

## Malaysia in 2017

### *Clever Politics, Deeper Transformation*

#### ABSTRACT

The Najib government continued to consolidate its political hold on Malaysia in 2017. Various factors, including a moderately improved economic situation and a relatively generous 2018 budget, suggested that it had good prospects for winning the next election, to be held at the latest in August 2018. Beyond party politics, however, there were indications of deep change taking place in Malaysian society—deep enough to raise questions about the nation’s identity.

**KEYWORDS:** Islamization, monarchy, Malay nationalism, constitution, secular/ Islamic, 1MDB, election, politics

#### POLITICAL DEVELOPMENTS: STRENGTHENING THE NAJIB REGIME

The coming national election was much discussed in 2017. In some ways the government of Prime Minister Najib Razak, headed by the United Malays National Organization (UMNO), looked more secure this year than last. Polling by the opposition’s Invoke Centre for Policy Initiatives indicated that even after all the negative publicity Najib has received internationally and locally, particularly relating to the 1MDB corruption scandal (in which he has been accused of siphoning away vast amounts of money), he is still more popular than any opposition leader. Another reason for government optimism was the continued division in the opposition forces, especially with the Islamic Party of Malaysia (PAS) leaving the opposition coalition in 2015. This split was particularly serious because PAS leader Abdul Hadi Awang polled as the second-most popular leader among Malay voters, well ahead of former Prime Minister Mahathir Mohamad or his former deputy, the still imprisoned Anwar Ibrahim (now allies in the struggle against Najib). It also looked

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to be a permanent split, with Hadi insisting in August that PAS would not even cooperate with the other main opposition parties. The Democratic Action Party, he said, had displayed a “hardline stance against Islam.”

Opposition disunity was in part fostered by Najib government strategy, especially in reaching out to PAS supporters, and even PAS itself, to draw them away from their former allies, the Democratic Action Party and the Parti Keadilan Rakyat (People’s Action Party). Although aligning with PAS perspectives in this way damages government popularity in non-Malay communities, the Najib government’s failure to win non-Malay support in the 2013 general election, despite developing the seemingly inclusive iMalaysia program, made it a priority to achieve a broader hold on Malay votes. Such a Malay-first strategy, however, has deep implications.

The current economic climate also tends to help the government. The World Bank, although warning of dangers in the medium term (including the possibility of a slowdown in China’s growth), referred to the Malaysian economy’s near-term outlook as “favorable.” Less than 1% of Malaysian households live in extreme poverty, and there has been a modest improvement in income disparities. The expansion in exports was highlighted, and as of October the projected growth rate for 2017 was 5.2%, a little higher than earlier predictions. The International Monetary Fund was also positive. Although noting that the size of the public sector and household debt represent risks, the report praised the economy’s “resilience,” with the government instituting “responsive macroeconomic policies.” Malaysia, the IMF reported, was “one of the fastest growing economies among peers.”

Shifts in the international context also brought advantages to the Najib administration. The growing strength of China made Malaysia a greater priority for the United States, and the election of Donald Trump was a special boon. The English *Financial Times* quickly reported that “Southeast Asia’s strongmen” (including Najib), who had “bridled against US criticism of their human rights and corruption records,” were reveling in the victory, seeing it as “tacit endorsement” of their tactics and “a repudiation of the outgoing Washington administration’s agenda.” In September Najib visited Trump in Washington, and despite the ongoing investigation by the US Department of Justice into alleged iMDB corruption (concerning “corrupt individuals” whose actions threaten the integrity of the American financial system), reports of their meeting suggested that Najib could now claim to be embraced by Washington as well as Beijing.

Another advantage for the government was UMNO's wealth and the capacity of an incumbent government, especially its leader, to redistribute national funds. The October 27 budget, with gifts for the middle class as well as core Malay supporters, was certainly election-focused. Another measure involves cash payments (particularly at election time): hundreds of millions of ringgit, Najib explained, targeted to needy families. Funds are also used to secure the loyalty of the political elite. Najib was again frank about this, admitting that he gives financial assistance to UMNO's divisional chiefs, not as a bribe but simply to help them.

The coercive power available to the Malaysian governing party includes press censorship and the opportunity to detain rival political figures without trial. In October, Sabah's Shafie Apdal—the former vice president of UMNO, who had been critical of Najib's handling of rMDB and was sacked from the cabinet in June 2016, along with Deputy Prime Minister Muhyiddin Yassin—was arrested (and some days later freed on bail) on a corruption charge. His new Parti Warisan Sabah (Sabah Heritage Party) had been seen as a serious political challenge—the “hottest new party in Sabah,” according to one report—and he described his arrest as “political assassination.”

Despite its political advantages, the government cannot take victory for granted. Polling suggests that only 31% of those polled want Najib to remain prime minister, and he has been especially unpopular among the non-Malays. The rMDB financial scandal has continued to attract strong international interest, though Malay voters appear to be more interested in jobs and wages, the cost of living, and the presence of large numbers of foreign workers. A positive development for the opposition in 2017 was the creation of a stronger leadership structure, with both Anwar and Mahathir in key positions, and including representatives from the other member parties. Just who would become prime minister in the event of electoral victory, however, was not clear. Finally, the demands of Sabah and Sarawak for greater local autonomy could be significant in determining the national political outcome. The East Malaysian states are increasingly important economically and politically, and sensitivity regarding peninsular domination has not been limited to opposition groups. The Najib government, especially in a close election, would need to make concessions to appease these states.

## BROADER PICTURE: A MALAY MALAYSIA, BUT IN WHAT SENSE ISLAMIC?

The government's determination to focus on the Malay community was shrewd politics, but it also played into a major transformation taking place in Malaysia, the consolidation of a specifically Malay Malaysia. What exactly this Malaysia will look like is not certain, but there is a demand for a stronger Islamic role.

The Malayization process has been underway for decades, and is partly a matter of demographic change. At the time of independence (1957), Malays were only about half of the country's population; today they are a clear majority in Peninsular Malaysia, and together with other indigenous peoples (the *bumiputra*, "sons of the soil") make up over 68% of the Malaysian total. Building a Malay Malaysia will entail reconsideration of the nation's founding document. At a glance, the constitution of 1957 displays the strong influence of the English-speaking world, with its Westminster parliamentary system and Australian/United States federal structure, and has been said to imply a "liberal-democratic order." But the constitution also includes local formulations that over time have influenced Malaysia's identity as a nation, and they all bear on the process of building a more Malay nation.

First, the "sovereignty, prerogatives, powers and jurisdiction" of the nine monarchs of Malaysia are stressed, and in a manner conveying (in the words of one prominent legal scholar) that the role of the monarch "far exceeds" specific "constitutional provisions."<sup>1</sup> Second, "the Malays" are declared to have a "special position" in the country, and are assured a particular share of appointments in public service and educational opportunities. Moreover, the constitution names Malay as the "national language." Third, although the constitution is sometimes seen as inaugurating a secular polity, and declares itself to be "the supreme law of the Federation," it contains the potent but confusing statement that Islam is "the religion of the Federation." Multiple monarchy, Malay pre-eminence, and Islamic priority: these features together help make Malaysia internationally distinctive. The meaning and significance of each element, however, continue to be debated.

1. Raja Azlan Shah, "The Role of Constitutional Rulers in Malaysia," in F. A. Trindade and H. P. Lee (eds.), *The Constitution of Malaysia: Further Perspectives and Developments* (Singapore: Oxford University Press, 1986): 89.

Following race riots between non-Malay (Chinese and Indian) and Malay Malaysians in 1969, the Malay character of the country was sharpened, with a greater stress on the Malay language and culture, as well as promoting Malay economic opportunities. In the 1980s the concept of *ketuanan Melayu*, often translated as “Malay dominance,” was enunciated. Besides UMNO, other organizations such as Perkasa (formed in 2008) and more recently the Red Shirts have played an activist role in promoting Malay rights. With respect to religious identity, PAS has long urged a greater role for Islamic doctrine in the legal system and Malay society generally. Particularly during the Mahathir administration (1981–2003), the government itself instituted policies to enhance the role of Islam, for instance through the creation of an Islamic bank and an Islamic university, and the strengthening of the role of Islamic courts.

Alongside the Najib administration’s emphasis on moderation internationally, something welcomed especially in Western countries, the domestic focus on gaining Malay support has encouraged less-moderate initiatives. In August a minister in the Prime Minister’s Department said atheists should be “hunted down” and returned “to their faith.” The government also appeared to assist the attempt by PAS to strengthen the Islamic criminal code (*hudud*) by empowering *shariah* courts to impose heavier punishments. A further move was the change in leadership of Najib’s Global Movement of Moderates, established to further the government’s moderation objectives. The new CEO (appointed in 2015), Nasharudin Mat Isa, formerly a PAS deputy president, soon focused on how best to implement and explain *hudud* law in the country. “Malaysia being a Muslim state,” he said, “we can be a model of how that kind of law is implemented in a modern society.” Consistent with this appointment, the prime minister explained that moderation would now be pursued on the basis of *shariah* principles and insisted that “humanism and secularism as well as liberalism” were a “threat to Islam.”

The July 2017 banning of the book *Breaking the Silence: Voices of Moderation*, produced by a group of prominent moderate Muslims called the G25, also illustrated the changing religious climate. In Malaysia’s “constitutional democracy,” the book insists, the federal constitution is the “supreme law of the country,” and “any law enacted, including Islamic laws,” must not “violate the Constitution,” with its stress on such “fundamental liberties” as the “rights to freedom of expression and worship.” Among those opposing the ban, the Human Rights Commission of Malaysia (Suhakam) argued that

the book's contents were in line with PM Najib's advocacy of moderation (*wasatiyyah*) in Islam.

There have been protests from the non-Malay partners in the ruling coalition about the government's support for religious conservatism. "Malaysia is a secular country," an officer of the Malaysian Chinese Association declared in March, insisting that the federal constitution requires "defending all religions." Faced with such views, in March the government backed away from actually sponsoring the *hudud* bill introduced by PAS. Despite such reversals, however, the momentum toward Islamization is strong. In 2017, for instance, public whipping was introduced in Kelantan state; and Pahang state adopted the Islamic concept of *diyat*, which allows a victim's family to influence sentencing involving the death penalty.

Considering these initiatives, it is important to take note of polling that suggests strong support in the Malay community for religious conservatism. Furthermore, in the view of some Islamic activists, current religious initiatives merely follow a long history of burgeoning Islamization, reaching back before British intervention in the nineteenth century. The constitution's reference to Islam as "the religion of the Federation" is also increasingly highlighted—placed above the claim that the Constitution itself is "the supreme law"—and seen as a basis for arguing (as a former chief justice did this year) that "anything which is in contradiction to Islam is unconstitutional."<sup>2</sup>

One matter clear in the constitution is that the nine rulers are "the Head of the religion of Islam" in their respective states. The Conference of Rulers—which in late 2015, in the context of the IMDB investigation, had questioned the "government's credibility and integrity in administrating the country"—took an assertive stand on religious matters in October 2017. The Johor sultan had condemned a launderette for adopting a Muslim-only policy. Johor, he said, "belongs to all races and faiths" and is "not a Taliban state." In response, a religious teacher who supported the ban on non-Muslims insisted that "we are a Muslim country," and that in taking a stand he was "carrying out my responsibility to spread Islamic teachings." The Conference of Rulers then stated its concern to protect "the harmony that currently exists within our multi-religious and multi-ethnic society."

2. Arfa Yunus, "Laws in Contradiction to Islamic Laws are Void, Says Former Chief Justice," *New Straits Times*, March 25, 2017.

The rulers were conveying that, despite being ‘heads’ of Islam, and despite the king’s constitutional duty to “safeguard the special position of the Malays,” they consider themselves to be reigning over *all* their subjects, irrespective of ethnicity. The constitution, in fact, refers to “rulers,” not “Malay rulers,” and there is a long record of Malaysian rulers speaking in an ethnically inclusive manner. Just what role the rulers might play in shaping a Malay Malaysia, however, will depend not only on their ability to attract non-Malay support but also on their skill in handling the increase in both Islamic and Malay nationalist demands.

Malaysia is a society in transition. Malay ethnic demands, far-reaching Islamic aspirations, and royal assertiveness—each in its particular way challenges the liberal, secular structure that many saw being ushered in with the 1957 constitution. These concepts are all, however, embedded in that document—waiting, as it were, for future opportunity. If the Najib government fails to achieve a comfortable victory in the coming election, the task of accommodating and juggling Malay, Islamic, and royal claims—and also the growing demand of the East Malaysian states for greater autonomy—will be all the more formidable.