. Recruitment and promotion of religious officials, for example, was commonly based on personal connections and organizational affiliations. 28 The primary loyalty of officials appointed to state-sponsored Islamic organizations remained with their original private organizations. Organizational interests of the state religious agency were often identified with those of the particular religious group in control at any particular time, leaving it too weak to enforce state regulation over non-state actors independently. And, these officials could exit from official and semi-official offices relatively easily because the state office was not the prime foundation of their religious authority, career and employment. The Indonesian Ulama Council (MUI) and the Association of Indonesian Muslim Intellectuals (Ikatan Cendekiawan Muslim Se-Indonesia or ICMI) were such organizational devices to co-opt ulama and kiai (Hefner 1993; Liddle 1996; Porter 2002).

The incorporation of religious leaders under the New Order was never adequate or complete. As a result, much religious authority was left in the societal sphere (Porter 2002). This particular pattern of state-Islam relations—and the government's personalistic intervention in Islamic affairs in particular—remained virtually intact under the post-Suharto administrations. One important consequence of this is that ulama were generally excluded from the major corridors of state power (except during the brief presidency of Abdurrahman Wahid), but retained considerable freedom to express their religious views and propagate a range of Islamic teachings—liberal or extremist. The government, on the other hand, was left with only limited institutional facility and religious authority to regulate Islamic affairs independently and effectively.

28 Muhammadiyah members, for example, dominated various posts in the Religious Affairs Department from the national to the local levels since the 1970s. According to a NU leader, the trend continued at the local level, even after the former NU Chairman Wahid came to power (Interview with a NU leader, Jakarta, 17 September 2001).
CONCLUSION

In many parts of the Muslim world, governing elites constantly grapple with radical religious mobilization and religious-inspired violence at the societal level. After September 11, 2001, these trends have drawn unprecedented attention among scholars and policymakers alike. In the context of the War Against Terror and Western efforts to construct democracy in the Muslim world, many fiercely debate how government leaders should deal with religious leaders (ulama) and institutions to keep radical religious mobilization under control. The key controversy here is the nature of the state's relationship to religious authority. Should a state include or exclude religious authorities from government decision-making? If exclusion is not the answer, how should the state accommodate religious leaders and teachers?

This study has aimed to contribute to this debate concerning religious mobilization in Muslim nations. Contrary to commonly held perceptions of Western observers, not all Muslim nations suffer from a proliferation of radical and violent Islamist movements. Malaysia offers a case at the 'tranquil' end of the spectrum. From a comparative perspective, peaceful character of political Islam in Malaysia is quite striking. In the 1970s, the emergence of revivalist Islamic movements was a salient trend—just as was the case in many other Muslim societies across the globe. However, radical and violent Islamic elements were largely curtailed both ideologically and organizationally.

Malaysia stands out among other Muslim nations in another respect, namely its 'quiescence': the lack of vibrant Islamic doctrinal debates and near absence of liberal and plural Islamic activism. Recent studies on Islam and politics cherish the 'new Islamic intellectual activism' that new media of communication and mass education
have promoted (e.g., Eickelman and Anderson 1999, 2003). Educated individuals who are not religious scholars increasingly contribute to the discussion of Islamic values and practices, thereby posing challenges to traditional religious authorities over rights to interpret religious texts (Eickelman and Anderson 1999). Indonesia, for example, has offered a fertile ground for a wide spectrum of Islamic intellectual activities and liberal Islamic movements. However, the presence of pluralistic Islam and vibrant intellectual culture alone is not sufficient to guarantee a transition from authoritarian rule to democratization. For a transition to succeed, state institutions capable of protecting and consolidating civil and democratic cultural practices are a prerequisite. Moreover, as the Indonesian and other cases suggest, radical Islamist movements can hijack technological and political opportunities to achieve their political goals (Hefner 2004). Nonetheless, the emergence of a ‘public sphere,’ where new Islamic political ideas are debated and new interpretational skills are promoted, is an important step forward in the development of civil society.

Not all Muslim societies benefit from such intellectual activism or from pluralistic and liberal Islam. Malaysia has lagged behind in this respect—despite its relative political openness and high level of socio-economic development (by Muslim standards). Only a very few Western-educated Muslim intellectuals or movements have aspired to challenge the ‘official’ positions of the ulama that they consider to be too conservative or radical, or to advocate liberal Islamic ideas and interpretations among the Muslim public. And, their impact in the domestic religious sphere seems extremely limited. They have been considered unqualified to speak authoritatively about Islamic questions due to their lack of theological training. Malaysia is far advanced in the IT field and its literacy rate is very high so it should reap benefits from this widening access to the outside world, even if tight government regulations are taken into account. Why, then, is Malaysia seemingly so intolerant in religious terms?
This study asserts that the institutionalization of religious bureaucratic authority structures strongly correlates with the immobility of Islamic activism in Malaysia—both radical and liberal types of activism. The government coercive apparatus—police force (especially its Special Branch) and draconian laws (especially the International Security Act)—may be effective as a short-term means for suppressing oppositional Islamic forces. However, the long-term effect of these measures is less certain. Religious movements, after all, are not political organizations as such—although their political characteristics and political impact should not be denied. The capacity of religious movements to mobilize followers derive from their apolitical activities, such as their provision of education or welfare programs, as well as from the appeal of their religious ideas. Keeping ‘dangerous’ radical Islamic elements in detention is not sufficient to eradicate movements, as witnessed in the case of Al-Aqam. Moreover, government authorities need to establish a legitimate doctrinal case to ban them unless they take up obviously violent means. To do so, the co-operation and compliance of religious authorities is essential; how to seek this co-operation is the key.

State Co-optation Strategies of Religious Authorities

Government campaigns to co-opt religious scholarly communities to propagate ‘official’ Islam are not an unusual phenomenon in the Muslim nations. In Egypt, for example, the government sought to co-opt the Al-Azhar institution—the central institution of Islamic learning—and ulama who run it to secure religious legitimation for its policies and to fight its Islamist opponents, especially the Islamic Brotherhood (Moustafa 2000; Zeghal 1999). In Pakistan, too, the military regime of General Zia lent lavish material support to the development of madrasah schools to secure compliance of the religious scholarly communities (Nasr 2000). In both cases, however, the state efforts to co-opt religious authorities proved unsuccessful.
My study emphasizes that the type of government co-optation strategy—which varies across place and time—has a significant effect on the state's capacities to deal with Islamist opponents. The Malaysian government's co-optation strategy that incorporates institutionalization of the Weberian mode of bureaucracy is strikingly different from those strategies adopted by many other Muslim nations. The strength of the Malaysian government's co-optation strategy is derived from its relatively high level of 'Weberian-ness': legal-rational and meritocratic precepts, rather than ascriptive rules and values, permeate bureaucratic organizations tasked to run Islamic affairs. It is important to emphasize that greater state intervention in Islamic affairs did not simply lead to Muslim politicians' personal abuse of religious offices. Nor did it result in Islamist groups' hijacking religious offices to advance their private interests. The relative neutrality of state religious offices—and clear distinction between public and private interests—has assured the credibility and social esteem of religious officialdom, although these same religious officials were left vulnerable to intervention by the ruling Muslim politicians within the state.

The distinguishing characteristic of this 'bureaucratic' co-optation—as opposed to 'patrimonial' co-optation that characterizes strategies of many other Muslim governments—is the way in which authority and legitimacy are conferred onto the state religious organizations, which themselves are founded on legality and run by qualified officials. The Malaysian government substantially invested in the recruitment and training of religious officials qualified to carry out specific duties—Syariah judges or religious teachers. It not only developed the system of recruitment, remuneration, and training, but also sponsored the expansion of tertiary-level Islamic education that accommodated students from traditional religious schools. What is significant about the expanding state role in the running of religious functions is that the government created career opportunities for traditional religious school students. Without adequate
education in non-religious fields, these students could otherwise have been left dislocated or unemployed under a modernizing regime, only to feed social unrest, or possibly to provide ready recruits for radical religious mobilization. In this respect, too, institutionalization has had an effect of ‘nipping in the bud’ a potential source of radical religious mobilization.

The bureaucratic mode of co-optation allowed Muslim ruling politicians a sufficient authority and legitimacy to define ‘official’ and ‘correct’ Islam and to fight Islamist opponents both in ideological and organizational terms. This does not mean, of course, that Muslims have completely lost their capacity to dispute the official version of Islam. Some still question the state’s role in dictating ‘orthodoxy.’ But, the cost of doing so is high and the space for dissent is greatly minimized. Under this condition, the prospect of extremist Islamist movements for mobilizing a broad spectrum of the Muslim public is grim.

Intra-State Tensions and State-Religion Relations

It is a conventional view that Muslim-majority countries have never had a centralized church structure. Similarly, many believe that a centralized clerical order was unusual in Islamic doctrine and thinking. Accordingly, it is commonly held that political forces have driven the development of a church-like bureaucratic structure that regulates a range of Islamic affairs in Malaysia.

This study illuminates two levels of intra-state tensions that became apparent in the process of institutionalization: intense and expensive rivalry in UMNO, the dominant party in the governing coalition, and ideological tension between Muslim politicians and religious officials. In doing so, the study sought to go beyond conventional views about political Islam that tend to focus on tensions between state and societal actors.

First, the study shows that state intervention and institutionalization of Islamic
authority structures are not consistently affecting all policy sectors equally; instead, there is striking variation across sectors. 'Islamization of the state due to an Islamic political challenge' is an overly simplistic interpretation and this study has tried to use analytical tools to understand the political agency driving state intervention in Islam. A central claim advanced by this study is that the level, and the type, of state intervention differs across sectors as a result of patronage-maximizing incentive structures of Muslim politicians in the dominant party. In the context of UMNO's dominance and increasingly expensive intra-party competition, the Muslim politicians sought to expand their own patronage channels to achieve political ascendancy within the party. Importantly, strategies they adopted to achieve this goal differed according to their respective positions in the party hierarchy. For federal-level politicians, on the one hand, their close ties with wealthy corporate businesses, especially economically powerful Chinese business, have become as important as their traditional Muslim constituencies, because those businesses finance their costly election campaigns for their political rise and survival. Such clientelistic ties left them considerably amenable to the corporate business interests and the expectations of the Chinese community. On the other hand, for the state-level leaders—particularly those from Muslim-dominated rural States—their ties with traditional Muslim constituencies remain very important. Since religious leaders are politically very influential in the local Muslim community, the State prerogative over religions matters offered them valuable patronage-dispensing resources for consolidating their support bases. This intra-party difference had a significant effect on the way in which the state institutionalized Islamic affairs, leading to variation in outcomes across sectors.

This claim differs from conventional arguments that primarily emphasize the effect of societal pressures—and electoral pressures from the Islamic opposition, in particular—to explain state intervention in Islamic affairs. My emphasis on strategic
interaction among Muslim politicians within the state, however, does not completely ignore the function of societal actors. The study argues that when the Muslim ruling politicians can advance their own interests by appealing to a particular social interest, they will do so. Yet, it is important to note that the primary cause of this response is attributed to the interests of state actors rather than to the interests of societal actors.

The second level of intra-state tension highlighted in this study is the one between Muslim politicians and state religious officials. This tension has grown more conspicuous with the intensification of federal intervention in Islamic affairs. For religious officials, serving official functions means that they are required to submit themselves to state rules and norms as well as to political dictates that may not necessarily be consistent with their doctrinal positions. How do religious officials reconcile such tensions? Does political calculation always dictate their behavior? Or, do their personal views about ‘what Islam dictates’ play some part? Tensions between Muslim politicians and religious officials that flare up from time to time expose this tension. In general, in Malaysia, the UMNO sought to advocate a progressive and moderate Islam compatible with material development. Religious officials, on the other hand, tended to be more conservative and cautious about rapid social change. The most controversial issue was the position of women.

Similar tensions can be witnessed in many other Muslim nations; whose position prevails depends on the political and institutional context. The power balance between political elites and religious elites may also vary across time, as well as across place. When tension surfaced in Malaysia, politicians’ positions almost always prevailed and the politicians managed to quiet religious officials. This compliance of religious officials was primarily attributable to the mode of state co-optation of religious authorities. Malaysia’s relatively well-institutionalized state religious apparatus meant that religious authorities were made highly dependent upon the state—and the
politicians who dominated it—for their authority, material benefits, and career prospects. They recognized that they had to follow the logic of obedience and compliance in a tightly defined organizational hierarchy once they became a part of the structure.

Separation between State and Church: Should the State Retreat from Running of Religious Affairs?

The building of a church-like clerical organization within the state tends to discredit not only 'radicals' but also 'liberals.' For advocates of plural and civil Islam, excessive state regulation of Islamic activities is only a vice; it does nothing but harm to the development of a civil society in Muslim communities. This raises a fundamental question concerning state-religion relations in the Muslim nations. Should the state refrain from running religious affairs?

As noted in the previous chapters, the separation between state and religion is not a received wisdom in Islamic thinking; separation between the state and church is a radical claim in Islamic doctrine. There will be no shortage of religious leaders or Islamists who continue to claim political power in the name of Islam. In practice, too, secularism—separation between the state and religion—does not seem to be the best option. State repression and exclusion of Islamist movements and leaders has had high costs; it often compels them to go underground or to take up violence to fight back against states, resulting in numerous civilian casualties. These experiences suggest that state exclusion of religious leaders from the corridors of state power is not the optimal strategy for controlling violent and radical types of Islamic mobilization. If exclusion is not the answer, the question is how to incorporate religious scholarly communities into state decision-making.

Allowing Islamist movements the right to participate in elections is said to be one way to accommodate them into the formal political system and to keep religious
radicalization and religious violence to a minimum. But, this alone does not appear to be sufficient in controlling the level of religious radical mobilization. In Indonesia, religious radical movements and religious violence became more prominent after the fall of the authoritarian Suharto regime and the introduction of free elections in which Islamist parties could also participate.

The Malaysian case proposes another mode of state incorporation of religious scholarly communities into the state structure. It shows that when religious authorities are incorporated into the state bureaucratic structure in a way to match Weber's legal-rational and meritocratic model, radical religious elements tend to be tempered. The distinctive feature of this model is that the Weberian-ness of state religious apparatus guarantees a particular quality of state intervention in religious matters. Unlike a patrimonial mode of state intervention that tends to favor the interests of particular private actors, bureaucratic intervention based on rules and qualifications at least ensures that the running of religious affairs including Syariah laws and religious education should not be skewed overtly to serve particular political interests outside the state.

An intriguing twist here is that the religious authority structures have expanded and been institutionalized under tight state supervision. Moreover, this state is dominated by a Muslim-based dominant-party regime ruling since independence, and retains some authoritarian characteristics. A relatively well-institutionalized religious apparatus was tightly placed under state control to provide the ruling politicians with ‘infrastructural power’ to implement their command over potential Islamist opponents.

This use of well-institutionalized religious organizations helps resolve a paradox arising out of the Malaysian case; two apparently contradicting forces—patronage incentives and institutionalization—come together. Since ‘strong’ institutionalized government organizations equip the ruling politicians with an institutional instrument to
fortify their power base against opponents, their personal interests in fact worked to reinforce institutionalization of state apparatus.¹

Now political and religious authorities join forces—both against Islamic opponents and to oversee religious and political life of Muslims. If we can draw a lesson from other religious traditions, it may be inevitable that the expansion of religious authority structures have created a religiously conservative and ideologically narrow culture—an institutional and ideological pressure to comply with one ‘orthodox’ view.

I have reiterated the ideological and organizational importance of Islamic movements in mobilizing the populace against an authoritarian regime or propagating a new vision of society. Not all the Islamist movements are harmful. As recent developments in other parts of the Muslim world illustrate, Islamist parties tend to be very well organized and enjoy broad popular allegiance. Some have added militia wings to their movements (such as Hezbollah in Lebanon), but less violent Islamist core groups also exist to generally fight for a just cause. Islamist parties have also proved that they can peacefully contend for state office (NYT, 21 May 2005). Limiting ideological and organizational channels of Islamic activities is to deny Muslims valuable means for political expression and civil activism. The relatively smooth and peaceful form of religious mobilization observed in Malaysia was achieved at the cost of pluralistic and civil Islamic activism in the Muslim community.

¹ Slater offers a solid theoretical answer to this paradox between personalization and institutionalization in Malaysia (Slater 2003).
References


—. 1993. The clash of civilizations? Foreign Affairs 72 (3).


320


Lev, Daniel. n.a. Law and State in Indonesia.


**Newspapers and Magazines**

*Aliran Monthly*, Malaysia  
*Australian*, Australia  
*Asiaweek*  
*Asian Wall Street Journal (AWSJ)*  
*Berita Harian (BH)/Berita Minggu (BM)*, Malaysia  
*Far Eastern Economic Review (FEER)*  
*Harakah/Harakahdaily* (Internet version), Malaysia  
*Jakarta Post (JP)*, Indonesia  
*Kompas*, Indonesia  
*New Straits Times (NST)*, Malaysia  
*New York Times (NYT)*, USA  
*Straits Times (ST)/ST Interactive* (Internet version), Singapore  
*Star/Star online* (Internet version), Malaysia  
*The Malay Mail (MM)*, Malaysia  
*Utusan Malaysia (UM)/Mingguan Malaysia(MM)*, Malaysia

**Government Documents**


**Annual Reports and Bulletins**


YPEIM. *Maklumat YPEIM*.


YPEIM. *Risalah YPEIM* (bulletin), various issues.