Semi-democracy in Malaysia: Pressures and Prospects for Change

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In recent years there have been some dramatic changes of political leadership in the Asia-Pacific region, and also some drama without leadership change. In a few countries the demise of well-entrenched political leaders appears imminent; in others regular processes of parliamentary government still prevail. These differing patterns of regime change and regime maintenance raise fundamental questions about the nature of political systems in the region. Specifically, how have some political leaders or leadership groups been able to stay in power for relatively long periods and why have they eventually been displaced? What are the factors associated with the stability or instability of political regimes? What happens when longstanding leaderships change?

The Regime Change and Regime Maintenance in Asia and the Pacific Project will address these and other questions from an Asia-Pacific regional perspective and at a broader theoretical level.

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Political analysts appear increasingly to agree on the procedural and normative worth of democracy as a way of organizing political relations. Many have also become confident that where it has recently been established, democracy will persist, and that democratic regime change may occur in more countries. Accordingly, investigations have focussed upon facilitative conditions, transitional processes, and features of democratic consolidation. Case studies of change from often harsh authoritarianism in Southern Europe and South America, has shown that a wide variety of leadership patterns, social structures, and developmental levels can intersect within short or long time frames to produce regime opening. The transformation of totalitarian rule in Eastern Europe and the Soviet Union has unveiled additional contexts in which such change can take place, thereby strengthening the sense of democracy’s inevitability.1 Thus, it seems reasonable to argue that movement from a category of ‘semi-‘, ‘quasi-‘, or ‘limited‘ democracies toward greater regime openness is desirable and readily attainable.

In this article, I draw upon Malaysia’s political record, first to examine ‘semi-democracy’ more closely than is usually done in discussions of regime change. Secondly, I assess some recent socio-economic trends and political calculations that have implied further, perhaps even rapid democratization. I conclude by presenting some evidence which suggests that Malaysia’s semi-democracy is stable in its present limited form, and that, in contrast to many countries that have recently undergone regime change, it may persist unchanged for a considerable period.

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Semi-democracy in Malaysia

Malaysia has consistently attracted more scholarly attention than its relative size or strategic importance might seem to merit. For many observers, its most interesting feature has been its bifurcated societal make-up, the stark segmentation between ‘indigenous’ Malays and Overseas Chinese and the close juxtaposition of their different, even incompatible, subcultures (Pye 1985:248). This plural condition was formed under British immigration policies during colonial rule, and it was concretized in an ethnic division of labour and benefits (Kessler 1992:140-41). Put very simply, the British recruited Malay aristocrats into the state bureaucracy while confining the Malay mass publics in peasant agriculture, and they permitted Chinese entrepreneurs to gain control over much domestic capital while channelling their ethnic followings into tin mining and urban artisanry. This approach has often been adjudged as a colonial strategy of ‘divide and rule’, deliberately fostering grave contradictions within and between native elite and mass populations (see, for example, Jomo 1988). It should follow then that with the removal of colonial rule, local tensions would erupt in a range of political, economic, and social conflicts.

But while Malaysia’s pluralist tensions are intrinsically interesting, it is the overall avoidance of conflict despite these deep cleavages that raises the country’s analytical importance. This record is further distinguished by Malaysia’s overall practice of at least semi-democratic politics. It can therefore be argued that British colonialism served less to divide Malaysia’s elites over ethnic differences and organizational roles than to link them in a ‘tradition of accommodation’ and to ground them in principles of consultation and representativeness (Lijphart 1977; Weiner 1987). Some authors suggest that by placing Malay aristocrats in colonial bureaucracies, their regional loyalties and family rivalries were moderated with a new sense of corporate identity (Johan 1984:viii). Further, by convening Malay elites alongside Chinese business leaders in various federal and state councils, they were encouraged to undertake cooperative policy-making across ethnic lines (Sadka 1968). During gradual decolonization in the 1950s, these elites were collectively introduced to elections as a way of competing for governing posts and state power, thereby extending representativeness to mass publics. Finally, because decolonization was peacefully carried out, the accommodative tradition was left intact among Malaysia’s elites, disposing them to perpetuate regime stability and electoral procedures after independence.

However, though stability and elections have been consistent features of Malaysian politics since independence, the regime cannot be classified as fully democratic. Rather, the United Malays National Organization (UMNO) and its successor, the UMNO (Baru), have dominated shifting coalitions of ethnic parties
in order to remain perennially in power. Equipped with state resources, UMNO-led governments have broadly dispensed patronage in order to avoid defeat at elections, and they have often forcibly dampened public criticism of their activities between those elections. O'Donnell and Schmitter's (1986a) discussion of the distinct though related roles of liberalization and democratization helps to elaborate these techniques. They describe dictablanda ('soft' dictatorship) as political liberalism without full democracy, the state's tolerating the formation of opposition parties and interest groups even as it closes off electoral routes and lobbying channels to state power. Conversely, democradura ('hard' democracy) involves democratic procedures without liberalization, the state's scrupulously calling elections while preventing opposition elements from organizing effectively to contest them. In Malaysia, state elites have interwoven aspects of both approaches, offering a synthesized, durable pattern of semi-democracy.

In terms of the regime's liberal dimension, the Home ministry, acting through the registrar of societies, has generally permitted opposition parties, occupational associations, and cause-oriented groups to form and canvass reasonable levels of membership or support. Moreover, these organizations have been able in legislative arenas and popular forums to raise mass grievances to which the government has sometimes been obliged to respond. But the government has also responded by weakening these organizations, circumscribing their capacity to mobilize intense or broad-based followings that would empower them seriously to influence public policy-making. This has involved habitual recourse to emergency powers, sedition acts, detention orders, and restrictions upon assembly and communication. In short, while 'civil society' has enjoyed some organizational autonomy, its leaders have largely been barred from using it to shape policy outputs. The result in Malaysia has been an evident though tightly contained political liberalism.

With respect to democratic procedures, the government has regularly called elections at federal and state levels, and balloting and counting procedures have been fairly performed. It is also significant that most political parties and interest groups have elected their officers through general assemblies, thereby seeming to deepen Malaysia's democratic commitments. In these circumstances, opposition parties have strongly contested elections, even defeating individual government candidates. On the other hand, they have been prevented systematically from gaining enough seats to form a new federal government. Electoral competitiveness has been checked through severe malapportionment of districts, hurried campaign periods, bans on open-air opposition rallies, and the government's uninhibited use of media outlets, state facilities, and on-the-spot development grants—practices which the Electoral Commission has generally left unchallenged. Many analysts thus contend that UMNO-led governments have only agreed to hold regular
elections because they have not, except in 1969, been greatly inconvenienced by
them (Tregonning 1967; Crouch forthcoming). Accordingly, electoral uncertainty
seldom has ranged beyond questions about the government’s retaining its two-thirds
majority in parliament, its enlarged or reduced margins of victory, popular vote
totals, and by-election performances.

In sum, politics in Malaysia have been classified as semi-democratic because
the government undermined opposition parties and interest groups, and prevented
elections from evolving into a reliable means by which to transfer state power.
Opposition parties thus served mainly as safety valves for societal discontents,
rather than as organizations able to mobilize discontented followings into strong
claims on state positions and policy-making. However, this is not to suggest that the
terms of Malaysia’s semi-democracy, though heavily skewed, were utterly without
meaning. Seeking to preserve the ‘feedback mechanisms’ that authoritarian regimes
often lack (Huntington 1991), UMNO-led governments conducted elections in
order periodically to measure and re-energize their levels of mass support. Mass
publics, for their part, were able to deliver up or withhold their support, but even in
the latter instance they did less to weaken the government than validate its
unshakeable hold on state power. After winning elections, the UMNO and its
coalition partners were able to assert with some plausibility that they held office with
majoritarian approval, even while extending scope for registering dissent. Lee Kam
Hing and Michael Ong thus conclude that for the government, ‘the electoral system
[was] a mechanism that return[ed] it regularly to power, legitimate[d] its rules,
supplie[d] a semblance of multiracial cooperation, and offer[ed] its own members
involvement and participation’ (Lee and Ong 1987:141).

On the other side, though some opposition leaders publicly criticized the
regime’s undemocratic aspects, many appeared to accept them, harbouring few
ambitions beyond strengthening their followings to the extent allowable. Discus-
sions with some of Malaysia’s opposition leaders in mid 1988 gave the impression
that they were geared to continuing in opposition, and that they were themselves
unconvinced about their ability to operate an effective federal government. The
Parti Islam se-Malaysia (PAS), a largely ethnic Malay party, showed little practical
notion about how to realize its aim to create an Islamic state, and the Democratic
Action Party (DAP), made up primarily of ‘non-Malays’, was better able to
denounce government policies than articulate separate visions. But to the extent that
liberal and democratic features were present in Malaysia, opposition leaders found
that their political rights were respected. This enabled them to express dissent
through party meetings and publications, hold the government in some degree
accountable through international networks and the foreign press, and sometimes
even to win control of state assemblies. They could claim also that by competing
with the government in these arenas, they insured that the state displayed some responsiveness to mass sentiments, inducing it to make some policy concessions and to deepen patronage flows. Lee and Ong suggest that ‘the opposition may complain that the system is designed to defeat its interests and that there is no way for it to win power; but the same group does not see any acceptable alternative and is resigned to the fact that the opposition will remain the opposition’ (ibid.) In short, though opposition leaders were seriously hobbled, they won enough benefits to assess the game as worth staying in.

Pressures for fuller democracy

In 1988, however, the ruling UMNO split into two parties, the UMNO (Baru) (New UMNO), which remained in power under Prime Minister Mahathir, and the Semangat '46 (Spirit of '46) which went into opposition under the former Finance minister, Tengku Razaleigh. Thus, mounting factionalism within the government gave way to more open and wider-ranging competitions that culminated in the 1990 general election. In many countries, these events might arise from and exacerbate disunity among state elites, thus causing regime instability and the breakdown of democracy. But in Malaysia, there were reasons for thinking that elites would persist in their overall tradition of accommodation, and that they would determine their relative standings through more robust democratic procedures. Let us consider some of these socio-economic, political, and even external reasons for optimism.

First, in very general terms, social scientists have long posited a causal relationship between economic growth, more complex social structures, and new bases for political democracy. Economic growth and urbanization enlarge ‘middle-class’ populations, while heightened educational levels modernize their attitudes, leaving them less in awe of ascriptive statuses and patterns of deference. Hence, many members of the middle class, accustomed to making their own career, business, and consumer decisions, seek fuller ‘citizenship rights’ (Dahrendorf 1988) and the power collectively to choose or replace their governing leaders. Moreover, this process can be hastened if, after prolonged growth, the middle class is threatened by state policy failings and economic downturn. O'Donnell and Schmitter (1986b:20) observe that in Brazil, for example, many owners of domestic capital faced shrinking markets during the early 1970s, and they consequently sought to ward off competition from state enterprises set up during the authoritarian period by supporting democracy’s return. In the Philippines during the 1980s, many business groups who had been excluded by Marcos’s ‘cronyism’ called similarly for democracy in the hope of re-establishing more favourable state linkages. Thus, in a twist upon James C. Davies’s explanation for revolution (Davies 1962), it can be
argued that middle classes in late-developing countries, having benefitted and been
made assertive by state-organized prosperity, may re-evaluate the state as less the
guarantor than an obstacle to their prosperity. In this situation, the middle class seeks
not to revolt, but to democratize, as it actively presses for regime openness.

In Malaysia, the UMNO-led government used state power to intervene in the
economy after 1970, implementing an amalgam of import-substitution, export-
oriented, and heavy industrialization strategies that, despite some much-publicized
losses, fostered fairly high growth rates until 1985. The government was thus able
to recruit bureaucratic managers into new state enterprises and to promote new
businessmen with state contracts and licences, thereby rapidly expanding the
middle class. But having been nurtured through deliberate state patronage, much of
this middle class expressed disillusion with the UMNO leadership when, during the
1985-87 recession, the patronage ran short.

Articulating middle-class bitterness over exclusion and bankruptcies, Tengku Razaleh challenged Prime Minister Mahathir for the presidency of the UMNO at
the party’s 1987 general assembly election. Although Razaleh was defeated in this
election, he persisted in his challenge, causing the UMNO to split in 1988. As Harold
Crouch notes, this outcome is best understood ‘as a struggle for power and position
[in which] ideological and policy differences...played almost no part’ (Crouch 1992:30). Yet in heading the Semangat ‘46 party, Razaleh sought to upgrade
middle-class grievances into a call for democracy, thereby ennobling his campaign
against Mahathir for national leadership. What is more, Razaleh assured middle-
class followings that a two-party system, government accountability, and an
independent judiciary would serve not only to level the playing field, but make it
greener as well, ridding the policy-making process of favouritism and wastage.
Taking these events together, one could expect that the growth in Malaysia of a
sizeable, increasingly assertive middle class, its profound disappointment with the
incumbent UMNO government’s narrowing largesse, and the emergence of a
dynamic, alternative national leader campaigning explicitly for democracy would
combine to exert strong pressures for further regime opening.

Secondly, open democratic competitions become more viable in plural societies
when ethnic sentiments are eased. Without entering into discussion of the primordial,
rational, or shifting impetuses for ethnic affiliation, it is safe to say that ethnic
communities in plural societies benefit unequally from economic growth, and that
this exacerbates their suspicions, jealousies, and disparate perceptions of ‘group
worth’ (Enloe 1986; Horowitz 1985; Jesudason 1989). Hence, when material
imbalance grow severe, the receptiveness of ethnic communities to chauvinistic
appeals is increased. Further, under a democratic regime that allows free speech and
assembly, competing elites may be more tempted to make such appeals, perhaps
even arousing mass publics to violence. For these reasons, Arend Lijphart (1977) concludes that democracy can only be maintained in plural societies if elites cooperate in undermobilizing, perhaps even rectifying, deep ethnic tensions. This usually involves elites forming a multi-ethnic ‘grand coalition’ and apportioning resources among communities gauged through elections.

Lijphart’s thesis helps illuminate the events surrounding Malaysia’s important general election in 1969, as well as the government’s subsequent programmes of inter-ethnic redistribution and societal restructuring. Under a relatively open democratic regime, the opposition PAS campaigned for the 1969 election by mobilizing Malay sentiments against Chinese control of the economy. In turn, the DAP raised Chinese discontents over Malay dominance of the state apparatus. The UMNO-led government, though retaining power at the federal level, lost significant support, and in trying to recapture it some UMNO leaders triggered attacks by Malay followings upon Chinese in Kuala Lumpur. Attributing the rioting that resulted to Malay grievances over economic imbalances, the UMNO claimed more state power from its Chinese partner in the governing coalition, the Malaysian Chinese Association (MCA), and it used that power to make inroads into Chinese business activities.

Through a series of programmes informally labelled the New Economic Policy (NEP), the UMNO stimulated growth and enlarged the middle class. Specifically, it bolstered the Malay segment of the middle class, directly acquiring on its behalf many foreign and Chinese-owned companies, or tightly regulating such firms with licensing requirements and quotas. But while this policy limited democracy further and distorted market behaviour, it also succeeded in broadening the middle class across ethnic lines, thus laying the basis for re-democratization and, indeed, movement toward fuller democracy than Malaysia had had in the past. In short, after nearly two decades of NEP measures that alleviated the Malays’ material grievances, it became reasonable to assume that their ethnic sentiments would take more tractable forms. One is not surprised to find, then, that during 1988-90, the UMNO (Baru) and the Semangat ‘46 were both able to operate complex coalitions which, while Malay-centred, featured clear cooperation among their ethnic component parties. Moreover, though this activity failed to generate well-defined, class-based outlooks and appeals, it disposed UMNO (Baru) and Semangat ‘46 leaders to address rough camps of ‘insiders’ and ‘outsiders’. Hence, in the period leading up to the 1990 election, public discourse often focussed productively on accountability and access, thereby making electoral competitiveness more viable than it had been in 1969.

A word should also be said about the specific implications for democracy of the Chinese segment of the middle class. Diamond (1988) argues that regime openness
can be furthered or safeguarded by societal pluralism, state elites finding it difficult to extend authoritarian controls over diverse ethnic loyalties; but if these loyalties grow too rigid, a democratic regime can become equally difficult to maintain. In Malaysia, though the NEP placated many ethnic Malays, it strongly alienated many Chinese. Indeed, there is evidence that at least in the short term the NEP strengthened ethnic Chinese sentiments, prolonging popular interest in Chinese education and culture in a way that is not seen in other Southeast Asian countries. That such societal resistance does not always lead to democracy is shown by the UMNO responding during the 1970s with a restrictive National Culture Policy and by its outlawing public criticism of Malay 'special rights'.

Over time, however, while the rhetoric of the NEP continued to galvanize much of the Malay community, the programme's substantive implementation grew less rigorous (see Faaland, Parkinson and Saniman 1990). Rather than confiscating wealth from the Chinese, the NEP insured only that they collaborate with Malays in accumulating it; while the NEP reduced Chinese autonomy in business, it did not seriously impinge on Chinese middle-class status. These trends may therefore have settled into the salient though manageable level of ethnic identification that Diamond suggests favours state-society balance and democratic openness. In particular, while much of the Chinese community continued to oppose the government during 1988-90 through support for the DAP, it stopped well short of backing anti-system parties or movements. At the same time, this opposition shed some of its defensive communal character as many Chinese acclaimed the DAP's ties to the Semangat '46. Overall then, among middle-class populations, Malay ethnic resentments were softened by the NEP, poising them to cooperate more flexibly across ethnic boundaries. And ethnic Chinese sentiments, while initially intensified by the NEP, evolved gradually in ways that by the late 1980s vitalized, rather than overloaded, democratic procedures and competitions.

When ethnic tensions are reduced, claims made by state elites that they need strong powers with which to contain social conflict ring increasingly hollow. Robbed of a pretext for resisting regime opening, state elites may more readily agree to it, especially if it enhances the regime's domestic legitimacy and international standing. On this score, it is notable that while economic growth and a multi-ethnic middle class may pave the way for democracy, it is elites who determine whether that way is cleared or closed off. Recent 'top-down' analyses of democratization suggest that after elites have entered into pacts, settlements, or a spirit of garantismo securing their essential interests, they may give the 'consent of the governors' that permits regime openness. Huntington (1991:165) writes explicitly that in the late twentieth century wave of regime openings, 'negotiations and compromise among political elites were at the heart of the democratization processes.' (Huntington
classifies the interaction between state and opposition as resulting in regime change processes of transformation, replacement, and transplacement.) Conversely, in the absence of such consent, elites can stave off democratic pressures for long periods, as present-day politics in China and Burma clearly show. Moreover, even when a faction of reforming elites makes democratic concessions to opposition leaders, a subset of ‘hardliners’, ‘standpatters’, or ‘authoritarian nostalgics’ can mount coups through which to retract those concessions, as occurred in Thailand in 1976 and 1991. In sum, while socio-economic changes can build conditions for political change, ‘democracies are created not by causes but by causers’ (ibid.:107).

Hence, a third reason for thinking that Malaysia would become more democratic stems from favourable elite attitudes and patterns of behaviour. Specifically, there were signs during 1988-90 that the national leader and state elites agreed to compete democratically with an invigorated opposition. Prime Minister Mahathir, in his capacity as Home minister, permitted Tengku Razaleigh to register the Semangat '46 and to coalesce with the PAS, the DAP, and several smaller parties in a web of formal alliances and informal understandings. Further, Mahathir’s UMNO (Baru)-led government engaged opposition forces in a series of by-elections which, because their results were often genuinely uncertain, stimulated high levels of public interest. In campaigning for these by-elections, opposition candidates were generally denied coverage in the mainstream media. But they were permitted to travel freely around Malaysia and to communicate with mass followings through indoor political meetings, religious functions, and a wide distribution of videotaped speeches. In this way, the opposition appeared able to mobilize significant support over perceptions of Mahathir’s rash leadership style and exclusionary policies. And when, during the final days of campaigning for the 1990 general election, the opposition was joined by the Parti Bersatu Sabah (PBS), a mainly ethnic Kadazan party governing in Sabah, it even seemed conceivable that it could win enough seats in parliament to form a new federal government.

In presiding over these events, Mahathir must be characterized as a reluctant ‘swingman’ charting the route to greater democratic openness. While he valued the legitimation of his rule through electoral victory, it was not clear that he was so committed to democratic norms that he would accept electoral defeat. Speculation thus persists over whether if Mahathir had lost in 1990, he would have resorted to an executive coup, and further, whether the military would have supported him in such an action. One can only outline the range of possibilities: Mahathir may or may not have chosen to shut down the electoral process, and other state elites may either have backed him or acted to restrain him. Of course, to get a surer sense of Mahathir’s ‘true’ attitudes towards elections and his willingness to lose them, it would be interesting to replay the 1990 election in 1987 or 1988 when the effects
of recession were still evident in Malaysia. But empirically, it can only be shown that Mahathir's government called the election within the time frame required by the constitution, that voting procedures were adjudged 'free in accordance with Malaysian law and circumstances' (Commonwealth observer team report issued after the 1990 general elections, as quoted in The Far Eastern Economic Review [hereafter FEER] 1 November 1990), and that electoral competitiveness was evinced by opposition victories in two state assemblies. Thus, while Mahathir is often depicted as a loose cannon and wrecker of institutions, one can as easily portray him as competing actively for state power against strong opposition forces, even as the regime's democratic rules came more firmly into play. In this interpretation, whatever Mahathir's personal calculations and the dynamic between himself and state elites, his apparent willingness to abide by these democratic rules can be construed as heralding movement toward fuller democracy.

Lastly, though external or international factors perform during peacetime only a secondary role in regime change, they may tip or reinforce elite decision-making in finely balanced junctures (Whitehead 1986:20). In these circumstances, state elites may be drawn to democratic models by normative considerations, or they may respond to material incentives offered by influential trading partners. In Spain, for example, democratization was facilitated by both concerns as the country took its place in the European Community. In South America and Eastern Europe, regime openings cumulated in demonstration effects that over time embraced most of these geographic regions. Moreover, in several African countries, national leaders recognized that their one-party systems were inconsonant with world trends, perhaps contributing to their adoption of more open democratic procedures which resulted occasionally in changes of government.

While these cases proliferated around the world, Malaysia also confronted some lessons closer to home that may have advanced its progress toward regime openness. In 1987, highly competitive presidential elections were held in South Korea, and the opposition gained control of the parliament in the following year. During the same period, state elites in Taiwan liberalized constraints on political organization and committed themselves to full (if slow) democratization (Huntington 1991:23). On the other hand, President Marcos's downfall in the Philippines revealed the costs of state elite disunity, the exclusion of powerful business groups, and the repression of mass aspirations. Further, while state elites in China and Burma succeeded in crushing these aspirations and clinging to state power, their brutality gave little cause for emulating their methods and regime forms—especially when one takes into account the traditionally forgiving quality of Malaysia's political life. Hence, during 1988-90 external factors and lessons might seem, if anything, to have
quickened the intentionality of state elites in Malaysia to democratize (or at least to acquiesce in democratization).

In summary, with only a brief hiatus from 1969 to 1971, Malaysia possessed for three decades a stable, though semi-democratic regime characterized by low levels of electoral competitiveness. But during this period elites also adopted economic growth strategies that enlarged the middle class, and they undertook redistributive policies that made its composition multi-ethnic. These socio-economic trends could be expected to produce viable demands for greater regime openness, especially after the contraction of state patronage during the mid-1980s that sparked middle-class grievances. Of course, elites can, if they choose, use state power to put down such grievances, either through simple coercion or by reversing some of the societal changes they have effected. But if they consider that their statuses and interests are safeguarded enough that they can survive electoral defeats, and if ethnic sentiments have abated enough that elections can be peacefully held, they may consent to regime opening. This calculation would appear to be strongly encouraged by contemporary demonstration effects. For primarily these reasons then (though for others as well—such as British colonial tutelage and past experience with fuller democracy), one could reasonably claim during Malaysia's 1990 election campaign that state elites were effectively democratizing their regime form.

Non-democratic outcomes

While objective societal conditions and state elite actions might have led to this reading, they appear now to have combined in little more than a brief spike in Malaysia's limited democratic record. Recent field study suggests that pressures for regime opening began to subside even before the 1990 election, and that elite consent has been steadily withdrawn in its aftermath. Let us briefly reconsider, then, the societal and elite-level factors enumerated above, as well as Malaysia's evident repudiation of demonstration effects.

During the late 1980s, direct foreign investment and improved commodity prices launched Malaysia on a dramatic economic recovery. This enabled the UMNO (Baru) to replenish its patronage funds and reincorporate bureaucratic managers and businessmen, revealing that middle-class Malays were less interested in mounting strong political opposition than sharing in boom cycles (Khoo Kay Jin 1992:73). Thus, by the time the 1990 elections were held, the Malay middle class felt little need to change the government—and even less to press for regime change that would in future elections make regular, democratic changes of government possible. On this score, O'Donnell and Schmitter record that 'high economic
conjunction' presents a paradox. It appears on first blush to offer congenial soil for democratization, easing many of the mass grievances that can quickly overburden new and fragile democratic procedures. In such circumstances, reforming state elites appear more able to navigate an orderly transition. But hardlining elites are also able to boast of their policy achievements, effectively dispersing mass pressures for democracy with fresh economic opportunities. Thus, in the moment that mass tensions are reduced and regime opening becomes viable, hardlining elites may exploit widespread indifference to insure that ‘a golden opportunity’ is lost (O’Donnell and Schmitter 1986b:16).

As discussed above, Tengku Razaleigh drew upon Malay discontents generated during the mid 1980s in order to ready the opposition for the 1990 elections. His campaign even featured some short bursts of great optimism, especially after gaining the cooperation of the PBS. Looking back, however, these expectations obscured the steady slippage in Razaleigh’s support that had set in with economic recovery. Accordingly, though Razaleigh’s coalition partner, the PAS, managed through its Islamic appeals to improve its customary vote levels, the Semangat '46’s democratizing agenda was finally spurned by the middle class. The party thus performed surprisingly poorly at the polls and afterward suffered a stream of defections to the UMNO (Baru). Indeed, observers suggest that to the extent that Razaleigh did win support, it was ascribable more to his traditional princely status than to his democratic message. The new Malay middle class understood democracy less as strengthening civil society against the state apparatus than as enabling outsiders to regain access to state patronage. Once this was accomplished, democratic values—and their advocates—were swiftly discarded.

With respect to the Chinese segment of Malaysia’s middle class, I have suggested that its lingering ethnic identity, tempered by middle-class sensitivities, posed an assimilable democratizing force. However, just as much Malay opposition fervour was quelled during this period by renewed patronage flows, so too was Chinese political participation overshadowed by new business pursuits. Understandings between the Semangat '46 and the DAP had initially stirred much interest in the Chinese community, adumbrating a new governing coalition which, though Malay-centred, promised an enhanced Chinese role. But the importance of this coalition diminished as the incumbent UMNO (Baru) oversaw economic growth that benefitted both middle-class Malays and Chinese. Thus, in the 1990 election, though the Chinese registered perfunctory protest by voting for DAP candidates at the federal level, they often sought to insure local prosperity by returning government candidates in the state assemblies (see in FEER 5 [Michael Vatikiotis] March 1992).

To conclude, it is probably wrong to suggest that by turning out an incumbent government at first chance, voters in all cases better promote democratization than
by retaining that government in office. The election of the opposition Popular Unity leader, Salvador Allende, as president of Chile in 1970 surely weakened democracy in that country, rattling other state elites and provoking severe regime closure. On the other hand, the election in Korea in 1987 of the existing military government's choice for president, Roh Tae Woo, doubtless advanced important regime opening. But while analysts should thus guard against conflating government turnover and democratization, most would still agree with Huntington (1991:8) that 'the sustained failure of the major opposition political party to win office necessarily raises questions concerning the degree of competition permitted by the system'. In other words, it is only by supporting the opposition that middle-class attitudes toward democracy are revealed and the resilience of democratic procedures can be tested. Hence, in the Malaysian case, observers must await evidence that Malay and Chinese middle-class values are cumulating in significant pressures for democracy. Meanwhile, one can appreciate why Robison suggests in his study of authoritarian politics in Southeast Asia that 'the middle class has neither been internally consistent in its political stance nor unambiguously democratic in its actions' (Robison ['Introduction'] forthcoming). Indeed, he states, the very concept of the middle class is sorely in need of theorizing.

But while a new middle class, however conceptualized, may be made indifferent by prosperity to the need for an opposition, it may also attach less importance to ethnic appeals. I have argued that in these circumstances, democratic procedures become more viable, and their adoption may therefore become more probable. A deeper assessment of the post-1988 period in Malaysia, however, suggests that even though ethnic sentiments are benign among prospering middle-class populations in urban areas, they are still easily inflamed among rural populations less benefitted by economic growth. During most of the campaign for the 1990 election, the UMNO (Baru) hesitated to exploit this feature. To do so would have belied its claim, embodied in its multi-ethnic coalition, that it was committed to national unity and tolerance—thereby undermining its tactical overtures to Chinese voters. Additionally, it would have bred new uncertainties, possibly erupting in public disorder and shaking foreign investors. But when in the last days of the campaign the UMNO (Baru) seemed suddenly to risk losing the election unless it re-energized Malay support, it resorted to issuing potent ethnic appeals.

Specifically, when the PBS joined the opposition, the UMNO (Baru) portrayed the PBS's cooperation with Razaleigh as a threat to 'Malay dominance'. This involved the heavy use of party- and state-owned media outlets to depict a Kadazan head-dress worn by Razaleigh while campaigning in Sabah as a bishop's mitre marked by a Christian cross (FEER 1 November 1990). My impression formed during fieldwork is that though this and other ruses failed to sway urban audiences
(and may even have repelled them), traditional Malay desires for state protection were awakened in many rural parts of the country. On the other side, because Semangat '46 candidates were associated with the DAP, they had more consistently to eschew ethnic strategies during the campaign. But since the election they have experimented with them in Malay village settings and found the response to be ‘fantastic' (interview with Semangat '46 by-election candidate, 13 February 1992). Moreover, in applying this logic at the national level, Tengku Razaleigh has denounced the government’s ‘growth triangle’ project linking the southern state of Johor with Singapore and Batam as a scheme to relocate Hong Kong Chinese in Malaysia before the colony is retaken by China (Straitstimes 4 June 1991).

In sum, ethnic identity persists in Malaysia as a strong basis for social attachment. Ethnic suspicions remain deep-seated among rural populations, and a fragility of inter-ethnic tolerance could probably be demonstrated even in urban areas if economic growth conditions and redistributive programmes were removed. However, it is not societal pluralism in itself that erodes the viability of democracy but the willingness of elites to exacerbate and exploit it. Hence, the UMNO (Baru)-led government may be right when it contends that a ‘multiracial’ country can ill afford full democratic procedures, especially when it is itself sometimes driven by electoral calculations to make ethnic appeals. Ironically, the UMNO (Baru) can cite the tensions that result as a reason for continuing to limit electoral competitiveness, claiming that it is uniquely able to guard against recurrences of the 1969 ethnic rioting.

The 1988-90 period was nonetheless widely viewed as holding out the prospect of a more competitive political party system in Malaysia. In particular, I have suggested that the UMNO (Baru)’s allowing the opposition to organize formally perhaps signalled the elite consent necessary for movement from semi- to full democracy. Moreover, after having been reassured by their electoral victory, one might have expected UMNO (Baru) leaders to submit to more open electoral tests. O'Donnell and Schmitter argue that if an incumbent government is ‘helped’ to do well in winning ‘founding elections’ at the start of a democratic transition, its leaders may grow secure enough about their statuses and political rights that they will complete that transition (O'Donnell and Schmitter 1986c:62). This ‘help’ takes the form of district malapportionment, gerrymandering, the partisan use of state resources, and other techniques long evident in Malaysia that are abandoned as democratization ushers in more balanced contests.

The UMNO (Baru)’s actions during 1991-92, however, suggest that despite its electoral victory, it remains unconvinced about democracy’s worth. Indeed, the government has consolidated its ascendancy by rolling back in ad hoc fashion the regime’s liberal and democratic dimensions. In order to weaken opposition lead-
ership, for example, the state-owned media have resumed making reports implicating Tengku Razaleigh in the decade-old BMF scandal. In May 1992 the parliament barred the DAP leader, Lim Kit Siang, from its proceedings for the rest of the year after he challenged the president of a component party in the governing coalition over an equities deal. After investigation by the Anti-Corruption Agency (ACA), the PBS leader of Sabah was placed on trial for petty corruption which, if resulting in a fine of $M2000 against him, will lead to his removal as chief minister (FEER 18 June 1992). Further, in the PAS-controlled state of Kelantan, federal funding of development projects has been slowed, and foreign investors have reportedly been diverted to other states (FEER 23 January 1992). The government has also prohibited public sales of the PAS’s Harakah newspaper and the DAP’s Rocket, and it has banned outright a new Malay paper, Mingguan Waktu, evidently for declaring Prime Minister Mahathir’s ten years in office ‘a failure’ (FEER 9 January 1992). Finally, many opposition MPs and state assemblymen have been induced to cross over to the government, or they have been removed through the courts on technical grounds and made to stand in by-elections (for example, see The Star March 1992). They find also that family members and supporters employed by the state are subject to sudden transfers and demotions, and that their businesses are vulnerable to contract cancellations, licence withdrawals, and credit squeezes.12

These recent events contribute to the view that electoral competitiveness during 1988-90 flowed less from the government’s growing commitments to democracy than its doubts about the support of military and bureaucratic elites for any serious abrogation of established procedures. In this interpretation, the government calculated that the 1990 elections involved greater risks than earlier elections, but to suspend them was riskier still. It would follow that UMNO (Baru) leaders are either so wedded to state power that they cannot contemplate losing it for even a single term, or that they are not sufficiently assured about their political rights electorally to contest and regain state positions. Put simply, the UMNO (Baru) may fear that if it loses power, it will be treated as it has treated the opposition.

Does this refusal to democratize the regime, however, not run counter to cross-national demonstration effects, perhaps associating Malaysia with categories of wrongheaded or even pariah Third World countries? Prime Minister Mahathir continues to sound the familiar theme that strong state capacity is necessary for guiding rapid economic growth and preserving ethnic peace, and that his government must produce societal goods rather than particularistic favours. He has buttressed this argument by raising nationalist fervour against Western models of liberal democracy, asserting that indigenous forms of rule by consensus are culturally more appropriate. Of course, such consensual rule often cloaks unaccountable one-party rule, and it thus poses grave risks. While authoritarian gov-
ernments in Asia’s newly industrialized countries (NICs) could claim reasonably to have made socio-economic gains, the political record in Burma and Cambodia shows that unchecked state power can be tragically misused. Accordingly, Mahathir’s leadership style has met with ambivalence in Malaysia. While it appears to resonate strongly among mass publics during the present economic expansion, it drew much criticism during the downturn in the 1980s.

To summarize, I have elaborated four reasons for thinking that Malaysia would become more democratic: an enlarged middle class, improved ethnic relations, a facilitative international milieu, and an apparent elite willingness to act favourably on these conditions. Closer investigation, however, especially of the 1991-92 period, greatly tempers one’s optimism. Economic recovery cut short middle-class interest in democracy in urban areas, and it failed to alleviate ethnic sentiments in rural settings. Moreover, UMNO (Baru) leaders chose to mobilize these ethnic sentiments, thereby threatening the viability of democracy just before the 1990 election; they also exploited middle-class complacency after the election by reimposing limits on democracy. Throughout, economic recovery blunted global demonstration effects, enabling the UMNO (Baru)-led government blithely to dismiss democracy as a superior approach to organizing politics and markets.

Prospects for democracy

Semi-democracies straddle regime categories. They are thus frequently diagnosed as neither here nor there and as torn by contradictory impulses. Huntington (1991:157) suggests that a posture of liberalized authoritarianism alienates hardliners in the governing coalition, yet fails to appease activists in civil society. Accordingly, ‘the halfway house does not stand’. Di Palma (1990:157) likewise describes such ‘halfway houses [as] costly impasses’ between conflicting elites, rendering them vulnerable to destabilizing crises. But it may be that if state elites are unified enough, they can maintain a semi-democracy that possesses more intrinsic stability than ‘purer’ regime forms. Specifically, semi-democracy may offer enough electoral activities that it forges some political legitimacy, but by avoiding the policy immobilism associated with full democracy, it may earn performance legitimacy also. This becomes more likely if elites use their state power to build up the technocratic commitment to developmentalism that is a feature of several countries in Southeast Asia. In short, elites in semi-democratic settings are less bound by the systemic constraints of authoritarianism, affording them scope with which to modulate political liberalism and democratization in order to meet their shifting legitimacy needs. This may enable them more effectively to pre-empt or resist pressures toward full democracy than elites operating ‘ideal-type’ authoritarian regimes.
But this is not to say that even semi-democracies that have attained high levels of institutionalization under no circumstances will open further. To reiterate an argument made earlier in this article, a middle class emerges from state-led economic growth which, when state performance declines, may put forth demands for additional democracy. Of course, in the short term, middle-class frustrations can be defused through another upswing in the business cycle, obviating the need for lasting regime opening. One finds, for example, that during Malaysia’s present economic recovery, only the professional component of the middle class—in particular the Bar Association—offers a sustained societal resistance to state dominance. But over the long term, as the middle class perseveres through such cycles and grows in size and assertiveness, its expectations may take on a more durable participatory tone that defies semi-democratic controls. In practice, this dynamic could come to rest in Malaysia under a regime involving the regular, electoral replacement of one multi-ethnic, though Malay-centred, coalition by another similarly constructed coalition.

To reach even this level of contestation, however, requires elite consent. Despite the Malaysian regime’s ‘semi-’ or indeed halfway quality, it is hardly an unstable regime, prodding state elites along one course or the other. It is not so much the regime form that constrains elites as it is elites that operate the regime. Thus, while analysts must track economic trends and social formations that can fuel democratic pressures, they must recognize that it is national leaders and state elites who approve any lasting progress toward democracy. As we have seen, intransigent elites can use state power effectively to curb middle-class participation over long periods. On the other hand, if they evaluate their statuses and interests as secure enough that they can survive electoral losses, they may ease middle-class grievances by making democratic concessions.

In Malaysia, such a favourable assessment of democracy’s worth will probably require new national leadership. While one could reasonably speculate during 1988-90 that Prime Minister Mahathir had endorsed (or at least acquiesced in) a process of regime opening, his actions since 1990 indicate his reluctance to open the regime fully. In this regard, Huntington concludes in his recent study that ‘some form of leadership change...has to precede movement toward democracy’ (1991:296). Thus, when new leadership does arise in Malaysia, it may more readily appreciate the utility of full democratic procedures, especially as the country moves into the upper-middle-income category of what Huntington (ibid.:313) terms the ‘political transition zone’.
Notes

1 In summarizing these sentiments, Samuel Huntington (1991:58) writes that ‘while authoritarian regimes came in many forms — military government, one-party system, personal tyranny, absolute monarchy, racial oligarchy, Islamic dictatorship—by the 1980s, they were not, by and large, perceived as alternatives to each other. Outside of Africa and a few countries elsewhere, democracy had come to be seen as the only legitimate and viable alternative to an authoritarian regime of any type’.

2 Harold Crouch (forthcoming) thus concludes that ‘the Malaysian electoral system....was so heavily loaded in favor of the Government that it was hard to imagine that the ruling coalition, as long as it remained united, could be defeated in an election’.

3 The Semangat '46 was formally registered in June 1989. ‘46’ refers to the year in which the original UMNO was founded.

4 I use the ‘middle class’ concept guardedly, seeking to avoid the brewing debate over the middle class’s precise composition, whether it is described by its relationship to the means of production or its patterns of consumption, and whether it is rural, as well as urban, and infested with sub-strata. Further, by referring to the middle class in the ‘loose, everyday sense’ outlined by J.A.C. Mackie (Mackie 1990:98), one is not theoretically barred from carrying out essentially elite-centered analysis. For a series of position papers by Mackie and others that articulate much of the scholarly confusion over the middle class and its political implications, see Tanter and Young (1990).

5 The most comprehensive account of the ethnic rioting in 1969 is presented by von Vorys (1975).

6 The NEP was evaluated as at least a ‘qualified success’ in terms of increasing the percentage of corporate equity held by the Malays. See von der Mehden (1992:112).

7 von der Mehden (1991:166) writes that ‘the electoral campaign itself was less marked by communal emotion than has often been the case, in part because of the multiracial character of both coalitions’.


10 Harold Crouch (1992:39) poses this question in terms of the UMNO (Baru)’s weakened grip on patronage resources during 1988-89.

11 In recent discussions and interviews in Malaysia, I regularly heard the refrain: ‘a roof over our heads, a job, a car’. The implication was that any government that could reliably fulfil these aspirations need not be electorally challenged or held seriously accountable for its methods.

12 In an interview (16 February 1992), a Singapore journalist characterized political competition in Malaysia as becoming much more rigorous than in the past and spilling into multiple arenas. With reference to government treatment of political opposition supporters, he stated succinctly: ‘Now, they kill you. They kill your business. They go after your relatives.’

13 With respect to nascent middle-class pressures for regime opening in Indonesia, H. W. Dick (1990:1-37) writes that ‘the liberal values of democracy, rule of law and freedom of speech would seem to be attributable specifically to the middle stratum of professionals and intellectuals’. For recent accounts of the ongoing conflict between the Bar Association and the state-appointed Lord President in Malaysia, see Aliran Monthly 12(3)(1992).
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