

**Imagining Identity: Visions of Malaysia and the
Interrelationship Between State, Society and the Global.**

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October 2012

A thesis submitted for the degree of Doctor of Philosophy of
The Australian National University

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Declaration

I declare that this thesis is the product of my own original research, and contains no material which has been accepted as part of the requirements of any other degree at any other university, or any material previously published or written by another person except where due reference is made.

Michael Gary O'Shannassy

Acknowledgements

With apologies to Wilde's Lady Bracknell, if the loss of one supervisor may be seen as a misfortune, and the loss of a second appears to be carelessness, then I'm not exactly sure what it means to have had three separate supervisors over the course of this PhD project. What I do know is that each of my supervisors has brought something special to this experience. Beginning with Heather Rae who, way back when I had just completed my Master's thesis and when the very last thing on my mind was further study, casually mentioned that a PhD might be a good thing for me to do. As such, Heather must take her fair share of credit for this thesis. Heather was then kind enough to be there at the start of this project and I have appreciated both her critical eye and her genuine warmth as a mentor. Upon Heather's departure for more cultured climes, Greg Fry took up the post as my supervisor and although he was only in the chair for a relatively short period of time before he, too, left Canberra for warmer climes, I am eternally grateful to him for his emphasis on the story that was being told in this thesis. Without his help and guidance in this regard, this would be a far less rich tale. My final supervisor was Lorraine Elliott who simply has been brilliant. It cannot be the easiest task to inherit a PhD candidate who should be nearing the end of their candidature and whose project you are not entirely familiar with. A true professional, Lorraine never skipped a beat and I could not have asked for a better supervisor given where my project was when Lorraine kindly agreed to guide me to its completion. I have genuinely valued Lorraine's critical perspective and her firm but sympathetic demeanour. I can honestly say that without her help it is unlikely that I would have finished this thesis.

In a similar fashion, I would like to thank the members of the Department of International Relations at the Australian National University, both faculty and staff, for their assistance with this project in terms of the feedback I received in formal and informal discussions but also for contributing to an atmosphere conducive for intellectual exploration and wonder. Special thanks goes to my fellow PhD travelers – Beverley Loke, Greg Collins, Kate Sullivan, Madeleine Carr, Lacy Davey, Jason Hall, Matt Davies, Thuy Do, Gilberto Estrada-Harris, Sarah Logan, Jeff Wilson and Jon Kuyper – for opening up my mind to a range of different perspectives and topics that I had never really thought much about previously and also for being a swell bunch of people, I'll miss you all. Special mention must go to Danni Chubb for being the best officemate a person could hope for, one that was able to put up with my idiosyncrasies and randomness with good cheer and humour.

For the past year, I have been fortunate enough to teach at the International School of Bangkok and it would be remiss of me if I didn't recognize my colleagues and students for reminding me daily why I will always be a life-long learner. I couldn't ask for a more engaged and engaging group of people to be around. Not only have they indulged my social aloofness with good nature as I struggled to work full-time and finish a thesis but they have often seemed sincerely interested in my topic. Many of them now know more about political legitimacy and national identity in Malaysia than any reasonable person should.

My fieldwork in Malaysia would not have been possible without generous funding from the Australian government's Endeavour Awards. I am also grateful for the institutional affiliation offered to me by the Institute of Malaysian and

International Studies (IKMAS) at the National University of Malaysia (UKM) and especially for the assistance and guidance provided by Professor Abdul Rahman Embong. Finally, I would like to express my gratitude to the forty Malaysians from all walks of life that were kind enough to agree to be interviewed for this thesis. Without a doubt, their insights and reflections critically shaped my research and these interviews were easily the most meaningful part of my PhD experience.

Without my family, I would not be the person I am. My late father, Gary, my mother, Sandra, and my brother, Sean, have been constant sources of support throughout my life and this thesis is dedicated to each of them. Finally, I would like to express my love and thanks to my girlfriend, Beverley Loke, who is not only spectacularly gorgeous but also has been instrumental in keeping me grounded throughout the ups and downs of my PhD journey. I know that I wouldn't have been as happy or as productive these past few years without her.

Abstract

The Asian Financial Crisis of 1997-1998 and the political crisis it engendered in Malaysia called into question the framework of governance associated with the long-standing *Barisan Nasional* (National Front, BN) government. And yet, despite the traumas induced by these twin crises, the fundamental relationships and structures that characterized political and economic relationships in Malaysia were not radically transformed. The underlying puzzle this thesis seeks to address is just how domestic reverberations of 'the global' are mediated by the specific historical structure of a state. Utilizing the concept of national identity as an organizing principle while employing a model which positions the relationship between the international and domestic spheres and the state as a mutually constitutive dynamic offers a much more complete picture of the processes in operation. The central research question this thesis seeks to answer is: How are conceptions of national identity in Malaysia being shaped by the interrelationship between domestic society, the state and the global?

By carrying out an in-depth empirical investigation into the historical (re)construction of and practices associated with national identity discourses in Malaysia, this thesis not only illuminates the society-state-global interrelationship but, in doing so, tells a story about how political elites in Malaysia have sought to construct and use ideas about 'national' identity in order to, first, sediment their power and, second, to legitimize that power as authority. This thesis demonstrates that political elites in Malaysia found it easier to manipulate that identity in the periods immediately following independence in 1957 but that, in recent times, doing so has proven more difficult. The broad hypothesis behind this thesis is that state actors have found it increasingly difficult to avoid external socio-political and economic pressures, which has then made the maintenance of power and authority more problematic. That is, global forces increasingly act upon and destabilize political culture and assumptions about what is 'eternal' and 'taken-for-granted' in Malaysian politics and society, disrupting elite efforts to maintain social control and authority.

The findings of this research have important theoretical and policy implications. At the theoretical level, they suggest that, in practice, any divide that exists between analyses of state-society relations on the one hand and state-global processes on the other, is largely redundant. But while they may be conceived of as two sides of the same coin, the exact nature of the mutually constitutive dynamic between domestic society, the state and the global may be an asymmetrical one. What is required, therefore, is a means of exploring the shape of any such asymmetry and a central finding of this thesis is that a historical consideration of discourses on national identity provides one such way of doing so. From a policy perspective, the findings suggest that political leaders in multiethnic states need to strengthen their role in formulating more inclusive conceptions of national identity if they are going to find an acceptable balance between particularistic ethnic desires and the universal desire for economic development and 'national' stability in a world that is becoming increasingly globalized.

Table of Contents

Introduction	1
Political Authority and Conceptualizations of National Identity	4
Central Argument of the Study	7
Aims and Focuses of the Study	9
Research Methodology	12
A Multi-Level Research Approach	14
Case Study Selection Criteria	16
Significance of Research	20
Thesis Overview	21
 Chapter One: State Structure, the Global and State-Society Relations:	
A Conceptual Approach	23
Introduction	23
1.1 The State	28
1.2 ‘The Global’ and the State	32
1.3 Sovereignty, State-Society Relations and Legitimation of Political Authority in the Postcolonial State	37
1.4 National Identity and Sovereignty Bargains	47
1.5 History and (Re)Conceptions of National Identity: Reconciling the Traditional and the Modern in the Postcolonial Nation-State	51
1.6 A Nations-of-Intent Framework	58
1.7 Discourses on ‘Malaysia’: A Research Design	63
Conclusion	66
 Chapter Two: Imagining Malaya: From Colony to Nation-State	69
Introduction	69
2.1 The Pre-Colonial and Early Colonial Period	73
2.2 The Malayan Union: A Threat to the Bangsa Melayu?	81
2.3 The Federation of Malaya: More Melayu than Malayan.	88
2.4 Communalism and Electoral Coalitions: The Birth of the Alliance	95
2.5 Articulating Malaya’s Authority-Defined ‘Nation-of-Intent’: The Merdeka Constitution	102
Conclusion	112
 Chapter Three: Independence to the Collapse of the ‘Bargain’	119
Introduction	119
3.1 Early Challenges to the ‘Bargain’: The Issue of Nationality	122
3.2 Rising Inter-ethnic Tensions and the 1959 General Election	126
3.3 From Malaya to Malaysia	130
3.4 Challenging Malay Political Dominance: The ‘Malaysian-Malaysia’ Campaign	136
3.5 Socio-Political Trends, 1965-1969: Education, Language and the Economy	141
3.6 A Political System in Peril: 1969 and the Failure of the Alliance’s Nation-Building Project	148
Conclusion	156
 Chapter Four: The Development of Malaysia?	159
Introduction	159
4.1 Mapping Malaysia I: Rethinking Malay Political Dominance	164

4.2 Mapping Malaysia II: Resolving Malay Economic Inferiority	171
4.3 Towards an 'Ethnic' National Identity	179
4.4 Re-Centering and Re-Testing Political Authority: The Formation of the Barisan Nasional and the 1974 General Elections	182
4.5 The Hussein Onn Administration: 1976-1981	189
4.6 Assessing the NEP, 1971-1981: Unintended Consequences?	194
4.7 Projecting an Islamic Image	199
Conclusion	206
 Chapter Five: The Mahathir Years – Global Forces and the Paradoxes of Personalized Politics	 212
Introduction	212
5.1 The Transition to Mahathir: Attempting to Balance Change and Continuity	216
5.2 The 1982 General Election – Replacing an Inherited Mandate	220
5.3 Malaysia's Evolving Political Economy	223
5.4 A Distant Nation: Religious and Ethnic Polarization	232
5.5 One Step Backwards... ..	237
5.6 Factional Fallout: UMNO Splits and Operation Lalang	241
5.7 Mapping Post-NEP Malaysia	248
5.8 The 1990 General Elections: Confounding Expectations	253
5.9 Wawasan 2020: A (Forced) Step Forwards?	258
5.10 The Rise of 'Developmentalism'	264
Conclusion	270
 Chapter Six: Malaysia 1997-2011: The More Things Stay The Same, The More They Change?	 274
Introduction	274
6.1 The Asian Financial Crisis of 1997-1998 – An Accident Waiting to Happen?	278
6.2 He Said, He Said: Socio-political Reactions to the Crisis	281
6.3 The Challenge of Reformasi	284
6.4 Reformasi Stalled? The 1999 General Election	288
6.5 Crisis, Reformasi and Legitimation: (Un)Changing Structures of Domination?	293
6.6 'Political Tsunami': The 2008 General Election	299
6.7 The More Things Change, The More They Stay The Same?	302
Conclusion	316
 Conclusion	 321
The Shifting Grounds of Political Legitimacy and Legitimation in Malaysia	327
 Bibliography	 333

Figures

Figure 1: A Dynamic of Mutual Constitution	3
Figure 2: A Discursive Tree.....	64
Figure 3: An Anthropology of the ‘Governing Statement’ (Step 1).....	80
Figure 4: An Anthropology of the ‘Governing Statement’ (Step 2).....	87
Figure 5: An Anthropology of the ‘Governing Statement’ (Step 3).....	91
Figure 6: An Anthropology of the ‘Governing Statement’ (Step 4).....	102
Figure 7: An Anthropology of the ‘Governing Statement’ (Step 5).....	111
Figure 8: Postcolonial ‘Nations-of-intent’ 1957-1969 (Step 1).....	129
Figure 9: Postcolonial ‘Nations-of-intent’ 1957-1969 (Step 2).....	139
Figure 10: Postcolonial ‘Nations-of-intent’ 1957-1969 (Step 3).....	150
Figure 11: Postcolonial ‘Nations-of-intent’ 1969-1980 (Step 1).....	181
Figure 12: Postcolonial ‘Nations-of-intent’ 1969-1980 (Step 2).....	186
Figure 13: Postcolonial ‘Nations-of-intent’ 1969-1980 (Step 3).....	192
Figure 14: Postcolonial ‘Nations-of-intent’ 1969-1980 (Step 4).....	206
Figure 15: Postcolonial ‘Nations-of-intent’ 1981-1996 (Step 1).....	222
Figure 16: Postcolonial ‘Nations-of-intent’ 1981-1996 (Step 2).....	235
Figure 17: Postcolonial ‘Nations-of-intent’ 1981-1996 (Step 3).....	240
Figure 18: Postcolonial ‘Nations-of-intent’ 1981-1996 (Step 4).....	245
Figure 19: Postcolonial ‘Nations-of-intent’ 1981-1996 (Step 5).....	247
Figure 20: Postcolonial ‘Nations-of-intent’ 1981-1996 (Step 6).....	269
Figure 21: Postcolonial ‘Nations-of-intent’ 1997-2011	303

Glossary

1MP	First Malaysia Plan
2MP	Second Malaysia Plan
3MP	Third Malaysia Plan
4MP	Fourth Malaysia Plan
5MP	Fifth Malaysia Plan
6MP	Sixth Malaysia Plan
10MP	Tenth Malaysia Plan
ABIM	<i>Angkatan Belia Islam Malaysia</i> (Islamic Youth League of Malaysia)
Adil	<i>Pergerakan Keadilan Sosial</i> (Movement for Social Justice)
AFC	Asian Financial Crisis
AMCJA	All-Malayan Council for Joint Action
APU	<i>Angkatan Perpaduan Ummah</i> (Muslim Unity Movement)
BA	<i>Barisan Alternatif</i> (Alternative Front)
Bersih	Coalition for Clean and Fair Elections
BMF	Bumiputra Malaysia Finance
BN	<i>Barisan Nasional</i> (National Front)
BNM	<i>Bank Negara Malaysia</i> (Malaysian Central Bank)
CCC	Chinese Consultative Committee
CLC	Communities Liaison Committee
DAP	Democratic Action Party
DBP	<i>Dewan Bahasa dan Pustaka</i> (Council for Language and Culture)
DNU	Department of National Unity
ETP	Economic Transformation Program
FAMA	Federal Agricultural Marketing Authority
FDI	Foreign Direct Investment
FPI	Foreign Portfolio Investment
FTZ	Free Trade Zone
Gagasan	<i>Gagasan Demokrasi Rakyat</i> (Coalition for People's Democracy)
GDP	Gross Domestic Product
Gerak	<i>Majlis Gerakan Keadilan Rakyat Malaysia</i> (Council of Malaysian People's Justice Movement)
Gerakan	<i>Gerakan Rakyat Malaysia</i> (Malaysian People's Movement)
GNP	Gross National Product
GTP	Government Transformation Program
HICOM	Heavy Industry Corporation of Malaysia
ICA	Industrial Coordination Act
IMF	International Monetary Fund
IMP	Independence of Malaya Party
IMP	Industrial Master Plan

ISA	Internal Security Act
JCA	Joint Action Committee
KKN	<i>korupsi, kolusi dan nepotisme</i> corruption, cronyism and nepotism
KLCI	Kuala Lumpur Stock Exchange Composite Index
KLSE	Kuala Lumpur Stock Exchange
MARA	<i>Majalis Amanah Rakyat</i> (Council of the People's Trust)
MBC	Malaysian Business Council
MCA	Malaysian Chinese Association
MCP	Malayan Communist Party
MIC	Malaysian Indian Congress
MPAJA	Malaysian People's Anti-Japanese Army
MPM	Malay Consultative Council
MSC	Malaysian Solidarity Convention
NCC	National Consultative Council
NDP	National Development Policy
NEAC	National Economic Advisory Council
NECC	National Economic Consultative Council
NEM	New Economic Model
NEP	New Economic Policy
NGO	Non-governmental Organization
NIC	Newly Industrializing Country
NOC	National Operations Council
OPP1	First Outline Perspective Plan
OPP2	Second Outline Perspective Plan
PAP	People's Action Party
PAS	<i>Parti Islam SeMalaysia</i> (Pan-Malaysian Islamic Party)
PI	<i>Parti Islam</i> (Islamic Party)
PKR	<i>Parti Keadilan Rakyat</i> (People's Justice Party)
PMIP	Pan-Malaysian Islamic Party
PPP	People's Progressive Party
PR	<i>Pakatan Rakyat</i> (People's Alliance)
PRM	<i>Parti Rakyat Malaysia</i> (Malaysian People's Party)
PSC	Parliamentary Select Committee
PUTERA	<i>Pusat Tenaga Rakyat</i> (Center of the People's Power)
RM	Ringgit Malaysia
S46	<i>Semangat '46</i> (Spirit of '46)
SF	Socialist Front
UMNO	United Malays Nationalist Organisation
UDP	United Democratic Party
UN	United Nations

Introduction

The results of Malaysia's twelfth general election in March 2008 have been described as a 'political tsunami'. The ruling *Barisan Nasional* (National Front, BN) coalition, a multiethnic mix of constituent parties, suffered a major electoral swing against it with each of the primary peninsular opposition parties posting remarkable gains.¹ The BN's share of seats in the country's parliament, the *Dewan Rakyat*, plunged to 63 per cent, its overall vote plummeted to 51 per cent, and four state governments fell to the opposition.² While the end result was clearly startling, it is the process by which the political opposition achieved this outcome that bears further scrutiny. In many respects, the results of 2008 can be seen as a consequence of the economic and political crises that erupted in Malaysia in the wake of the 1997-1998 Asian Financial Crisis (AFC). As we shall see below in greater detail, the claim here is that by helping to undermine so many of the prevalent assumptions underpinning the legitimacy of the Malaysian government, in particular, its emphases on economic performance and political stability, the AFC altered the socio-political terrain in Malaysia. This, in turn, forced the country's political leaders to rethink the communally-based structures of political domination and/or hegemony that work to the advantage of Malaysia's largest ethnic group, the Malays. What the 2008 election now hinted at was the substantive emergence of the kind of issue-based, cross-communal politics that had been promised by the rise of the *Reformasi* (Reform) movement almost a decade before and the potential for a political structure founded more on an inclusive sense of national identity rather than on the kinds of personalistic or identity-based appeals made by ethnically and/or religiously configured political organizations. What this suggested, in turn, was a distinct shift in the bases and processes of political legitimation in Malaysia, one that meant political leaders and their organizations would now have to attract support from a much wider cross-section of society if they were to be considered legitimate.

¹ As of October 2012 these are: the United Malays National Organisation (UMNO); the Malaysian Chinese Association (MCA); the Malaysian Indian Congress (MIC); Gerakan Rakyat Malaysia; People's Progressive Party (PPP); Parti Pesaka Bumiputera Bersatu; Sarawak United People's Party; Parti Bersatu Sabah (PBS); Liberal Democratic Party; Parti Bersatu Rakyat Sabah; United Pasokmomongun Kadazandusun Murut Organization; Sarawak Progressive Democratic Party and; Parti Rakyat Sarawak. Historically, UMNO, MCA and MIC have held the bulk of the BN's parliamentary seats. In addition, these three parties carry the legacy of the Alliance Party, which controlled the Malayan/Malaysian government from Independence in 1957 until 1969. The primary opposition parties on the peninsula are: *Parti Keadilan Rakyat* (People's Justice Party, PKR), the Democratic Action Party (DAP), and *Parti Islam SeMalaysia* (Pan-Malaysian Islamic Party, PAS).

² The BN had already lost Kelantan, which had been under continuous PAS rule since the 1990 general election.

However, a disaggregated analysis of the election results renders this supposition unclear, for while the BN lost support generally this was not equally distributed across Malaysia's main ethnic communities; there were drastic falls in Indian and Chinese support for the BN but only a marginal dip in Malay support.³ Such statistics seem to reflect the continuing communal nature of Malaysian politics.⁴ Thus, while the results of the 2008 general election seemed to point to a significant shift in the socio-political terrain of Malaysia, doubts persist over whether or not the traditionally communal, i.e., ethnic, nature of Malaysian politics had fundamentally changed. Although the opposition parties officially joined forces soon after the 2008 election as the *Pakatan Rakyat* (People's Alliance, PR) and have continually stressed minority economic, cultural and religious rights, such advances, although significant, do not necessarily signal an end to a communally-based system of politics. While the opposition coalition advances a vision of a Malaysian national identity defined less by ethnicity and/or religion and more by a shared civic nationhood, the implementation of this vision remains an essentially communal one, in the sense of there being conscious attention paid to power-sharing among Malaysia's primary ethnic groups.⁵ The Malaysian 'imagined community' and any notion of a genuinely inclusive *Malaysian* national identity apparently remains an on-going and contested project.

What then is the actual effect of external phenomena such as the AFC on domestic socio-political structures and notions of national identity within states such as Malaysia?⁶ The underlying puzzle this thesis seeks to address is just how domestic

³ K.M. Ong (2008). "Making Sense of the Political Tsunami", *Malaysiakini*, 11 March, 2008, www.malaysiakini.com, accessed 25 April, 2011. The Malaysian government's 2010 Census lists the ethnic composition of Malaysia as: Bumiputera – 67.4%; Chinese – 24.6%; Indian – 7.3% and; Others – 0.7%. The issue here is that the designation 'Bumiputera' includes both Malays as well as other groups considered indigenous to the country. As such it presents a group, which is, in reality, more heterogeneous than the term might suggest.

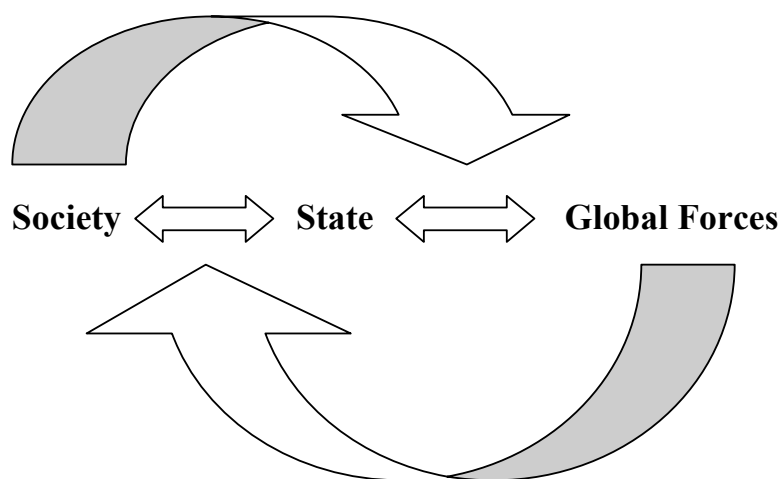
⁴ This view is further supported by the fact that, since the previous general election in 2004, racial and religious tensions had been simmering, stirred by non-Malays' sense of socioeconomic marginalization in a period of increasing globalization, the destruction of dozens of Indian temples, a series of challenges to non-Muslims' legal rights, and incendiary pro-Malay and pro-Muslim rhetoric, particularly from UMNO leaders.

⁵ I recognize that attempts to talk of who exactly are 'the Malays', 'the Chinese' or 'the Indians' as a people is to engage with a subject matter of bewildering diversity and contradiction. In particular, notions of just who is 'Malay' and what it means to be 'Malay' remain open questions today, just as they have throughout the history of the region. For an excellent overview of the historical development of the idea of 'Malayness' and 'the Malays', see: Anthony Milner (2008). *The Malays*. Wiley-Blackwell: Oxford. This issue is taken up in further detail below in Section 2.1.

⁶ While some might question how an apparently regional crisis can be considered global in nature, I would argue not only that some of the preconditions for the crisis were global in nature – financial globalization and the liberalization of international capital markets, for example – but that the consequences of this nominally 'Asian' crisis had global ramifications not least in the *post hoc* calls for a new regime of international finance as well as the role of the International Monetary Fund (IMF) within

reverberations of ‘the global’ are mediated by the specific historical structure of a state, particularly within the postcolonial context. However, instead of viewing such historical incidents as *either* global forces *or* domestic social forces impacting upon the state and conceptions of national identity, this thesis will argue that what is actually occurring is the result of the interplay between these two broad fields of forces. Global forces and domestic social forces alike impact upon the state and social boundaries within a country, helping to give shape to constructions of who is ‘us’ and who is ‘them’ – issues which, I suggest in this thesis, are intimately connected to concepts of legitimacy and legitimation. Furthermore, in investigating these concepts I will argue that the relationship between the international and domestic domains vis-à-vis the state should be represented as a mutually constitutive dynamic – that a state’s interrelationship with ‘the global’ is constructed and reconstructed by the shape of its state-society relations which themselves are forged and reformed by the state’s interrelationship with global forces.⁷ Such an approach views the state as the common but contested ground overlapped by both the domestic and international spheres. Figure 1 below represents this process of mutual constitution.

Figure 1: A Dynamic of Mutual Constitution



any such reformulation. See: Robert Wade (1998). “The Asian Debt-and-Development Crisis of 1997-?: Causes and Consequences.” *World Development*, 26(8), pp.1535-1553.

⁷ See: Ian Clark (1999), *Globalization and International Relations Theory*. Oxford: Oxford University Press. Sumit Mandal ponders this issue in his study of the use of English in Malaysia; Sumit K. Mandal (2000). “Reconsidering Cultural Globalization: The English Language in Malaysia.” *Third World Quarterly*, 21(6), p.1002. See also: Abdul Rahman Embong (2001). “The Culture and Practice of Pluralism in Postcolonial Malaysia” in, Robert W. Hefner (ed.), *The Politics of Multiculturalism: Pluralism and Citizenship in Malaysia, Singapore and Indonesia*. Honolulu: University of Hawai’i Press; pp.60-63; Norani Othman and Clive Kessler (2000). “Capturing Globalization: Prospects and Projects”, *Third World Quarterly*, 21(6), p.1017 and; Melani Budianta (2000). “Discourse of Cultural Identity in Indonesia During the 1997-1998 Monetary Crisis”, *Inter-Asia Cultural Studies*, 1(1), p.109.

The central research question this thesis seeks to answer is: *How are conceptions of national identity in Malaysia being shaped by the interrelationship between domestic society, the state and the global?* Utilizing the concept of national identity as an organizing principle while eschewing either a top-down (global-state) or bottom-up (society-state) approach in favour of a model which positions the relationship between the international and domestic spheres and the state as a mutually constitutive dynamic offers a much more complete picture of the processes in operation. Figure 1 represents such processes of mutual constitution not only with regard to the relationships between society and state on the one hand and state and the global on the other, but further seeks to illustrate how domestic society may impact on the mutual adjustment between state and global forces as well as how global forces may affect state-society relations. The global and the local are fusing in such a way that it becomes hard to see where one starts and the other ends.⁸ What is more, both the global and the domestic become something other than they were: each interacts not just with the other, but rather with the evolving social context which they both share.⁹ In this way the global becomes clothed in local knowledge and the very tension this creates raises new questions and new solutions, offering a means by which to explore mechanisms of transformation and change.

It is important to remember that national identity is almost always the result of political rather than natural processes and this is especially so in many postcolonial states where an overarching and coherent national identity is frequently lacking. In countries where social affiliations at the sub-national (or even transnational) level may be chosen over state-based and promulgated rationale certain issues arise: How to create a national army when other loyalties are prioritized? Why pay taxes if the state is associated with a particular group? How to apply the rule of law when a part of the population functions by or is subject to customary and/or religious law?¹⁰ In all states, political actors will

⁸ For example, see: Saskia Sassen (2003b). "Globalization or Denationalization?", *Review of International Political Economy*, 10(1), pp.1-22.

⁹ For an example of such processes see Andrew Harding's discussion on the transplantation of legal ideas between the colonizer and the colonized in Malaysia in, Andrew Harding (2002). "Global Doctrine and Local Knowledge: Law in South East Asia", *International and Comparative Law Quarterly*, 51, pp.35-53.

¹⁰ Several authors have noted the need to more explicitly consider the nature of political legitimacy in postcolonial, developing countries. For example, see: Muthiah Alagappa (ed.) (1995a), *Political Legitimacy in Southeast Asia: The Quest for Moral Authority*. Stanford: Stanford University Press; (especially, pp.1-8 & 11-65); Joel Migdal (1988). *Strong Societies and Weak States: State-Society Relations and State Capabilities in the Third World*. Princeton: Princeton University Press; Douglas Blum

seek to legitimize their own position and power by appealing to some overall identity of those whose support they are trying to obtain. In postcolonial, multiethnic/multi-religious states like Malaysia such processes of legitimation are especially problematic. While such states are buffeted by many of the same ‘external’ and ‘internal’ social, political and economic forces that generally affect the sources of legitimacy worldwide, postcolonial states differ in that they lack the apparent ‘organic’ foundation that most Western states now purport to possess.¹¹ In many Western states, legitimacy is ideally a concept founded on the premises of the doctrine of popular sovereignty, that as the ultimate basis of authority ‘the people’ are the only legitimate source of power.¹²

The problem in many postcolonial states is that who and what exactly are ‘the people’ remains inchoate. As Daniela Obradovic comments, “legitimacy reflects the belief that one system is just because it embodies not just any shared understanding but an accepted superior justificatory principle, the myth. Myth is the state of belief that supports an organic model of politics because it provides an assertion of intertemporal identity and reveals the authentic actions of the popular sovereign.”¹³ Postcolonial, multiethnic/multi-religious states have generally lacked a coherent, *inclusive* myth to supply a metaphysical basis for the state; one that provides the terms by which questions of political authority are settled. Without such a master narrative to underpin conceptions of political authority governance becomes increasingly difficult, as state actors must instead rely on coercion or appeals to self-interest in order to achieve and maintain social control over their citizenry.

Eschewing the dichotomous structure that characterizes practically all past models of change at the structural or organizational level, Joel Migdal suggests modeling state-

(2007). *National Identity and Globalization: Youth, State and Society in Post-Soviet Eurasia*. Cambridge: Cambridge University Press; (especially, pp.50-73); Bruce Gilley (2005). “Political Legitimacy in Malaysia: Regime Performance in the Asian Context”, in, Lynn White (ed.), *Legitimacy: Ambiguities of Political Success or Failure in East and Southeast Asia*. Singapore: World Scientific Publishing; pp.29-67 and; Nicholas Tarling (2004). *Nationalism in Southeast Asia*. London: Routledge; pp.162-196.

¹¹ Admittedly, such observations equally apply to the history of Western societies. For instance, many would argue that a French national identity really only developed from the 19th century. However, the relative ‘newness’ of postcolonial societies makes such struggles more acute and I would argue that the position of the industrial countries is qualitatively different than that of postcolonial states. Many postcolonial states were defined by a generally arbitrary geographical demarcation, based on colonial possession, which consequently made the problem of creating a sense of national unity particularly challenging and the integrity of the state more tenuous, especially when one considers the multiethnic and multi-religious makeup of many such states.

¹² The universality of the idea today is acknowledged in the UN Declaration of Human Rights that ‘the will of the people shall be the basis of the authority of government’ (Art. 21).

¹³ Daniela Obradovic (1996). “Political Legitimacy and the European Union”, *Journal of Common Market Studies*, 34(2), p.195.

society relations as a *mélange* of social organizations.¹⁴ Looking at Third World societies as a whole, he notes that while we can detect the presence of some important commonly held norms and histories that could potentially “provide the bases for the symbolic configuration underpinning social control”, these shared experiences often pale in comparison to the “radically different sets of beliefs and recollections dispersed throughout the society.”¹⁵ Struggles for legitimacy in postcolonial societies thus involve state actors negotiating the push and pull of non-state social organizations in order to determine who has the right and ability to make rules in that society.¹⁶ Put another way, what power is legitimate and on what grounds? The goal of any government in this regard is to render itself the primary source of authority within its borders.¹⁷

While there has been a renewed focus on the part of many postcolonial governments to develop a more robust empirical basis for their legitimacy since the end of the Cold War, their situation in this respect has been further complicated by the need for many such governments to engage with the global economy for the purposes of development.¹⁸ As political elites have had to take into account not only global economic but, also, political and social pressures, their ability to articulate a ‘national’ ideology with reference primarily to their specific historical, i.e., ‘internal’, circumstances has become increasingly problematic.¹⁹ This raises a second key question of this thesis: *What are the bases of political authority in postcolonial, developing states such as Malaysia given the interrelationship between domestic social forces, the state and the global?* There is a clear need to explore how conceptions of national identity have been, and continue to be, shaped by both domestic and global forces. What exactly is the link between the ethnic and/or religious bases of a national identity, for example, and the influence of global forces in a state? In turn, what impact might

¹⁴ Migdal (1988), pp.28-29. In the case of Malaysia, such macrolevel change would involve a distinct shift away from the explicitly ethnic character of social, political and economic relations that has come to typify the country.

¹⁵ Migdal (1988), p.36 & p.37.

¹⁶ Admittedly, such observations equally apply to Western societies. However, the relative ‘newness’ of postcolonial societies makes such struggles more acute.

¹⁷ Obradovic, p.194.

¹⁸ Michael Barnett (1995). "The New United Nations Politics of Peace: From Juridical Sovereignty to Empirical Sovereignty" *Global Governance*, 1(1), p.89.

¹⁹ For example, see: Francis L.K. Wah and Joakim Ojendal (eds.) (2005). *Southeast Asian Responses to Globalization: Restructuring Governance and Deepening Democracy*. Singapore: ISEAS. What this edited volume indicates is that there is no single or simple pattern in the responses of Southeast Asian states to globalization in both its economic and cultural forms. See also: H. Salleh (2000). “Globalization and the Challenge to Malay Nationalism as the Essence of Malaysian Nationalism”, in, Leo Suryadinata (ed.), *Nationalism and Globalization: East and West*. Singapore: ISEAS; pp.132-174.

global forces have on the ways in which national identity is conceptualized in multiethnic states? ‘National’ identity is a valuable resource in this endeavour and understanding how such identities have been (re)constructed and contested is a central aim of this thesis.

Central Argument of the Study

This thesis tells a story about how political elites in Malaysia have sought to construct and use ideas about ‘national’ identity in order to, first, sediment their power and, second, to legitimize that power as authority. In doing so, these elites have tried to define the contours of the Malaysian state, as it looks both inwards and outwards, in a way that serves their own political purposes. In the case of Malaysia, assumptions about ‘the nation’ were based on claims about the logic and primacy of certain identity preferences, in particular that of ‘the Malay’, which were then given political force through policies on national development including, for example, education, culture and the economy. While the assumptions underpinning conceptualizations of ‘national’ identity have always been a site of contestation in Malaysia and also have never been an entirely internal process, political elites in Malaysia found it easier to manipulate that identity in the periods immediately following independence in 1957. The reason for this, I argue, is because the centrality of ethnicity in both Malaysian political culture and narratives of ‘national’ identity at the time were shared by elites and a social majority. At the same time, there was less need for state actors to take account of the ‘global’, simply because it did not function then in the same ways as which it has come to do.²⁰ In short, political elites could largely disregard the global and set their sights squarely on the internal/domestic scene when it came to legitimating their political power.

This situation, however, could not last and the broad hypothesis behind this research project is that state actors have found it increasingly difficult to avoid external socio-political and economic pressures, which has then made the maintenance of power and authority more problematic. This, in turn, has led to greater political fracturing as state actors have either chosen, or have been compelled, to engage with ‘the global’, not just in terms of economic demands but also with respect to calls for socio-political transformation and democratization. As such processes have evolved, it has become

²⁰ Ira Cohen (1987). “Structuration Theory and Social Praxis.” in, Anthony Giddens and Jonathan Turner (eds.), *Social Theory Today*. Stanford: Stanford University Press; p. 285.

more and more difficult for political elites to maintain and legitimate their power given that their position as the intervening variable between the internal and the external has become increasingly undermined by the actions of ordinary Malaysians who have begun to engage directly with ‘the global’, both positively and negatively. The situation for political elites has been further complicated by the ways in which particular ideas of Malay primacy have been embedded politically, economically and socially and how these notions have become potentially counterproductive given the demands for development and the need for investment. That is, global forces act upon and destabilize political culture and assumptions about what is ‘eternal’ and ‘taken-for-granted’ in Malaysian politics and society, disrupting elite efforts to maintain social control and authority (for their own benefit).²¹

Malaysia now faces a ‘rock and a hard place’ situation.²² On the one hand, Malaysian state actors, in the absence of more ‘organic’ bases for political legitimation, have come to rely more and more on the legitimacy offered by economic performance. However, for the Malaysian economy to remain viable in the global market place, socio-political transformation is now required. In this way, the very elements which political elites have made the bedrock of their policies – ideas about ‘national identity’ and the privileging of the Malay community – now threaten, or at the very least complicate immensely, their efforts to be globally viable. In this way, the underlying research puzzle of this thesis is illuminated; it is not just global processes which may affect the (re)formulation of a ‘national’ ideology but that the historical context of state-society relations within which such an articulation can occur might also constitute a particular framework for interaction between the state and global processes.²³ All of these points highlight the need to conduct a historical examination of the Malaysian case so as to recognize the historical origins of powerful discourses, which claim to be universal and

²¹ See: A.B. Shamsul (2002). “Globalization and Democratic Developments in Southeast Asia: Articulation and Social Response.” in, Catarine Kinnvall and Kristina Jonsson (eds.), *Globalization and Democratization in Asia – The Construction of Identity*. London: Routledge; pp.193-209; Othman and Kessler; Muthiah Alagappa (1995b). “Introduction” in, Muthiah Alagappa (ed.), *Political Legitimacy in Southeast Asia: The Quest for Moral Authority*. Stanford: Stanford University Press; pp.6-7 and; Joakim Ojendal (2005). “Democratization Amidst Globalization in Southeast Asia: Empirical Findings and Theoretical Reflections.” in, Francis L.K. Wah and Joakim Ojendal (eds.) (2005). *Southeast Asian Responses to Globalization: Restructuring Governance and Deepening Democracy*. Singapore: ISEAS; pp.345-372.

²² See: Michael O’Shannassy (2011). “Malaysia in 2010: Between a Rock and a Hard Place”, *Asian Survey*, 51(1), pp.173-185.

²³ In other words, states operate within a complex field of forces, which operate in both a ‘top-down’ (global processes) and ‘bottom-up’ (society/societies) manner. This will be taken up in greater detail below.

eternal, as such examples are indicative of a greater complexity vis-à-vis the interrelationship between domestic social forces, the state and global processes than most accounts would suggest.²⁴

This thesis thus problematizes the nature of national identity and, critically, brings both the state and the global as well as the state and domestic society into a relationship of mutual adjustment.²⁵ However, it will be necessary to acknowledge how such processes of mutual constitution may be asymmetrical, with either the internal or the external predominant at any particular point in time. I argue that it is via a detailed consideration of national identity (re)construction that such asymmetry and an important under-examined aspect of these processes associated with this mutual constitution may be traced, thereby underlining the possibility of transformation and change.

Aims and Focuses of the Study

This thesis seeks to do three things. First, it aims to explore the under-investigated interrelationship between domestic social forces, the state and global processes. This mutually constitutive, dynamic arrangement is under-analyzed not only in general terms but, more specifically, with respect to postcolonial, multiethnic/multi-religious states such as Malaysia. Second, in exploring this interrelationship, this thesis traces how social boundaries have historically come in to existence. Following on from this, it also analyses how social boundaries are both maintained as well as subject to change in Malaysia. Thus, the third aim of this thesis is to explore historically the influence of the interrelationship between domestic society, the state and the global on the foundations of political authority in Malaysia and the possibilities of transformation.

The focus of the study is the interrelationship between global processes, the state and domestic social forces and how this dynamic is reflected not only in discourses on national identity but also in how such discourses are employed by state actors. Clearly, such complex issues do not exist in a historical vacuum and I hold that historical

²⁴ Michel Foucault, following Nietzsche, argues that dominant discourses are the result of power struggles in which they have triumphed over other discourses and forms of knowledge. Nietzsche once suggested that where there is meaning, it is possible to trace the struggles, battles and violence that produced it. See: Geoff Danaher, Tony Schirato and Jen Webb (2000). *Understanding Foucault*. London: Sage; p.47.

²⁵ In a similar vein, Othman and Kessler refer to Giddens' 'recursive' dynamic whereby, "mundane ideas and even powerful doctrines *about* social reality, through their acceptance into human consciousness and the actions it informs, are fed back *into* and thus become a constitutive part of evolving sociocultural practice". Othman and Kessler, p.1021 (Emphasis in the original).

debates and/or struggles over (re)conceptions of the ‘imagined community’ best illuminate the dynamic outline above in Figure 1. While nation state identities do tend to be sticky there is always some leeway for the purposive attempt of political actors to alter existing ideational frameworks and boundary definitions.²⁶ However, such actors cannot construct new identities at will; the choices available to be made at such moments are constrained by past decisions on institutional forms and national models.²⁷ That is, new ideas about political order need to resonate with existing identity constructions embedded in political cultures and national institutions. As Marcussen, *et al*, observe:

While existing identity constructions are broadly defined and can resonate with a whole series of new ideas, they nevertheless define the range of options considered legitimate for new nation state identities. There is no reason to believe that these existing identity constructions are ‘givens’, which are elevated above identity politics and contestation...Rather, new ideas about social order and the nation state need to resonate with previously embedded and institutionalized values, symbols and myths.²⁸

It should be emphasized that I view any ‘national identity’ project as on-going and subject to contestation. A discourse is never a self-contained whole; there are open parts where it runs into other discourses in a discursive field in which meaning in which the battle over meaning takes place. To put it simply, there are many different ways in which actors may employ a discourse and these are rarely static. By analyzing the ways in which national identity discourses have been drawn upon historically and (re)conceptualized by political leaders in Malaysia, I aim to arrive at a more nuanced and richer understanding of the dynamic outlined in Figure 1.²⁹ In particular, I emphasize the asymmetrical nature of this process of mutual constitution. To reiterate the story being told in this thesis, there are moments where ‘external’ pressures operating on the state predominate, whereas on other occasions the situation may be reversed with domestic social forces in the ascendancy. Herein lies a need to understand such a dynamic; such an analysis underlines the possibilities for transformation and change in multiethnic and/or multi-religious countries.

²⁶ Martin Marcussen, Thomas Risse, Daniela Engelmann-Martin, Hans Joachim Knopf and Klaus Roscher (1999). “Constructing Europe? The Evolution of French, British and German Nation State Identities”, *Journal of European Public Policy*, 6(4), p.616.

²⁷ Jacques Bertrand (2004). *Nationalism and Ethnic Conflict in Indonesia*. Cambridge: University of Cambridge Press; p.24.

²⁸ Marcussen, *et al*, p.617.

²⁹ To be fair, the ‘stage’ for the empirical chapters in this thesis does not cover the broad sweep of politics but, instead, is largely focused on specific processes surrounding general elections, aspects of development and other key policy areas.

The concept of ‘nations-of-intent’ as conceptualized by A.B. Shamsul is analytically valuable in this regard.³⁰ While similar to Anderson’s conception of the ‘imagined community’, it differs in being a more open-ended concept.³¹ Discrete ‘nations-of-intent’ not only reflect the broader cultural context within which they operate but they also reveal the range of possible interpretations to which any foundational myth may be subject. A ‘nations-of-intent’ framework illustrates the dynamic processes involved in the *(re)imagining* of community. One of the main aims of this thesis is to shed further light on the nature of historical struggles, and accommodations, between state actors, domestic social influences and global forces by employing such a ‘nations-of-intent’ approach. I contend that the identification of separate and distinct ‘nations-of-intent’, as manifested in discourses surrounding notions of national identity, represents a productive and nuanced means of ascertaining and understanding what, within a specific state’s cultural context, is both (im)possible and (im)plausible as far as socio-political transformation is concerned.³² The ‘nations-of-intent’ concept helps to view the general discourse on nationalism and nationhood in a more positive light and allows us to examine more closely the mobilization of popular sentiments – “how identity forms are spread and transformed into fully fledged imagined communities, how legends and myths are rephrased, and how they are used to generate passion.”³³ As noted earlier, the third aim of this thesis is to show how such processes operate in a historical sense in order highlight the possibility and shape of future transformation and change in Malaysia.

By focusing primarily on the actions and behaviour of political elites this thesis does not mean to deny that potentially powerful everyday-defined ‘nations-of-intent’ may exist alongside or beneath authority-defined ‘nations-of-intent’. However, while the former

³⁰ A.B. Shamsul (1996a). “Nations-of-Intent in Malaysia”, in, Stein Tønnesson and Hans Antlöv (eds.), *Asian Forms of the Nation*. Richmond: Curzon Press; pp.323-347. The term was actually first used by Robert Rotberg in an African context. See, Robert Rotberg (1967). “African Nationalism: Concept or Confusion?” *Journal of Modern African Studies*, 4(1), pp.33-46.

³¹ Benedict Anderson (1999). *Imagined Communities: Reflections on the Origin and Spread of Nationalism*. London: Verso.

³² This conceptual framework is probabilistic, not deterministic. As such, it aims to help reveal the *tendency* for socio-political transformation as well as the *possible/probable* shape of any such change based on a particular state’s cultural and historical context rather than predicting with any great degree of certainty what path a country *shall* take. See: Stanley Lieberson and Freda B. Lynn (2002). “Barking up the Wrong Branch: Scientific Alternatives to the Current Model of Sociological Science”, *Annual Review of Sociology*, 28, pp.1-19.

³³ Stein Tønnesson and Hans Antlöv (1996). “Asia in Theories of Nationalism and National Identity”, in, Stein Tønnesson and Hans Antlöv (eds.), *Asian Forms of the Nation*. Richmond: Curzon Press; p.38.

may exert considerable influence in shaping the discursive terms and practices of national identity in Malaysia, particularly in more recent times, I contend that, historically, state actors have played an overwhelmingly significant role in such processes simply because the lack of a coherent myth to underpin notions of political authority in Malaysia has meant that political elites have had to assume a central and active role in the creation of a sense of national identity.

Research Methodology

Charting and assessing the interrelationship between global processes, the state and domestic social forces is by nature a complex issue and one that lends itself to a distinctly qualitative analysis.³⁴ In this sense, I argue that an interpretivist approach, which emphasizes the crucial role of contingency or ‘path dependence’ in politics, is required.³⁵ Such an approach demonstrates how the idea of deterministic causation runs counter to the fundamental insight that social processes are stochastic in nature and thus require probabilistic thinking and a greater emphasis on meanings.³⁶ One important reason why qualitative methods have been and remain important in International Relations (IR) research is that they possess “considerable advantages in studying complex phenomena...[which] often involved interaction effects among many structural

³⁴ Qualitative and quantitative approaches involve collecting data in different ways and the crucial question for any research project is whether the choice of method is appropriate for the theoretical and empirical questions that the project seeks to address.

³⁵ Claims that define interpretivism include: (a) Human behavior is to be understood (made sense of) rather than explained (attributed to causes). (b) Social scientists, unlike natural scientists, study a realm already constituted by meanings. (c) Social action is to be analyzed not as the effect of causes but as the conformity of behavior to rules. (d) The social world is constituted by intersubjective meanings, not brute facts. (e) The vocabulary of causal analysis is inconsistent with the vocabulary needed for a proper interpretive understanding of social life. (f) Prediction is not a sensible or reasonable goal of social inquiry. (g) In the study of society, theory is used not to predict but to uncover or clarify the import of symbolic acts. See: David Dessler (2003). “The Positivist-Interpretivist Controversy.” *Qualitative Methods: Newsletter of the American Political Science Association Organized Section on Qualitative Methods*, 1(2), p.22.

³⁶ Robert Keohane (2003). “Disciplinary Schizophrenia: Implications for Graduate Education in Political Science.” *Qualitative Methods: Newsletter of the American Political Science Association Organized Section on Qualitative Methods*, 1(1), p.10 and Gerardo L. Munck (2003). “Teaching Qualitative Methodology: Rationale, State of the Art, and an Agenda.” *Qualitative Methods: Newsletter of the American Political Science Association Organized Section on Qualitative Methods*, 1(1), p.13. To be fair, I recognize that, in reality, no instance of social research can make sense without relying on *both* cause and meaning. ³⁶ Weber’s well-known definition of sociology suggests just such a dependence: “Sociology...is a science which attempts the interpretive understanding of social action in order thereby to arrive at a causal explanation of its course and effects.” See: Max Weber (1947). *The Theory of Social and Economic Organization*. Trans. A.M. Henderson and Talcott Parsons. Glencoe: The Free Press; p.88.

and agent-based variables, path dependencies, and strategic interaction among large numbers of actors across multiple levels of analysis.”³⁷

Due to both methodological and practical problems, quantitative analyses often break theories into sets of bivariate or multivariate hypotheses that do not capture the dynamic aspects of the puzzles being investigated or stories being told.³⁸ Qualitative methods are, thus, most appropriately employed when the *goal* of research is to explore intersubjective phenomena and capture the meanings, processes and context attached to them.³⁹ In terms of this thesis, charting and assessing the interrelationship between global processes, the state and domestic social forces is by nature a complex issue and one that naturally lends itself to a distinctly interpretivist and qualitative approach. It would be extremely difficult, if not impossible, to discern discrete cause and effect relationships between domestic social forces and the state as well as between the state and the global, let alone between domestic social influences and global forces. There are simply too many factors at play, each with varying degrees of historically conditioned influence.⁴⁰ Given the difficulties involved in measuring such relationships, I suggest that employing a broad organizing principle, such as (re)conceptions of national identity, is a more fruitful path to take. Not only do (re)conceptions of national identity cast a wide net and capture many of the processes in operation within the interrelationship sketched in Figure 1 but, furthermore, lends itself well to a historical analysis.

³⁷ Andrew Bennett and Colin Elman (2007). “Case Study Methods in the International Relations Subfield”, *Comparative Political Studies*, 40, p.171.

³⁸ Zeev Maoz (2002). “Case Study Methodology in International Studies: From Storytelling to Hypothesis Testing”, in Frank P. Harvey and Michael Brecher (eds.) *Evaluating Methods In International Studies*, Ann Arbor: University of Michigan Press, p.163. I recognize that there are not some excellent examples of quantitative analyses, which attempt to investigate many of the same processes that lie at the core of my thesis; in particular, legitimacy/legitimation. For example, Bruce Gilley considers the bivariate correlations to legitimacy of a range of socio-economic and political variables in order to arrive at a parsimonious and robust causal hypothesis, which reveals that universal factors appear able to explain roughly two-thirds of the variation in legitimacy levels across states. Nevertheless, even in this case, with the remaining one-third attributable to local or contextual causes, Gilley is forced to admit that most causal factors will almost always have both universal and contextual interpretations. See: Bruce Gilley (2006). “The Determinant of State Legitimacy: Results for 72 Countries.” *International Political Science Review*, 27(1), pp.47-71.

³⁹ Fiona Devine (2002). “Qualitative Methods”, in David Marsh and Gerry Stoker (eds.), *Theory and Methods in Political Science*, Hampshire: Palgrave; p.199. Ian Clark and Christian Reus-Smit note that when it comes to analyses of legitimacy/legitimation quantitative tools, while potentially helpful, remain just that, *tools*, in what is “ultimately an exercise in interpretation [as the] foundation of legitimacy is social recognition...[and it is difficult] to establish *a priori* quantitative measures of how much recognition is required to establish an actor’s or institution’s legitimacy.” Ian Clark and Christian Reus-Smit (2007). “Preface”, *International Politics*, 44, p.155.

⁴⁰ Given the complexity and relatively unstructured nature of many of the phenomena that lie at the heart of international relations, many puzzles in International Relations are difficult to model formally and to test statistically. Indeed, I am not entirely certain what a quantitative methodology could look like with respect to my research project. See: Bennett and Elman, p.171.

A Multi-Level Research Approach

(Re)conceptions of national identity over time form the central investigation of this study. While scholars have separately noted the influence of global processes and state-society relations on such (re)conceptions, very few have explored the overall interrelationship between these ‘top-down’ and ‘bottom-up’ field of forces. Chapter one of this thesis will survey this literature before outlining my theoretical agenda. What should be apparent at this early stage is that my argument recognizes the micro-macro linkages in operation in any (re)conception of national identity. A realistic analysis of the mutually constitutive dynamic outlined in Figure 1, therefore, needs to take into account how both the global and the local enable and constrain state actors. A multi-level approach is essential.

In this thesis, in-depth empirical investigations are carried out into both the construction and practice of national identity discourses. In order to explore the interrelationship between the state, global processes and domestic social forces I will employ a historical analysis of (re)conceptions of national identity in Malaysia, an ethnically and religiously heterogeneous postcolonial state. The primary discourse that will inform my research project involves notions of ‘the national self’ as well as the interrogation of the boundary between ‘inside’ and ‘outside’ within any (re)conception of national identity. That is, the discourse(s) surrounding the (re)defining of the boundaries of the imagined communities called Malaysia. Or, to be more precise, the discourse(s) surrounding competing ‘nations-of-intent’ within Malaysia.

Discourses are systems of signification which construct social realities. In this sense, discourses operate as structures, “for persons to differentiate and identify things, giving them taken-for-granted qualities and attributed, and relating them to other objects.”⁴¹ In my historical case study of Malaysia, discursive representations of national identity, or ‘nations-of-intent’, have rendered complex relationships between the local, the national and the global understandable. However, the choice and practices of discursive representation are far from innocent and must be read in the historical context of a national political economy of power relations. While distinct discursive contexts make

⁴¹ Jennifer Milliken (1999). “The Study of Discourse in International Relations: A Critique of Research Methods”, *European Journal of International Relations*, 5, p.231.

certain interpretations imaginable and particular policy responses plausible, they remain subject to contestation. As Jennifer Milliken observes, “[d]iscourses make intelligible some ways of being in, and acting towards, the world and of operationalizing a particular ‘regime of truth’...”⁴² More specifically, they are understood to work to define and to enable, but also to silence and to exclude. Therefore, while there is a clear theoretical commitment towards the study of the dominant discourse(s) there is also a concomitant commitment to all discourses being malleable and subject to contestation. Particular regimes of truth require re-articulation making discourses, “changeable and in fact historically contingent.”⁴³

While there might be rival discourses surrounding conceptualizations of ‘national identity’ within a country this does not mean, however, that they must be antagonistic in every respect. Michel Foucault observes that a change *in* discourse is not necessarily a complete change *of* discourse; rival discourses might just differ from each other on one single point, while they agree in other respects (at deeper levels).⁴⁴ A fundamental disagreement might also, in principle, be an expression of the geographical, geopolitical, demographic or historical factors that inform a particular ‘national’ discourse. Finally, by recognizing that the idea of ‘*the* power structure’ of a social unit is a dangerously misleading notion, a ‘nations-of-intent’ approach embraces an image of ‘patterned chaos’ rather than of smooth and predictable evolutionary change.⁴⁵ In doing so, the evolving field of ‘nations-of-intent’ reveals that “the concept of power plays an important role in...political discourse in that it indicates realms where political action could have been different; or indeed where against apparent odds, it would have been possible in the first place. It defines the realm of political action and its justification.”⁴⁶ We must, therefore, pay careful attention to “the political responsibilities that come with ‘the specification of discourses’, [by] asking questions like ‘who speaks? who writes? when and where? with or to whom? under what institutional and historical constraints?’.”⁴⁷

⁴² Milliken (1999), p.229.

⁴³ Milliken (1999), p.230. Thus, ‘nations-of-intent’.

⁴⁴ Michel Foucault (1989). *The Archaeology of Knowledge*. London: Routledge; pp.146-147.

⁴⁵ John Hobson (1998). “The Historical Sociology of the State and the State of Historical Sociology in International Relations”, *Review of International Political Economy*, 5(2), p.291.

⁴⁶ Stefano Guzzini (2005). “The Concept of Power: A Constructivist Analysis”, *Millennium*, 33(3), p.508.

⁴⁷ Wanda Vraști (2008). “The Strange Case of Ethnography and International Relations”, *Millennium*, 37(2), p.294.

In this sense the ‘nations-of-intent’ model represents a dialogic rather than a dialectic interpretation of any (re)conceptualizing of national identity.⁴⁸ In a dialogical process, various approaches coexist and are comparatively existential and relativistic in their interaction. Here, each ideology can hold more salience in particular circumstances. Thus, particular interpretations of national identity (i.e. ‘nations-of-intent’) do not necessarily merge (or become subjugated) into other interpretations as in the dialectic process, but nonetheless modify themselves (sometimes fundamentally) over the course of mutual interaction. Adopting such an approach distinguishes my study from previous ones by subjecting possible changes in the construction and use of any national identity discourse in Malaysia to a more nuanced analysis.⁴⁹ Tracing the historical discourses and sub-discourses surrounding (re)conceptions of national identity will allow me to arrive at a richer understanding of the interrelationship between domestic social forces, the state and the global.

Case Study Selection Criteria

This thesis seeks to contribute to the body of literature which stresses the need to acknowledge that conceptions of legitimacy, the practices of legitimation and the effects of globalization all have a particular shape in the Southeast Asian context, one that is not particularly observed in much of the general literature, even when presented in the

⁴⁸ See, for example: Benedict Kerkvliet (2001). “An Approach for Analyzing State-Society Relations in Vietnam.” *Sojourn*, 16(2), pp.238-278.

⁴⁹ For examples of some previous studies, see: Vijay Balasubramaniam (2007). “A Divided Nation: Malay Political Dominance, *Bumiputera* Material Advancement and National Identity in Malaysia”, *National Identities*, 9(1), pp.35-48; William Case (1995). “Malaysia: Aspects and Audiences of Legitimacy”, in, Muthiah Alagappa (ed.), *Political Legitimacy in Southeast Asia: The Quest for Moral Authority*. Stanford: Stanford University Press; pp.69-107; William Case (2004). “Testing Malaysia’s Pseudo-democracy.” In, Edmund Gomez (ed.), *The State of Malaysia: Ethnicity, Equity and Reform*. London: Routledge Curzon; pp.29-48; Boon Kheng Cheah (2005). “Ethnicity in the Making of Malaysia.” in, Gungwu Wang (ed.), *Nation-Building: Five Southeast Asian Histories*. Singapore: ISEAS; pp.91-114; Sumit Ganguly (1997). “Ethnic Politics and Political Quiescence in Malaysia and Singapore”, in, Michael Brown and Sumit Ganguly (eds.), *Government Policies and Ethnic Relations in Asia and the Pacific*. Cambridge, MA: MIT Press; pp.233-272; Gilley (2005), pp.29-67; Edmund Gomez (2004). “Introduction: Politics, Business and Ethnicity in Malaysia: A State in Transition?” in, Edmund Gomez (ed.), *The State of Malaysia: Ethnicity, Equity and Reform*. London: RoutledgeCurzon; pp.1-28; Tim Harper (1996). “New Malays, New Malaysians: Nationalism, Society and History”, *Southeast Asian Affairs*, 23, pp.238-255; L.K. Hing (2004). “Different Perspectives on Integration and Nation-Building in Malaysia”, in, Leo Suryadinata (ed.), *Ethnic Relations and Nation-Building in Southeast Asia: The Case of the Ethnic Chinese*. Singapore: ISEAS; pp.82-108; Zawawi Ibrahim (2004). “Globalization and National Identity: Managing Ethnicity and Governance in Malaysia”, in, Y. Sato (ed.), *Growth and Governance in Asia*. Honolulu: Asia Pacific Center for Security Studies; pp.115-136 and; H. Salleh (2000), pp.132-174.

context of the developing world.⁵⁰ Even within Southeast Asia it is apparent that there are many different kinds of stories to be told. For example, despite their coming together in a regional organization like ASEAN, each of the original five members – Indonesia, Thailand, Philippines, Singapore and Malaysia – have had very different internal experiences. While this is an unsurprising statement, the degree to which the respective historical narratives of each can be contrasted with the others remains astonishing.⁵¹ With this in mind, it would be a mistake to treat each country in the region as if it was merely a different example of a similar, largely Eurocentric, model. Instead, the differences in what each state inherited from the colonial regime at the point of independence means that we need to adopt distinct and separate approaches to each story so as to follow the dynamics of change that each country encountered.⁵² While the modern nation-state may be a political institution universalized via colonization in the Southeast Asian region, its formation and evolution were never shaped by a wholesale adoption of the Western model. Rather, it was premised upon improvisations in response to cultural, contextual, and material particularities of different societies.⁵³

To the extent that the normative content, strategies and mechanisms of nation-state building are specific to particular historical struggles, we can argue that there can be no deterministic predictions of nation-state models. At its core, then, this thesis is a study of Malaysia for which I use a ‘nations-of-intent’ framework in order to investigate and illuminate the nature of the global-local-state interrelationship in a postcolonial setting. It is important to once more highlight the research objective; there are several kinds of research objectives, including not only the development of generalized theories but also the *historical explanation* of particular cases. That is, the explanation of a sequence of events that produce a particular historical outcome in which key steps in the sequence are in turn explained with reference to theories or causal mechanisms.⁵⁴ The contingency inherent in my central research puzzle – just how domestic reverberations of the global are mediated by the specific historical structurations of a particular state – means that a single case-study is a wholly appropriate analytical approach. Certainly,

⁵¹ See: Wang Gungwu (2002). “Introduction” In, Cheah Boon Kheng, *Malaysia: The Making of a Nation*. Singapore: ISEAS; p.xiii.

⁵¹ See: Wang Gungwu (2002). “Introduction” In, Cheah Boon Kheng, *Malaysia: The Making of a Nation*. Singapore: ISEAS; p.xiii.

⁵² Wang, p.xiii.

⁵³ Goh Beng Lan (2008). “Globalization and Postcolonial Nation in Malaysia: Theoretical Challenger and Historical Possibilities”, *Kasarinlan: Philippine Journal of Third World Studies*, 23(2), p.5.

⁵⁴ Andrew Bennett (2002). “Case Study Methods: Design, Use, and Comparative Advantages.” In, Detlef F. Sprinz and Yael Wolinsky (eds.), *Models, Numbers, and Cases: Methods for Studying International Relations*. Ann Arbor: The University of Michigan Press; p.21.

this involves sacrificing parsimony and generalizability. Nevertheless, comparisons of hypothesized relationships at different points in time within the same case are particularly powerful as a means of making thick description possible; by addressing complex causal relationships case studies have the ability to accommodate complex causal relations.⁵⁵ In short, a single-site case study generates “a multitude of qualitative-interpretive, within-case ‘observations’ reflecting patterns of interaction, organizational practices, social relations, routines, actions” thereby contributing not only to our knowledge of general causation but also as part of an explanatory understanding of concrete historical events and processes.⁵⁶

In avoiding this ‘compartmentalization’ of Southeast Asia within the broader Western-centric focus of International Relations, this thesis suggests that there is the need for profound understandings of local knowledge and global doctrine, that is, of the interrelationship between domestic social forces and global processes within individual countries like Malaysia. This matter is deeply related to the culture of Southeast Asia, a region whose principle characteristic, it has been argued, has been to absorb foreign influences in such a way as to develop rather than obliterate its own genius.⁵⁷ Historically, the peoples of Southeast Asia have displayed the ability to embrace the best of that which is foreign without destroying that which is authentically local and, as such, the region as a whole presents an ideal laboratory in which global processes and local knowledge are, and always have been, partners locked in a dizzying embrace.⁵⁸

More than any other country in the region, though, Malaysia represents the ideal focus for in-depth empirical research vis-à-vis the postcolonial ‘nation-building’ project and how this exercise plays out in the local/global context. On the one hand, the unique mix of communities of Malays, Chinese, Indians and other indigenous peoples were thought by some to have been impossible ingredients for a new nation. At the very least, this ethno-religious blend was viewed as severe challenge to any idea of nation-building. More positively, Malaysia could be viewed as a microcosm of continental Asia’s encounter with the Western world, and could further be seen as an uneasy co-habitation

⁵⁵ Clifford Geertz (1973). “Thick Description: Toward an Interpretive Theory of Culture.” in Clifford Geertz, *The Interpretation of Cultures*. New York: Basic Books; p.26 & p.28.

⁵⁶ D. Yanow, P. Schwartz-Shea and M.J. Freitas (2008). “Case Study Research in Political Science.” In, A.J. Mills, G. Durepos and E. Wiebe, (eds.), *Encyclopedia of Case Study Research*. London:Sage; p.3 and David Dessler (2006). “Case Studies and the Philosophy of Science.” *Qualitative Methods: Newsletter of the American Political Science Association Organized Section on Qualitative Methods*, 4(1), pp.43-45.

⁵⁷ Harding, p.41.

⁵⁸ Harding, p.47.

of several cultures whose merchant classes had known one another for several centuries.⁵⁹ Malaysia, with its peoples of very different races and cultures, including many of recent immigrant origins, offers a striking example of the complications that a yet-to-be nation has to face, both in terms of its domestic ethno-religious composition as well as in its international relations.

We can learn more from the Malaysian example than from other Southeast Asian countries in order to rethink some of the common assumptions about nationalism, nation and globalization. An important characteristic of Malaysian history has been the peninsula's long history of openness to the movement of people, ideas and trade. Furthermore, conceptions of the Malaysian nation-state were modified right from the start, with nationhood operating on "a precarious notion of cultural differentiation but with equal opportunity and treatment for all members of a national society."⁶⁰ Since its very beginnings, then, the Malaysian construction and definitions of nation and nationality have never been based directly on European ideals. As such, Malaysia presents itself as an ideal means of illuminating just how the formation and transformation of social and political orders is always necessarily informed by people's shared histories and emotive allegiances. As Goh Beng Lan has noted the "modified and perhaps awkward [Malaysian] nation-state model suffers serious tensions and contradictions – the most important of which are the issues of state hegemony and equal rights to economic and social opportunities between a cultural [Malay] core and other ethnic groups."⁶¹

Since independence state actors in Malaysia have found it necessary to engage with the global in order to meet their development aspirations as well as with respect to normative issues, such as international recognition. Considering the postcolonial, multiethnic/multi-religious nature of Malaysia, state actors there have also found it necessary to create a sense of national identity and loyalty where perhaps one had never previously existed. As argued above, ethnic and/or religious issues arguably play a more significant role in such countries than they do in developed countries and, as such, issues of legitimacy/legitimation are perhaps more acute and subject to more apparent contestation in a country like Malaysia. What Figure 1 above aims to capture then is

⁵⁹ Wang, p.xvi.

⁶⁰ Goh Beng Lan, p.7.

⁶¹ Goh Beng Lan, p.8.

how the mutually constitutive dynamic between domestic society, the state and the global informs issues of political legitimacy and legitimation. To reiterate once more, this thesis argues that their operation, along with the interrelationship between domestic social forces, the state and global processes is most evident in the (re)construction and use of national identity discourses.

Significance of Research

This thesis seeks to contribute to a more nuanced understanding of the interrelationship between the domestic and the global in International Relations, particularly with respect to the under-analyzed area of postcolonial, multiethnic/multi-religious, developing states. It builds on the works of a number of scholars who have investigated the interplay between global processes and the state as well as those who have analyzed state-society relations. Located within each of these two broad fields are discussions on the nature and practice of legitimacy/legitimation. This research departs from the mainstream theories on these issues in a number of ways. First, by focusing on the triangular interrelationship between domestic social forces, the state and global processes. In particular, it expands upon existing literature by drawing these three as part of a mutually constitutive dynamic. Second, by considering dominant as well as rival, subjugated conceptions and practices of legitimacy and national identity, this research provides a much fuller picture of how these concepts are articulated in Malaysia.

The findings of this research have important theoretical and policy implications. At the theoretical level, they suggest that, in practice, any divide that exists between analyses of state-society relations on the one hand and state-global processes on the other, is largely redundant. But while they may be conceived of as two sides of the same coin, the exact nature of the mutually constitutive dynamic between domestic society, the state and the global may be an asymmetrical one. What is required, therefore, is a means of exploring the shape of any such asymmetry and a central finding of this thesis is that a historical consideration of discourses on national identity ('nations-of-intent') provides one such way of doing so. From a policy perspective, the findings suggest that political leaders in multiethnic/multi-religious states need to strengthen their role in formulating more inclusive conceptions of national identity if they are going to find an acceptable balance between particularistic ethnic/religious desires and the universal

desire for economic development and ‘national’ stability in a world that is becoming increasingly globalized.

Thesis Overview

This thesis is organized around the central theme of national identity and the interrelationship between domestic social forces, the state and global forces. Chapter one forms the theoretical backbone of this study and is arranged in seven sections. The first three sections of this chapter deal with the central elements of Figure 1: the state and its interrelationships with the global and domestic society, respectively. A distinct focus on the concepts of legitimacy and legitimation informs this discussion and, together with the subject of the fourth section – sovereignty bargains – are then further developed as a means of exploring the complexion of the mutually constitutive dynamic that forms the conceptual focus of this thesis. The final three sections then outline why and how an emphasis on discursive (re)conceptualizations of national identity over time are a valuable means of analyzing the shape of a country’s society-state-global interrelationship.

The chapters that follow comprise the historical case study with empirical investigations based on a range of sources, including primary materials and semi-structured interviews with Malaysian politicians, academics, journalists, activists, lawyers, artists, social commentators and business people.⁶² Each empirical chapter explores and analyzes the historical evolution of the society-state-global interrelationship in Malaysia using (re)conceptions of national identity as the organizing principle. Chapter two provides a brief historical sketch of the pre-colonial and colonial history of Malaya, providing a contextual background for the chapters that then follow. Chapter three covers the period immediately following Independence as the newly independent Malaya/Malaysia sought to negotiate a range of internal and external pressures in order to develop its own individual personality. In this chapter I argue that it was the inability of state actors to adequately manage the society-state interrelationship within the broader society-state-global dynamic that resulted in the eventual collapse of the system of legitimation most clearly represented in the bloody ethnic riots of May 1969. Chapter four explores the

⁶² Forty individuals were interviewed over two separate fieldwork trips in 2009 and 2010. Each interview was conducted in accordance with the provisions outlined in Human Ethics Protocol 2008/459 granted by the Office of Research Integrity at the Australian National University. If a full list of my interview subjects is required, please contact me directly via email (michael.oshannassy@anu.edu.au).

evolution of this dynamic and the changing nature of national identity discourses in Malaysia between 1969-1980, highlighting how state actors failed to develop a broadly acceptable collective identity in the wake of the 1969 ethnic riots. It is during this time period that we see state actors in Malaysia began in earnest to explicitly link conceptualizations of political legitimacy to economic performance which, considering Malaysia's traditionally open economy, meant that they now increasingly were forced to negotiate between a range internal and external forces in order to legitimate their authority. Chapter five surveys the ways in which the interrelationship between society, state and the global evolved between 1981-1996. Specifically, it investigates how the Malaysian state under Prime Minister Mahathir attempted to more closely manage the terms of its internal and external relations according to the logic of its authority-defined 'nation-of-intent' in the face of domestic and international challenges to its political authority which encouraged alternative conceptualizations of the 'national'. The final empirical chapter, which covers the time period 1997-2011, outlines how a range of economic, social and political forces, both external and internal in nature, compelled state actors in Malaysia to be more flexible in their articulation of an authority-defined 'nation-of-intent'.⁶³ In particular, Malaysia's national model and authority-defined 'nation-of-intent' have been largely shaped by the government's negotiations with the broad *Reformasi* (Reform) movement that emerged in the wake of the Asian Financial Crisis of 1997-1998. Furthermore, this chapter argues that meaningful socio-economic and political liberalization is now required if state actors wish to fulfill long-standing development objectives and legitimate their political authority vis-à-vis a broad cross-section of Malaysian society. The conclusion to this thesis summarizes the major research findings, discusses the theoretical and policy implications, and more broadly assesses the future prospects for change and transformation in postcolonial, multiethnic/multi-religious states like Malaysia.

⁶³ I recognize that my choice of 2011 as the end point for this thesis may be somewhat arbitrary considering the fact that this introduction is being written in 2012. However, this is not a thesis that is focused primarily on contemporary Malaysia but, rather, one that explores a longer historical trajectory in order to chart how the interplay between the domestic and the international has affected conceptualizations of national identity and political legitimacy in Malaysia. Besides, at the end of the day, one simply must make a choice of when to stop writing.

Chapter One – State Structure, the Global and State-Society Relations: A Conceptual Approach.

Introduction

As the introduction explained, the underlying puzzle this thesis seeks to address is how domestic reverberations of ‘the global’ are mediated by the specific historical structure of a state, particularly within the postcolonial context. To be fair, some scholars, specifically those who concentrate on the role played by domestic political institutions, have sought to explain how roughly uniform global processes may be refracted differently in different domestic settings.¹ While these contributions have been undoubtedly valuable, this thesis seeks to venture beyond such perspectives by, first, more clearly shifting the focus to how state and society are differentiated within a particular country. The argument here is that the effects of the global can be traced differently according to the nature of state-society relations within each country and so to understand fully how global forces are mediated by the structure of the state we must pay greater attention to the terms of this interrelationship. In particular, it is not just a case of understanding *how* the global may reverberate, differently over time, within a state (based on a specific ‘idea’ of the nation-state) but also *why* different historical iterations of the global may or may not resonate with key stakeholders.

Recognizing that state structures vary according to the particular shape of state-society relations within any specific state thus forms a crucial part of this research project. However, the central purpose of this thesis is not simply a call to better appreciate the differentiation between state and society in order to more fully grasp how the global may reverberate within a particular country but, rather, to ultimately demonstrate that state-society relations and global forces inform and shape one another’s interaction with a state – society, state and the global exist, therefore, as part of a mutually constitutive dynamic.² In short, to acknowledge that a state’s interrelationship with the global is

¹ For example, Andrew MacIntyre (2001). “Institutions and Investors: The Politics of the Economic Crisis in Southeast Asia”, *International Organization*, 55(1), pp.81-122. Also: Muthiah Alagappa (ed.) (1995a). *Political Legitimacy in Southeast Asia: The Quest for Moral Authority*. Stanford: Stanford University Press; Andrew MacIntyre (1998). “Political Institutions and the Economic Crisis in Thailand and Indonesia”, *ASEAN Economic Bulletin*, 15(3), pp.362-372; Andrew MacIntyre (2003). *The Power of Institutions: Political Architecture and Governance*. Ithaca: Cornell University Press and; Francis Loh Kok Wah (2005). “Globalization, Development and Democratization of Southeast Asia”, in, Francis Loh Kok Wah and Joakim Öjendal (eds.), *Southeast Asian Responses to Globalization: Restructuring Governance and Deepening Democracy*. Singapore: ISEAS; pp.46-47.

² See Figure 1 in the introductory chapter.

constructed and reconstructed by the shape of its state-society relations, which are, themselves, forged and reformed by the state's interrelationship with global processes.³

However, it will be necessary to, "reinstate the costs, sacrifice, and pain into the otherwise seemingly sterile process of mutual constitution" by recognizing how, historically speaking, this process of mutual constitution may be asymmetrical.⁴ At certain times, the 'external' pressures operating upon the state will predominate and discipline the state to behave in a certain fashion while, on other occasions, domestic forces will reassert themselves and the form of the interrelationship with the global will be reconstituted from the inside-out. Given the inseparable link between national identity and the institution of the state, I argue that a detailed historical consideration of how national identity has been articulated offers a suitable means by which we can trace any such asymmetry.⁵ What we must remember is that national identities are not intrinsic; they are social constructs which are shaped by events and conditions, both internal and external in nature. That is, national identity acts as a means of examining how the international endorsement and promotion of certain types of 'nation-state' can be reconciled with other 'internal' sources of state legitimation. The question here is how can (re)conceptualizations of the 'national' articulate the aspirations of both sub-national and transnational groups?⁶ Ultimately, the structure of any state depends on how state actors balance and, indeed, contribute to, conflicting demands on national identity.

Conceiving of (re)constructions of the 'national' as corresponding to one of three ideal-typical core grand strategies – internationalizing, hybrid, and backlash – will help

³ See: Ian Clark (1999), *Globalization and International Relations Theory*, Oxford: Oxford University Press and Christopher Pierson (2004). *The Modern State* (2nd ed.). London: Routledge, pp.127-154. More Malaysia-specific examples include: Sumit K. Mandal (2000). "Reconsidering Cultural Globalization: The English Language in Malaysia." *Third World Quarterly*, 21(6), p.1002. See also: Abdul Rahman Embong (2001). "The Culture and Practice of Pluralism in Post-Colonial Malaysia" in, Robert W. Hefner (ed.), *The Politics of Multiculturalism: Pluralism and Citizenship in Malaysia, Singapore and Indonesia*. Honolulu: University of Hawai'i Press; pp.60-63 and; Norani Othman and Clive S Kessler (2000). "Capturing Globalization: Prospects and Projects", *Third World Quarterly*, 21(6), p.1017.

⁴ Clark, p.30.

⁵ See: Dennis Pringle (1998). "Globalisation, Reterritorialisation and National Identity", *Geopolitics*, 3(3), pp.1-13.

⁶ For example, see: Helmuth Berking (2003). "'Ethnicity is Everywhere': On Globalization and the Transformation of Cultural Identity", *Current Sociology*, 51, pp.248-264 and Alexander Wendt (1994). "Collective Identity Formation and the International State", *The American Political Science Review*, 88(2), p.387.

illuminate any asymmetry in the society-state-global dynamic.⁷ Internationalizing strategies see conceptualizations of the ‘national’ crafted so that they are “compatible with global access, including foreign markets, capital, investments, and technology.”⁸ In contrast, backlash conceptualizations of the ‘national’ by state actors are unswervingly directed inwards and are primarily concerned with “the continued protection of economic sectors...and civic or ethnic/religious nationalists” that constitute their core basis of support.⁹ As we shall see, however, the typically unwieldy nature of postcolonial political landscapes means that most postcolonial state actors are compelled to craft hybrid grand strategies and conceptualizations of the ‘national’ with elements that straddle these ‘purer’ versions. By characterizing (re)articulations of the ‘national’ as gravitating more toward the internationalizing or backlash extremes of a continuum, we should be able not only to better account for the particular shape of the society-state-global dynamic at any point in time but also appreciate how socio-economic and political arrangements may fluctuate within a single state as a result of a state’s internal and external interrelationships.¹⁰

To this end, this thesis will historicize and contextualize the attempts of state actors to (re)legitimate their discursive (re)conceptualizations and (re)constructions of the ‘national’ and show how these efforts have helped recast the shape of the state, reflecting changes in and/or refashioning its interrelationships with domestic society and ‘the global’. Not only will this approach shed light on an important and underanalyzed aspect of the processes associated with this mutual constitution, it will also underline (im)possibilities for the transformation of state structures as it is the specific historical circumstances of individual states that dictate the possible parameters within which any (re)articulation of national identity may occur.

In order to illuminate this dynamic I will employ two broad concepts: ‘sovereignty bargains’ and legitimacy. Each operates at the interstices between society and state as well as between state and the global. The first, ‘sovereignty bargains’, allows for

⁷ The terms are borrowed from Solingen’s analysis on the impact of internationalization on the domestic politics of states. Furthermore, Solingen sees the term ‘grand strategy’ as involving “broad domestic socio-economic and political governance arrangements” and defining both the internal relationships of socio-economic and political actors as well as their approach to global power and economic structures. See: Etel Solingen (2005). “ASEAN Cooperation: The Legacy of the Economic Crisis”, *International Relations of the Asia-Pacific*, 5, pp.2-3.

⁸ Solingen (2005), p.3.

⁹ Solingen (2005), p.3.

¹⁰ Solingen (2005), pp.3-4.

investigation of the ways in which the various dimensions of political authority are reconfigured as state actors negotiate with both their domestic society/societies and global forces. The second, legitimacy, allows for examination of the political and moral bases of authority, and has both domestic and international dimensions.¹¹ Furthermore, I suggest that national identity is a fruitful organizing concept through which to investigate this central society-state-global dynamic as it is shaped by the interplay between both societal forces and global processes with the state playing a central mediating role. That is, it is not just global processes which may affect the (re)formulation of a 'national' ideology but that the historical context of state-society relations within which such an articulation can occur might also constitute a particular framework for inter-action between the state and the global.¹²

A broadly constructivist approach seems most appropriate for this thesis in that it problematizes the nature of state identity and, critically, brings both the state and the global as well as the state and society into a relationship of mutual adjustment.¹³ In the first place, constructivism emphasizes the ideational although without necessarily denying the reality and significance of material forces, an important proviso considering that aspects of the state-global interaction are dependent upon technological developments as enabling conditions.¹⁴ What a constructivist approach adds, however, is a realization that, "[g]lobalization is no mere material structure that constrains state behaviour, but is itself reflective of movement in ideas about what states are, and what roles they can best perform."¹⁵ Secondly, constructivism differs from the neo-utilitarian approaches (neo-realism and neo-liberalism) in that it proceeds from the assumption that state identities are not given or fixed. Utilizing the distinction between the regulative (rules of the game) and constitutive (the ground on which the game is played), John Ruggie argues that neither neo-realism nor neo-liberalism possess any

¹¹ In this thesis I do not regard 'legitimacy' as a concrete property but rather as an abstract concept and, therefore, not amenable to quantification. Instead, I will be relying on *acts of legitimation* (as well as contestation/consensus vis-à-vis such acts) in order to investigate and evaluate my overall hypotheses. Legitimacy in this regard is a function of the degree of contestation/consensus surrounding any act of legitimation.

¹² In other words states operate within a complex field of forces which operate in both a 'top-down' (global processes) and 'bottom-up' (society/societies) manner. This will be taken up in greater detail below.

¹³ It is in a similar sense that Norani Othman and Clive Kessler refer to Giddens' 'recursive' dynamic in which, "mundane ideas and even powerful doctrines *about* social reality, through their acceptance into human consciousness and the actions it informs, are fed back *into* and thus become a constitutive part of evolving sociocultural practice". Othman and Kessler, p.1021.

¹⁴ John Ruggie, in Clark, p.173.

¹⁵ Clark, p.175

notion of constitutive rules of international relations.¹⁶ As this thesis will demonstrate how changes in the constitutive affect the regulative, a broadly constructivist approach is fitting.

However, to say that state-society relations and the interrelationship between the state and global processes are mutually constitutive provides an insight into the character of these relationships but it does not in itself provide any account of *why* and *how* they should have moved in this historical direction in the first place nor does it fully explain how each relationship informs, and is informed by, the other. Although holistic constructivists, unlike systemic and unit-level constructivists, do seek to bridge the divide between the international and the domestic domains by bringing the corporate and social identities of the state into a unified analytical perspective they nevertheless tend to focus their attention primarily at the macro-level.¹⁷ To better account for the asymmetrical nature and basis of changes in the mutually constitutive dynamic pictured in Figure 1, I argue that what is required is a more complete conception of legitimacy in order to account for micro-level influences as well.¹⁸ I argue that such micro-macro linkages would be revealed by the shape of any sovereignty bargain that state actors employed and that, consequently, the form any (re)conception of national identity assumed would likewise reveal the nature of such a linkage, an issue that will be taken up below in further detail.

This thesis thus seeks to investigate not only the active role that state actors play in accepting and even facilitating global forces but also the factors which influence the type of role that state actors *can* play in this regard. This is all the more pressing in Southeast Asia where ethnic and religious issues arguably play more significant roles than they do in many developed countries.¹⁹ All of these points further highlight the

¹⁶ John Ruggie (1998). *Constructing the World Polity: Essays on International Institutionalization*. London: Routledge; p.27.

¹⁷ Christian Reus-Smit (2005). "Constructivism" in, Scott Burchill, Andrew Linklater, Richard Devetak, Jack Donnelly, Matthew Paterson, Christian Reus-Smit and Jacqui True (eds.), *Theories of International Relations*, Hampshire: Palgrave; p.201.

¹⁸ This is not to assert that constructivism is totally devoid of rich analyses on the concept of legitimacy. For example, see: Mlada Bukovansky (2007). "Liberal States, International Order, and Legitimacy: An Appeal for Persuasion over Prescription" *International Politics*, 44, pp.175-193 and Christian Reus-Smit (2007). "International Crises of Legitimacy", *International Politics*, 44, pp.157-174. My argument is that such analyses are too few and that their focus remains primarily at the macro-level. See: Bryan Mabee (2007). "Levels and Agents, States and People: Micro-Historical Sociological Analysis and International Relations" *International Politics*, 44, pp.431-449.

¹⁹ While some might (rightly) claim that contemporary industrial countries face the same turmoil surrounding conceptions of national identity due to immigration I would argue that the position of the industrial countries is qualitatively different than that of postcolonial states.

need to examine specific country case-studies in a historical context as such examples are indicative of a greater complexity vis-à-vis the interrelationship between postcolonial states and global processes than most accounts would suggest. As a postcolonial state with a multi-ethnic and multi-religious population, Malaysia neatly exemplifies the processes I seek to investigate.

This chapter will be organized into seven sections. The first deals with the central element of Figure 1 – the state – and outlines an approach that embraces the historical variability surrounding ideas of ‘stateness’. The second section addresses the interrelationship between the state and the global and suggests that we need to conceptualize the domestic and the international as interdependent principles of organization. The next section focuses primarily on the other side of Figure 1 and highlights how attempts by postcolonial state actors to legitimate their political authority by referring to a truly ‘national’ identity have been frequently resisted by the often-fragmented nature of postcolonial state-society relations. Notions of legitimacy and legitimation together with the subject of the following section – sovereignty bargains - offer a potential means of examining the exact nature of the mutually constitutive dynamic that forms the conceptual centerpiece of this thesis. The fifth section presents a rationale for considering historical (re)conceptualizations of national identity as a way of plotting the shape of the society-state-global interrelationship. The penultimate section outlines a ‘nations-of-intent’ framework as a valuable means of conceptualizing the postcolonial identity debates that both inform and are informed by the shape of a country’s society-state-global interrelationship. The final section presents my research design centered on a discourse analysis of historical (re)conceptions of national identity in multiethnic and multireligious Malaysia.

1.1 *The State*

Despite the significance of other political actors in world politics the state remains a primary player. For some, the importance of the state within international relations lies in its ability to embody and reflect a national interest whether this is articulated in terms of state survival, state power or a normatively defined moral purpose.²⁰ Even in the

²⁰ For national interest as state survival (and, at a maximum, state power) see: Kenneth Waltz (1978). *Theory of International Politics*. Reading: Addison-Wesley. For national interest as state power see: Hans J. Morgenthau (1978). *Politics Among Nations: The Struggle for Peace and Power*. 5th rev. edn. New York: Alfred A. Knopf. For national interest as social purpose see: Christian Reus-Smit (1999). *The*

case where a clearly defined national interest may be absent the state continues to be an appropriate unit of analysis inasmuch as states are “authoritative actors whose duly enacted policies are binding on their citizens and thus regulate how individuals and the collective interact with other similarly bound societies...It is this ability to bind their societies that make states virtually unique in international relations.”²¹ However, in spite of, or perhaps because of, its centrality to the discipline, defining the term itself remains an inherently problematic process, no matter the debt that contemporary theoretical debates owe to Max Weber’s classic definition.²² This intrinsic ambiguity means that every attempt to characterize what exactly ‘the state’ is must necessarily be selective.²³

As a consequence many scholars have argued that we must avoid any reification of the state, of bestowing it with an unwarranted ontological status that lifts it apart from the rest of society. Barbara Geddes, for example, warns against conceiving of the state as a unitary actor, “the problem is not that there is ‘no there there’ but that there are too many theres there.”²⁴ Joel Migdal, Atul Kohli and Vivienne Shue suggest the need for scholars to disaggregate the concept of the state in order to recognize and clarify which components of the state have played differing roles in various arenas.²⁵ This is not a case of throwing the baby out with the bathwater, however, and none of the above

Moral Purpose of the State: Culture, Social Identity, and Institutional Rationality in International Relations. Princeton: Princeton University Press; John G. Ruggie (1996). *Winning the Peace: America and World Order in the New Era.* New York: Columbia University Press; John G. Ruggie (1998). *Constructing the World Polity: Essays on International Institutionalization.* New York: Routledge and; Peter J. Katzenstein (2005). *A World of Regions: Asia and Europe in the American Imperium.* Ithaca, NY: Cornell University Press.

²¹ David A. Lake (2008). “The State and International Relations” in Christian Reus-Smit and Duncan Snidal (eds.), *The Oxford Handbook of International Relations.* Oxford: Oxford University Press, pp.43-44.

²² “...a state is a human community that (successfully) claims the *monopoly of the legitimate use of physical force* within a given territory” (In, David Held (ed.) (1983). *States and Societies.* New York: New York University Press; p.111, italics in the original). This widely cited definition is found in Weber’s speech “Politics as a Vocation.” A more elaborate definition can be found in, Guenther Roth and Claus Wittich (eds.), (1978). *Economy and Society: An Outline of Interpretive Sociology Vol.1.* Berkeley: University of California Press; p.56.

²³ See: Michael Mann (1984). “The Autonomous Power of the State: Its Origins, Mechanisms and Results.” *Archives Europeennes de Sociologie*, 25, pp.185-213; Muthiah Alagappa (ed.) (1995a). *Political Legitimacy in Southeast Asia: The Quest for Moral Authority.* Stanford: Stanford University Press; Anthony Giddens (1987). *The Nation-State and Violence. Volume Two: A Contemporary Critique of Historical Materialism.* Berkeley: University of California Press and; Bob Jessop (2008). *State Power: A Strategic-Relational Approach.* Cambridge: Polity Press.

²⁴ Barbara Geddes (1994). *Politician’s Dilemma: Building State Capacity in Latin America.* Berkeley: University of California Press; p.7.

²⁵ Joel S. Migdal, Atul Kohli and Vivienne Shue (eds.) (1994). “Introduction: Developing a State-in-Society Perspective.” in, Joel S. Migdal, Atul Kohli and Vivienne Shue (eds.), *State Power and Social Forces: Domination and Transformation in the Third World.* Cambridge: Cambridge University Press; p.3.

accounts have sought to dismiss the concept of the state out of hand. What such approaches instead point to is the need for a more sophisticated and differentiated consideration of Weber's vague reference to 'a human community'. A number of theorists have taken this advice to heart. Both Muthiah Alagappa and Brian Job employ the useful heuristic tactic of breaking down Weber's definition into three more narrow or concrete manifestations.²⁶ Paul Rich and Richard Stubbs define the state as a series of interlocking institutions (civil bureaucracy, the governing executive, military, and police) and a governing elite that is constrained by the power brokers who represent the different sections of society.²⁷ Joel Migdal suggests an examination of the multiple levels of the state through an 'anthropology of the state' which allows one to, "dismantle [the state] analytically and to discern the distinct structural environments of its different components and the interaction among them."²⁸

In my mind, however, the most helpful route in this regard is via Bob Jessop's innovative 'strategic-relational' approach, which seeks to elaborate upon Nicos Poulantzas' initial proposition that the state fundamentally exists as a social relation.²⁹ Jessop argues that the state is socially embedded in the sense that while there may be "significant material and discursive lines of demarcation between the state *qua* institutional ensemble and other institutional orders...its apparatuses and practices are materially interdependent with other institutional orders and social practices."³⁰ The effective authority of any state actor is therefore contingent upon a changing balance of political forces "located *within and beyond* the state and...this balance is conditioned by the specific institutional structures and procedures of the state apparatus *as embedded in*

²⁶ Brian L. Job (1992). "The Insecurity Dilemma: National, Regime, and State Securities in the Third World", in, Brian L. Job (ed.) *The Insecurity Dilemma: National Security of Third World States*. Boulder: Lynne Rienner Publishers; p.15 and; Muthiah Alagappa (1995c). "The Anatomy of Legitimacy", in, Muthiah Alagappa (ed.) *Political Legitimacy in Southeast Asia: The Quest for Moral Authority*. Stanford: Stanford University Press; pp.26-28. Alagappa's typology includes the nation-state, regime and government whereas Job's includes state, regime and nation. It should be noted that each defines their terms differently.

²⁷ Paul B. Rich and Richard Stubbs (eds.) (1997). *The Counter-Insurgent State: Guerrilla Warfare and State Building in the Twentieth Century*. New York: St. Martin's Press; p.2.

²⁸ Joel Migdal (1994). "The State in Society: An Approach to Struggles for Domination." in, Joel S. Migdal, Atul Kohli and Vivienne Shue (eds.), *State Power and Social Forces: Domination and Transformation in the Third World*. Cambridge: Cambridge University Press; p.16. Such a perspective accounts for my use of the term 'state actors' instead of 'state' whenever possible. In order to avoid unwieldy language, however, it may be necessary to occasionally employ the latter term.

²⁹ Jessop (2008), p.1.

³⁰ Jessop (2008), p.5.

the wider political system and envioning societal relations.”³¹ What a strategic-relational framework thus encourages is an examination of how and why certain actors, strategies and practices might be privileged over others and “the ways, if any, in which political actors (individual and/or collective) take account of this differential privileging by engaging in ‘strategic-context’ analysis when choosing a course of action.”³²

Of further significance for this thesis, a strategic-relational approach incorporates a distinctly evolutionary perspective into any analysis of the state and state authority. Although specific state structures and strategies may enjoy a measure of spatial and temporal coherence and durability, they always remain in danger of collapse or failure due to “inherent structural contradictions, strategic dilemmas and discursive biases characteristic of complex social formations.”³³ A strategic-relational approach thus endorses the kind of detailed historical analysis contained within this thesis in order to illuminate the “specific selectivities that operate in [different] types of state, state forms, political regimes, and particular conjunctures.”³⁴ Appreciating the ways state structure varies offers one means of exploring how external global pressures are refracted through domestic political and social systems, something that many traditional state-centric approaches have neglected to adequately recognize.³⁵ In particular, contemporary socio-political and economic manifestations of the global have prompted new attention to questions of state structure as it has become apparent that state actors and their policymaking processes are affected differently depending on how global processes are mediated by the specific historical structure of their state.³⁶

In short, unlike the abstract nature of much state theory, a strategic-relational approach actively embraces the historical variability of the state idea.³⁷ To fully fathom “the forces of transformation that are driving contemporary politics” analysts must “expand their horizons to include the full continuum of state structures” as well as understand

³¹ Bob Jessop (2006). “State and State-Building” in, R.A.W. Rhodes, Sarah A. Binder and Bert A. Rockman (eds.) *The Oxford Handbook of Political Institutions*. Oxford: Oxford University Press; p.124. (Emphasis added.)

³² Jessop (2006), p.124.

³³ Jessop (2006), p.125.

³⁴ Jessop (2006), p.125.

³⁵ Again, see: MacIntyre (2001), pp.81-122. Also: Alagappa (ed.) (1995a); MacIntyre (1998), pp.362-372; MacIntyre (2003) and; Loh (2005); pp.46-47.

³⁶ For instance, a predominantly ethnic structure of governance may see the benefits of a state’s engagement with the global political economy accruing primarily to a single ethnic group. In Malaysia, state practices designed to protect and/or advance the Malay community have seen much of the wealth generated by foreign investment and export-led economic growth fall into the hands of Malay entrepreneurs.

³⁷ Jessop (2006), p.126.

that states never achieve full closure or separation from their societies.³⁸ In addition, the identity and limits of a society are often “constituted in and through the same processes by which states are built, reproduced, and transformed.”³⁹ This thesis argues that the socio-economic or political effects of the global are not simply refracted through the prism of state-society relations but also help reconfigure the shape of those relations and, therefore, impact upon broader notions of political authority and ‘stateness’.⁴⁰ The overall implication here is that “the opportunities for reorganizing specific structures and for strategic reorientation” with respect to the (re)conceptualization of national identity have path-shaping as well as path-dependent aspects.⁴¹

1.2 ‘The Global’ and the State

This thesis will broadly adopt a view of ‘the global’ that conforms to Anthony Giddens’ definition of globalization as “the intensification of worldwide societal relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa.”⁴² Rather than seeing it in terms of a set of coherent causal mechanisms, however, this paper regards the processes associated with ‘globalization’ as the “complex, chaotic, and overdetermined outcome of a multiscalar, multitemporal, and multicentric series of processes operating in *specific structural contexts*.”⁴³ Since it is not a single causal mechanism with a universal, unitary logic

³⁸ Lake (2008), p.52. John Breuilly contends that there exists a “distinction, peculiar to the modern world, between state and society” and that state leaders have sought to abolish this very distinction in the minds of their people via nationalist appeals. Such a move, however, results in a basic paradox in which the state appears to be simultaneously *a part* of society and *apart* from society. That is, state actors sometimes attempt to blend the state into society – for it to appear as nothing more than a representation of society – while, at other times, they act to mark out the state as the ultimate locus of authority, something which exists ‘above’ its subjects. See: Joel S. Migdal (2004). “Mental Maps and Virtual Checkpoints: Struggles to Construct and Maintain State and Social Boundaries”, in, Joel S. Migdal (ed.). *Boundaries and Belonging: States and Societies in the Struggle to Shape Identities and Local Practices*. Cambridge: Cambridge University Press; p.19.

³⁹ Jessop (2008), pp.10-11.

⁴⁰ Jessop points out that an effect of “globalization and its associated relativization of scale is the increasing difficulty of defining the boundaries of any given society.” See: Jessop (2008), p.11.

⁴¹ Jessop (2006), p.125.

⁴² Quoted in, Timothy D. Taylor (1997). *Global Pop: World Music, World Markets*. London: Routledge; p.xvi. I recognize that ‘globalization’ is an inherently contested concept but time and space preclude any comprehensive engagement with the wide range of debates that fall under its umbrella.

⁴³ Bob Jessop (1999). “Reflections on globalization and its (il)logic(s).” in Olds, K., Kelly, P.F., Kong, L. and Yeung, H.W-C. (eds.), *Globalisation and the Asia-Pacific: Contested Territories*. London: Routledge; p.19. (Emphasis added.) See also: Jessop (2008), pp.178-180. As the term ‘globalization’ is often thought of as a relatively recent phenomenon largely associated with the economic and/or financial spheres and since I do not want to limit myself to so narrow a focus, this thesis will employ the term ‘global forces’ to better incorporate the historical range of political, cultural and social influences that

‘the global’ “does not generate a single, uniform set of pressures” – while global forces may act upon all states, what is actually experienced is uneven with some states “more actively involved in and/or more vulnerable to time-space distantiation and compression.”⁴⁴ As such, we cannot view either the state or the global as prefabricated forms into which history and geography are simply poured; rather, they are constantly being reconfigured, rearticulated, reinvented and rerationalized in distinctive ways as a result of their interrelationship.⁴⁵

A rewarding starting point for investigating this dynamic between the state and the global lies in the debates surrounding globalization and state capacity. These are broadly informed by two competing perspectives: one which sees globalization as an autonomous force versus one that regards it as a phenomenon politically driven and supported by states.⁴⁶ Regardless of their differences, both approaches share the common assumption that the state and globalization are in opposition to one another: the state is either incapacitated by globalization or globalization needs to be sustained by the state. What is problematic about both is the degree to which they ignore the domestic constitution of the state in helping determine the nature of its interaction with global forces. In this way, traditional International Relations theory has tended, via a sleight of hand, to create the “illusion of two separate states, acting within separate fields of forces, when actually there is only one state acting within a single field.”⁴⁷

also have influenced the nation-state. Nonetheless, there may be occasions where I will use the two terms interchangeably for the sake of readability.

⁴⁴ Jessop (2008), p.191.

⁴⁵ See: R.W. Perry and B. Maurer (eds.) (2003). *Globalization Under Construction: Governmentality, Law, and Identity*. Minneapolis: University of Minnesota Press.

⁴⁶ For accounts and analyses of the erosion of state control and capacity in the face of globalization see: Jerry Z. Muller (2002). *The Mind and the Market: Capitalism in Western Thought*. New York: Anchor Books; Aseem Prakash (2001). “The East Asian Crisis and the Globalization Discourse” *Review of International Political Economy*, 8(1), pp.119-146; Peter F. Drucker (1997). “The Global Economy and the Nation-State”. *Foreign Affairs*, 76(5), p.159; Martin Wolf (2001). “Will the Nation-State Survive Globalization?”, *Foreign Affairs*, 80(1), p.185; Susan Strange (1996). *The Retreat of the State: The Diffusion of Power in the World Economy*. Cambridge: Cambridge University Press (in particular, Chapters One, Three, Four and Five); Ian Clark (1999) also provides a good summary of these arguments, pp.45-46. For accounts and analyses of state sponsorship of globalization see: Jan Aart Scholte (1997), “Global Capitalism and the State”, *International Affairs*, 73(3), p.430; Paul Hirst and Grahame Thompson (1996). *Globalization in Question: The International Economy and the Possibilities of Governance*. Cambridge: Cambridge University Press; John Gray (1998). *The Delusions of Global Capitalism*. London: Granta; Linda Weiss (1998). *The Myth of the Powerless State: Governing the Economy in a Global Era*. Cambridge: Polity Press; Ian Clark (1999) also provides a good summary of these arguments, pp.46-48.

⁴⁷ Clark, p.56. The illusion as identified by Clark is that of putting *all* of the state on one side of the Great Divide (for domestic purposes) and equally placing *all* of it on the other side (for international purposes).

What is needed, therefore, is a framework that conceptualizes the domestic and the international as interdependent principles of organization and sees the state as the entity which brings them together politically.⁴⁸ Viewing the state as a nodal point within a unified field of political actions means that states act both as units of an international order structured from the top down and as expressions of societies from the bottom up.⁴⁹ Such an approach thus acknowledges that the state “acts or is constituted in such a way that its behaviour cannot be attributed to either domain in isolation. It is only within a field of forces that encompasses both that we can understand the identity of the state, and why it might choose to act in certain (constrained) ways” at a certain point in time.⁵⁰

The issue then becomes how political costs are to be distributed between the domestic and the international. Building upon G. John Ikenberry’s account of state ‘strategic action’, Ian Clark offers the metaphor of the state as a bi-directional valve, “responding to whichever pressure is greater, sometimes releasing pressure from the domestic to the international, sometimes releasing it from the international to the domestic.”⁵¹ The impact of the global on a state is thus better understood via a consideration of the state as situated between, and constituted by, competing pressures arising from the domestic and international spheres.⁵² This is not to insist that the political choices of state actors, particularly with respect to (re)conceptualizations of national identity and the

⁴⁸ It should be noted that several scholars have, in different ways, tentatively taken steps in this direction. See: Linda Weiss (1999), “Globalization and National Governance: Antimony or Interdependence?” *Review of International Studies*, 25 (Special Issue), p.86; Michael Mann (1997). “Has Globalization Ended the Rise and Rise of the Nation-State?” *Review of International Political Economy*, 4(3), pp.472-496; Jan Aart Scholte (1997); Etel Solingen (2004). “Southeast Asia in a New Era: Domestic Coalitions from Crisis to Recovery” *Asian Survey*, 44(2), pp.189-212; Philip Cerny (1995). “Globalization and the Changing Logic of Collective Action” *International Organization*, 49(4), pp.595-625; Richard W. Perry and Bill Maurer, Aihwa Ong, Richard W. Perry, Kitty Calavita and Liliana Suarez-Navaz, Susan B. Coutin and Sally E. Merry all in Richard W. Perry and Bill Maurer (eds.) (2003); Bob Jessop (1999); Saskia Sassen (1999). “Servicing the Global Economy: Reconfigured States and the Private Agents” in, Kris Olds, K., Kelly, P.F., Kong, L. and Yeung, H.W-C. (eds.), *Globalisation and the Asia-Pacific: Contested Territories*. London: Routledge; pp.141-154; Lily Hong (1999). “Globalisation, Transmigration and the Renegotiation of Ethnic Identity” in, Kris Olds, K., Kelly, P.F., Kong, L. and Yeung, H.W-C. (eds.), *Globalisation and the Asia-Pacific: Contested Territories*. London: Routledge; pp.210-228 and; Sassen (2003b), pp.1-22. However, each of these approaches still asserts the distinct dichotomy between the international and domestic spheres.

⁴⁹ Clark, p.66. See also: Jessop (2008), pp.189-190.

⁵⁰ Clark, p.62. See also: John Hobson (1997). *The Wealth of States: A Comparative Study of International Economic and Political Change*. Cambridge: Cambridge University Press; pp.11-12.

⁵¹ Clark, p.67. G. John Ikenberry writes that, “Adjustment strategy may be directed outward at international regimes, or inward at transforming domestic structures...Which strategy is chosen will depend on the gross structural circumstances within which the state finds itself – defined in terms of state-society relations on the one hand, and position within the international system on the other.” In, Clark, p.61.

⁵² Jessop (2008), p.192.

legitimation of authority, are entirely open-ended – some of the big choices are strongly constrained by external-competitive pressures – but the means by which state actors tackle such issues as well as their outcomes are path dependent.⁵³ This realization is critically important for the central puzzle of this research project as the ways in which global forces can affect (re)conceptualizations of national identity and strategies of legitimation by state actors will necessarily vary as these “depend on the gross structural circumstances within which the state finds itself.”⁵⁴

In considering the effects of globalization on the postcolonial state and, in particular, on Malaysia, this thesis takes aim at the idea that theorizing in international relations is “necessarily based on the great powers...[that] it would...be ridiculous to construct a theory of international politics based on Malaysia...”⁵⁵ Although Waltz’s statement may be dated, it highlights a continuing problem with many theories of globalization – that they are largely born in and of the experience of Western nation-states. While all nation-states share substantial similarities in theory – that in order for a state to legitimately represent a nation in the international system of states it has to conform, at least minimally, to the requirements of a modern nation-state – the international context of nation-states in reality brings any such presumed homogeneity into sharp relief. Ahkil Gupta notes that the “tension between legitimacy in the interstate system and autonomy and sovereignty is intensifying for nation-states with the continued movement toward an increasingly transnational public sphere...discourses [of globalization] do not operate homogenously across the world. Rather, they articulate with distinctive historical trajectories to form unique hybridizations and creolizations in different settings.”⁵⁶ Certainly, in postcolonial Southeast Asia, “notions of nations, state-building, sovereignty and bordered territories have not been abandoned...suggesting that ‘globalization is not global’.”⁵⁷ As Francis Loh argues, it is necessary to stress that globalization may not have the same implications for Southeast

⁵³ Weiss (1997), p.208. Saskia Sassen implies as much when she argues that globalization is producing a hybrid form of authority that is neither fully national nor fully global. See: Saskia Sassen (2003a). “The State and Globalization.” *Interventions*, 5(2); pp.242-243.

⁵⁴ Ikenberry in Clark, p.61. Critically, Ikenberry notes that the gross structural circumstances are largely defined in terms of state-society relations.

⁵⁵ Waltz, p.73.

⁵⁶ Akhil Gupta (1995). “Blurred Boundaries: The Discourse of Corruption, the Culture of Politics, and the Imagined State.”, *American Ethnologist*, 22(2), p.393.

⁵⁷ Joakim Ojendal (2005). “Democratization Amidst Globalization in Southeast Asia.”, In Francis Loh Kok Wah and Joakim Ojendal (eds.), *Southeast Asian Responses to Globalization: Restructuring Governance and Deepening Democracy*. Singapore: ISEAS; pp.361-362 and Alan Chong (2007). “Southeast Asia: Theory Between Modernization and Tradition”, *International Relations of the Asia-Pacific*, 7, p.397.

Asia as it does for Europe and America. A historical perspective thus highlights how a combination of “internal national-level and external global-level dynamics” have shaped the postcolonial engagement with globalization in ways that are different to that of the West.⁵⁸

In short, we must acknowledge the historical and cultural specificity of constructions of the state and remain vigilant toward a blanket application of the Western conceptual apparatus. While the effects of globalization are not restricted to any one area or region of the world, yet developing countries, or at least certain sub-populations within them, have arguably borne the largest burden of global economic restructuring.⁵⁹ With many postcolonial states resting on multiethnic and multireligious societies, globalization is bound to raise questions concerning the legitimacy of the state as economic restructuring benefits some and marginalizes others.⁶⁰ In addition, “the opening of economic and migration gates respectively to transnational capital and labour can generate debates over national sovereignty and identity”, creating contradictions as ‘global flows’ confront ‘local closures’.⁶¹ The dynamics of this interface must be examined in specific historical contexts as new communities are (re)imagined within political and social spaces that contrast, in the main, with earlier ‘national’ frames that are no longer ‘imaginable’ or, at the very best, whose discourses and practices have waned due to the impact of globalization.⁶² An analysis of a postcolonial country such as Malaysia can thus contribute to a better understanding of how “neoliberal ideology is adopted and contextualized in different countries...[and] comprehend the complexities that inform state transformation in the global political economy today.”⁶³

⁵⁸ Francis Loh Kok Wah (2005). “Globalization, Development and Democratization in Southeast Asia.” In, Francis Loh Kok Wah and Joakim Ojendal (eds.), *Southeast Asian Responses to Globalization: Restructuring Governance and Deepening Democracy*. Singapore: ISEAS; pp.19-20. Furthermore, it is not just that globalization has had and continues to have a differential impact on postcolonial states and western states but that even within different postcolonial states the impact of globalization may vary considerably.

⁵⁹ Sheila Croucher (2004). *Globalization and Belonging: The Politics of Identity in a Changing World*. Oxford: Rowman and Littlefield; p.137.

⁶⁰ Aihwa Ong (2006). *Neoliberalism as Exception: Mutations in Citizenship and Sovereignty*. Durham: Duke University Press; pp.1-27.

⁶¹ Christine Chin (2000). “The State of the ‘State’ in Globalization: Social Order and Economic Restructuring in Malaysia”, *Third World Quarterly*, 21(6), p.1036.

⁶² Zawawi Ibrahim (2004). “Globalization and National Identity: Managing Ethnicity and Cultural Identity in Malaysia.” In, Yoichiro Sato, ed., *Growth and Governance in Asia*. Honolulu: Asia-Pacific Center for Security Studies; pp.115-136.

⁶³ Chin, p.1039.

Much depends, therefore, on the historical shape of state-society relations and concomitant notions of national identity and legitimate political authority as state actors attempt to mediate the interrelationship outlined in Figure 1. To better understand the challenges many postcolonial states have faced and continue to face vis-à-vis the creation, extension and maintenance of a genuinely national identity it is necessary to briefly differentiate expressions of legitimate political authority in the postcolonial context from conceptual developments within the general framework of the modern Westphalian state. The manner in which the concepts of popular sovereignty, self-determination and nationalism have become defining features both of and within the international system of states has had particular consequences for the majority of postcolonial states. It has been this need to meet the basic criteria of legitimate nation-statehood within the international states system that has underscored the efforts of postcolonial regimes to articulate and then promote a national identity around which legitimate political authority could conceivably crystallize.

1.3 Sovereignty, State-Society Relations and Legitimation of Political Authority in the Postcolonial State

Traditionally, sovereignty has been thought of in terms of both external and internal dimensions.⁶⁴ The external dimension, or ‘juridical sovereignty’, is consistent with the conventional principle of sovereign statehood and is embodied in the code of non-interference. The internal aspect, or ‘empirical sovereignty’, “asserts that the state maintains order within its borders, and ideally such order is generated not only through coercive mechanisms but also with *some degree of consent and legitimacy from society*.”⁶⁵ Furthermore, Michael Barnett, utilizing Hedley Bull’s conception of international order as a “pattern of activity that sustains the elementary goals of the society of states, or international survival”, declares that the international order is premised upon the sovereignty of the state in both its juridical *and* empirical forms.⁶⁶ These two aspects of sovereignty act upon one another and Stephen Krasner maintains that internal legitimacy is a necessary, if not sufficient, condition if a state wishes to exercise power internationally.⁶⁷

⁶⁴ In many ways the discussion below coincides with K.J. Holsti’s elucidation of ‘vertical’ and ‘horizontal’ legitimacy. See: Kalevi J. Holsti (1996). *The State, War and the State of War*. Cambridge: Cambridge University Press; especially pp.80-98.

⁶⁵ Barnett (1995), p.82. (Emphasis added.)

⁶⁶ Barnett (1995), p.82.

⁶⁷ In, Migdal (1988), p.21 (see ft. 25).

The jump between empirical sovereignty and state-society relations thus seems like a logical, and short, one to make.⁶⁸ To ensure empirical sovereignty, modern states ideally seek to position themselves as the ultimate domestic authority, demanding wide-ranging obedience and conformity. Increasing levels of social control on the part of the state are reflected in a scale of three indicators: compliance; participation and legitimation with state leaders preferring “citizens to comply with [their] authority not from the inertia of unreasoning routine or the utilitarian calculation of personal advantage, but from the conviction that compliance is right.”⁶⁹ This is reflected in most classical accounts, which despite seeing coercion, or the threat of coercion, as lying at the center of the meaning of the state and its demands for domestic compliance, recognize that it is simply impossible for a state to achieve tractability by relying exclusively on its police, judges and gaolers. Even with vast bureaucracies, modern state leaders would likely find themselves and their institutions quickly overwhelmed by the enormity such enforcement would entail. In a similar sense, constant appeals to and reliance on the self-interest of individuals in order to govern saps valuable resources and provides only a flimsy structure upon which to construct social control.

The ideal goal of any state actor, therefore, is to render themselves the primary source of legitimated political authority within the borders of their country. Whereas compliance and participation may result from instrumental calculations by individuals with reference to the array of sanctions and rewards at hand, legitimacy includes the acceptance of the state’s symbolic configuration within which the rewards and sanctions are packaged.⁷⁰ Legitimacy indicates the people’s approval of the state’s desired social order through their acceptance of the state’s master narrative, thereby underpinning conceptions of political authority and rendering governance more efficient. To this effect, this thesis distinguishes between the separate but interrelated concepts of domination and hegemony by adopting a broadly Gramscian approach and defining

⁶⁸ For example, see: Migdal (1988), p.22 and J. Samuel Barkin and Bruce Cronin (1994). “The State and the Nation: Changing Norms and the Rules of Sovereignty in International Relations”, *International Organization*, 48(1), p.107.

⁶⁹ Gianfranco Poggi, in Migdal (1988), p.33.

⁷⁰ Dale C. Copeland (2000). “The Constructivist Challenge to Structural Realism”, *International Security*, 25(2), p.195. It is the citizens of a state themselves that constitute the reality of its agency by accepting “the obligation to act jointly on behalf of collective beliefs, whether or not they subscribe to them personally.” See: Alexander Wendt (1999). *Social Theory of International Politics*. Cambridge: Cambridge University Press, p.219.

hegemony as the synthesis of domination (usually conceived of in terms of coercion) and leadership (usually conceived of in terms of consent).⁷¹

Political authority is thus conventionally understood as a relation, combining both notions of legitimacy (the duty to obey) and forced compliance (the power to command).⁷² It is in this sense, as “the condition in which power is married to legitimacy”, that Weber understood authority (*herrschaft*).⁷³ Although the use of positive incentives or coercive measures in order to influence others may be viewed as an exercise of power, the need to resort to such measures is *prima facie* evidence of authority’s absence. While Weber regarded a certain minimum of voluntary submission as a fundamental criterion of authority, even more important was the motivation behind any such compliance. Rather than an individual or group being persuaded to follow or submit, the notion of authority required the *a priori* suspension of any need to be convinced of the rightfulness of an acknowledged superior. The ‘ruled’, in Weber’s words, act as if they “had made the content of the (ruler’s) command the maxim of their conduct for its own sake.”⁷⁴

The ideal relationship between ruler and ruled is thus a mutually constitutive one and the notion of authority, therefore, necessarily rests upon social legitimation; that only the shared values or beliefs of a social collectivity can legitimate the power or influence

⁷¹ Alex Callinicos (2010). “The Limits of Passive Revolution”, *Class and Capital*, 34(3), p.494.

⁷² Peter Blau (1963). “Critical Remarks on Weber’s Theory of Authority”, *The American Political Science Review*, 57(2), p.306 (305-316); Nicholas Onuf and Frank Klink (1989). “Anarchy, Authority, Rule”, *International Studies Quarterly*, 33 (2), p.151.

⁷³ Ian Hurd (1999). “Legitimacy and Authority in International Relations”, *International Organization*, 53(2), p.400. See also: Reus-Smit (2007). In their critical analysis of the translation and use of the term *herrschaft* in International Relations and Political Science, Nicholas Onuf and Frank Klink argue that the term is better translated into English and employed as ‘rule’ which they broadly define as “generalizable statements yielding expectations about warranted (required or permitted) conduct. Rules mediate Weber’s paradox of rule – they are what is accepted but seen as imposed.” Onuf and Klink, p.156.

⁷⁴ Max Weber (1954). *Max Weber on Law in Economy and Society*. Cambridge: Harvard University Press; p.328. For Weber, the important question was not how ideational entrepreneurs push their norms on others, but why people would obey. See: Max Weber (1994). *Political Writings*. Cambridge: Cambridge University Press; p.354. Easton notes that “[a]uthority is a special power relationship based on the expectation that if A sends a message to B...B will adopt it as the premise of his own behavior...the major source for [authority] roles resides in the prevalence of the conviction of their legitimacy.” See: David Easton (1965). *A System Analysis of Life*. New York: John Wiley and Sons; pp.207-208. Lasswell and Kaplan observe that “Authority is...the accepted and legitimate possession of power...Thus ascription of authority always involves a reference to persons accepting it as such.” Harold D. Lasswell and Abraham Kaplan (1950). *Power and Society*. New Haven: Yale University Press, p.133. See also: Blau, pp.307-312 and Hurd (1999), p.401. Hurd (p.399) notes that in the presence of authority “most compliance is unproblematic and only occasional deviance needs to be policed.” As such, he asserts that the term ‘legitimate authority’ is, strictly speaking, an oxymoron.

of a superior and thus transform it into authority.⁷⁵ It is this audience – the ‘social constituency of legitimation’ – to which legitimacy claims are directed and which ultimately judges the legitimacy of any such claim, rule or actor according to a pre-existing schedule of legitimating norms.⁷⁶ The logical extension of such a view is that the homogeneity or unified nature of any such audience is crucial for the efficient operation of political authority. That is, the more any social constituency is linked by a shared set of norms and beliefs, the easier it potentially is for a political/state actor to justify their actions with reference to this single, coherent audience. The significance of such a unified social constituency in the construction of legitimate state authority has a long history in the corpus of Western political thought, tracing its origin to at least the treaties that constituted the Peace of Westphalia and the importance of political unity appears as a recurring theme in the writings of many of the early modern political philosophers.⁷⁷ The intellectual legacy of the Thirty Year’s War, which saw disorder and degeneration as stemming from difference, ensured that efforts to manage, and often homogenize, populations would be central to any conception or practice of statecraft; uniformity or homogeneity was thought to naturally produce social order and stability.

⁷⁵ In fact, it may be that only once several individuals share a common definition of what is legitimate that they can be said to constitute a community. See: Hurd (1999), p.388. Also, Ian Hurd (2007). *After Anarchy: Legitimacy and Power in the United Nations Security Council*. Princeton: Princeton University Press; p.203. This is very close to the rich conceptualization of authority that appears as part of Antonio Gramsci’s theory of hegemony. Gramsci critically acknowledges the active role of subordinate people in the operation of authority and that to achieve ‘expansive’ or ‘aspirational’ hegemony, the hegemonic group within a society must actively seek the consent of subalterns. See: Antonio Gramsci (1971). *Selections from the Prison Notebooks*. London: Lawrence & Wishart, p.182; Steve Jones (2006). *Antonio Gramsci*. Cambridge: Cambridge University Press, p.41 and; Roger Simon (1982). *Gramsci’s Political Thought: An Introduction*. London: Lawrence & Wishart, p.42.

⁷⁶ Reus-Smit (2007), p.164. In postcolonial states this audience might be multiple and conflicted rather than singular and coherent, a point taken up in greater detail below.

⁷⁷ For instance, Inayatullah and Blaney survey not only Hobbes but also the writings of Grotius and Locke concluding that, given the primacy assigned to social harmony and political unity in these thinkers and the looming threat of more religious crusades, it is not surprising that the predominant opinion of the time soon became that the sovereign was authorized to impose what they must in defense of social order and for the sake of peace. See: Naeem Inayatullah and David L. Blaney (2004). *International Relations and the Problem of Difference*. New York: Routledge; pp.35-42. The overlapping and conflicting legal and political jurisdictions of ancient constitutions that existed prior to Westphalia were held responsible for nearly one hundred years of warfare and as such, it was imperative “that authority...be organized and centralized by the constitution in some sovereign body: in a single person or assembly, a system of mixed or balanced institutions, or in the *undifferentiated* people...[i]n the modern theories of the sovereignty of the people, the plurality of existing ancient authorities is eliminated by construing the people as the *single* locus of authority.” This conception of popular sovereignty unavoidably entailed the elimination of cultural diversity as a constitutive aspect of politics; in order for the people to be capable of constituting a sovereign authority, it was necessary for them to be conceived as “culturally homogenous in the sense that culture is irrelevant, capable of being transcended, or uniform.” See: James Tully (1995). *Strange Multiplicity: Constitutionalism in an Age of Diversity*. Cambridge: Cambridge University Press; p.67 & p.63. Also: John Ruggie (1993). “Territoriality and Beyond: Problematizing Modernity in International Relations”, *International Organization*, 47(1), pp.139-174.

Historically, as the boundaries between the emerging modern Westphalian states of Europe settled the people within those boundaries became increasingly concerned with the terms of their membership. At the same time, modern states sought to extend and intensify their authority over those within their boundaries, which necessitated new modes of legitimation. As the need to regulate their populations grew state actors needed “ever higher inputs of consent if regulation was to be efficient” and the essence of these states thus became the project of attempting to integrate all the inhabitants of a territory into a ‘political community’.⁷⁸ The American and French Revolutions underscored the radical nature of this departure, both in the discursive shift from ‘subject’ to ‘citizen’ as well as in the primacy given to the rights and obligations of individual citizens under a republic. By basing their systems of governance on the doctrine of the sovereignty of the people (however this was defined) these revolutions opened the door, “for territorial delimitations of sovereignty on the basis of the location of ‘the rule’, and for more sharply defined national identities.”⁷⁹ The implication here was that modern constitutional states and their inhabitants now required a corporate identity as a ‘nation’ which via a national historical narrative and public symbols could engender a sense of belonging and allegiance.⁸⁰ That is, equal political membership demanded, at least in theory, equal status as members of a political community that would then be regarded as a national community; in other words, an idea of the state as a political community which presumed that within the state a realm of relative ‘sameness’ would prevail.⁸¹

The proposition that the polity and nation should coincide is deep-seated in the modern era. This is particularly evident within accounts of the modernization of international relations that see the evolution of a modern nation-state system, which necessarily transcends more particularistic or traditional forms of identification, as the basis for a world culture. Representative of this perspective is Lucian Pye’s portrayal of the complex diffusion of Western civilization throughout the world:

⁷⁸ George Schöpflin (2000). *Nations, Identity, Power: The New Politics of Europe*. London: Hurst & Company; p.37. This was a consequence of the rationalizing activity of the emergent modern state, a process which rapidly accelerated in Europe from the 17th century onwards. Mann has referred to this process as ‘social caging’. Michael Mann (1986). *The Sources of Social Power, Vol.1*. Cambridge: Cambridge University Press.

⁷⁹ Linda S. Bishai (1998). “Sovereignty and Minority Rights: Interrelations and Implications” *Global Governance*. 4(2), p.163.

⁸⁰ Tully, p.68.

⁸¹ Inayatullah and Blaney, p.44. In Tully’s terms, a cultural homogeneity and a uniform constitution.

According to the logic of the European mind every territory should fall under some sovereignty and all people in the same geographic locations should have a common loyalty and the same legal obligations...For the past three hundred years a constant theme recurring throughout the apparently haphazard process of Western contacts with the rest of the world has been the stubborn and ceaseless efforts of the European state system to transform all societies into replicas of the nation-state. To the European mind it was inconceivable that anyone might not be governed by an impersonal state and not feel a part of a nation. The European system required all territory to fall under some specific jurisdiction, every person belonging to some polity, and all polities to behave as proper states within the family of nations.

Wherever Europeans have gone they have generally displayed their impatience with any other arrangement of social life and devoted their surplus of energy and resources to the end of bringing others in line with the standards of the modern nation-state. Throughout this period men who felt a responsibility for maintaining the stability and the easy working of the nation-state system regarded as a fundamental threat all domestic forms of authority which failed to meet minimum standards of nation-statehood.⁸²

Hedley Bull and Adam Watson betray a similar perspective in their landmark study of the expansion of modern international society: “a striking feature of the global international society of today is the extent to which the states of Asia and Africa have embraced such basic elements of European international society as the sovereign state, the rules of international law, the procedures and conventions of diplomacy and international organization.”⁸³ While it is true that many postcolonial states have accepted and even championed Western conceptions of what constitutes legitimate statehood it must also be acknowledged that at independence such states generally faced “a rather limited menu of available practices from which to choose. A ‘new’ state...has little choice but to join the basic institutional arrangements of the states system.”⁸⁴ According to such narratives, by resolving the ‘basic problems of national identity’ associated with competing ‘traditional’ and ‘modern’ values and principles of political organization, thereby meeting these minimum standards, modern nation-states would then be able reap the fruits of an inexorable modernization – an international society characterized by relative cultural equality and peaceful, mutually beneficial interactions.⁸⁵

⁸² Lucian Pye (1966). *Aspects of Political Development*. Boston: Little, Brown; pp.6-7.

⁸³ Hedley Bull and Adam Watson (eds.) (1984). *The Expansion of International Society*. Oxford: Clarendon Press; p.433.

⁸⁴ Oran R. Young (1986). “International Regimes: Toward a New Theory of Institutions”. *World Politics*, 39 (1), p.120.

⁸⁵ Pye, pp.199-200. See also: Inayatullah and Blaney, p.107.

It must be emphasized, however, that the situation faced by postcolonial states was radically different from that experienced by the nation-states which emerged in 18th and 19th century Europe.⁸⁶ In the latter, the deep foundations for the consent to be governed were “generated by and vested in the bonds of solidarity that [were] encoded in ethnicity” providing a clear incentive for these modern states to promote a degree of ethnic homogeneity by shaping or enhancing a pre-existing ethnic identity.⁸⁷ Even then, this was not a straightforward process:

The difficulty arises when the state finds that it is unable to impose its ethnicised codes on a group which has acquired a separate ethnic consciousness sufficient to generate its own cultural reproduction. In such circumstances, which are common enough, either some kind of compromise is reached and the rulers of the state are prepared to share the state with other groups or if the competing ethnic group has the territorial cohesion, it can opt for secession. The dynamic of state action sustains and develops ethnic consciousness; usually the one dominant ethnic group imposes its ethnic vision on the state to create an étnic identity and this is imposed in turn on all ethnic groups in that territory. That, in essence, is the building of the modern nation-state.⁸⁸

In this fashion the ‘ethnic states’ of Western Europe were gradually transformed into genuinely ‘national states’ and, as a result of deliberate state action, the ethnic-genealogical basis of membership within the polity was relatively well balanced with the civic-territorial foundation of the state.⁸⁹ The subsequent polities represented not so much ‘nation-states’ but rather national states and encouraged a new concept of community, one that was, on the surface and in principle at least, essentially urban and civic.⁹⁰

In contrast, the boundaries of European colonies were never intended to define sovereign units, they were simply jurisdictional and Europeans, perhaps unconsciously, exported the territorial concept of the nation-state to their colonies as a political-legal construct without seriously attempting to address the issue of crafting a truly national

⁸⁶ T.K. Oommen (1997). *Citizenship and National Identity: From Colonialism to Globalism*. New Delhi: Sage; p.30.

⁸⁷ Schöpflin, p.40.

⁸⁸ Schöpflin, p.41.

⁸⁹ Anthony D. Smith (1986). *The Ethnic Origins of Nations*. Oxford: Blackwell Publishers; pp.138-144. It should be noted, though, that the Western European experience with such processes of national homogenization was often quite violent.

⁹⁰ In fact, Schöpflin (p.42) argues that all states are to some degree ethnicized. Ethnicity in ostensibly civic Western Europe has not disappeared but merely slipped out of sight. This nuanced perspective rejects a pathological conceptualization of ethnicity as an anathema to democracy while still maintaining that ethnicity can “undermine democracy when either the state or civil society, or both, is too weak to contain it, and hence ethnic criteria are used for state and civic purposes.”

identity.⁹¹ Despite demands for independence and sovereignty being based on the claimed right to national self-determination many of these newly independent states lacked a core ethnic community, which could then provide national cohesion and the deep sense of legitimacy offered by a genuine sense of popular sovereignty.⁹² Whereas previously it was the ‘nation’ around which a state was constructed, in the past half-century it has been the state *by* which, and *within* which, a ‘nation’ was to be built in much of the postcolonial world.⁹³

In the period of decolonization, many newly independent governments sought to sidestep this issue primarily by appealing to the concept of juridical sovereignty, i.e. international recognition.⁹⁴ Such juridical sovereignty, however, rarely translated immediately into a strong sense of empirical sovereignty.⁹⁵ More recently there has been greater recognition of the relationship between juridical and empirical sovereignty, which has, in turn, led to a renewed focus on the part of postcolonial governments to develop a more robust empirical basis for their legitimacy.⁹⁶ As Anthony Smith argues, “no state [today] possesses legitimacy which does not also claim to represent the will of the nation.”⁹⁷ In this regard, Roxanne Doty notes that, “in contemporary times, the assertion of sovereignty by a state involves implicit claims to represent an identifiable presence...it is a political community with some sense of shared national identity.”⁹⁸

⁹¹ Holsti, pp.61-62. Unconscious in the sense that Europeans generally exported the concept of multinational, hierarchical empires. The notion of the ‘nation-state’ actually arose as the lynchpin of a discourse of protest in the colonised world.

⁹² Smith, pp.144-149. Even if a ‘core’ ethnic community did conceivably exist, as in the case of the Malays in Malaya/Malaysia, the presence of sizable ethnic minorities meant that the development of an ‘abstract trust’ – the generalized trust that individuals appropriate by virtue of their membership in a particular ‘imagined community’ – remained problematic. See: Kenneth Newton (1997). “Social Capital and Democracy”, *The American Behavioral Scientist*, 40(5), pp.575-586 (especially pp.580-581); Kenneth Newton (2001). “Trust, Social Capital, Civil Society and Democracy”, *International Political Science Review*, 22(2), pp.201-214 and; Robert Putnam (1993). “The Prosperous Community: Social Capital and Public Life”, *The American Prospect*, 4(13), pp.35-42.

⁹³ Holsti, pp.61-81.

⁹⁴ The principle involved here is *uti possidetis juris* according to which existing boundaries are the preemptive basis for determining territorial jurisdictions in the absence of mutual agreement to do otherwise. That is, if there were no ‘domestic’ concept of either ‘the state’ or ‘the people’ upon which a state might be legitimately based, political leaders aimed to ‘construct’ the state via external legitimization. See: Robert Jackson (1999). “Sovereignty in World Politics: A Glance at the Conceptual and Historical Landscape”, *Political Studies*, 48, pp.446-449.

⁹⁵ As Christopher Clapham notes, “[t]his is an aspect of sovereignty which readily escapes attention in developed liberal states, where the relationship between governments and citizens is at least relatively unproblematic.” Christopher Clapham (1993). “Sovereignty and the Third World State” *Political Studies*, 47, p.525.

⁹⁶ Barnett, p.89.

⁹⁷ In, Roxanne Doty (1996). “Sovereignty and the Nation: Constructing the Boundaries of National Identity” in, Thomas Biersteker and Cynthia Weber (eds.), *State Sovereignty as Social Construct*. Cambridge: Cambridge University Press; p.122.

⁹⁸ Doty (1996), p.122.

(Re)conceptualizations of national identity are thus intimately linked to the notion of empirical sovereignty and the degree to which such (re)conceptualizations are contested within the domestic frame reveals the degree of consent and legitimacy that state actors can rightfully claim and project.

In the postcolonial world, then, the reality of nation-state building, both historic and contemporary, differs greatly from rhetoric; the primacy of the state/national boundary has been and continues to be contested by other social formations, both sub-national and supra-national in scope, each with very different sorts of boundaries. What we see then, particularly in postcolonial states, is the presence of ‘multiple traditions’ characterizing important disjunctures between the social and political boundaries, between the nation and the state.⁹⁹ For many postcolonial states the degree of differentiation between state and society, measured in terms of ethnic and linguistic fractionalization, means that state actors face difficulties unlike those encountered by their European counterparts in achieving social control.¹⁰⁰ Rather than the centralized, pyramidal structure that characterizes many European countries, postcolonial state actors come up against a melange of social organizations in which the state operates as but one actor amongst many.¹⁰¹

The ‘synthetic’ quality of authority structures in many postcolonial states has rendered creation and maintenance of an enduring national identity a pressing issue. In lieu of a broadly held and centralized normative structure, state actors who wish to secure the compliance of other groups within society must resort to alternative measures – credible threats, bribes or appeals to self-interest – all of which are costly and unstable bases of power.¹⁰² Political integration, or ‘nation-building’, is thus a vital process and its success hinges upon the notion that the constituents of a state should form, or feel themselves to be, a ‘natural’ community concordant with the state.¹⁰³ It has been painfully apparent to state actors that without the associational sentiments engendered by successful ‘nation-building’ processes the stability of their polity could be threatened by even moderate levels of controversy and socio-political unrest. Driven by an

⁹⁹ Migdal (2004), p.18. (3-24) Also: Migdal (1988), pp.28-29.

¹⁰⁰ Migdal (1988), pp.37-39.

¹⁰¹ This does not mean that people are ungoverned but rather that “[n]umerous systems of justice operate simultaneously.” The challenge then for postcolonial state actors is to establish the primacy of their authority among a diverse range of competing loci. Migdal (1988), p.39.

¹⁰² Reus-Smit (2007), p.163.

¹⁰³ Holsti, pp.82-83 and Wendt (1999), p.230.

apparent disjuncture between ‘state’ and ‘nation’, many postcolonial state actors saw the formulation of a collective national identity as paramount in linking the mass citizenry not only to the nation-state but also to one another.¹⁰⁴

In order to create an intersubjective sense of belonging and form a coherent political community where perhaps one had never previously existed, many postcolonial, multiethnic states have relied on a number of strategies, prominent amongst which is an official metanarrative. Such a ‘big story’ frames national identity and provides the official ideology explaining and justifying the collective identity or self-understanding of the nation-state. What complicates this situation in many postcolonial settings, of course, is the presence of other, more exclusive and readily accessible forms of identification that mitigate the extent to which a collective national identity might broadly and/or deeply resonate within a domestic population.¹⁰⁵ In determining what conditions must hold in order to facilitate the relatively smooth operation of political authority we must therefore acknowledge that nation-states are never finished entities and that the processes associated with nation-state building are on-going and continuously contested. In this respect all ‘stories’ are continually *being* written and re-written. The exogenous nature of modernity vis-à-vis developing countries combined with the presence of indigenous symbol systems thus furnishes the postcolonial nation-building project with a dialectical and contested character.

What is required, therefore, are mechanisms by which one can link a consideration of both the domestic and international interrelationships and reveal that both are part of a single, complex dynamic.¹⁰⁶ It is in this light that the concept of sovereignty bargains assumes a significance vis-à-vis their relationship to re-fashionings of national identity. If, as I argue, (re)conceptions of and contestations over national identity are a lens through which to examine the mutually constitutive dynamic between society, the state and global processes, then I further contend that sovereignty bargains are an appropriate site to analyze such re-fashionings of national identity.

¹⁰⁴ There was a clear international aspect to such processes as well: “in contemporary times, the assertion of sovereignty by a state involves implicit claims to represent an identifiable presence...it is a political community with some sense of *shared national identity*.” Doty (1996), p.122. (Emphasis added.)

¹⁰⁵ In this way, a cacophony of ‘stories’ may not only reflect the presence of discrete groups within a society but may also further reinforce any sense of difference or distinction between such groups.

¹⁰⁶ Mark Beeson (2003). “Sovereignty Under Siege: Globalisation and the State in Southeast Asia.”, *Third World Quarterly*, 24(2), p.371.

1.4 National Identity and Sovereignty Bargains

The work of a number of scholars on sovereignty bargains is particularly helpful for this thesis. Karen Litfin advances a characterization of sovereignty as an aggregated concept that varies according to historical and social circumstances.¹⁰⁷ For Litfin, the core conceptual elements constituting sovereignty are assumed to be ‘autonomy’, ‘control’, and ‘legitimacy’. Such an analytical distinction allows one to identify how state responses to the global involve a trade-off among these three dimensions of sovereignty. Litfin argues, therefore, that it is more accurate to say that state actors engage in ‘sovereignty bargains’ rather than ceding to some monolithic principle of sovereignty.¹⁰⁸ Christopher Rudolph presents a more vigorous conception of sovereignty bargains than Litfin, asserting that trading states interact with global forces not from a position of weakness but with a conscious consideration of the trade-offs involved.¹⁰⁹ In this regard, Rudolph eschews Litfin’s tripartite taxonomy of sovereignty, instead preferring to work from Stephen Krasner’s partition of sovereignty into four distinct types: Westphalian; Domestic; Interdependence and; International Legal. Recounting a historical perspective on the emergence of sovereignty, Rudolph observes that the rise of popular sovereignty in Western Europe during the 18th century revolutions signaled a shift in the locus of sovereignty from an individual (or royal family) to a collectivity. As territory was now increasingly associated with the ‘nation’ that occupied it, a sense of national identity was a necessary construct. Rudolph therefore recognizes the importance of the process by which sovereignty became inseparable from both notions of territoriality and conceptions of an enduring national identity.¹¹⁰

The question then becomes, where does sovereignty reside – in an apparently homogeneous people (‘nation’) or among the residents of a territorially bounded political entity? In response to this question Rudolph adds one more dimension to Krasner’s typology, that of societal sovereignty. This dimension of sovereignty highlights the situation whereby if it is no longer clear who makes up the nation, a

¹⁰⁷ Karen Litfin (1997). “Sovereignty in World Ecopolitics.” *Mershon International Studies Review* 41(2), pp.167-204.

¹⁰⁸ The term was first used by Byers. See B. Byers (1991). “Ecoregions, State Sovereignty and Conflict” *Bulletin of Peace Proposals*, 22(1), pp.68-72.

¹⁰⁹ Christopher Rudolph (2005). “Sovereignty and Territorial Borders in a Global Age.” *International Studies Review*, 7(3); pp.1-20.

¹¹⁰ Rudolph, p.6.

state's internal sovereignty and the existence of the state itself may be under threat. Traditional means of 'imagining the community' – ethnicity, language, religion, culture, etc. – therefore remain salient markers of societal inclusion and exclusion.¹¹¹ Negotiations with the global confront states with difficult choices vis-à-vis the institution of sovereignty, and, therefore, state actors, particularly those in postcolonial, ethnically heterogeneous countries, find it increasingly difficult to generate a commanding consensus about questions of national identity and national purpose.¹¹²

Saskia Sassen insists that greater attention must be devoted to the specific set of interactions between global dynamics and particular components of the nation-state.¹¹³ In her view, the social sciences have largely abandoned critical distance, neglecting to historicize the scale of the national and it is here that I believe Sassen's focus can be added to Rudolph's concept of societal sovereignty to account for the power of social identities and ways of 'imagining the community' that comprise a focal point of this thesis. For Sassen, social scientists have failed to adequately conceptualize the variety of negotiations that can occur as the result of specific structurations of the global inhabiting what has historically been constructed and institutionalized as national territory.¹¹⁴ While reproducing the same basic logic behind the notion of sovereignty bargains, Aihwa Ong's notion of 'graduated sovereignty' offers a slightly more nuanced version of the overall phenomenon.¹¹⁵ She uses the term to refer to, "the effects of a flexible management of sovereignty, as governments adjust political space to the dictates of global capital, giving corporations an indirect power over the political conditions of citizens in zones that are differently articulated to global production and financial circuits."¹¹⁶ In Ong's specific analysis, populations are administered according to their relevance to the global political economy.¹¹⁷ Of particular import to

¹¹¹ Rudolph, p.14.

¹¹² Rudolph, p.15.

¹¹³ Sassen (2003b). One can detect echoes here of Roland Robertson who posited that globalization allowed for the creation of new, hybrid forms which contained elements from both the global and local. See: Roland Robertson (1992). *Globalization: Social Theory and Global Culture*. London: Sage Publications.

¹¹⁴ Sassen (2003b), pp.4-5. See also: Rudolph, p.15.

¹¹⁵ Aihwa Ong (2006), pp.75-80 and Aihwa Ong (2000). "Graduated Sovereignty in Southeast Asia", *Theory, Culture & Society*, 17(4), pp.55-75.

¹¹⁶ Ong (2006), p.78. In the case of Malaysia, this is probably most clear in the development of Malaysia's 'mixed economy' from the 1970s on. See Sections 5.3, 6.1 and 6.5 below.

¹¹⁷ Gilpin notes that this term encompasses political, economic and cultural issues, highlighting the potential of global economic forces to influence political as well as economic life. See: Robert Gilpin (2001). *Global Political Economy: Understanding the International Economic Order*. Princeton: Princeton University Press; pp.17-18. Despite Ong's more narrow application, her general analysis remains relevant for my broader consideration of the global.

my research are her remarks concerning ethnicity and pre-existing ethnoracializing schemes which are reinforced and crosscut by new ways of governing that differentially value populations according to market calculations *and* political incentives.

Each of the scholars above argues, either implicitly or explicitly, that postcolonial, developing countries are compelled to be flexible in their conceptions of sovereignty and national identity if they are to be relevant in a globalized world. Considering its historically open economy and its dependence on external economic flows for economic growth and development, the general concept of sovereignty bargains seems a valuable means of illuminating how the global-state-society dynamic operates in Malaysia as state actors seek to domestically diffuse pressures emanating from above.¹¹⁸ But while the concept of sovereignty bargains as employed by these authors at least implicitly recognizes a mutually constitutive relationship between the state and the global, the process for them is primarily one of ‘outside in’. To return to the earlier metaphor, the bi-directional valve seems to be stuck here and operating largely in one direction only – from the global to the state. While building on their analyses my research seeks to show not only how such an image is problematic but, more importantly, how domestic factors, in particular, (re)conceptions of the ‘national’ and its purpose, constrain or enable a state’s interrelationship with global processes, and vice versa. In other words, what role do internal issues play in determining how flexible state actors can be in their management of sovereignty, i.e., within what range along the internationalizing-backlash continuum can they sit? This thesis seeks to provide a more nuanced understanding of how the historical (and ongoing) (re)construction of the ‘national’ delineates, and is delineated by, a state’s interrelationship with global processes. A state does not simply reshape sovereignty in order to meet the challenges of the global but also to meet those challenges posed by (re)conceptions of and contestations over national identity and national purpose, challenges which are of particular salience in

¹¹⁸ For example, in the decade prior to 1970, Malaysian average exports-GDP ratio was 53%. Between 1970-2011 Malaysian exports as a percentage of total GDP averaged 77.3%. If we narrow this range to 1987-2011, Malaysian exports as a percentage of total GDP were 98.45% and have regularly exceeded 100% in the 21st century. In May 2012, the Malaysian Ministry of International Trade and Industry stated that exports accounted for 118% of GDP and that Malaysia, as a country with a relatively small domestic market, depended on international trade to support economic growth. See: International Monetary Fund (1995). *International Financial Statistics Yearbook*. Washington: International Monetary Fund; The World Bank, <http://data.worldbank.org/>, accessed June 12, 2012; Ministry of International Trade and Industry (2012). “Malaysia’s Trading Nation Status Remains”, www.miti.gov.my, May 12, accessed June 12, 2012 and; Anita Doraisami (1996). “Export Growth and Economic Growth: A Reexamination of Some Time-Series Evidence of the Malaysian Experience”, *The Journal of Developing Areas*, 30(2), p.224. More recently, Malaysia has featured prominently in Foreign Policy’s ‘Globalization Index’, where it is regularly listed in the top 5 trading states worldwide. For example, see: “The Globalization Index”, *Foreign Policy*, November/December 2007, pp.68-72.

postcolonial, ethnically heterogeneous, developing states like Malaysia. What is more, it may be possible, by exploring the degree of ‘resilience’ any conception of national identity exhibits with respect to both global processes and domestic society, to indicate the likelihood of a ‘flow reversal’ at any one period and articulate the probable nature of the asymmetry present.

Thus, while some scholars do, at least, imply how domestic constraints might help shape state actors’ (dis)engagement with the global, this phenomenon bears further empirical investigation. What is again missing is recognition of the importance of state-society relations and, in particular, the role such relations play in compelling states to engage, or not, with global processes as well as the form of any such participation. It is in this sense that we must be prepared to account for why any *particular* form of national identity should be chosen and presented by state actors in order to legitimize their political authority. Doing so in the context of a state like Malaysia means first clarifying how conceptualizations of ‘the national’ have historically developed within the postcolonial context. What then becomes clear is that there was a threshold of sorts that had to be crossed before global processes would compel state actors to rethink their conceptualizations of sovereignty and national identity. As the empirical chapters that follow demonstrate, sovereignty bargains only become important from the 1970s on as the global component of the society-state-global nexus became more prominent. One reason for this was that in the period immediately after Independence state actors were overwhelmingly focused on state-society relations as they attempted to construct a coherent basis for the legitimation of their political authority.¹¹⁹ On top of this, Malaysia’s interactions with the global at the time largely complemented domestic state structures and so there was little need for state actors to engage in any sovereignty bargains. As we shall see, it was only after the restructuring of the state following the ethnic riots of 1969 that state actors became more reliant on global economic and financial flows as part of their broader legitimation strategy and, hence, more willing to reshape notions of sovereignty and national identity.

¹¹⁹ This is not to deny that global forces did exert some influence prior to this time period but their effect was negligible when compared to internal concerns.

1.5 History and (Re)Conceptions of National Identity: Reconciling the Traditional and the Modern in the Postcolonial Nation-State

As already noted, many modernist narratives of international relations perceive the evolution of a modern nation-state system as necessarily transcending more traditional, i.e. ethnic and/or religious, forms of identification. Notwithstanding the critique above, the modernization literature contains some nuanced accounts suggestive of a more productive means of dealing with the concept and structure of the nation-state system, particularly with respect to the postcolonial world. Naeem Inayatullah and David Blaney demonstrate how Gabriel Almond's and Sydney Verba's work on the notion of the 'civic culture' present in many Western liberal democracies hints at how the modern and the traditional may and should coexist in the present rather than been seen as temporally successive.¹²⁰ They argue that by identifying the 'civic culture' as a 'modernizing-traditional' fusion, Almond and Verba acknowledge not only the existence of a 'mixed' political culture but also the advantages offered by a political culture that blends apparent contradictions, enabling them to "interact and interchange without destroying or polarizing each other."¹²¹ In other words, "[t]he traditional coexists with the modern in the present, not merely as a survival of the past but as a living set of cultural materials that may be combined usefully with the modern in various ways."¹²²

The possibility of a more reciprocal dialogue between modern and traditional cultural forms (both within and across nations and states) is further hinted at by Clifford Geertz in his analysis of 'primordial sentiments and civil politics' in the new postcolonial states that were born in the aftermath of World War Two.¹²³ For Geertz, "the peoples of the new states are simultaneously animated by two powerful, thoroughly interdependent, yet distinct and often actually opposed motives – the desire to be recognized as

¹²⁰ Inayatullah and Blaney, pp.111-112. For his part, Pouliot asserts that greater attention should be devoted toward a 'logic of practicality', which sees social and political practices based upon pre-intentional, tacit forms of knowledge "informed by past experiences and exposure to environmental demands." Such cognitive processes are not irrational but should rather be "conceived of as 'arational', that is, based on nonrepresentational knowledge and thought processes." Pouliot distinguishes between representational knowledge which factors in reflexive cognition (in situation X, you should do Y) and practical knowledge which remains thoughtless (in situation X, Y follows). It would seem that a logic of practicality gels well with traditional forms of identification. See: Vincent Pouliot (2008). "The Logic of Practicality: A Theory of Practice of Security Communities." *International Organization*, 62, p.257 & p.268.

¹²¹ In, Inayatullah and Blaney, p.112.

¹²² Inayatullah and Blaney, p.112.

¹²³ Clifford Geertz (1963). "The Integrative Revolution." In, Clifford Geertz (ed.), *Old Societies and New States: The Quest for Modernity in Asia and Africa*. New York: The Free Press; pp.105-157.

responsible agents whose wishes, acts, hopes, and opinions ‘matter’, and the desire to build an efficient, dynamic modern state.”¹²⁴ Rather than being spontaneously expressed within the form of the sovereign state, Geertz argues that any such awareness of an emerging ‘sense of self’ as a responsible agent must be actively integrated into the modern state:

The network of primordial alliance and opposition is a dense, intricate, but yet precisely articulated one...The unfamiliar civil state, born yesterday from the meager remains of an exhausted colonial regime, is superimposed upon this fine-spun and lovingly constructed texture of pride and suspicion and must somehow contrive to weave it into the fabric of modern politics.¹²⁵

What is more, this process of crafting the postcolonial civil state was a precarious one for newly independent peoples:

To subordinate these specific and familiar identifications in favor of a generalized commitment to an overarching and somewhat alien civil order is to risk a loss of definition as an autonomous person, either through absorption into a culturally undifferentiated mass or, what is even worse, through domination by some other rival ethnic, racial, or linguistic community that is able to imbue that order with the temper of its own personality. But at the same time...the possibilities for social reform and material progress they so intensely desire and are so determined to achieve rest with increasing weight on their being enclosed in a reasonably large, independent, powerful, well-ordered polity. The insistence on recognition as someone who is visible and matters and the will to be modern and dynamic thus tend to diverge, and much of the political process in the new states pivots around a heroic effort to keep them aligned.¹²⁶

Like Almond and Verba, Geertz eschews a teleological perspective that sees the modern civil state as temporally successive to more traditional sentiments of blood and belonging. In fact, Geertz asserts that “political modernization tends initially not to quiet such sentiments but to quicken them” as the transfer of sovereignty at independence transforms the “whole pattern of political life” altering the relations of rule and identity.¹²⁷ As we shall soon see, this was certainly the case in the late colonial period as independence beckoned for the British colony of Malaya. Put simply, the

¹²⁴ Geertz (1963), p.108.

¹²⁵ Geertz (1963), p.119.

¹²⁶ Geertz (1963), p.109.

¹²⁷ Geertz (1963), p.119. It is the process of state and nation building that often renders ‘traditional’ identities politically salient, requiring people to think in terms of an cultural/ethnic/religious identity that they may not necessarily have been conscious of before. As Walker Connor observes “[a]n unintegrated state poses no serious threat to the lifeways of the various ethnic groups.” Walker Connor (1994). “Nation-Building or Nation-Destroying?” in, Walker Connor (ed.), *Ethnonationalism: The Quest for Understanding*. Princeton: Princeton University Press; pp.36-37.

modern state was, and is, a prize to be fought over. It is this tension between primordial sentiments and civil politics that must be constantly negotiated.¹²⁸

As a product of the political history of Europe, nationalism was exported to the colonies with the historical experiences of Western Europe, the Americas and Russia providing a “set of modular forms” from which nationalist elites could then choose.¹²⁹ However, if we accept the assertion that the nation is something which is imagined into existence rather than determined by a given array of sociological conditions we are left with a fundamental problem vis-à-vis postcolonial understandings and expressions of nationalism and national identity.¹³⁰ In short, if all postcolonial elites had to do was simply access and consume pre-existing forms made available to them by the West then what was left to imagine?¹³¹ Analyzing the colonial world of social institutions and practices, Partha Chatterjee advocates a conceptualization of nationalist imagining predicated on difference from the Western models by distinguishing between two domains – the material and the spiritual. These neatly, but not wholly, correspond with the distinction between the modern and the traditional inasmuch as the former embodies the domain of the ‘outside’ – the foreign-dominated fields of economics, science and statecraft – whereas the latter represents “an ‘inner’ domain bearing the ‘essential’ marks of cultural identity.”¹³² The colonial interrelationship between the two domains was significant as the nature of the reciprocal dialogue occurring between modern and traditional cultural forms identified by Geertz relies on the extent to which nationalist elites were (un)able to fashion a modern national culture that was nevertheless different than the ‘modular’ forms presented by the West.¹³³ The fact that this phenomenon varied from state to state as a result of their specific historical experiences once again justifies the empirical approach adopted in subsequent chapters.

¹²⁸ Geertz himself notes that the growth of a modern state within a traditional social context represents not only a redistribution of a fixed quantity of power (defined in this instance as the capacity to mobilize social resources for social goals) between groups but rather “the creation of a new and more efficient machine for the production of power itself, and thus an increase in the general political capacity of the society.” Geertz, (1963), pp.120-121, ft.17.

¹²⁹ Partha Chatterjee (1993). *The Nation and its Fragments: Colonial and Postcolonial Histories*. Princeton: Princeton University Press; p.5.

¹³⁰ Probably the most influential of such modernist accounts of nationalism is: Anderson (1991). See also: Ernest Gellner (1983). *Nations and Nationalism*. Oxford: Basil Blackwell and; Eric Hobsbawm (1990). *Nations and Nationalism Since 1780: Programme, Myth, Reality*. Cambridge: Cambridge University Press.

¹³¹ Chatterjee, p.5.

¹³² Chatterjee, p.6.

¹³³ Chatterjee, pp.9-11.

Similar to the early modern period in Europe, newly independent postcolonial rulers were thus engaged in a process that required them to legitimate their political authority with reference to an integrated society while simultaneously creating that integrated society.¹³⁴ Although Geertz maintained that primordial sentiments were unlikely to be eliminated by the rulers of new states, he did suggest that non-modern forms of identification could be ‘domesticated’ via a strategy of delegitimization by “neutralizing the apparatus of the state in relationship to them.”¹³⁵ Geertz acknowledged that this goal of containing “diverse primordial communities under a single sovereignty” was “not fully achievable” anywhere although he did recognize that the example provided by many Western states indicated that it was ‘relatively’ possible.¹³⁶ As Inayatullah and Blaney note this ‘relatively’ is significant for while Geertz does eventually deny the possibility of integration without domestication, he does, at least, suggest that the tension between ‘traditional’ and ‘modern’ forms of identification may be reconciled and that “a primordial ‘sense of self’ may find more room within a society than the social and political requirements of a modern civil identity allows.”¹³⁷ What Geertz hints at is a framework that appreciates the messiness of the world as it continues to be, accepting “that cultural/political practices are always heterogeneous and complex, mixing modes and balancing competing (and perhaps irreconcilable) human goods and values.”¹³⁸

In a twist on Geertz, Chatterjee argues that a fundamental aspect of anticolonial nationalisms in Asia and Africa has been the positive correlation between the ability to “imitate Western skills in the material domain” and the need to “preserve the distinctness of one’s spiritual culture.”¹³⁹ A dialogical tension exists between the two domains as they do not simply act to limit one another but, in this process of struggle, each also shapes the emergent form of the other.¹⁴⁰ Chatterjee’s partition provides the conceptual space for “a more nuanced picture of indigenous anti-colonial nationalism that would not necessarily end up replicating the history of the modern state in

¹³⁴ Inayatullah and Blaney, p.114.

¹³⁵ Geertz, p.128. See also: Schöpflin, pp.56-65.

¹³⁶ Geertz, p.128. See also: Inayatullah and Blaney, pp.114-115.

¹³⁷ Inayatullah and Blaney, p.115. See also: Geertz, pp.128-129.

¹³⁸ Inayatullah and Blaney, pp.124-125.

¹³⁹ Chatterjee, p.6.

¹⁴⁰ In a dialogical process, various approaches coexist and are comparatively existential and relativistic in their interaction; dialogue is a way for the self to avoid the condition of ‘splitting’. See: Iver B. Neumann (1996). “Self and Other in International Relations”, *European Journal of International Relations*, 2(2), pp.139-174 and Xavier Guillaume (2011). *International Relations and Identity: A Dialogical Approach*. Oxford: Routledge; pp.39-62.

Europe.”¹⁴¹ When considering the nature of postcolonial state-society relations we must, therefore, set ourselves the task of tracing “in their mutually conditioned historicities the specific forms that have appeared, on the one hand, in the domain defined by the hegemonic project of nationalist modernity, and on the other, in the numerous fragmented resistances to that normalizing project.”¹⁴² Doing so is one of the central aims of the empirical chapters that follow.

At the heart of any such approach, once again, is the acknowledgement of the necessity of social recognition; that no action on the part of state actors, “can be coherently described as legitimate if it is not socially recognized as rightful.”¹⁴³ Here, both the image and practices of the state are significant. Image has tended to be homologous from state to state, implying a perception of the modern state as a single territorially and socially bounded entity “that is fairly autonomous, unified, and centralized.”¹⁴⁴ The practices of state actors, however, tend to be quite diverse and while some practices may indeed reinforce and validate a common image, others mar the sanctity of its boundaries or the unity of its citizens thereby threatening the coherence implied by the common image.¹⁴⁵ So while it may be correct to regard the state as invisible, as something that must be “symbolized before it can be loved”, the units of discourse and feeling around which “emotions of loyalty and assurance can cluster” depend on the social practices of the state vis-à-vis such symbolization.¹⁴⁶ Enquiring into not only the ways in which a state actor legitimates itself but also the manner in which other social entities present potential counter-legitimations reveals political actions, “which both constitute and cause a particular outcome in the conduct and character of government.”¹⁴⁷

¹⁴¹ Khoo Gaik Cheng (2006). *Reclaiming Adat: Contemporary Malaysian Film and Literature*. Vancouver: University of British Columbia Press, p.27.

¹⁴² Chatterjee (1993), p.13.

¹⁴³ Reus-Smit (2007), p.160. See also: Doty, p.159. In light of this, an interesting question might be: socially ordained by whom? As the sources of social sanction change so too do the bases of legitimacy and the referent objects of any acts of legitimation. This is a question that will be explored further in the empirical chapters that follow.

¹⁴⁴ Migdal (2001), pp.16-17.

¹⁴⁵ Migdal (2004), p.20. Certain state practices may assist the ‘rise’ of a specific identity or, alternatively, consign it to the lower end of the constitutive continuum. See: Richard Ned Lebow (2009). “Constitutive Causality: Imagined Spaces and Political Practices”, *Millennium*, 38(2), pp.1-29.

¹⁴⁶ Michael Walzer (1967). “On the Role of Symbolism in Political Thought”, *Political Science Quarterly*, 82(2), p.194.

¹⁴⁷ Rodney Barker (2001). *Legitimizing Identities: The Self-Presentation of Rulers and Subjects*. Cambridge: Cambridge University Press; p.23. Reus-Smit (2007, p.159) makes a similar point when distinguishing between ‘legitimacy’, ‘legitimation’ and ‘legitimacy claims’. He notes, “[a]ctors making legitimacy claims is the lifeblood of the politics of legitimation, and such politics is essential to the cultivation and maintenance of an actor’s or institution’s legitimacy.” I argue below that an analysis of

In justifying a practice an actor is “literally [attempting] to connect one’s actions with standards of justice or....standards of appropriate and acceptable behavior” and so carefully studying the ways in which the image and practices of a state converge / diverge with respect to (discursive conceptions of) national identity is key to understanding the present shape of the mutually constitutive dynamic between society, state and the global.¹⁴⁸ It is not enough, therefore, to simply look at the bricks of the state without also considering the mortar, the controlling idea or cultural glue that provides “the unchallenged first principles of a political order, making any given hierarchy appear natural and just to rulers and ruled.”¹⁴⁹ That is, the manner in which state actors justify the practices of the state with reference to a national identity and the degree to which such justifications are accepted or rejected by society reveals the underlying normative context from which legitimate political authority can be derived.

This is not to challenge the force that some forms of socio-political categorization may carry; hegemony (as a form of social cohesion) may be most effectively achieved not by way of coercion, nor necessarily through consent, but rather via cultural practices that cultivate beliefs and behaviours as “seemingly naturally occurring qualities and properties embodied in the psychic and physical reality (or ‘truth’) of the human subject.”¹⁵⁰ For instance, Michel Foucault observes:

“Each society has its regime of truth, its ‘general politics’ of truth; that is, the types of discourse which it accepts and makes function as true; the mechanisms and instances which enable one to distinguish true and false statements, the means by which each is sanctioned; the techniques and procedures accorded value in the acquisition of truth; the status of those who are charged with saying what counts as true.”¹⁵¹

the discourse(s) surrounding citizenship is one possible means of exposing the legitimation / counter-legitimation involved in such political processes.

¹⁴⁸ Martha Finnemore (2003). *The Purpose of Intervention: Changing Beliefs About the Use of Force*. Ithaca: Cornell University Press, p.15.

¹⁴⁹ Sean Wilentz (1985). *Rites of Power: Symbolism, Ritual and Politics Since the Middle Ages*. Philadelphia: University of Philadelphia Press; p.4.

¹⁵⁰ Barry Smart (1986). “The Politics of Truth and the Problem of Hegemony”, in, David Couzens Hoy (ed.), *Foucault: A Critical Reader*. Oxford: Basil Blackwell; p.159.

¹⁵¹ Quoted in, Charles Taylor (1986). “Foucault on Freedom and Truth”, in, David Couzens Hoy (ed.), *Foucault: A Critical Reader*. Oxford: Basil Blackwell; p.93. The original quote appears in: Michel Foucault (1980). *Power/Knowledge*. New York: Pantheon; p.131.

At any given period, in any given society, Foucault maintains that there is a set of rules that defines the limits and forms of what is 'sayable' and within which the relationship between discourse, speakers and its destined audience is institutionalized.¹⁵²

It is in this sense that what most approaches to nationalism and national identity must contend with is why any *particular* form of identity and allegiance should be chosen/presented as the basis of adherence. Modern creators of a nation-state may seek to reinterpret or invent new senses of 'the nation' in order to supply their rule with empirical sovereignty, but they do so within a "context of popular attitudes and traditions that set limits to top-down manipulation by intellectuals and elites."¹⁵³ Such actors must operate within a dominant rhetorical frame, one which engenders a restricted array of plausible scenarios about how past, present and future ought to appear.¹⁵⁴ Political elites understand this well and are aware that the ring of truth is often no more than that which appears familiar, that "invention is little more than a new combination of those images which have been previously gathered and deposited in the memory."¹⁵⁵

Shedding light on historical development of a national identity provides an insight into the workings of the society-state-global dynamic. For instance, in the absence of a truly 'national' identity global forces can undermine existing bases of state legitimation, such as those associated with economic performance, and brutally expose the extent to which much of a postcolonial state's authority and capability rests on shaky grounds. On the other side of the coin, the lasting presence of multiple domestic social audiences, each with their own conventions and viewpoints, similarly underscores the difficulty faced

¹⁵² Michel Foucault (1991). "Politics and the Study of Discourse" in, Graham Burchall, Colin Gordon and Peter Miller (eds.), *The Foucault Effect: Studies in Governmentality*. London: Harvester Wheatsheaf; pp.53-72.

¹⁵³ Robert Holton (1998). *Globalization and the Nation-State*. Hampshire: MacMillan Press; p.146.

¹⁵⁴ In this sense, the framing process does not operate within a vacuum and the idea of 'frame resonance' needs to be addressed to describe the likelihood of success in any framing process. Frame resonance depends upon the ability of an actor or movement to align their frame so that it strikes a responsive chord with the target audience and their life experiences. See: Robert D. Benford and David A. Snow (1988). "Ideology, Frame Resonance, and Participant Mobilization", in, Bert Klandermans, Hanspeter Kriesi and Sidney Tarrow (eds.), *International Social Movement Research, Vol. 1: From Structure to Action: Comparing Social Movement Research Across Cultures*. London: JAI Press Inc.; pp.205-210. Also: Reus-Smit (2007), pp.158-159 and Bukovansky (2007), p.180.

¹⁵⁵ Zdravko Radman, quoted in Consuelo Cruz (2000). "Identity and Persuasion: How Nations Remember Their Pasts and Make Their Futures", *World Politics*, 52(3), p.280. Furthermore, it is not simply the case of explaining why political elites, intellectuals and the media might advance a particular form of national identity but also why ordinary people should be swayed.

by many postcolonial state actors as they attempt to align the modern and the traditional within a single national identity in order to help maintain legitimate relations of rule.¹⁵⁶

What is required therefore is a conceptual framework that captures how the modern and the traditional interact to render certain conceptualizations of national identity more legitimate than others. Adding this layer of analysis to existing research on state structure and globalization provides a richer understanding of the state and the interrelationship between it, domestic society and the global, particularly within the postcolonial context. If the *sine qua non* of the contemporary nation-state is its representation of a ‘people’ then (re)conceptualizations of national identity represent an important tool for state actors to legitimate themselves and the state as they seek to penetrate society while also projecting an externally appropriate image in order to maintain their autonomy and legitimate authority.¹⁵⁷ Investigating the level of consensus/dissensus surrounding any (re)shaping of national identity therefore represents a vehicle with which we can map the contours of the interrelationship between a state, its society and the global.

1.6 *A Nations-of-Intent Framework*

I argue that historical debates and/or struggles over (re)conceptions of ‘the national’ best illuminate the dynamic and mutually constitutive interrelationship between the state, domestic social forces and the global outlined above in Figure 1. For example, the easy access to alternative ideas and imaginings that a broader conception of globalization has more recently facilitated has revealed the futility of attempts by postcolonial state actors to fully dominate and homogenize their increasingly plural and stratified societies.¹⁵⁸ Focusing specifically on the rise of the new middle classes in Malaysia, Abdul Rahman Embong notes, “[i]ndustrialization and market changes driven by state-led modernization have resulted in both material and ideational changes...these processes have created new public spheres in which there occurs greater interaction

¹⁵⁶ Without denying that debates over issues such as national identity and multiculturalism may figure prominently on the political stage in many developed states, the situation in most postcolonial states is radically different. In postcolonial countries such arguments are not only linked to issues of self-esteem and belonging but quite often debates on the shape of national identity impinge directly on the life opportunities individuals possess. It should be of little surprise then that such debates are often the subject of impassioned and sometimes violent exchange.

¹⁵⁷ The external projection of legitimate authority is especially important in order to ensure the political stability necessary to attract the foreign investment required for economic development. This point will be taken up in greater detail in the empirical chapters that follow.

¹⁵⁸ For example, see: Kerkvliet.

among people of various ethnic groups.”¹⁵⁹ In postcolonial, developing countries such as Malaysia state actors have increasingly realized that while relatively modern industrial systems of production urgently required socio-cultural homogenization so as to prepare a continuous pool of skillful workers, traditional notions of kinship, ideology, feudalism and religion could not supply the means of achieving this. In light of such phenomena, what has become more and more apparent in postcolonial states like Malaysia is that national ideologies and official narratives need to be re-packaged regularly as a consequence of the global redefining political space.¹⁶⁰

The notion of ‘nations-of-intent’ provides an appropriate framework for studying this phenomenon. This concept depicts an idea of a nation that still needs to be constructed or reconstructed and bridges the authority-defined and everyday-defined ideas of what the nation might be.¹⁶¹ At the same time, it provides a more well-defined outline of potential socio-political struggles and transformations that might occur when the ‘officially sanctioned historiographic knowledge’ and ‘subjugated knowledge(s)’ come up against one another. As Stein Tønnesson and Hans Antlöv explain, a ‘nation-of-intent’ is:

a vision of a territorial entity, a set of institutions, an ideal-type citizen and an identity profile that a group of ‘social engineers’ have in mind and try to implement...[it]...highlights the subjective and changeable aspects of nationhood and opens up the possibility of several co-existing or competing identity forms within the same nation.¹⁶²

As noted in the introductory chapter, this concept while similar to Benedict Anderson’s ‘imagined communities’ differs in being a more open-ended concept.¹⁶³ A further, crucial, difference is that each ‘nation-of-intent’ remains open to change through conceptual mergers with other ‘nations-of-intent’; that a meaningful dialogue with an ‘Other’ (or ‘Others’) can result in a ‘fusion of horizons’.¹⁶⁴ Such an inherently

¹⁵⁹ Embong, p.62.

¹⁶⁰ For example, see: Loh (2005), pp.46-47.

¹⁶¹ I recognize that my focus on expressions of the authority-defined ‘nation-of-intent’ may leave me open to claims that I am ignoring the potential for communal identities in Malaysia to be situational in nature. While I acknowledge that everyday-defined ‘nations-of-intent’ may be powerful, I argue that my reliance on a strategic-relational framework in this thesis appreciates this fact and allows me to avoid any reification of the state by appreciating how its practices are socially embedded. Furthermore, as Tricia Yeoh notes, state actors in Malaysia have played a historically important role in shaping what people think, for instance via policy statements. (Interview held in Shah Alam, Malaysia, 11 June 2009.)

¹⁶² Tønnesson and Antlöv, pp.37-38.

¹⁶³ Anderson (1999). Anderson understands the nation as having to be imagined by those who are part of it before it can be said to exist while Shamsul’s conceptualization of ‘nations-of-intent’ is of something that is not yet being imagined, at least not in its intended form, by the great majority of its constituents.

¹⁶⁴ Hans George Gadamer (2004) [1960]. *Truth and Method*. London: Continuum; pp.301-306.

historical and dynamic style of reasoning conforms well to the strategic-relational approach outlined above, in terms of better understanding both how the authority of state actors is contingent upon a balance of socio-political forces which are embedded within a particular history and culture as well as why certain groups and practices might be privileged over others. Finally, this approach allows for a greater consideration of the role of ‘the traditional’ in processes of collective identity formation by highlighting the power of cultural resources in constituting a pool from which political actors can draw selectively in order to legitimate themselves; one which allows certain discourses on national identity (but not others) a normative purchase. That is, while there is some leeway for the purposive attempt of political actors to alter existing ideational frameworks and boundary definitions, it is important to note that nation-state identities tend to remain sticky. Actors cannot simply construct new, modern identities at will; the choices available are constrained by past decisions on institutional forms and national models.¹⁶⁵

There is nothing automatic about any of this. The authority-defined perceptions of national identity are constructed out of the objective realities available to state actors and these objective conditions act to both constrain and enable the range of perceptual possibilities available to state actors.¹⁶⁶ An analysis of national identity construction, via discursive national ‘visions’ and actual state practices, offers an opportunity to identify the (potentially changeable) bases of legitimate political authority in a state and, therefore, the parameters within which the society-state-global dynamic can operate. Furthermore, such an approach also serves to illuminate both ‘improbably possible’ and ‘probably impossible’ future socio-political developments in this mutually constitutive dynamic. To be considered ‘legitimate’ modern ideas about political order need to resonate with existing identity constructions embedded in national institutions and political cultures. Moreover, a ‘nations-of-intent’ approach avoids simple dichotomizations that reduce complex and varied expressions of identity down to an ‘either-or’ choice (e.g., traditional vs. modern), instead allowing for the nuance of

¹⁶⁵ This implies a certain measure of path dependence while rejecting the single-direction models of modernization or convergence theses. While path dependence sees that it is difficult for a country to change course as a result of “historical ‘lock-in’ of the developmental path on which a collective identity is evolving” concerted collective action may be able to overcome any such lock-in. See: Daniel Allen (2010). “New Directions in the Study of Nation-Building: Views Through the Lens of Path Dependence”, *International Studies Review*, 12, pp.415-416.

¹⁶⁶ John Campbell and John Hall (2009). “National Identity and the Political Economy of Small States”, *Review of International Political Economy*, 16(4), p.554.

multiple and overlapping contentious identity debates, i.e., of degrees of ‘Otherness’.¹⁶⁷ Put simply, such a framework insists upon a dialogic rather than a dialectic interpretation of any (re)conceptualization of national identity.¹⁶⁸

The concept of ‘nations-of-intent’ is thus an analytically useful device for aiding our understanding of the society-state-global dynamic and any asymmetry that might be present. In the first place, a ‘nations-of-intent’ approach highlights the perpetual conversational process of renegotiating internal boundaries, recognizing that the real challenge postcolonial, multicultural states like Malaysia face in this regard is the realization of a middle ground between an ‘authority-defined social reality’ and the ‘everyday social realities’ propagated by various sub-national groups. So while national identity may be perceived by state actors as a “non-issue because its basis and content has been spelt out in a number of policy documents within the framework of the Malaysian constitution”, the fact remains that various groups within society have challenged and continue to challenge the authority-defined national identity.¹⁶⁹ In this way, the ‘nations-of-intent’ concept helps to view the general discourse(s) on national identity in a more positive light, “separating analytically the authority-defined nation-of-intent from the everyday forms of people at large, and how these two sets of nations-of-intent are articulated and how the state [actors] and people come to terms with that of the other.”¹⁷⁰ The basis of any such ‘nation-of-intent’ can thus be both historicized (where do the meanings associated with that identity come from and how do they come to be?) as well as contextualized (how does any one identity relate to others and to patterns of domination or hegemony?).¹⁷¹ Not only does a ‘nations-of-intent’ framework allow us to examine more closely how discursive (re)constructions of national identity are rephrased in the mobilization of popular sentiments but also, perhaps more importantly, how such discourses *can be* rearticulated given the embodied dispositions

¹⁶⁷ Jennifer Sterling-Folker and Rosemary Shinko (2005). “Discourses of Power: Traversing the Realist-Postmodern Divide”, *Millennium*, 33, pp.656-657. In a broad sense, a ‘nations-of-intent’ approach is genealogical in that it problematizes the popular modern bases of political authority by developing a concept of a ‘subjugated knowledge’ standing in opposition to officially sanctioned historiographic knowledge. Typical of a Foucauldian perspective, it acknowledges that power is mobile and contingent, particularly in the post-Renaissance period where “no one institution, field or discourse could claim undisputed access to the ‘truth’, and so groups that were trying to control or influence matters of state had to negotiated and gain support for their agendas, policies or ideas.” See: Danaher, *et al*, p.72.

¹⁶⁸ See ft. 131 above.

¹⁶⁹ Shamsul (1996a), p.323.

¹⁷⁰ Shamsul (1996a), p.347.

¹⁷¹ Of course, a particular ‘nation-of-intent’ may also ‘petrify’ for a while or at least remain relatively uncontested long enough to create the impression of immutability. But even in this instance reinstantiation is just as much a process as is transformation.

and structured positions of key actors in the face of pressures arising from sub- and supra-national sources.¹⁷²

At the same time, this framework allows us to comprehend how redefinitions of the authority-defined ‘nation-of-intent’ are also associated with shifts in Malaysia’s state-global interrelationship. In particular, the growing importance of global and regional economic connections in recent decades has provided the impetus for state actors to rescript national identity as part of a broader project of modernization.¹⁷³ As Tim Bunnell notes, “a perception of the economic importance of non-Malay transnational connections has served to reconfigure Malay-centered constructions of national identity.”¹⁷⁴ A ‘nations-of-intent’ approach captures not only the ways in which state actors have sought to project more multicultural images of Malaysia “as a discursive strategy for repositioning in regional and global networks” but it also illustrates how such transnational reconfigurations of Malaysian national identity might stir political tensions by “unsettling the very territorial claims upon which the Malay special position is founded.”¹⁷⁵ By problematizing both the society-state and state-global interrelationships and absorbing each dyad as part of a single, coherent model, a ‘nations-of-intent’ approach is thus ideally situated to account for any asymmetry that might exist within the society-state-global dynamic.

In this sense, the ‘nations-of-intent’ framework acknowledges that while modern state actors have been able to initiate highly particularistic constructions of ‘national’ identity, these have, nevertheless, been resisted by forces both above and below the state. Statecraft, the process by which “states forge the appearance of a unified domestic political community which they can then claim to legitimately represent through sovereignty”¹⁷⁶ is, therefore, ongoing. If domestic society is subject to frequent rupture along the lines of ethnicity, religion, class, etc., due to internal (predominantly but not wholly traditional/spiritual) and external (predominantly but not wholly modern/material) pressures so too are the bases of legitimate authority likely to

¹⁷² Tønnesson and Antlöv, p.38.

¹⁷³ Tim Bunnell (2002). “(Re)Positioning Malaysia: High-tech Networks and the Multicultural Rescripting of National Identity”, *Political Geography*, 21, p.111. See Section 6.9 for more detail.

¹⁷⁴ Bunnell, p.111.

¹⁷⁵ Bunnell, p.112. Also: Shamsul (1996a), p.347.

¹⁷⁶ John Hobson (2002). “What’s at Stake in ‘Bringing Historical Sociology Back into International Relations? Transcending ‘chronofetishism’ and ‘tempocentrism’ in International Relations”, in, Stephen Hobden and John Hobson (eds.), *Historical Sociology of International Relations*. Cambridge: Cambridge University Press; p.37.

experience repeated fracturing. Accordingly, the ethical bases of the state, upon which the social construction of legitimate political authority is erected, must be constantly ‘rewritten’ as a consequence of the society-state-global dynamic.¹⁷⁷ What has been transpiring in Malaysian politics, certainly since independence but especially since the end of the 1990s, is paradigmatic of this phenomenon and reveals an active and engaged struggle to attach meaning to the noun ‘Malaysia’ and its correlate ‘Malaysian’. To be ‘political’ means to be potentially changeable and it is within the struggles between competing interpretations of a ‘national’ identity that we are able to discover the “contention and competition [and even consensus] among a proliferation of different voices from various social, political and economic sites.”¹⁷⁸

1.7 Discourses on ‘Malaysia’: A Research Design

In order to explore the interrelationship between the state, the global and domestic social forces I will employ a discourse analysis of historical (re)conceptions of national identity in ethnically and religiously heterogeneous Malaysia. The primary discourse that will inform my research project involves the interrogation of the boundary between ‘inside’ and ‘outside’ within any (re)conception of national identity; in other words, the discourse involved in actively (re)defining the boundaries of the imagined community called Malaysia. In particular, I am concerned with the historic and on-going state struggle to produce and project an appropriate discursive image of the nation in the form of the authority-defined ‘nation-of-intent’.

As noted in the introductory chapter, discourses are systems of signification which construct social realities and act as structures inasmuch as they allow people to identify and differentiate between things by giving them taken-for-granted qualities. Both Christian Reus-Smit and Mlada Bukovansky agree that establishing and maintaining legitimacy is a discursive phenomenon, the nature of which “will depend heavily upon the prevailing architecture of social norms, upon the cultural mores that govern appropriate forms of rhetoric, argument, and justification.”¹⁷⁹ In my case study, discursive representations of national identity in Malaya/Malaysia have, over time, rendered complex relationships between the national and the global understandable. However, any choice of discursive representation is far from innocent; while distinct

¹⁷⁷ Hobson (2002), p.38.

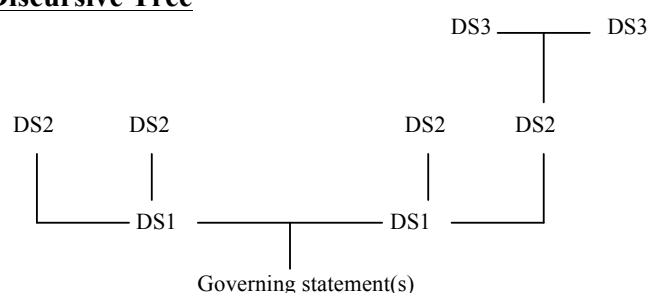
¹⁷⁸ Sterling-Folker and Shinko, p.657. See also: Hobson (2002), pp.37-39.

¹⁷⁹ Reus-Smit (2007), p.163. Also: Bukovansky (2007), pp.178-179.

discursive contexts make certain interpretations of ‘the national’ imaginable and particular policy responses plausible, they always remain subject to contestation. Again, it is important to remember that discourses not only work to define and to enable, but also to silence and to exclude. As such, we have a theoretical obligation to consider not only the dominant discourse(s) but, also, to recognize that such discourses might be malleable where they run into other discourses within a discursive field in which meaning is contested.

As noted above, the presence of rival discourses within a country does not mean, however, that they must be totally opposed in every respect. In order to provide a more sophisticated account of the shape of the discursive field within which discourses on national identity operate I rely on the work of Michel Foucault. Employing the metaphor of a tree with roots, trunks and branches, Foucault suggests a process of derivation whereby the particular conditions of concepts stem from very general principles (the ‘governing statements’) to form a discursive tree (Figure 2).¹⁸⁰

Figure 2: A Discursive Tree



NB: DS = derived statements (discourses and sub-discourses). Numbers indicate a new level of detail derived from the previous level.

Such a view of the discursive field allows for the flexibility and adaptability of a discourse in that changes can occur at different levels of depth (DS2 or DS3, for instance) without the governing statements being destabilized. Rival discourses might just differ from each other on one single point, while they agree in other respects (at deeper levels). Once more, a fundamental disagreement might also, in principle, be an expression of a ‘national’ feature – geographical, geopolitical, demographic or historical factors could account for the shape of a particular discourse.

If specific discursive manifestations of national identity (‘nations-of-intent’) help legitimate certain policies and expressions of political authority then it is necessary to

¹⁸⁰ Foucault (1989), pp.146-147.

analyze how such identity constructions are possible in order to show how they can “impose particular constraints on which subjects can gain a legitimate if circumscribed presences and which...policies might in turn be meaningfully proscribed.”¹⁸¹ The discursive (in)stability of any identity construction – due to the presence of multiple, potentially competing, ‘nations-of-intent’ – becomes clearer once we recognize the range of Self-Other dichotomies which might be conceivable at any one time. It is worth remembering that while highly structured configurations of identity are possible the meaning of any identity remains inherently unstable and subject to destabilization; all identity constructions exist somewhere between absolute fixity and absolute non-fixity.¹⁸² The notion of a contact zone within which multiple ‘nations-of-intent’ interact promotes an ontology of national identity that appreciates ‘degrees of difference and Otherness’ in which the national Self may be constructed against a range of less-than-radical and diametrically opposed Others thereby helping to reconcile the tension between ‘traditional’ and ‘modern’ forms of identification.¹⁸³ This is not a given though and the same identity may be constructed differently by competing discourses as they each seek to link a particular term, e.g., ‘Malaysian’, ‘*bumiputera*’, ‘Muslim’, etc., to particular signs. Despite the fact that they may ostensibly refer to the same identity, such rival discourses can thus underpin opposing policies and socio-political actions.¹⁸⁴

In this sense, we need to pay careful attention to the interrelated concepts of ‘the realm of political action’ and ‘the social constituency of legitimation’. The former suggests that it is where an actor seeks to act that will determine where they need to seek legitimacy. The latter, as we have already seen, identifies the actual social grouping in which legitimacy is sought, ordained, or both.¹⁸⁵ Christian Reus-Smit argues that “the crucial thing is that for an actor to obtain a comprehensive legitimacy dividend, its

¹⁸¹ Lene Hansen (2006). *Security as Practice: Discourse Analysis and the Bosnian War*. Oxford: Routledge; p.37.

¹⁸² Ernesto Laclau and Chantal Mouffe (1985). *Hegemony and Socialist Strategy: Towards a Radical Democratic Politics*. London: Verso; p.111.

¹⁸³ Hansen, pp.37-41. Hansen argues not only that the national Self may be constituted against either a geographical or temporal Other but also asserts that the Other may be “situated within a web of identities rather than in a simple Self-Other duality.”

¹⁸⁴ An instructive example is the competing ontological constructions of the indigenous inhabitants of the New World by Spanish colonialists. Although the rival discourses of Cortés and Las Casas both regarded the Indian ‘savage’ as an Other to be transformed, Cortés considered native Americans to be non-human and beyond Christian redemption whereas the priest Las Casas saw them as human but heathen and therefore open to salvation. The dissimilarity between the two vis-à-vis the ontological identity of this ‘Other’ led to each advocating a radically different policy to be carried out: Cortés believed that annihilation was a legitimate course of action while Las Casas held that it was the responsibility of the Spanish to convert native Americans into Christians. See: Tzvetan Todorov (1992). *The Conquest of America: The Question of the Other*. New York: Harper Perennial and Hansen, pp.41-43.

¹⁸⁵ Reus-Smit (2007), p.164.

realm of political action and its social constituency of legitimation need to be coextensive, or at least approximate one another.”¹⁸⁶ As we shall see, however, this is frequently not the case, especially for postcolonial state actors, as attempts to manage the mutually constitutive dynamic depicted in Figure 1 by articulating a particular vision of ‘national’ identity may result in a potential disjuncture between the realm of political action and the community in which state actors actually seek/command legitimacy.

Conclusion

At the center of this thesis lies the notion that state, society and the global exist as part of a mutually constitutive dynamic and that the terms of this interrelationship are best reflected by the ways in which national identity has been articulated and performed over time. On one hand, the nature of state-society relations helps determine the shape of political authority within a state, conditioning the ways in which global processes are diffused domestically. At the same time, it is evident that the social, political and economic dimensions of the global can help transform the structure of the state; for example, by shaping a set of prudent economic and social policies designed to appease footloose multinational investors.¹⁸⁷ The evolving interrelationship between domestic society, state and the global changes over time and compels socio-political actors to regularly develop new ways of ‘playing the game’. This, in turn, facilitates the need for new discursive expressions of national identity that broadly resonate with country-specific key constituencies and upon which the exercise of political authority may once again be successfully legitimized. In this sense, any re-scripting of national identity is more than mere window-dressing.

Building upon this research design this thesis aims to sketch the historically discursive iterations of Malaysian national identity (‘nations-of-intent’) that have evolved over time. These have been utilized in order to ground the practices of political authority in that country within and through which the socio-political and economic dimensions of the global not only operate but also modify and/or recreate. First, in a very basic sense, this process demonstrates how contemporary debates in Malaysia over national identity

¹⁸⁶ Reus-Smit (2007), p.164.

¹⁸⁷ As previously noted, while I certainly do not mean to deny that states may be increasingly constrained by the requirements imposed upon them by economic liberalization I nonetheless maintain that however much a state may orientate themselves towards the global they still remain rooted in a domestic constituency.

and legitimate political authority are structured by past decisions vis-à-vis the root principle(s) upon which the Malaysian nation-state has traditionally been based. In a more sophisticated sense this reinforces the Foucauldian notion that potential changes *in* discourse do not necessarily signify a complete change *of* discourse.¹⁸⁸ Second, it provides the conceptual latitude necessary to capture the possibility of both convergence and divergence occurring between rival ‘nations-of-intent’ at different levels of Malaysian society, highlighting the notion of a contact zone within which degrees of Otherness and the mix of the traditional and modern may be evident. Third, non-elite and/or subjugated discourses are included and by acknowledging the consensus/dissensus surrounding official ‘visions’ of national identity, this allows for a much thicker conceptualization of *how* the society-state-global interrelationship *can* actually operate. Finally, by eschewing any notion of predictable evolutionary change this research design stresses the contingent nature of political action and outcomes, emphasizing the importance of political agency and the “political production and reproduction of discourses and the identities constructed within them.”¹⁸⁹

The remaining chapters of this thesis are devoted to the task of tracing the historical discourses and sub-discourses surrounding (re)conceptions of national identity in Malaysia.¹⁹⁰ Doing so will allow me to arrive at a more nuanced understanding of the ways in which the society-state-global interrelationship operates in a postcolonial context. Chapter 2 provides a sense for where the ‘governing statement(s)’ of independent Malaya’s/Malaysia’s national identity discourse came from and how this was both internally and externally influenced. By exploring the pre-colonial and colonial period in Malaysia, this chapter thus supplies the necessary historical grounding for and understanding of long-standing Malaysian ‘nations-of-intent’.¹⁹¹ Chapters 3 and 4 deal with the early independence period (1957-1980), when the interrelationship between domestic society, state and the global could be said to be in its infancy as the dynamic was skewed toward the society-state interrelationship. Nevertheless, the period neatly highlights the formative steps taken by state actors as they sought to create a genuine sense of national identity within the constraints set by domestic and international structures and sets the scene for the more ‘mature’ operation

¹⁸⁸ Foucault (1989).

¹⁸⁹ Hansen, p.21.

¹⁹⁰ I achieve this via a combination of secondary sources and semi-structured interviews along with some primary material.

¹⁹¹ Looking at the discursive tree in Figure 2, these would be the first ‘branch’ of derived statements (i.e., DS1).

of the society-state-global dynamic in more contemporary times. The final two empirical chapters cover the period from roughly the start of the 1980s up until 2011 when explosive economic growth, fueled primarily by Malaysia's engagement with the global political economy, had distinct ramifications for state-society relations. As we shall see, the (in)ability of the state to 'govern the market' during this time had a clear influence on the means by which the state could seek to legitimate itself, particularly in terms of a national identity, which then fed back into the state's relationship with the global.

Chapter Two – Imagining Malaya: From Colony to Nation-State.

Introduction

Every year on August 31st, Malaysia celebrates its independence with a Grand National day parade in the center of the capital, Kuala Lumpur. All ethnic groups identified under the national census are invited to participate and parade their ethnic identity in fancy dress for the assembled dignitaries and onlookers. This spectacle of difference aptly reflects the strange conduct of ordinary politics in Malaysia. Since gaining independence in 1957 Malaysia has been characterized by a “rather peculiar political landscape...which has been ruled by the same ruling coalition of right-of-centre, ethno-nationalist conservative parties that are ideologically similar to each other but which remain differentiated by virtue of the ethnic and religious backgrounds of their respective constituents and supporters.”¹ To understand how this unusual situation came about and why it continues to persist we must first interrogate how the logic of ethnic and/or religious difference has been internalized and uncritically accepted in postcolonial Malaysia.²

The goals of this chapter, in the context of the overall intent of this thesis, are thus twofold. The first is to enquire how ethnic categorizations and distinctions became embedded in the socio-political and economic environment of Malaysia prior to independence. That is, where did the ‘governing statement’ that underpins discourses on Malaysian national identity come from and how might it represent a ‘modernizing-traditional’ fusion? The extent to which ethnic or racial differentiation has achieved hegemony in contemporary Malaysia can be traced directly to that point in time when the very idea of ‘race’ appeared in Southeast Asia. Once again, a strategic-relational approach prompts us to examine how certain socio-political practices became privileged over others. By providing an anthropology of how ethno-racial divisions were institutionalized and naturalized, particularly during colonial rule, we can thus better appreciate the social context within which the Malaysian state is rooted as well as the difficulties involved in any attempt to forge a common post-independence national consciousness. Secondly, by acknowledging

¹ Farish Noor (2009). *What Your Teacher Didn't Tell You: The Annexe Lectures (Vol. 1)*. Petaling Jaya: Matahari; p.60.

² For a critique of this tendency towards ‘ethnicized knowledge’ in Malaysia, see: Shamsul (1996a), pp.346-347. Also: Etienne Balibar (1990). “The Nation Form: History and Ideology”, *Review (Fernand Braudel Center)*, 13(3), pp.329-361.

the genesis of the national imaginary and, in particular, the relationship between nationalism and ethnicity in pre-independence Malaysia I will provide a basis of comparison for later (re)configurations of state-society relations and, thus, a deeper understanding of how and why particular reverberations of ‘the global’ proved (im)possible in the postcolonial period. Again, the evolution of discursive representations of Malaysian national identity as a consequence of the interaction between multiple, overlapping ‘nations-of-intent’ is both reflective of and informed by the society-state-global dynamic pictured in Figure 1. It must be stressed, however, that a survey of the pre-independence political history of Malaysia is not intended to simply present an ‘original position’ from which later expressions of national ideology and political legitimacy evolved. By illuminating the historical presence of what Farish Noor refers to as ‘the Other Malaysia’ I will also indicate how alternative political conceptualizations – ‘nations-of-intent’ – have long resisted and continue to resist the governing principles of mainstream political competition in Malaysia.³

While the global context may seem relatively understated in this chapter, it is critical to remember that nationalist stirrings in the postcolonial world were often promoted by the transformation of the international system in the modern period. Among other historical shifts, this time period saw European states establish colonial empires, which in their form and practices engendered resistance from colonized peoples.⁴ As we shall see, the specific structures and practices of British colonialism played a key role in shaping conceptualizations of the ‘national community’ in Malaya/Malaysia. That is, the underlying logic of nationalism is that notions of identity, political loyalty and political action are based on membership within a national community. As an ideology, nationalism provides the framework within which this community can be organized and, therefore, it guides the appropriate political form such a collective can assume. This normative dimension of nationalism thus dictates that we first consider its emergence within the colonial context if

³ Farish A. Noor (2002). *The Other Malaysia: Writings on Malaysia's Subaltern History*. Kuala Lumpur: Silverfish Books.

⁴ This gave rise to the paradoxical situation where “nationalism, the doctrine that proclaims the separateness of peoples...spread because of, and in reaction against, the international and globalizing trends of the past two hundred years.” See: Fred Halliday (2005). “Nationalism”, in, John Baylis and Steve Smith (eds.), *The Globalization of World Politics: An Introduction to International Relations* (3rd Ed.). Oxford: Oxford University Press, p.523.

we are to accurately chart how postcolonial conceptualizations of ‘the nation’ and political community eventually took shape.

I recognize that my use of the term ‘postcolonial’ is instantly problematic inasmuch as it assumes that the phenomenon of colonialism necessarily carries a certain critical weight while simultaneously excluding other categories that might be salient to a discussion of historical change. However, the degree to which state actors continue to refer to the colonial period in their understandings of Malaysia’s contemporary socio-political context concede its appropriateness as a initial category of analysis for this thesis. Despite the existence of competing evaluations of the colonial period within current political debates in Malaysia over what constitutes identity and ethnicity, it is widely agreed that “the political period of colonialism both ruptured continuity with the past and critically determined the shape of what followed.”⁵

That is, unable to imagine an altogether new structure, the framers of many postcolonial states ensured that colonial difference became postcolonial difference. As the project of modernity in found its roots in the workings of the colonial state, rival conceptions of collective identity (‘nations-of-intent’) had to negotiate with the history of colonialism. For this reason, it has been common for subordinate groups to identify continuities between the colonial and postcolonial state deployment of disciplinary power.⁶ The specific history of the colonial state is thus of crucial interest to the study of the modern postcolonial state because it “reveals what is only hidden in the universal history of the modern regime of power” and represents a move towards theorizing “new forms of modern community” and “new forms of the modern state” beyond the “Western universalism” versus “Oriental exceptionalism” debate.⁷ The incomplete nature of official expressions of the ‘nation-of-intent’, revealed by various ‘fragmented resistances’, demands an exploration of the larger

⁵ C. W. Watson (1996). “The Construction of the Post-Colonial Subject in Malaysia”, in, Stein Tønnesson and Hans Antlöv (eds.) *Asian Forms of the Nation*. Richmond: Curzon Press; p.302.

⁶ Partha Chatterjee (1993). *The Nation and its Fragments: Colonial and Postcolonial Histories*. Princeton: Princeton University Press; p.26.

⁷ Chatterjee, p.33 & p.13. Khoo observes that in this case Western universalism presupposes that forms of nationalism in postcolonial states mirror the forms of nationalism that first emerged in the West. In contrast, Oriental exceptionalism would “therefore be the unique, anticolonial nationalism emerging from the East that would challenge the hegemonic notion of Western universalism.” Khoo Gaik Cheng (2006). *Reclaiming Adat: Contemporary Malaysian Film and Literature*. Vancouver: University of British Columbia Press; ft.11 on p.221.

historical frame. Understanding the nature of the society-state-global interrelationship in the postcolonial context therefore requires an explanation of how colonial institutions and logics structured the postcolonial state as well as evolving conceptualizations of the national community. Again, a strategic-relational approach compels us to account for why any particular form of national identity emerges.

In the case of Malaysia, the configuration of the postcolonial nation and the possible shape of the nationalist project were determined by the colonial processes of ‘othering’. In particular, the prevalence of ethnic forms of identification, rooted in and nurtured under external rule, made the likelihood of an inclusive *Malaysian* collective national identity something of a long shot after independence.⁸ This has resulted in a paradoxical phenomenon whereby the practices of state actors have frequently reinforced ethnic identities even as they have sought to create the image of a unified nation; ethnicity is “embedded in constructions of those who rightfully ‘belong’ in the nation.”⁹ Sheila Nair suggests that colonial structures of domination in Malaysia shaped the discursive development of nationalist ideology by provoking the colonized to reclaim exclusivist notions of the ‘authentic self’.¹⁰ The repercussions of such historical struggles continue to manifest themselves in modern articulations of socio-political identity. The practice of using ethnic identity as a marker to divide people means that “who belongs and under what conditions and on whose terms are among the questions that continue to divide Malaysians.”¹¹ In this sense, contemporary socio-political developments in Malaysia both rely on and determine how the colonial past is interpreted; the modern and the traditional are intimately linked. Different interpretations of history, centered around separate ‘nations-of-intent’, are not mutually exclusive and thus making sense of the ways in which they have competed, combined and diverged over time is critical in understanding the articulation of a national ideology and the operation of the society-state-global dynamic.

⁸ Sheila Nair (2009). “Colonialism, Nationalism, Ethnicity: Constructing Identity and Difference”, in, T.G. Lim, Lim Teck Ghee, Alberto Gomes and Azly Rahman (eds.), *Multiethnic Malaysia: Past, Present and Future*. Petaling Jaya: SIRD; p.78.

⁹ Nair (2009), p.79. The best example of the official image of contemporary Malaysia is the government’s multi-million dollar ‘Malaysia, Truly Asia’ tourism advertising campaign which highlights the country’s cosmopolitan composition as “[a] bubbling, bustling melting pot of races and religions...[which] live together in peace and harmony”. See: www.tourism.gov.my, accessed 3 July, 2012. As A.B. Shamsul trenchantly notes, this allows the Malaysian government to transform a negative sense of disunity into a far more lucrative sense of diversity. (Interview held in Kuala Lumpur, Malaysia, 9 June 2009.)

¹⁰ Nair (2009), pp.83-84.

¹¹ Nair (2009), p.85.

2.1 *The Pre-Colonial and Early Colonial Period*

The most important feature of the Malaysian socio-political context lies in the heterogeneous nature of the population and the propensity for political issues to assume a communal hue.¹² Although the role played by European colonialization in this respect was significant, the origins and, to an extent, the specific tone of Malaysian society pre-date the arrival of the British and the expansion of colonial socio-political structures and policies. The cosmopolitan environment which characterized Malacca during its heyday in the fifteenth century has been well-noted as has the large-scale and sustained migrations of Chinese and non-Muslim Indians which began in the eighteenth and mid-nineteenth centuries, respectively.¹³ Supplemented by migrants from the Indonesian archipelago, the phenomenon of pre-colonial immigration helped to irrevocably shape the socio-political contours of the future Malaysia. The sense of a separate identity among the various communities living on the Malayan peninsula cannot, therefore, be attributed to a single element. As we shall see below, the colonial policies of the British certainly played their part in the development of the plural society but it is important to at least be mindful that other factors were also in play in influencing the nature of interethnic socialization.

For Khoo Kay Kim, the crux of the problem lay in the fact that “the immigrants derived from two major civilisations which, in turn, differed significantly from the more basic Malay civilisation.”¹⁴ Although pre-existing indigenous forms of socio-political and cultural structures and norms had long absorbed Indic and Sinic influences, synthesizing and creating culturally ‘compound’ structures, these were still sufficiently alien to the Chinese and Indians who arrived there in modern times. These cultural differences were further exacerbated by linguistic and religious differences, primarily with respect to Islam.¹⁵ The social, ethno-cultural needs of immigrants therefore produced a tendency for co-religionists and/or ethnically similar individuals to converge in a particular locality with

¹² H. Ahmad (1989). “Malaysia: Quasi Democracy in a Divided Society”, in, L. Diamond, J.J. Linz, and S.M. Lipset (eds.), *Democracy in Developing Countries (Vol. 3): Asia*. Boulder: Lynne Rienner Publishers; p.351.

¹³ See: Khoo Kay Kim (2009). “The Emergence of Plural Communities in the Malay Peninsular Before 1874”, in, T.G. Lim, Lim Teck Ghee, Alberto Gomes and Azly Rahman (eds.), *Multiethnic Malaysia: Past, Present and Future*. Petaling Jaya: SIRD; pp.11-31.

¹⁴ Khoo (2009), p.22.

¹⁵ Very few Chinese were Muslims and although Indian Muslims were quite numerous they were of the Hanafiah rather than the Shafiah sect of Sunni Islam to which most Malays belong.

community life often revolving around places of worship or association. While some social mingling between different ethnic and/or religious communities did occur, this contact was generally too superficial to surmount the barriers that stood in the way of genuinely interethnic communication and relations.¹⁶ This physical separation, while not rigidly compartmentalized, was further encouraged by the economic development beginning in the mid-nineteenth century, which saw occupational specialization based on similarly ethnic lines.¹⁷

The addition of an external element, the British, to this internal mix further complicated matters and provided the impetus for more concrete notions of identity and difference. Anthony Milner has persuasively argued that the British were responsible for the ‘invention of politics’ amongst the colonial Malayan elite.¹⁸ Conceptually, however, we must recognize that the processes involved in such invention were necessarily preceded by ‘the invention of identity’ in the form of Social Darwinistic racial-ethnic categories. While the colonial administration may not have deliberately designed the socio-political environment that existed prior to their arrival, British needs and actions, devoid of any real sense of Machiavellian cunning, clearly moulded the domestic politics of Malaya’s plural society beyond what could be realistically attributed to innate cultural orientations and organizational capabilities.¹⁹ It was British economic considerations that gave rise to the large-scale migration of Chinese and Indian labour in the early twentieth century to cater for the demands of the new export industries which, in turn, boosted the processes

¹⁶ See Khoo (2009), pp.22-27. Beyond the classic Furnivallian image of the marketplace, English-medium schools, government offices, non-ethnic clubs and sports activities allowed for some social interaction between the various different communities. These, however, paled in comparison to the incidence of exclusivist religious institutions and social organizations supplemented by the presence of vernacular schools and publications. See: John S. Furnivall (1939). *Netherlands India: A Study of Plural Economy*. Cambridge: Cambridge University Press and John S. Furnivall (1948). *Colonial Policy and Practice: A Comparative Study of Burma and Netherlands India*. Cambridge: Cambridge University Press.

¹⁷ In a broad geographical sense, Malays were largely rural and located in places devoid of large-scale mining or commercial agricultural activity, the Chinese were to be found in mining zones and Chinese-owned plantations and the Indians in European-owned estates. On a smaller scale, such separation also occurred in urban areas with major towns possessing distinct ethnic quarters.

¹⁸ Anthony Milner (1994). *The Invention of Politics in Colonial Malaya*. Melbourne: Cambridge University Press.

¹⁹ For accounts of the variety of colonial policy positions and their almost serendipitous formulation under the British administration see: Albert Lau (1991). *The Malayan Union Controversy 1942-1948*. Singapore: Oxford University Press and A. J. Stockwell (1984). “British Imperial Policy and Decolonization in Malaya, 1942-1952”, *The Journal of Imperial and Commonwealth History*, 13(1), pp.86-87.

highlighted above.²⁰ The ensuing division of labour that first emerged in the colonial economy saw a distinct convergence of economic function and ethnic identity across the three principal sectors (agriculture, rubber and tin), in effect, producing the ‘Malay’ peasant, the ‘Indian’ plantation labourer and the ‘Chinese’ coolie.²¹ This essentialist colonial division would eventually colour perceptions of ethnic difference in an independent Malaya as “[e]conomic specialization created few opportunities for social interaction.”²² By solidifying and entrenching the sense of communal identity, British policies further cemented an oppositional hierarchy that strictly delineated and separated each community from the others.²³

Benedict Anderson has noted the profound ways in which the use of the colonial census helped shaped the way in which “the colonial state imagined its dominion [and] the nature of the human beings it ruled.”²⁴ Periodic colonial censuses taken in Malaya between 1871 and 1931 demonstrate “a clumsy awareness of the existence of diversity and alterity among the peoples of Southeast Asia, but also a tenacious insistence on bringing these diverse communities together under general headings like ‘Malay races’, etc.”²⁵ Several things occur in this regard as the colonial period wore on. First, the census categories become more and more visibly racial/ethnic in nature while simultaneously becoming more abstract and all-encompassing.²⁶ Whereas in 1871 there are seven sub-categories included as part of the ‘Malay’ Races and no Chinese or Indian sub-categories listed by 1931 there are eighteen ‘Malay’ subcategories listed along with eight Chinese ‘tribes’ and ten Indian ‘races’ despite the fact that very few of the members of these groups would have

²⁰ C.H. Enloe (1970). *Multi-Ethnic Politics: The Case of Malaysia*. San Francisco: University of Berkeley Press; p.14. The situation and status of immigrant Chinese and Indian labourers was often very different with most Chinese entering Malaya of their own accord while most Indians arrived as indentured labour. See also: Charles Hirshman (1986). “The Making of Race in Colonial Malaya: Political Economy and Racial Ideology”, *Sociological Forum*, 1(2), p.346.

²¹ Nair (2009), p.86.

²² Nair (2009), p.87.

²³ Noor (2009), p.69.

²⁴ Benedict Anderson (2003). *Imagined Communities (Revised Edition)*. Pasig City: Anvil Publishing; p.164.

²⁵ Noor (2009), p.75. See also: Charles Hirshman (1987). “The Meaning and Measurement of Ethnicity in Malaysia: An Analysis of Census Classifications”, *Journal of Asian Studies*, 46(3), pp.555-582 and Hirshman (1986), pp.164-166.

²⁶ Anderson (2003, pp.164-165 & 170) observes that religious identity gradually disappeared as the primary census classification although there were frequent endeavours to force a better alignment of ethnic and religious communities. In Malaya this was rendered relatively easy with the fact that most Malays were Muslim; ‘Islamic’ became to mean the same as ‘Malay’. As we shall see below, after independence certain political groupings in Malaysia strove to reverse this logic by reading ‘Malay’ as shorthand for ‘Islamic’.

recognized themselves under such labels.²⁷ The need for the colonial administration to classify in order to control underlay their desire for absolute clarity. They would not tolerate “multiple, politically ‘transvestite’, blurred, or changing identifications...[t]he fiction of the census is that everyone is in it, and that everyone has one – and only one – extremely clear place. No fractions.”²⁸ While each separate community made space for the strange subcategory of ‘Others’, under no circumstances was each to be confused with the ‘Others’ of others.²⁹ The net result, therefore, of the colonial censuses was to intensify ethnic cleavages and to render ethnic identification problematic for those being categorized; one could not potentially straddle ethno-linguistic-cultural boundaries but instead had to choose to be Malay *or* Chinese *or* Indian.³⁰

Other effects of colonial rule had a similar role in creating the foundation for Malaysia’s socio-political landscape and discourses of national identity. Due to the nature of the treaties the British had signed with the Malay sultans, the peninsular states remained legally ‘Malay states’ in character despite the *de facto* power exercised by British advisors. On the one hand, this encouraged the British to adopt a laissez-faire attitude towards the political situation of Chinese and Indian immigrants, denying them “citizenship or other rights beyond the normal safeguards to life and property for fear of arousing Malay opposition.”³¹ On the other hand, British policies which sought to ‘protect’ the Malays by ensuring that they remained involved in their traditional agricultural activities reinforced their separation from the other communities according to functional specialization, ethnic origin and

²⁷ Hirshman (1987), p.565 & p.569. Many of the ‘Malay’ races given include peoples whose origins lay outside of the colonial boundaries of British Malay in the Dutch East Indies. Needless to say, Dutch census-makers were engaged in their own different construction of imagining their ‘Malays’ in what would become Indonesia. See: Anderson (2003), p.165.

²⁸ Anderson (2003), p. 166. See also: Noor (2009), pp.78-79. Noor makes special mention of the *Peranakan* (mixed descent) communities that had settled in the archipelagic areas of Southeast Asian five centuries before the arrival of modern forms of colonial rule. Although originally of foreign origin, these communities were “thoroughly Southeast Asian in language, manners, culture and values by the 19th century.”

²⁹ Anderson (2003), p. 166.

³⁰ Of course, in many instances this ‘choice’ was not made by the individual themselves but rather by the colonial administrator. This colonial legacy of ethnic categorization persists today in every official or semi-official interaction in Malaysia, which forces individuals to identify themselves according to four categories: ‘Malay’, ‘Chinese’, ‘Indian’ or ‘Other’.

³¹ Cheah Boon Kheng (2009). “Race and Ethnic Relations in Colonial Malaya during the 1920s and 1930s”, in, T.G. Lim, Lim Teck Ghee, Alberto Gomes and Azly Rahman (eds.), *Multiethnic Malaysia: Past, Present and Future*. Petaling Jaya: SIRD; p.35.

culture.³² Colonial policies, therefore, not only defined the division between colonizer and colonized but simultaneously shaped ethnic boundaries and the construction of “an indigenous self in opposition to an alien and immigrant ‘internal’ other, typically the Chinese.”³³

Colonial policies towards religion similarly acted to segregate the different ethnic communities and the origins of Malaysia’s contemporary system of state Islam do not “lie in the mists of the pre-colonial past [but] instead...can be found in ways in which the colonial project unfolded.”³⁴ Islam was the symbol of the unity of the Malays and a core element of their cultural identity. Realizing that Malay cooperation would be impossible if Islam appeared to be threatened, the religious policies of the British were aligned with the colonial administration’s general approach, which sought to protect the Malays from alien exploitation and the challenges posed by the modern world.³⁵ For the Malays, formal British recognition of the special position of Islam “symbolized that the country was legitimately theirs...[and distinguished] between those who were believed to have legitimate domicile rights and those who should properly be excluded from participation in the political system because they were deemed to be ‘aliens’.”³⁶ Administered by traditional political elites, the overwhelmingly conservative and parochial nature of Islam on the Malayan peninsula for much of the colonial period only reinforced the colonial government’s general policy of ‘protection’, further insulating the Malays from the processes of modernization.³⁷

³² William Roff (1967). *The Origins of Malay Nationalism*. New Haven and London: Yale University Press, p.111; Lim Mah Hui (1985). “Affirmative Action, Ethnicity and Integration: The Case of Malaysia”, *Ethnic and Racial Studies*, 8(2), p.252; J. Faaland, J.R. Parkinson and R. Saniman (1990). *Growth and Ethnic Inequality: Malaysia’s New Economic Policy*. London: Hurst and Company, pp.5-8 and; J.V. Jesudason (1989). *Ethnicity and the Economy: The State, Chinese Business, and Multinationals in Malaysia*. Singapore: Oxford University Press, pp.36-38.

³³ Nair (2009), p.87.

³⁴ Joel S. Kahn (2006). *Other Malays: Nationalism and Cosmopolitanism in the Modern Malay World*. Singapore: Singapore University Press, p.85.

³⁵ Gordon Means (1969). “The Role of Islam in the Political Development of Malaysia”, *Comparative Politics*, 1(2), p.276.

³⁶ Gordon Means (1978). “Public Policy Toward Religion in Malaysia”, *Pacific Affairs*, 51(3), p.386. Islamic restrictions on inter-marriage and other ritual mechanisms further preserved the social distance between the Malays and other ethno-religious communities. See: Clive S. Kessler (1992). “Archaism and Modernity: Contemporary Malay Political Culture”, in, Joel S. Kahn and Francis Loh Kok Wah (eds.), *Fragmented Vision: Culture and Politics in Contemporary Malaysia*. Honolulu: University of Hawaii Press, p. 139.

³⁷ It was not until the end of the interwar period when new religious currents from the Middle East gave rise to the ‘modernist’ *Kaum Muda* (Young Faction) that the role of Islam in Malay life began to change. See 3.3 and 3.4 below.

Given that the British stripped the traditional Malay rulers of much of their powers in most other areas of governance, the sultans relished the authority left to them to regulate Islamic practices within their individual states. Contrary to accounts that identify the enforcement of Islamic observance by the state as either a feature of contemporary governance or as long-standing feature of traditional rulership, such practices were the direct result of colonial modernization. British rule therefore served to “promote a very visible Islamicisation of social and political life” and the notion of an Islamic state was therefore largely “driven by the British rulers who apparently saw no contradiction between political modernisation on the one hand and the enforcement of religious observance by a religious bureaucracy on the other.”³⁸ The political relationship between the Malay rulers and those they ruled included the concept of an embedded Islam. This religious focus subsequently informed the ideal image of much Malay nationalist discourse and added a further level of differentiation from non-Malays.

By discursively, economically, religiously and geographically differentiating their colonial subjects the British were then able to act as a type of Hobbesian leviathan, holding together the disparate ethnic strands in such a way as to efficiently maintain the control required to maximize the profits generated by the colonial economy.³⁹ Maintaining a parallel existence within the colonial framework in which “most members of the different ethnic groups were not in economically competitive roles and therefore not directly in conflict with each other” lessened the potential for interethnic tensions during the early period of the British colonial administration. Internal state-society relations were thus manipulated so as to ensure Malaya’s economic contributions to the Empire continued unimpeded; the experience was very much one of ‘outside-in’ in terms of the interrelationship outlined in Figure 1 above.⁴⁰

This situation began to change in the early decades of the twentieth century, however, as a combination of greater competition for scarce resources and the lop-sided communal policies of the British became more apparent. Increasingly, internal economic and political

³⁸ Kahn (2006), pp.86-87. As will be shown below, more contemporary articulations of Islamization, particularly within the Mahathir years, were not incompatible with Malaysia’s historical religio-political traditions.

³⁹ Raymond L.M. Lee (1990). “The State, Religious Nationalism, and Ethnic Rationalization in Malaysia”, *Ethnic and Racial Studies*, 13(4), pp.484-485. (482-502)

⁴⁰ Cheah (2009), p.35.

considerations compelled individuals to perceive of themselves in terms of a common group (ethnic) identity where perhaps more diverse cultural, ethnic and religious categorizations had previously been the norm.⁴¹ Once consolidated, such racial categories became meaningful to social actors and “‘difference’ as a defining mode of everyday existence, as opposed to top-down ‘homogenising schemes’, dominated the mind and practical life of the populace.”⁴² As an expression of ‘the global’, colonialism, therefore, progressively institutionalized new statuses in society that not only saw the Malays subordinated politically but also simultaneously denied them the benefits and potential status that could be derived from success in a market economy that was predominantly export orientated. The only compensation the Malays received was frequent assurances from the British that, as a consequence of their status as the indigenous inhabitants of the land, they would enjoy political paramountcy over the immigrant groups.⁴³

This may have somewhat assuaged Malay dissatisfaction over their sense of economic backwardness but it never completely vanquished their sense of deprivation in a land which they considered to be their own.⁴⁴ In many instances, too, it was evident that British actions were simply designed to perpetuate their rule and to counter any potential threat to the profits generated by the colony. Several scholars have noted how the apparently ‘pro-Malay’ economic policies of the British failed to adequately improve the lot of the average Malay.⁴⁵ To maintain ‘traditional’ feudal socio-political and religious structures, the

⁴¹ Cheah (2009), p.36. Ironically, it was the 1931 colonial census that made obvious the disproportionate effects of the British ‘open immigration’ policy in Malaya when it was recorded that the Malays no longer made up the majority in their own country. The 1940 census provided a similar picture, giving rise to the subsequent oft-repeated fear from Malay leaders that their community might be ‘swamped’ by Chinese and Indian migrants. See: Hirshman (1986), p.332 and Noor (2009), p.70. Malaysia’s longest serving Prime Minister, Mahathir bin Mohamad, argued that British colonial policies not only divided non-Malays from Malays but similarly split the Malay community along urban-rural lines. This rendered the Malays as a whole “more and more impotent politically and economically.” See: Mahathir bin Mohamad (2008) [1970]. *The Malay Dilemma*. Singapore: Marshall Cavendish, pp.40-45.

⁴² A.B. Shamsul (1996b). “Debating About Identity in Malaysia: A Discourse Analysis”, *Southeast Asian Studies*, 34(3), p.482.

⁴³ For instance, the British administration introduced legislation and/or enacted policies concerning immigration, land ownership, padi cultivation and the decentralization of political authority all of which served to limit potential sources of Malay resentment against British rule, often at the expense of the Chinese and Indian communities within Malaya. See: Cheah (2009), pp.37-42; Enloe (1970), pp.13-14 and; R.S. Milne (1981). *Politics in Ethnically Bipolar States: Guyana, Malaysia, Fiji*. Vancouver: The University of British Columbia Press; p.42.

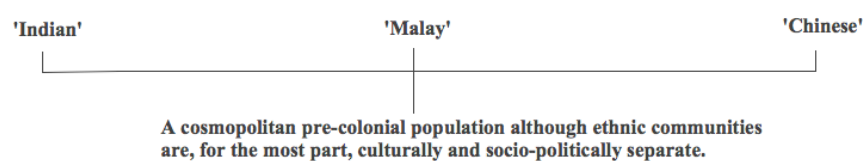
⁴⁴ Jesudason (1989), p.48.

⁴⁵ For example see: Lim Teck Ghee (1977). *Peasants and their Agricultural Economy in Colonial Malaya, 1874-1941*. Singapore: Oxford University Press; Collin Abraham (1977). *Divide and Rule: The Roots of Race*

British sought to shield the Malays from the dynamism of the modern economy by restricting their involvement in industrial / commercial projects as well as their access to capital. Rather than encouraging the fuller integration of the Malays into an increasingly modern society, the practices of the colonial state effectively segregated them from other communities.⁴⁶ Furthermore, the proclivity of the British to rely on the spectre of ‘Chinese interests’ in order to divert attention from their own failures and to deflect Malay opposition to their rule further contributed to ethnic polarization.⁴⁷ As the British administration became more and more concerned with the demands of rising Malay nationalism in the early to mid twentieth century it saw little reason to advocate racial integration and equal participation in government as this would have only worked “toward their speedy supersession.”⁴⁸

In summary, what we see towards the end of the late colonial period in Malaya is first the creation and then the sedimentation of distinctly different, if ill-defined, ethnic identities. Utilizing the framework outlined in Section 1.7 above, it is then possible to graphically represent such discursive developments as shown in Figure 3 below. This development forms the starting point for our anthropology of what would eventually become the governing statement for discourses on national identity in independent Malaysia.⁴⁹

Figure 3: An Anthropology of the ‘Governing Statement’ (Step 1)



Representations of the colonized population as not only different from (and lesser than) the British but also as different among themselves in terms of character traits and abilities

Relations in Malaysia. Kuala Lumpur: INSAN and; Rupert Emerson (1970) [1937]. *Malaysia: A Study in Direct and Indirect Rule*. Kuala Lumpur: University of Malaya Press.

⁴⁶ Kessler (1992), p. 139 and Cheah (2009), p.43.

⁴⁷ Lee (1990), p.485.

⁴⁸ Emerson, p.493 and Lim (1985), pp.252-253.

⁴⁹ While this may look like a discursive tree, it would be better to think of the diagrams that feature in this chapter as discursive ‘roots’. That is, I will progressively add to the base shown in Figure 3 so as to demonstrate how political leaders in colonial Malaya arrived at the governing statement that underpins the more contemporary (sub-)discourses on national identity in independent Malaysia.

“interfere[d] significantly with the development of a sense of common oppression.”⁵⁰ The perpetuation, in particular, of the myth of the ‘weak Malay’ in need of colonial protection helped justify ethnic divisions within colonial Malaya and would later be taken up and extended by postcolonial Malay leaders seeking to overcome the perception of Malay economic ‘backwardness’ (*kemunduran*). The colonial practice of ethnic differentiation and division in the late 19th and early 20th centuries saw the creation of “modern race relations...in the sense of impenetrable group boundaries” and the emergence of a “social and economic order structured by ‘race’.”⁵¹ As a consequence of British colonialism not one of the three major communities “owed any allegiance to Malaya as a political unit”, a development that would inexorably define the terms of independent Malaya’s/Malaysia’s society-state-global interrelationship.⁵² At its core, the strategic-relational approach that informs this thesis, and that argues that we must disaggregate the concept of the state, fundamentally views the state as a social relation; without genuinely organic cross-communal links the form of the Malayan state was destined to be awkward. That is, without any real sense of unity between the different communities, a genuinely nationalist political project gave way to one that was framed by ethnic division, which then fed into both the state-society and state-global interrelationships. In short, it was the presence of externally defined and differentiated ethnic (and religious) communities, each with its own rival perspective and each promoting its own strand of nationalist sentiment or ‘nation-of-intent’, which prevented the emergence of a multiethnic ‘Malayan’ nationalism.⁵³

2.2 *The Malayan Union: A Threat to the Bangsa Melayu?*

The early twentieth century witnessed the steady growth of political consciousness throughout the colony of Malaya. The nature of such awareness, however, varied along ethnic lines with each community determined to protect the interests and rights of its

⁵⁰ Nair (2009), p.84. This provides an interesting counterpoint to the Indonesian experience where a real sense of common oppression under the Dutch served as a rallying point for Indonesian nationalists.

⁵¹ Hirshman (1986), p.345. The racialized colonial economy required an ethnically segregated population in order to maximize profit for the British, a fact reflected not simply in the hardening of ethnic cleavages but so too in the human geography of Malaya. Urban communities such as Chinatown and Little India in cities like Kuala Lumpur served to keep communities separate from one another and dependent upon their own internal power structures and vertical ruling hierarchies. See: Noor (2009), pp.73-74.

⁵² T.H. Silcock and U.A. Aziz (1953). “Nationalism in Malaya”, in, W.L. Holland (ed.), *Asian Nationalism and the West*. New York: Institute of Pacific Relations, p.279.

⁵³ Lee (1990), pp.485-486.

members; the embodied dispositions of most Malaysians were distinctly ethnic in nature.⁵⁴ Malay political leaders criticized the colonial administration for their perceived neglect of Malay welfare while also voicing their fears over the numbers of non-Malay immigrants being allowed into the colony. Malay nationalism therefore emerged as a defensive response to perceived encroachment into their political and cultural realms by an internal ‘Other’.⁵⁵ The concerns of Chinese and Indian leaders were divided between events occurring overseas in what many still regarded as their homelands and the local socio-economic circumstances of their ethnic communities.⁵⁶ Considering their different foci, there was little common ground between all these different ‘nations-of-intent’. Leading up to World War Two interethnic relations deteriorated sharply with “[d]irect confrontation between Chinese and Malay spokesmen over the status of non-Malay migrants [becoming] open and bitter in the thirties.”⁵⁷ The effects of the Japanese occupation of Malaya in which the largely Chinese Malayan People’s Anti-Japanese Army (MPAJA) attacked those they considered collaborators, many of whom were Malay, further worsened communal tensions. The brief interregnum between the surrender of the Japanese and the re-establishment of British authority saw a number of racial riots between Malays and Chinese occur.⁵⁸

Once the colonial administration was again in place the British moved quickly to resolve outstanding questions concerning the political status of non-Malays vis-à-vis the Malays. Of critical concern to the British was the need to dissolve ethnic divisions, which had arisen, in part, as a consequence of colonial policies, so as to integrate the separate communities in preparation for independence.⁵⁹ In 1946, the British announced the Malayan Union proposals designed to define the constitution of the post-war political community and thereby determine the bases of citizenship.⁶⁰ Arrifin Omar identifies three

⁵⁴ Lee Kam Hing (2009). “Forging Interethnic Cooperation: The Political and Constitutional Process Towards Independence, 1951-1957”, in, T.G. Lim, Lim Teck Ghee, Alberto Gomes and Azly Rahman (eds.), *Multiethnic Malaysia: Past, Present and Future*. Petaling Jaya: SIRD; p. 61.

⁵⁵ Silcock and Aziz, pp.284-286.

⁵⁶ Silcock and Aziz, pp.280-284 & pp.286-288.

⁵⁷ Tan Liok Ee (1988). “The Rhetoric of Bangsa and Minzu: Community and Nation in Tension, The Malay Peninsular, 1900-1955.” Clayton: The Centre of Southeast Asian Studies, Monash University, p.8.

⁵⁸ Lee (2009), p. 61 and Tan (1988), pp.13-14.

⁵⁹ Watson, p.302.

⁶⁰ In an answer to a question in Parliament made on 10 October 1945, the Secretary of State for the Colonies outlined the British government’s plans for Malaya: “His Majesty’s Government have given careful consideration to the future of Malaya and the need to promote the sense of unity and common citizenship

main aims of the Malayan Union: to integrate the Chinese and Indian communities into “a Malayan polity with a sense of ‘Malayaness’”; to centralize the colonial administration into a single state and; to foster Malayan independence.⁶¹ Having instituted policies and practices whose effect was to ethnically divide the population, the British now sought to merge these disparate identities into some sort of whole. This solution ran into unexpectedly strong opposition from the Malays. By challenging the sovereign position of the Malay sultans within their respective states and relaxing citizenship qualifications the terms of the proposed Malayan Union would have seen “the nature of the political community and its boundaries...totally redefined.”⁶² This potential shift in the socio-political structure of Malaya triggered specific, communally embodied dispositions amongst the Malay elites in particular and an overarching theme of the Malay congresses held in 1946 was that the survival of the Malays as a *bangsa* (‘race’ or ‘nation’) was under threat.⁶³ The Malayan Union Agreement was perceived as nothing less than an existential challenge evidenced by oft-repeated rallying cry “*Takkan Melayu hilang di-dunia*” (“The Malays will never vanish from the face of the earth”).⁶⁴

To understand the emotive response of the Malay community to the Malayan Union it is necessary to briefly unpack the evocative but somewhat ill-defined concept of *bangsa*.

which will develop the country’s strength and capacity in due course for self-government with the British Commonwealth. Our policy will call for a constitutional Union of Malaya and for the institution of a Malayan citizenship which will give equal citizenship rights to those who can claim Malaya to be their homeland...[t]here will also be erected a Malayan Union citizen-ship for which the qualifications will be birth in Malaya or a suitable period of residence.” Victor Purcell (1946). “A Malayan Union: The Proposed New Constitution”, *Pacific Affairs*, 19(1), pp.27-28.

⁶¹ Ariffin Omar (2009). “The Struggle for Ethnic Unity in Malaya After the Second World War”, in, T.G. Lim, Lim Teck Ghee, Alberto Gomes and Azly Rahman (eds.), *Multiethnic Malaysia: Past, Present and Future*. Petaling Jaya: SIRD; p.45. Prior to the Malayan Union proposals the peninsula was divided into ten separate government units split between three broad groupings: the federated Malay states of Perak, Selangor, Negri Sembilan and Pahang; the unfederated Malay states of Johor, Kedah, Kelantan, Terengganu and Perlis and; the Straits Settlements of Singapore, Penang and Malacca.

⁶² Tan (1988), p.14 and Jaclyn Ling-Chien Neo (2006). “Malay Nationalism, Islamic Supremacy and the Constitutional Bargain in the Multi-ethnic Composition of Malaysia.” *International Journal on Minority and Group Rights*, 13, p.97. One estimate calculated that roughly 83% of Chinese and 75% of Indians residing on the peninsula in 1946 would have qualified for citizenship under the proposals. See: K.J. Ratnam (1965). *Communalism and the Political Process in Malaya*. Kuala Lumpur: University of Malaya Press, p.75 and H.P. Lee (1976). “Constitutional Amendments in Malaysia. Part I: A Quick Conspectus”, *Malaya Law Review*, 18, p.60.

⁶³ The consequences of the indeterminacy surrounding the exact meaning and use of *bangsa* are explored below.

⁶⁴ The phrase is attributed to Hang Tuah, the legendary warrior who lived during the reign of Sultan Mansur Shah of Malacca in the 15th century. Hang Tuah remains extremely popular among Malays and is often identified by Malay nationalists as the embodiment of a Malay culture in which allegiance and loyalty are held above all else. However, this discourse is subject to contestation. See: Khoo (2006), pp.27-29.

Doing so offers a telling insight into perceptions and contestations regarding the form and content of the political community in late-colonial Malaya.⁶⁵ On the one hand, this was a reaction to the transformation of the socio-political terrain which saw traditional Malay ideas about community under threat from colonial policies and practices. On the other hand, the conservative Malay elite feared that new, external notions of nation and nationality articulated by the Malayan Union proposals and grounded conceptually in terms of *jus soli* and citizenship would displace *bangsa* as the constitutive basis of political community, thereby irrevocably altering ‘the rules of the game’. In response to these threats conservative Malay nationalists sought to more precisely define the boundaries of the *bangsa Melayu*, or the Malay race/nation, with lasting effects.⁶⁶

While Malay nationalists of all hues may have regarded the *bangsa* as the nucleus of the legitimate political community, the concept itself was still subject to a range of interpretation. In its early usage, the concept of *bangsa* was defined largely in terms of shared culture and history and seems to have shared many of the established features of an *ethnie*. The term *bangsa Melayu* represented “the concept of a community of people living within a defined territory, linked by historical and cultural ties” and there is little evidence that prior to the twentieth century the expression ever referred to “a *single*, autonomous and sovereign nation.”⁶⁷ The nationalist Malay imaginary which emerged in the early part of the last century then simultaneously operated as an exclusionary and inclusionary project with the ‘othering’ of the immigrant communities (and the British) occurring alongside

⁶⁵ This is not to imply that the evolution of the concept in the post-independence period and its relationship to the Malaysian nation-state is not equally significant (a point taken up in detail below). Rather, I argue that the tensions and ambiguities that may surround contemporary meanings and use of the term should be seen as a consequence of past usage.

⁶⁶ The conservative Malay interpretation of *bangsa* was not the only perspective, however. The Malay left embraced a broad-based nationalism, which included a vision of *bangsa* that was not anchored solely on the essentialist categories of race or politics of ethnicity. In a similar vein, Malay Muslim intellectuals returning from studies in the Middle East were strongly influenced by the universalizing, reformist and anti-colonial ideas associated with the so-called Muslim modernism, which encouraged them to identify themselves as “simultaneously members of a world-wide community of Muslims (*umma*) and of a particular ‘ecumene’ (*watan*) within it that consisted of the *Jawi* people.” In advocating a vision of *Melayu Raya* (the ‘Greater Malay’ polity) intellectuals like Ibrahim Yacob sought to expand rather than narrow the boundaries of the *bangsa Melayu*, although those outside of the *watan Jawa* remained peripheral. See: Roff; Kahn (2006), p.92 and; Tan (1988), p.12.

⁶⁷ Tan (1988), p.3. (Emphasis in the original.)

efforts to suppress the diversity of peoples who had historically fallen under the category ‘Malay’.⁶⁸

Reflecting international developments in Europe, where a new generation of nationalist leaders openly championed an interpretation of the national community based not so much on political identity but on history, tradition and culture, the mid-1930s saw differences between distinct *bangsa* in Malaya increasingly regarded as part of the natural order. As a consequence, the boundaries between different communities hardened, even as the criteria for inclusion within the separate communities remained unclear.⁶⁹ Despite the nucleus of Malay nationalism being increasingly determined by notions of proper descent and the ‘true Malay’ (*Melayu jati*), the question of who could participate and/or lead a Malay nationalist organization often remained problematic.⁷⁰ By presenting an image of political community that undermined the primacy of the *bangsa Melayu* via the imposition of a more inclusive articulation of the nation upon the *bangsa*, the Malayan Union proposals compelled conservative Malay leaders to unite in defense of the perceived *bangsa* as a whole.⁷¹ For their part, the older Malay radicals with their explicitly cultural rather than racial vision of Malay identity had been unable to reconnect with the ordinary Malay masses following the end of the war. The more progressive elements of their political project, in particular their “tendency to view the politics of the *bangsa* in non-racialised terms” within a de-territorialized community alienated the mass of Malays who were “still inclined to participate in communal politics within the traditional feudal framework of patronage and loyalty.”⁷² As Farish Noor observes, “the radicals’ attempts to forge instrumental ideological coalitions with the non-Malay Left that transcended the cleavages of race and nationhood were hopelessly out-of-sync at a time when race relations between the Malays and Chinese were at their lowest ebb.”⁷³ Suppressed first by the British and their allies

⁶⁸ Kahn (2006), p.92.

⁶⁹ Abdul Rahim Kajai, a prominent Malay journalist and writer of the 1930s and early 1940s, introduced and popularized racial categorizations that sought to limit membership in the *bangsa Melayu* solely on the basis of descent. In presenting this argument, Kajai gave voice to those conservative Malay nationalists who asserted that indigenous or ‘ineluctable’ communities possessed a legitimacy and status which contingent, immigrant communities necessarily lacked. A clear hierarchy was established as part of the conservative Malay ‘nation-of-intent’ in which a nationality based on citizenship was looked upon as inferior and peripheral to one based on a historically established culture. See: Tan (1988), pp.9-12.

⁷⁰ Tan (1988), pp.9-12.

⁷¹ Lee (2009), p. 61 and; Kahn (2006), p.113.

⁷² Noor (2002), p.102.

⁷³ Noor (2002), p.102.

within the religious bureaucracy and then by the intrinsically conservative Malay elite, radical non-ethnic Malay notions of the Malayan 'nation-of-intent' remained submerged in the post-war period.⁷⁴

The swift reaction of conservative Malay nationalists to the threat posed by the Malayan Union and the willingness of the Malay masses to follow their lead is thus unsurprising given the embodied dispositions of the majority of Malays and the realization that under the terms of the agreement the "*bangsa Melayu* would be displaced and prevented from realising its potential as a nation."⁷⁵ Malay hostility to the Malayan Union culminated with the formation the United Malays National Organisation (UMNO) on May 11 1946 under the aristocratic leadership of Onn bin Jaafar.⁷⁶ The original purpose of UMNO was simply to oppose the agreement reached between the British and the sultans. As a party it had "no idea or concept of nation, nationhood, nationalism or independence" and saw itself as nothing more than a vehicle for "the continued protection of the Malays under British colonial rule for as long as necessary."⁷⁷ In fact, Ariffin Omar argues that had the British not introduced the Malayan Union soon after re-establishing colonial rule it is "unlikely that UMNO, as a pan-Malayan Malay movement would have emerged since the Malay elite found little to quarrel about British rule."⁷⁸ However, in challenging deeply held

⁷⁴ Such unrealized possibilities did not disappear altogether, however, and would continue to provide a basis for alternative national imaginaries within Malaysia. This is a point taken up again below.

⁷⁵ Tan (1988), p.15. The compliance of the traditional rulers vis-à-vis the British plan irrevocably transformed the relationship between the royalty and the *rakyat* (people). Whereas the sultans had previously been considered the ultimate guardians of the *bangsa*, their acquiescence to British demands during this episode saw the "traditional concept of absolute loyalty to the *raja*...trampled upon and replaced by a notion of popular sovereignty...[n]ow, traitors were those who betrayed the *bangsa*, not those who forsook their *rajas*." Although this was a popular sovereignty largely expressed within the limits set by conservative Malay nationalists, the locus of political authority within the Malay community had shifted. See also: Omar (2009), p.46.

⁷⁶ The core leadership of UMNO was either of aristocratic birth or close to the Malay nobility. Radical Malay groups such as the *Parti Kebangsaan Melayu Malaya* (Malay Nationalist Party of Malaya, PKMM) had originally been part of UMNO but left soon after its creation and so missed their chance to be part of mainstream Malayan politics. Thus, the founding of UMNO "represents to a large extent the establishment of a political machinery for legitimizing nationalist aspirations directed and organized from above" in stark contrast to pre-War nationalist movements which tended to 'come from below'. See: Raymond L.M. Lee (1990), p.487.

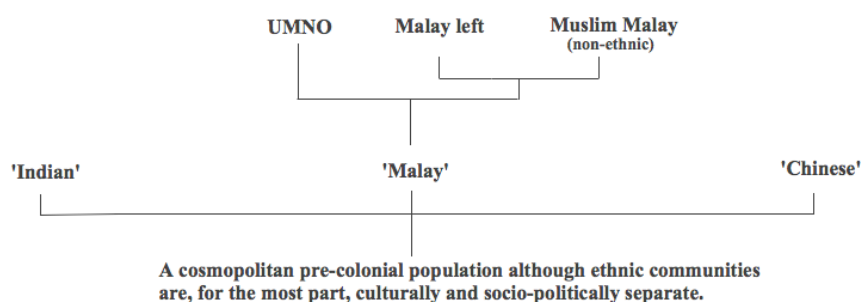
⁷⁷ Omar (2009), p.48. See also: Mavis C. Puthucheary (2008). "Malaysia's 'Social Contract': The Invention and Historical Evolution of an Idea", in, Norani Othman, Mavic C. Puthucheary and Clive S. Kessler (eds.), *Sharing the Nation: Faith, Difference, Power and the State 50 Years After Merdeka*. Petaling Jaya: SIRD, p.3.

⁷⁸ Omar (2009), pp.48-49. Omar (p.48, ft.7) notes that fear of the non-Malays meant that continued colonial rule was more attractive to UMNO than working with non-Malays in order to gain independence from the British.

conservative Malay notions of the peninsula as the *tanah Melayu* ('land of the Malays') the Malayan Union proposals struck at the very core of Malay identity and the position of the Malays as the rightful owners of the land.

Building upon the previous diagram, Figure 4 below shows how the Malayan Union proposal hardened conceptualizations of ethnic identity, particularly that of the Malays. Moreover, the reaction of conservative Malay political elites to the British plan and the founding of UMNO, in particular, signify the first, nascent attempts to articulate what would eventually become the foundation of hegemonic discourses on national identity in independent Malaysia. As already noted, however, scholars should be sensitive to the presence of subjugated discourses and it is in this sense that we also see the emergence of rival, non-racialized conceptualizations of identity from within the 'Malay' community.⁷⁹ Finally, it is clear that Chinese and Indian 'nations-of-intent' in Malaya remained relatively underdeveloped in comparison to that of the Malays, as political elites within the non-Malay communities were undoubtedly distracted by nationalist imaginings and movements occurring in China and India at the same time.

Figure 4: An Anthropology of the 'Governing Statement' (Step 2)



The contrast with Indonesia in this respect is striking. Political identity in Malaya was not forged in the crucible of a revolution, there was no political consensus. Although there were some anti-colonial demonstrations these were largely confined to Malay protests against the abortive Malayan Union proposals. At best, then, a common sense of identity or 'nation-of-intent' was only engendered within a single ethnic group. Moreover, that

⁷⁹ As should be clear from Figure 4, these non-racialized 'Malay' 'nations-of-intent' fall into two broad camps: the Malay Left who held a cultural vision of Malayness that was relatively open to broad range of the peninsula's inhabitants and Muslim Malays who saw themselves as part of the larger Islamic community (*umma*). As we shall see, both of these alternative visions have continued to resonate.

identity was focused inwards rather than outwards inasmuch as it was “defined not so much in opposition to the British as in opposition to the Chinese and Indians.”⁸⁰ While the additional syllable in the term ‘Malayan’ was cleverly designed to suggest a sense of commonality between the ‘immigrant’ races and the Malays, the latter comprehensively rejected this ploy as a subtle threat to their special position within any concept of the nation. In fact, the ethnically inclusive national image of ‘Malaya’ proposed by the British prompted many Malays to become even more keenly aware of their perceived inferiority vis-à-vis the non-Malays.⁸¹ In doing so, the Malayan Union “sowed the seeds of enmity and distrust between the Malays and the non-Malays in the Malay states”, the effects of which still reverberate in contemporary conceptualizations of the Malaysian political community.⁸²

2.3 *The Federation of Malaya: More Melayu than Malayan.*

Intense Malay resistance to the proposals outlined in the Malayan Union meant that by January 1948 it was no more. Forced into negotiations with the Malay rulers and UMNO, which was now accepted by the colonial government as representative of the Malay people, the British formed a Working Committee that quickly drew up an alternative socio-political arrangement more acceptable to organized Malay political opinion.⁸³ The ensuing Federation of Malaya agreement saw the creation of a federated state for the whole peninsula and the consolidation, but not outright supremacy, of Malay political power; the British remained adamant that there be room for non-Malay voices in the governing of an

⁸⁰ Watson, p.300.

⁸¹ Historically, the ‘collective grievance’ of Malay backwardness (*kemunduran*) has been “used to demarcate more sharply the boundaries of *bangsa*.” This sense of socio-economic deprivation has also acted to further widen the perceived (and actual) gulf that exists between the Malays and the non-Malay communities. Tan (1988), p.6 and Kahn (2006), p.99 & pp.111-112. Malay editorials before World War Two frequently decried that non-Malay and/or non-Muslim groups were robbing the Malays of their birthright. See: Tan (1988), p.7 and Silcock and Aziz, p.285. This narrative of Malay disadvantage and marginalization as a result of (neo)colonialism would become a recurring theme in Malaysian politics, particularly within UMNO. For example, see: Mahathir (2008) [1970].

⁸² Omar (2009), pp.46-47 and Lee (1976), p.60.

⁸³ Originally, progressive Malay parties such as the Malay Nationalist Party (MNP) and Angkatan Pemuda Insaf were part of UMNO but had left soon after its formation in May 1946 complaining of UMNO’s undemocratic structure and that its aristocratic leaders did not have the true interests of the Malay people at heart. See: Pusat Tenaga Rakyat (1947). *The People’s Constitutional Proposals for Malaya*. Kuala Lumpur: Ta Chong Press, p.2 and Silcock and Aziz, p.314. Puthuchearu notes that during the Federation of Malaya talks the British and UMNO elite continued to exclude such left-wing Malay parties from the negotiating table despite the significant support they commanded within the Malay community. She maintains that this was because the British were mindful of jeopardizing existing trading networks. See: Puthuchearu, pp.3-4.

independent Malaya. The demise of the Malayan Union had left the British with a stark choice, “to recognize the *de facto* position of the non-Malay communities who now claim to regard Malaya as their only home” and who, therefore, deserved increased political rights or to “continue recognizing Malaya as essentially a Malay country.”⁸⁴ By failing to forge either a *Melayu* nation or a Malayan nation, the British only further emphasized the Malay/non-Malay schism that already existed. Unable to supply the ideational basis necessary to broadly legitimate a future nation-state, the federation agreement appeared to be nothing more than a prerequisite for the creation of a political entity.⁸⁵

On the surface, it may have seemed as if the Federation of Malaya agreement disproportionately favoured the Malays and was closer to UMNO’s perceived ‘nation-of-intent’. While citizenship rights were extended to non-Malays, far fewer now qualified than would have under the Malayan Union proposals.⁸⁶ In addition, the sovereignty of the Malay rulers was reaffirmed, as was the individual status of the separate states which made up the Federation. Malay special privileges were similarly endorsed and were now given formal legal sanction with one clause of the agreement stipulating that the colonial government was responsible for safeguarding “the special position of the Malays and the legitimate interests of the other communities.”⁸⁷ Even the decision to name the new state the ‘Federation of Malaya’ rather than the ‘Malayan Federation’ was a significant concession to UMNO leaders, many of who regarded ‘Malaya’ as an illegitimate colonial creation.⁸⁸ In fact, although the English title given to the political entity was known as the Federation of Malaya, “legally it was named *Persekutuan Tanah Melayu* [Federation of Malay Lands] thus maintaining the illusion that the British had conceded to the creation of a *Melayu* nation.”⁸⁹ Many of the actual trappings of sovereignty, however, still eluded

⁸⁴ Ratnam (1965), p.xx.

⁸⁵ Omar (2009), p.50.

⁸⁶ This retreat from the liberal provisions of the Malayan Union now meant that, under the Federation agreements, non-Malays residing outside of the former Straits Settlements of Penang and Malacca could only become Federal citizens if they “were born as British subjects *and* if their fathers were either State citizens or Federal citizens.” Lee (1976), p.61 (emphasis in the original). Also: Silcock and Aziz, pp.317-318.

⁸⁷ This later became the underlying proposition of Article 153 of the Federal Constitution of Malaysia and, essentially, provides the content of what I identify below as the ‘governing statement’ of independent Malaya’s/Malaysia’s discourse on national identity. The moral weight of each side of this equation, however, was never explicitly stated in the agreement and, in fact, continues to be a point of contention within Malaysia. See: Puthucherry, p.4.

⁸⁸ Tan (1988), p.17.

⁸⁹ Omar (2009), p.50.

Malay leaders. So long as there were “no national symbols such as a national language, a flag or a national identity that would be accepted by all” it is difficult to see that the Federation of Malaya was anything more than a triumph for the Malays in name only.⁹⁰

By allowing different social groups within Malaya to hold divergent interpretations of the terms of the Federation of Malaya, the British and Malay elite retarded the emergence of a singular ‘nation-of-intent’ on the peninsula, which then impacted upon state-society relations. Malays judged the *Persekutuan Tanah Melayu* as an exclusively Malay country while non-Malays saw it as a “federation with a Malayan identity that embraced all the ethnic communities including the Malays.”⁹¹ For the Malay elite, however, there was clearly no such thing as a ‘Malayan’ identity. Whereas a strict legal definition of a ‘Malay’ was codified in the terms of the agreement, no such similar description for a ‘Malayan’ was outlined. So even though the conditions of citizenship extended to the non-Malays were already restricted, the scope and weight of such provisions were limited even further by the explicit denial within the agreement that citizenship denoted nationality. Citizenship, according to the report of the working committee in charge of writing the federation’s constitution, “was not a nationality, neither could it develop into a nationality”.⁹² In short, there was to be no unified, inclusive ‘Malayan’ ‘nation-of-intent’ with the term itself carrying no legal status.⁹³ The Federation of Malaya agreement, therefore, may have created a state and determined who might be counted among its citizens but it lacked a clear and agreed upon sense of nation with which to bind its population together and to the state.⁹⁴

⁹⁰ Omar (2009), p.50.

⁹¹ Omar (2009), p.50. For the Chinese, in particular, the notion of *minzu* as a concept of community centred on language and culture defined their conceptualization of how the hegemonic ‘nation-of-intent’ in Malaya should be constituted. Such a perspective “rejects the marginalization of the Chinese language and culture and insists on its inclusion *within* the national and official realm”. Like *bangsa*, *minzu* connotes an ‘ineluctable’ community but by insisting on a dichotomy between political and cultural identity it presents a direct challenge to that notion of political community which rests on the concept of *bangsa*. Conceptualizations of the ‘nation-of-intent’ as seen from “the vantage point of the *bangsa* demanded unity of political and cultural identity” whereas the starting point of the rhetoric of the *minzu* saw instead a plurality of equal cultural and/or linguistic communities existing within a single nation. See: Tan (1988), p. 28 & pp.38-40, 44-48.

⁹² Malaya, Government of (1946). *Constitutional Proposals for Malaya: Report of the Working Committee Appointed by a Conference of His Excellency the Governor of the Malayan Union, the Highnesses of the Rulers of the Malay States and the Representatives of the United Malays National Organization*. Kuala Lumpur: Government Printer, p.23.

⁹³ Even non-Malays were not referred to as Malaysians in the final version of the report.

⁹⁴ Silcock and Aziz, p.280.

Figure 5: An Anthropology of the 'Governing Statement' (Step 3)

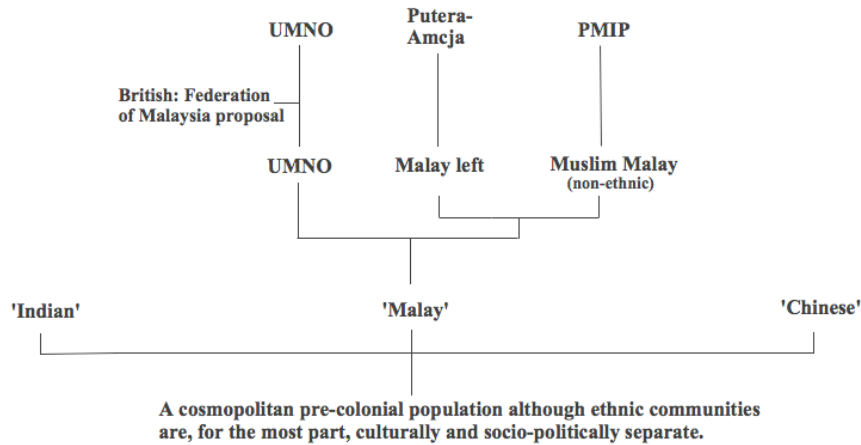


Figure 5 above reflects this latest development by highlighting the central role played by UMNO and its inherently racialized 'nation-of-intent', even if it had by now been slightly diluted by British insistence that the place and role of the non-Malays be formally recognized in any future independent state. As we can see from the figure above, this cozy arrangement between the British and the Malay elites within UMNO did not go unchallenged, however. The creation of the Federation of Malaya frustrated some Malays and non-Malays who were dismayed by the British retreat from the promises contained within the Malayan Union. Broadly speaking, these groups were bitterly disappointed that "a unique opportunity [had been lost]...to weld together the different peoples in Malaya into one united nation."⁹⁵ Political groups opposed to the communally divisive and undemocratic nature of the Federation of Malaya agreements became increasingly outspoken. In late 1946, the multiracial but largely non-Malay led, Pan (later All) Malayan Council for Joint Action (AMCJA) was formed and in early 1947 several progressive, left-leaning Malay organizations launched the *Pusat Tenaga Rakyat* (Centre of the People's Power, PUTERA).⁹⁶ In mid-1947, these two broad coalitions coalesced into the PUTERA-

⁹⁵ Lee (2009), p.63.

⁹⁶ The AMAJC was formed by leaders of the Malayan Democratic Union (MDU) which was modeled on the left wing of the British Labour Party. One of the founders of the AMAJC was Tan Cheng Lock who, in February 1949 would be elected as the first president of the Malaysian Chinese Association. At the core of the radical Malay organizations that made up PUTERA was the Malay Nationalist Party (MNP) led by Musa Ahmad, Ahmad Boestamam, Aziz Ishak and Burhanuddin Al-Helmy. Marginalized during the deliberations between the British, the sultans and UMNO over the shape of the Federation, they were convinced that the

AMCJA with an approximate membership of 600,000. Strongly critical of the procedures of the Working Committee, this umbrella coalition saw the Committee's neglect of their input being at odds with the Committee's own pledge that "before final conclusions are reached there [would] be consultations with representatives [of] those and only...those who regard Malaya as their real home and as the object of their loyalty."⁹⁷ Instead, they saw the Committee as representative of primarily sectional and communal interests, whose workings "deliberately foster[ed] inter-communal and inter-sectional hostility and jealousy."⁹⁸ In opposing the processes and outcomes of the Working Committee, PUTERA-AMCJA aimed to demonstrate that united political action on the part of all races and classes of people in Malaya was feasible by promoting an alternative 'nation-of-intent' as the discursive foundation of any new state. In this way, the aims and objectives of this coalition can justifiably be seen as the modern genesis of a genuinely inclusive national consciousness.⁹⁹

To counter the proposals of the Federation of Malaya agreement, PUTERA-AMCJA offered its 'People's Constitutional Proposals' which envisioned a single nationality for all citizens; requiring individuals to relinquish any other nationality or political affiliation and swear total allegiance to the new nation.¹⁰⁰ In order to elicit the consent of the people necessary for a smooth exercise of authority, this Constitution advocated that a system of equal rights, with no distinction to be made between indigenous and non-indigenous citizens, be enshrined in law.¹⁰¹ With respect to the sensitive issue of language, an understanding was reached that would see Malay quickly become the official language although other languages would continue to be used in the short-run. Although the People's Constitution retained the name 'Federation of Malaya / *Persekutuan Tanah Melayu*' its framers sought a remarkable redefinition of the term *Melayu* so that it could act as the new state's nationality. In contrast to traditional conceptualizations of the term, this use of *Melayu* was deliberately stripped of any religious connotations and employed solely

arrangements were simply a device by which colonial rule could be maintained. See: Lee (2009), p.63 and Omar (2009), p.51.

⁹⁷ Pusat Tenaga Rakyat, p.5.

⁹⁸ Pusat Tenaga Rakyat, p.6.

⁹⁹ Tan (1988), p.18; Silcock and Aziz, p.316 and; Omar (2009), p.51.

¹⁰⁰ Pusat Tenaga Rakyat, pp.11-27, in particular p.14.

¹⁰¹ Pusat Tenaga Rakyat, p.13. This was in stark contrast to the view emanating from UMNO which stressed the need for the Malays to be economically protected and nurtured on account of their 'backwardness' with respect to other ethnic groups.

in order to stress the nation's links with its historical past.¹⁰² The non-Malays in PUTERA-AMCJA recognized that the term 'Malayan' was often used in contradistinction to the signifier 'Malay' and that any designation of nationality in terms of the former would be untenable to the Malays. For their part, the Malays were willing to swim against the tide of mainstream Malay opinion, as represented by UMNO, and entertain a conceptualization of *Melayu* that would "embrace Chinese, Indians and others who need not be Muslims or observe Malay customs or even speak Malay as their mother tongue."¹⁰³ It was agreed that the basis of nationality was thus to be imagined in terms of allegiance to the state of Malaya.

Here was a 'nation-of-intent' most unlike that proposed by UMNO, one that included a very different notion of *bangsa* in operation and one that offers a historical template for potential iterations of national identity in contemporary Malaysia. Prominent radical Malay leaders within PUTERA, such as Burhanuddin Al-Helmy and Ibrahim Yaakob, advanced a view that emphasized the element of will in the determination of nationality.¹⁰⁴ Both were committed to a broader movement which sought to reconstruct the political, cultural and social frontiers of *Nusantara* through the creation of a unitary political entity called *Malaya-Raya* (Greater Malaya).¹⁰⁵ One of the main characteristics of the *Malaya-Raya* project was its "willingness to de-racialise the divisions...between Malays and non-Malays by insisting upon a broader conception of Malay culture which encompassed the different cultural groupings of the Archipelago."¹⁰⁶ Adopting Otto Bauer's definition of nation which sees a community of character or conduct arising out of a community of fate, Burhanuddin stressed the distinction between *bangsa* and *kebangsaan* (nationality) to

¹⁰² Pusat Tenaga Rakyat, pp.11-18.

¹⁰³ Omar (2009), p.52. Other provisions of the People's Constitution included a fully elected federal legislative assembly as well as the formation of a multiethnic Council of Races which would vet every bill passed by the assembly to ensure that no discriminatory legislation was enacted. See: Pusat Tenaga Rakyat; pp.32-43.

¹⁰⁴ Ibrahim had helped found a radical organization, the *Kesatuan Melayu Muda* (Malay Youth Union, KMM) in 1938. Towards the end of the war, both Ibrahim and Burhanuddin were active in *Kesatuan Rakyat Indonesia Semenanjung* (Union of Indonesian and Peninsular Malay Peoples, KERIS) which the Japanese had set up in order to explore the political unification of Indonesia and Malaya. After the war, both were prominent leaders in the PKMM and Burhanuddin also later became the third president of the Parti Islam Se-Malayu (Pan-Malayan Islamic Party, PAS) in 1956.

¹⁰⁵ This term refers to the 'Malay' archipelago and includes present-day Indonesia, Malaysia, Singapore, Brunei and the Philippines.

¹⁰⁶ Noor (2002), p.93.

advance a conceptualization of nationality that was “divorced from the issue of descent.”¹⁰⁷ His aspiration was to convert the former – an ethnic identity – into an all-encompassing nationality capable of absorbing non-Malays.¹⁰⁸ Regardless of one’s origins in a particular *bangsa*, the option to consciously change one’s status as a member of this nation always existed. If an individual was to sever ties with their original *kebangsaan* and then “totally commit allegiance to, as well as fulfill the conditions and demands of, Malay nationality (*kebangsaan Melayu*); such a person becomes of Malay nationality, *in the political sense*.”¹⁰⁹ It is the very distinction between *bangsa* and *kebangsaan* that allows for the possibility of a political interpretation of nationality that arises not from a common ethnic identity but instead from a unity of common consciousness.¹¹⁰

This revolutionary repositioning of *Melayu* offered a means by which the fundamental issue of ensuring a solid, consensual basis for the future development of the nation-state could be addressed. To the leaders of PUTERA-AMCJA, the solution lay in the “raising of the sense of mutual dependence and unity among the people of Malaya to the level of a national consciousness based on loyalty.”¹¹¹ The first step in this process of national unity demanded the undivided allegiance of its citizens to the state rather than to an ethnic, racial or religious identity. By detaching citizenship from nationality they saw the Working Committee as encouraging ‘citizens’ to retain their allegiance to countries outside of the peninsula; a move which would jeopardize the stability of future political progress.¹¹² For the framers of the People’s Constitution it was “absolutely essential and imperative that citizenship should connote allegiance”, something that would be possible only if citizenship was synonymous with nationality.¹¹³

¹⁰⁷ Tan (1988), p.19. In Malay nouns with a *ke-an* construction make a something which is relatively concrete – like *bangsa* – and then make them more abstract.

¹⁰⁸ Ariffin Omar (1993). *Bangsa Melayu: Malay Concepts of Democracy and Community, 1945-1950*. Kuala Lumpur and New York: Oxford University Press, p.95.

¹⁰⁹ Burhanuddin, in Tan (1988), p.19 (Emphasis added).

¹¹⁰ Tan argues though that in one important aspect even this radical Malay perspective on the political community differed from that of many Chinese leaders. For Malays such as Burhanuddin, even though membership in the *kebangsaan Melayu* was not to be determined by blood or descent, this nationality still had to be closely tied to a Malay cultural identity. Such a position was problematic for those non-Malays who viewed the concept of the nation in purely political terms. As already noted, the concept of *minzu* explicitly allowed for a distinction between political and cultural identity. See: Tan (1988), pp.20-21.

¹¹¹ Pusat Tenaga Rakyat, p.14. See also: Omar (2009), p.52.

¹¹² Pusat Tenaga Rakyat, p.17.

¹¹³ Pusat Tenaga Rakyat, p.18.

The attempts of the PUTERA-AMCJA to get the People's Constitution accepted failed, however, as both the British and UMNO were unwilling to embrace its proposals and the 'nation-of-intent' it implied. The British argued that the proposition of *Melayu* as a nationality and the means by which membership within this nationality would be determined was farcical.¹¹⁴ It was also unlikely that the British, having already completed grueling negotiations with UMNO and the Malay rulers over the Federation of Malaya agreement, would be willing once again enter into such deliberations and certainly not with such a stridently anti-colonial political organization. For UMNO, the Constitution presented a clear existential threat: how could a party based on representing and defending the Malays as a *bangsa* accept the idea of *Melayu* as a nationality? Onn attacked this idea relentlessly as he and the rest of the UMNO hierarchy sought to ensure that the boundaries of the Malay community remained impenetrable to non-Malays.¹¹⁵ By defining 'Malay' "primarily by reference...to indigenous status in Tanah Melayu (the Malay lands)" UMNO more or less refused to consider the possibility of a 'nation-of-intent' that involved granting nationality to anyone other than Malays.¹¹⁶ Despite ambiguity within UMNO over what the emotionally-charged term *bangsa Melayu* actually meant, a post-war environment in which ethnic animosities and distrust prevailed meant that any attempt to found the fledgling nation-state on the basis of an ethnically neutral 'nation-of-intent' was doomed to fail.¹¹⁷ By the end of 1947, the British colonial government had banned both PUTERA and AMCJA, gaoling or forcing many of their leaders into exile.

2.4 Communalism and Electoral Coalitions: The Birth of the Alliance

Following the signing of the Federation of Malaya agreement in January 1948 both the British and sections of the UMNO leadership attempted to transform Malayan politics by adopting a more inclusive, non-communal approach. While a host of reasons may exist for this overt shift away from narrow communal concerns, the outbreak of the Malayan

¹¹⁴ Omar (2009), pp.53-54.

¹¹⁵ Onn's actions became tragically ironic when he later realized the futility of a narrow-minded approach to nationalism. As noted below, his belated attempts at opening UMNO up to non-Malays failed miserably and he was openly accused of committing treason (*derhaka*) to his *bangsa*.

¹¹⁶ Kahn (2006), p.113.

¹¹⁷ Omar (2009), p.201.

Emergency in June 1948 certainly looms large.¹¹⁸ This largely Chinese anti-colonial and communist guerilla insurgency saw a steep escalation in interethnic tensions, which had been simmering since the conclusion of World War Two.¹¹⁹ As levels of distrust between the different communities became dangerously high, it became evident that “Chinese (and Indian) support was required to defeat communism and communal differences were temporarily set aside...the threat of a common enemy brought the communities together”.¹²⁰ In April 1949 the colonial administration established the Communities Liaison Committee (CLC) to “provide a platform to help resolve political differences among the various communities.”¹²¹ In the same year, Onn, recognizing that any push for self-government and eventual independence would require some form of interethnic settlement, called on the Malays to “obtain closer ties with the other people in this country.”¹²² Together with Tan Cheng Lock, who had formed the Malayan Chinese Association (MCA) in February 1949, Onn was brought into the CLC.¹²³

Interethnic tensions meant that certain controversial issues had to be tackled if real progress was to be made towards meeting the requirements of the British for achieving self-

¹¹⁸ In a Chatham House speech in 1958, Sir Donald MacGillivray, the British High Commissioner in Malaya from 1954-1957, expressed little doubt that “had it not been for this rebellion nationalist pressure would have developed very much earlier and independence might have come before the country was ripe for it. From that point of view the Emergency was a blessing in disguise.” See: D. MacGillivray (1958). “Malaya – The New Nation”, *International Affairs*, 34(2), p.159. Also: Neo, pp.98-99. Chinese communist victories in the civil war in China in 1948 and 1949 which culminated in the establishment of the People’s Republic of China in 1949 only heightened Malay and British fears that a gigantic Chinese conspiracy was unfolding throughout the Southeast Asian region. For example see: *Colonial Office Records Relating to the Meetings of the Communities Liaison Committee, 22nd April 1949*, CO 717/183.

¹¹⁹ Although the overwhelming majority of the Malayan Communist Party (MCP) were Chinese it is important to acknowledge that Malays also fought against the British and Federation of Malaya during the Emergency (1948-1960). Most notably, there was the 10th Regiment, which was the Malay wing of the MCP. The declaration of the Emergency effectively wiped out most remaining Malay leftist organizations.

¹²⁰ Neo, p.98.

¹²¹ Lee (2009), p.63. In many respects the CLC was a predecessor to the Alliance National Council and demonstrated that “significant communal compromise was more likely to emerge from semi-secret and ‘off-the-record’ negotiations conducted by communal leaders.” See: Gordon P. Means (1970). *Malaysian Politics*. New York: New York University Press, p.124 and Silcock and Aziz, p.325.

¹²² Joseph Fernando in, Lee (2009), p.64. Lee notes that Onn managed to persuade UMNO to change the party slogan from *Hidup Melayu* (Long Live the Malays) to *Merdeka* (Independence).

¹²³ It was in the context of worsening interethnic tensions that Tan set up the MCA as political vehicle for moderate Chinese who rejected the communist agenda. He had previously chaired the AMCJA and was one of the few opposition leaders not imprisoned or exiled by the British. Tan had long advocated a united Malaya. In a letter written to the British Secretary of State for the Colonies in 1945, Tan had expressed his sincere hope that the British would help create “a true Malayan spirit and consciousness amongst all its people to the complete elimination of any racial or communal feeling and to bring about a spirit of unity” though an explicit policy of “equal treatment, impartiality and justice to all”. See: Tan Cheng Lock (1947). *Malayan Problems from a Chinese Point of View*, Singapore: Tannisco; pp.61-73 and Silcock and Aziz, pp.326-327.

government.¹²⁴ Notable for their informality and confidentiality, the Committee's discussions were therefore free from outside communal pressures and presented a model for elite interethnic bargaining within a political system. In its first meetings in Kuala Lumpur on 19-20 April, the CLC agreed, among other things, that the qualifications for and status within a Malayan citizenship had to be addressed as did a definition of the 'special position' of the Malays.¹²⁵ At the heart of the Committee's discussions throughout a series of meetings in 1949 was the question of identity and the general acceptance of the idea of forging a Malayan identity and a 'Malayan-mindedness'.¹²⁶ Cognizant of the need to come to at least a tentative agreement for the goal of self-government to be realized, the members of the CLC eventually and unanimously arrived at a compromise position so as to lay the foundation for a lasting interethnic accommodation. In this sense, the workings of the Committee marked the modern genesis of the process of interethnic elite bargaining that came to characterize Malaysian politics in the future.¹²⁷ As the leaders of the two main ethnic communities in Malaya, Onn and Tan were instrumental in this process. Onn accepted that the criteria for citizenship needed to be liberalized so that more non-Malays could become fully-fledged citizens. In turn, Tan supported the notion of special rights for the Malays as the indigenous inhabitants of the peninsula. Both saw any future government of Malaya as inclusive and multiracial.

In a brave move at the June 1951 UMNO general assembly, Onn declared that without genuine racial unity independence could not be achieved. He then boldly proposed that UMNO membership be opened to non-Malays and that the party be renamed the United *Malayan* National Organisation.¹²⁸ While there is some conjecture that Malcolm MacDonald, the British chair of the CLC, had persuaded Onn to take this unprecedented step it is equally possible that Onn's reading of the changing political realities of the time meant that UMNO had to work with the other races not simply to achieve independence but

¹²⁴ In this sense the British were not interested in creating a 'Malayan nation' but rather were concerned with the pragmatics of government and the continuation of colonial economic structures. (A.B. Shamsul, interview held in Kuala Lumpur, Malaysia, 9 June 2009.)

¹²⁵ *Colonial Office Records Relating to the Meetings of the Communities Liaison Committee, 22nd April 1949*, CO 717/183.

¹²⁶ See: *Communities Liaison Committee Communiqué, 16 September 1949*, Public Relations, Singapore, Press Release No. SE.49/168.

¹²⁷ Although its membership fluctuated, the CLC was usually composed of about six Malays, six Chinese, two South Asians and one European. The Committee was chaired by the British Commissioner-General for Southeast Asia, Malcolm MacDonald.

¹²⁸ Omar (2009), p.56; Tan (1988), p.17 and; Lee (2009), p.64.

also to establish an enduring foundation for the future nation-state.¹²⁹ Regardless of which account is true, here then was a political leader who was apparently cognizant of the link between the empirical and juridical dimensions sovereignty and how the shape of the internal (i.e., state-society relations) might affect the external standing of an independent Malaya within the international community of modern nation-states.

The UMNO hierarchy indicated that they were not opposed to Onn's idea but the same could not be said of the general body, which denounced his "willingness to accept the non-Malays into a single nationalist organization...as a betrayal of the Malay struggle."¹³⁰ The rejection of Onn's proposals on the grounds that they denied the claims of the Malays as a *bangsa*, further demonstrated the lingering tension that existed between the notions of *bangsa* and nation. Disgraced, Onn left UMNO and the party's exclusivist stance as the champion of the Malays and the 'nation-of-intent' this involved was reinforced. UMNO would obtain independence not for all the inhabitants of the peninsula but rather for the *bangsa Melayu*. As Tunku Abdul Rahman, Onn's successor as the head of UMNO, argued in his first speech as the party's President:

With regard to suggestions from some of our people that independence should be given to 'Malayans', the question is who are these 'Malayans'? This country was received from the Malays, therefore it should be given back to the Malays.¹³¹

Despite the failure of the PUTERA-AMCJA collaboration and the CLC to force a lasting agreement on substantive issues concerning the future character of an independent nation-state, these tentative efforts to foster a cooperative sense between the different communities helped shape future interethnic partnership and informed what eventually became the 'governing statement' of national identity discourses in independent Malaya/Malaysia. The results of municipal elections held in Kuala Lumpur in February 1952 are particularly instructive.¹³² In January, the UMNO and MCA election committees agreed to field a single, multiethnic slate of candidates to challenge their main rival, the non-communal Independence of Malaya Party (IMP), which Onn had set up in September 1951 after

¹²⁹ Lee (2009), p.64.

¹³⁰ Tan (1988), p.17.

¹³¹ Mahmood Ibrahim in, Ariffin Omar (2009), p.56.

¹³² The first municipal elections were actually staged in Penang in December 1951 but as the elections in Kuala Lumpur mark the first instance of an UMNO-MCA political alliance my focus, understandably, rests on the latter.

leaving UMNO. The lack of other ethnically-based parties in the contest encouraged this sense of cooperation rather than competition. On top of this, urban demographics, which saw a relatively small number of Malays living in Kuala Lumpur, meant that there was a clear electoral incentive for UMNO to team up with the MCA.¹³³

This local initiative was roundly criticized not just by the IMP but also by some within the MCA and UMNO national leadership.¹³⁴ Although local issues ostensibly formed the focus of this electoral pact, the municipal elections eventually “turned out to be a test of strength between Onn’s multiracial IMP and the communally-based UMNO and MCA.”¹³⁵ In this sense, these elections can also be seen as a contest between two broad ‘nations-of-intent’ to see which displayed greater traction given the historical shape of state-society relations within Malaya and, therefore, which might perform best as the ideological basis of the new independent state. By scoring a decisive victory in the polls, the UMNO-MCA alliance presented a viable solution to some of the concerns surrounding self-government that had been raised during the elections.¹³⁶ Here was a political solution that seemed able of addressing the ethnicized environment prevalent within Malaya. However, a closer investigation reveals that the results raised just as many questions about the political framework of a future nation-state. Voting patterns in Kuala Lumpur followed distinctly ethnic lines and so the MCA-UMNO victory provided only superficial evidence that the Malays and Chinese could cooperate in pursuit of their political goals. A range of inherent contradictions and tensions between the two political camps persisted and many contentious issues affecting interethnic relations remained unresolved. Despite this, Kuala Lumpur marked the beginning of the end for the IMP as a political force and the rise of multiethnic alliance politics as a driving force on the political scene.

At the start of 1952, however, the future shape of interethnic cooperation in Malaya was still undetermined. Wary of UMNO under the new leadership of the Tunku, Tan initially supported the IMP; he had chaired the party’s inaugural meeting in Kuala Lumpur the previous year and he also headed up its Malacca branch. Uncertain of the Tunku’s stance

¹³³ Puthucheary, pp.6-7.

¹³⁴ Lee (2009), p.65. For hardliners within UMNO the thought of cooperating with a Chinese party was an anathema while for the MCA, many of its leaders, including Tan, had expressed their support for the IMP.

¹³⁵ Lee (2009), p.65.

¹³⁶ The alliance won nine of the twelve seats on offer with the IMP picking up the remaining three.

on *jus soli* citizenship rights for non-Malays, Tan and other mainly Western-educated MCA leaders leant towards the non-racial IMP as a moderate alternative. The Malayan Indian Congress (MIC) also embraced the IMP while it appeared that Onn's party also enjoyed the quiet backing of the British.¹³⁷ At this stage, it still seemed more than possible that Malaya could have had "a situation of a dominant multiracial party or competing multiracial parties instead of a coalition of ethnic parties leading the independence movement".¹³⁸ In other words, none of the rival 'nations-of-intent' could yet claim hegemony. The contingent nature of the electoral alliance for the municipal elections in Kuala Lumpur further muddled the picture. Had the first elections been anywhere else than this largely Chinese-populated city it is unlikely that UMNO would have seen a reason to cooperate with a Chinese electoral partner.¹³⁹ Based on this it was unclear in 1952 that the UMNO-MCA alliance would be anything more than a temporary marriage of convenience.

A combination of factors soon tipped the balance in favour of an ethnically-structured coalition emerging, however. UMNO regarded the IMP as its main rival for political power and so any measures designed to weaken its position were welcomed. In seeking a more permanent relationship with the MCA, UMNO leaders saw an opportunity to rob the IMP of a significant source of support. For the MCA, the situation was complicated by Tan's active endorsement of the IMP. Senior figures in the MCA such as H.S. Lee, the head of the Selangor branch of the MCA, expressed their deep concern over Tan's support for and dealings with Onn and the IMP.¹⁴⁰ Essentially, Lee believed that in a mixed electorate the multiracial IMP lacked popular support. Simple electoral calculus and the historical shape of domestic society dictated that the MCA throw in its lot with UMNO.¹⁴¹ This stance was probably also influenced by factions within the MCA and the broader Chinese community that were anxious about the future of Chinese education, language and citizenship in an independent nation-state. Believing that "the Chinese were politically weak and divided" these groups felt that "a distinctly Chinese party was therefore needed to safeguard the community's interest especially at a time when British policies were interpreted as anti-

¹³⁷ Lee (2009), p.66.

¹³⁸ Lee (2009), p.66.

¹³⁹ Puthucheary, p.6 and Lee (2009), pp.67-68.

¹⁴⁰ Lee (2009), pp.65-66.

¹⁴¹ Neo, p.99.

Chinese.”¹⁴² These MCA leaders saw that the best chance for the party to retain its identity was in securing an alliance with a similarly structured communal party. Despite his initial reluctance to abandon Onn and the IMP, Tan was eventually convinced of the political necessity of doing so. He and the Tunku met on 18 March 1953 for the first of a series of talks that eventually saw the institutionalization of a nationwide UMNO-MCA Alliance coalition.

The prospect of self-government and independence further cemented the relationship between UMNO and the MCA. To achieve these goals both parties recognized the pragmatic need to present a common front to the British, who were insisting that some form of interethnic partnership and unity of purpose was an essential prerequisite for defeating the communist challenge and securing long-term peace and prosperity.¹⁴³ Aware of the British preference for the non-communal IMP, the leaders of UMNO and the MCA jointly called for federal legislative elections to be held with at least 60 per cent of the seats to be popularly elected. Despite their initial resistance to this condition, the British eventually relented and in July 1955 the first federal elections were held throughout the peninsula. The Alliance coalition, now joined by the MIC, trounced Onn’s re-ethnicized *Parti Negara*, which he had formed after the failure of the non-communal IMP, by winning 51 out of the 52 seats on offer.¹⁴⁴ Figure 6 below demonstrates this last progression with the participation of Chinese and Indian political elites lending what was still essentially a very Malay ‘nation-of-intent’ with the degree of broad ‘popular’ legitimacy required by the British for independence to be granted. At the same time, there is a clear recognition of how alternative ‘nations-of-intent’ contested the emergence of what would become independent Malaya’s authority-defined ‘nation-of-intent’.

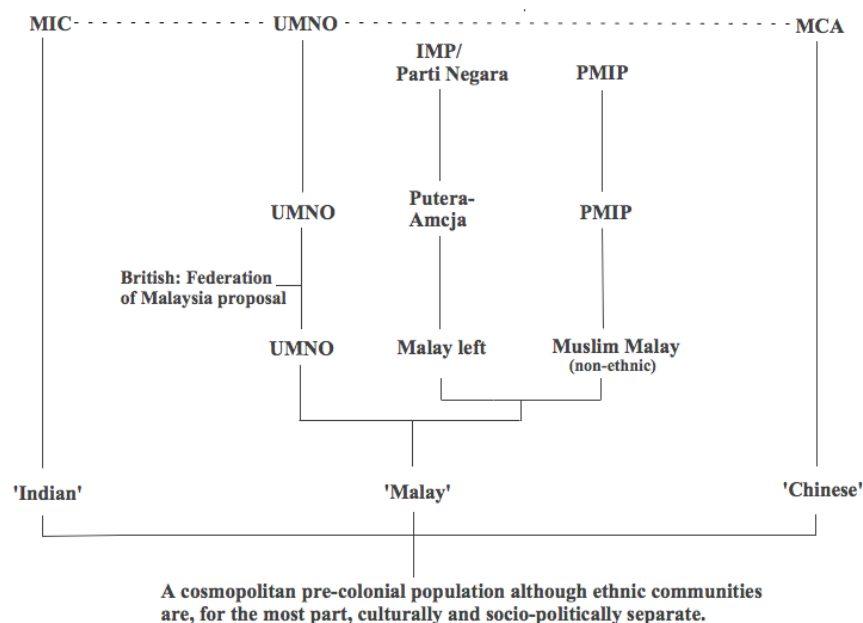
¹⁴² Lee (2009), p.66. The interpretation of British policies as anti-Chinese was most likely a consequence of steps taken by the British to isolate and destroy the MCP.

¹⁴³ MacGillivray, pp.160-161 and Harold Crouch (1980). “From Alliance to Barisan Nasional”, in, Harold Crouch, Lee Kam Hing and Michael Ong (eds.), *Malaysian Politics and the 1978 Election*. Kuala Lumpur: Oxford University Press, p.2.

¹⁴⁴ Onn disbanded the IMP in 1954 in order to establish the *Parti Negara*. Although constitutionally multi-ethnic the *Parti Negara* was staunchly pro-Malay. Even then, the party failed to garner significant support within the Malay community and was derided by the Alliance for its alleged ethnic chauvinism. In 1955, the sole seat not won by the Alliance was, in fact, won by the Pan-Malayan Islamic Party (PMIP). See: Kamarudin Jaffar (1979). “Malay Political Parties: An Interpretative Essay”, *Southeast Asian Affairs*, pp.211-220 and N. J. Funston (1976). “The Origins of Parti Islam Se Malaysia.”, *Journal of Southeast Asian Studies*, 7(1), pp.58-73.

Empowered by the 1955 electoral results, the Alliance believed that they possessed a clear popular mandate to begin negotiations with the British for independence. Led by Tunku Abdul Rahman, who was now the Chief Minister of Malaya, they demanded the creation of an independent commission to draw up a constitution as the first step towards eventual independence. Impressed by the willingness of the different ethnic parties to cooperate and an evolving spirit of interethnic solidarity the British agreed and in early 1956 the Alliance was invited to send a delegation to London for discussions.¹⁴⁵

Figure 6: An Anthropology of the ‘Governing Statement’ (Step 4)



2.5 Articulating Malaya's Authority-Defined 'Nation-of-Intent': The Merdeka Constitution¹⁴⁶

Any constitution is, ideally, a contract between a government and its citizenry and, like all compacts, is subject to negotiation and compromise.¹⁴⁷ In line with the strategic-relational

¹⁴⁵ Lee (2009), p.69 and Lee (1976), p.62.

¹⁴⁶ *Merdeka* is the Malay word meaning 'free' or 'independent'.

¹⁴⁷ The Malaysian case clearly diverges from this ideal and one could justifiably claim that a federal constitution was *imposed* upon Malaysia. Nevertheless, the electoral success of the multiethnic Alliance in 1952 and 1955 demonstrated the widespread popular support it commanded and legitimized its participation

approach outlined above, the historical development of a constitution should be seen as the tangible expression of how the ‘nation’ – with which the state is to be aligned – is (to be) constituted. Symbolizing the birth of the new nation, the Malayan Federal Constitution was relatively unrepresentative of the more typical negotiations on distribution of federal and state powers that characterize many such endeavours. Instead, the discussions surrounding the creation of the Constitution concerned themselves more with the “tortuous forging of acceptable terms and compromises among the various racial components of the Malaysian society, especially on matters of communal interests.”¹⁴⁸ To put it succinctly, many of the sensitive areas of (dis)agreement, such as the question of citizenship, which had previously scuttled the concept of the Malayan Union, continued to cast their shadow across the political landscape. To achieve the *Merdeka* Constitution a spirit of compromise needed to be forged.

Despite the outward show of unity and purpose, the basic structure of the pact between the three parties in the Alliance saw each organization retain its communal structure and continue seek support from within its own particular ethnic community. This, in turn, meant that substantive points of concern between the different communities, especially those concerning citizenship and the ‘special position’ of the Malays, had been left largely unresolved. The 1955 Alliance Election Manifesto highlighted the difficulties involved in addressing such awkward matters. Unlike the urban-based elections of 1952, the MCA was keenly aware that the ethnic composition of the electorate for the federal elections in 1955 was heavily skewed in favour of UMNO. As a consequence, the MCA “agreed to include [in the Election Manifesto] certain issues relating to the constitutional position of the Malays (for example, the status of the Malay language as the national language, and the safeguarding of their special position) while excluding issues that might offend Malay sensitivities (such as the question of citizenship for non-Malays by *jus soli*, and the status of Chinese language and education).”¹⁴⁹

in the drafting of a constitution providing for full self-government and independence of the Federation of Malaya.

¹⁴⁸ Lee (1976), p.59.

¹⁴⁹ Puthucheary, p.7.

This was only a short-term, tactical fix, however. All parties recognized that in the communally charged atmosphere of the country it would be exceedingly difficult to determine among themselves a more lasting political arrangement that would also be broadly acceptable across all communities. Both UMNO and the MCA were prepared, therefore, to defer such deliberations until an external and independent commission could be established to draft a constitution providing for a self-governing and sovereign Federation of Malaya. In other words, the apparently intractable nature of 'traditional' society-state relations in colonial Malaysia compelled local political elites to turn to an outside body to help structure the ideological and legal basis so that an independent Malaya could take its place among the community of modern nation-states.¹⁵⁰

As a consequence of the London talks an Independent Constitutional Commission under the chairmanship of Lord Reid was established in June 1956.¹⁵¹ The Reid Commission was charged with gathering data on existing 'traditional' constitutional arrangements throughout the Federation of Malaya and making "recommendations for a federal form of constitution for the whole country as a single, self-governing unit within the Commonwealth based on Parliamentary democracy with a bicameral legislature."¹⁵² Explicitly included in any new constitutional framework were to be provisions that addressed a common nationality for the whole of the Federation and the safeguarding of the special position of the Malays while nevertheless maintaining the legitimate interests of the other communities.¹⁵³ This process was, therefore, emblematic of attempts to achieve a 'modernizing-traditional' fusion in the hope of creating a 'civic culture'; one that could socially legitimate the authority of the

¹⁵⁰ The Alliance's insistence that Malaysia's post-independence constitution be drawn up by an independent commission consisting entirely of non-Malaysians upset the Malay rulers who were concerned about their position and role within an independent Malaysia. Ultimately, though, the electoral success of the Alliance compelled the rulers to accept the appointment of foreigners to the constitutional commission on the proviso that one of the commission's terms of reference would make provision for the "safeguarding of the position and prestige of Their Highnesses as Constitutional Rulers of their respective States." See: S. C. Smith (1995). *British Relations with the Malay Rulers from Decentralization to Malayan Independence 1930-1957*. Kuala Lumpur: Oxford University Press, pp.185-191.

¹⁵¹ The other members of the commission were: Ivor Jennings (U.K.); William McKell (Australia); B. Malik (India) and; Abdul Hamid (Pakistan).

¹⁵² Lee (1976), p.62.

¹⁵³ Puthucheary (p.8) notes that the Reid Commission's terms of reference were defined by the success of the Alliance and of UMNO in particular in the 1955 elections. This meant that some issues were beyond its jurisdiction, most notably, the safeguarding of the Malay's special position. With respect to those matters that fell within its purview, such as the question of citizenship by *jus soli* for non-Malays, the commission "received a bewildering array of different and contradictory opinions."

newly independent state (and its representatives).¹⁵⁴ Over five months in mid-1956 the Reid Commission held 118 data-collecting sessions and in late February 1957 submitted its report to a tripartite working committee. This working party, which included representatives from the Alliance, the Malay rulers and the British, then proceeded over the next two months to scrutinize the terms of the draft Constitution in order to ensure that it would be acceptable to the major communities.

Although the general structure of the Reid Commission's draft constitution was well received by the tripartite working committee, certain 'sensitive' sections did not escape significant amendment. In particular, those that touched on issues of citizenship, Malay special position, language and religion saw heated debate as party leaders within the Alliance had to contend with communal demands voiced by more radical elements within their respective communities.¹⁵⁵ Malay language newspapers were sharply critical of what they saw as a distinctly pro-Chinese bias in the commission's recommendations. More radical sections of the Malay community were even more spirited in their opposition. Underlining his renewed commitment to ethnic politics, Onn stated that "the Malays [had] been sold down the river" and pledged that his *Parti Negara* would prevent the recommendations from being accepted.¹⁵⁶ A wide range of Malay organizations, both on the peninsula and in United Kingdom, similarly expressed their displeasure and rejected the commission's proposals. For their part, Chinese newspapers were equally scathing in their judgment of the commission's suggestions, which they regarded as excessively generous toward the Malay community. The *Singapore Standard* went so far as to claim that the "greatest defect in the psychology of the Malays is their innate fear that they are unable to stand on their own feet" and that any formal recognition of the 'special position' of the Malays was "tantamount to an admission that they will never be able to compete with other races for a proper place under their own Malaysian sun. This is also an admission that they are not prepared to work hard enough for what they want in this world."¹⁵⁷ Like their Malay counterparts, some Chinese associations also threatened to send delegations to London to voice their extreme dissatisfaction with the commission's recommendations.

¹⁵⁴ See Section 1.5 above.

¹⁵⁵ Lee (2009), p.70 and Neo, p.100.

¹⁵⁶ Karl von Vorys (1975). *Democracy Without Consensus: Communalism and Political Stability in Malaysia*. Princeton: Princeton University Press; p.132.

¹⁵⁷ Quoted in, von Vorys, p.132.

The working committee finally decided that a historical precedence existed in support of Malay special rights and that this should be reflected in the Constitution.¹⁵⁸ What eventuated as a consequence was a political solution generally referred to as ‘the Bargain’. In return for more liberal citizenship requirements, non-Malay leaders in the Alliance accepted the special position of the Malays in order to uplift their inferior economic position.¹⁵⁹ Article 153 of the Federal Constitution eventually codified this by making it the responsibility of the constitutional monarch, the *Yang-di-Pertuan Agong*, to “safeguard the special position of the Malays and the legitimate interests of the other communities.”¹⁶⁰ Cognizant of the difficulties involved in reconciling such special rights with the notion of a common nationality for the whole of the Federation both the Alliance and the Reid Commission expressed the opinion that those constitutional provisions concerning the special position of the Malays would be only temporary.¹⁶¹ In fact, the Alliance advanced a submission that in an independent Malaya, “all nationals should be accorded equal rights, privileges and opportunities and there must not be discrimination on grounds of race and creed”; a notion that even the Malay Rulers also agreed with in essence.¹⁶²

The conclusion of the working party’s deliberations saw lively debate centered on this very issue and several non-Malay (and non-Alliance) delegates rose to voice their concern that

¹⁵⁸ This is not to say that members were always in agreement. In fact, von Vorys notes that “the Malays and the Chinese within the Alliance councils could not have presented their views more vigorously nor bargained harder.” However, the leadership of the component parties recognized that public negotiations on such sensitive issues would be fraught with danger and would “trap them in a rigid pattern and place the communities on a path of polarization which would inevitably lead to confrontation and communal violence.” See: von Vorys, p.133.

¹⁵⁹ It was agreed that those born in the federation after independence would gain citizenship on the basis of *jus soli* while non-residents could qualify for citizenship by fulfilling residence, language and oath of loyalty requirements. It is difficult to underestimate just how significant an achievement this was for overseas Chinese (and Indians) considering socio-political conditions prevalent in Southeast Asia at the time.

¹⁶⁰ J.M. Fernando (2002) in, Lee (2009), p.71. As noted below, the scope of this article was expanded in 1963 with the creation of Malaysia to recognize also the special position of the “natives of any of the States of Sabah and Sarawak”. See: International Law Book Services (2010). *Federal Constitution*. Petaling Jaya: International Law Book Services, p.188. Despite reference to the ‘legitimate interests’ of non-Malays, this phrase lacked any substantive content as no guidelines were specified for its operation. See: Lim (1985), p.273.

¹⁶¹ Original drafts of the Alliance memorandum, written between April and September 1956, envisioned that the special position provisions would be reviewed fifteen years after independence had been achieved. The final recommendation of the Reid Commission was that such provisions should “be reduced and should ultimately cease so that there should then be no discrimination between races and communities.” See: Lee (2009), p.70; Abdul Aziz Bari and Farid Sufian Shuaib (2004). *Constitution of Malaysia: Text and Commentary*. Petaling Jaya: Prentice Hall, p.333 and; *Report of the Federation of Malaya Constitutional Commission 1957*. London: Her Majesty’s Stationary Office. Accessed at: www.krisispraxis.com/Constitutional%20Commission%201957.pdf on April 28, 2011.

¹⁶² In, Bari and Shuaib, p.332. See also: Lee (2009), p.70.

without a clear time frame, there was the danger that constitutional provisions outlining the ‘special position’ of Malays could become a permanent part of the constitution and create two classes of citizens.¹⁶³ However, a combination of strong UMNO representation and the fear that Malay organizations would protest any such inclusion meant that no mention was made in the final version of a definitive time frame for phasing out these constitutionally protected Malay special rights.¹⁶⁴ Instead, there was a vague agreement that these provisions “should be reviewed from time to time.”¹⁶⁵ The MCA did manage to have a protective clause included that limited the ability of Parliament to restrict business for the sole purpose of creating quotas or reservations for Malays. However, the addition of these provisions to the permanent section of the Constitution at the final meeting of the tripartite working committee on April 27 1957 meant that any future amendments would require a two-thirds majority of the total members of each house of parliament; Malay dominance was constitutionally endorsed. As Mavis Puthucheary notes, the notion of constitutionally assured special rights “produced an uneasy coexistence between [traditional] group rights and [modern notions of] individual liberalism” which continues to mark the political landscape in contemporary Malaysia.¹⁶⁶ While recognizing that the terms of ‘the Bargain’ pragmatically established Malay political dominance for the foreseeable future, Puthucheary argues that this was never guaranteed in perpetuity:

...no-one expected a ‘bargain’ which traded Malay political hegemony for Chinese (and foreign) control of the economy to last forever: not even as a mundane brokering of less than eternal interests, and certainly not as a sacrosanct civic and political covenant.¹⁶⁷

As we shall see, the ambiguity surrounding the timeframe of this trade-off between Malay political privilege and non-Malay economic advantage would later have tragic consequences and drastically shape the socio-political environment of contemporary Malaysia.¹⁶⁸

¹⁶³ von Vorys, pp.137-138.

¹⁶⁴ This was perhaps unsurprising given the fact that Malay voters considerably outnumbered the number of non-Malay voters. See: Means (1970), p.174 and von Vorys, pp.138-139.

¹⁶⁵ J.M. Fernando (2002) in, Lee (2009), p.71.

¹⁶⁶ Puthucheary, p.9. See also: Lee (1990), pp.486-487.

¹⁶⁷ Puthucheary, p.9.

¹⁶⁸ Lim Teck Ghee (1995). *Social and Economic Integration of Different Ethnic Groups in South-east Asia, with Special Reference to Malaysia: A Review of the Literature and Empirical Material*. Geneva: Institute for Labour Studies, p.2. See also Chapters Four and Five below.

Whereas the colonial state had adopted an essentially *laissez-faire* attitude towards the cultural development of Malaya, the postcolonial state would now play “an increasingly interventionist role in the cultural development of society and actively promote the public presence of Malay culture.”¹⁶⁹ Within this context, debate on the constitutional standing of two further ‘traditional’ issues would similarly frame the future Malayan nation-state: religion and language. Despite its latent capacity to act as a catalyst for the political mobilization of the Malays, Islam had remained largely untapped by nationalist elites in the early stages of the development of Malay nationalism.¹⁷⁰ As already noted, the primary appeal of UMNO was not religious but, instead, was focused on Malay fears surrounding non-Malay political and economic domination. Religion, therefore, did not become politically meaningful until after the political organization of the Malays had already been effectively achieved. Deadly riots, which followed a religiously charged court case in Singapore in 1950, provided “an object lesson to Malay politicians that religion might be utilized to tap the ‘primordial sentiments’ of the bulk of Malay society.”¹⁷¹ Following this and with the introduction of elections in 1955, the Malay political scene witnessed a shift from a largely secular focus to one that was more openly concerned with religious issues. In particular, the defense and promotion of Islam against ‘infidel influences’ by PAS under Dr. Burhanuddin became “a powerful theme...to mobilize mass Malay support and to give religious legitimacy to the more extreme communal demands of the party.”¹⁷² This challenge for the Muslim-Malay vote spurred UMNO to provide greater governmental support for Islam.

Nevertheless, despite the increased political significance of religion in Malay politics and in contrast to the religiously-tinged nationalist goals of PAS, UMNO’s nationalism at this time remained largely secular in content. Despite their limited commitment to Islam, however, UMNO ensured that the Federal Constitution established Islam as the official

¹⁶⁹ Lee Hock Guan (2000). *Ethnic Relations in Peninsular Malaysia: The Cultural and Economic Dimensions*. Singapore: ISEAS, p.3.

¹⁷⁰ Means (1978), p.388 and Lee (1990), p.483. Means argues that this was because the religious views of emergent nationalist elites were out of sync with the Islamic sentiments of rural Malay peasants.

¹⁷¹ Means (1969), p.277. The phrase in quotes is Geertz’s who used it to refer to the sub-national community loyalties that bound pre-modern societies together and which continued to persist in contemporary transitional societies. See: Geertz (1963).

¹⁷² Means (1969), p.278. In this way Burhanuddin was able to overcome the historical animosity between the modernist (*Kaum Muda*) and conservative-traditional (*Kaum Tua*) factions within Malaysian Islam and encourage both to support PAS.

religion for the entire Federation, thereby radically altering the legal relationship between mosque and state.¹⁷³ This unprecedented move was in line with the earlier Alliance memorandum but contrary to the majority opinion of the Reid Commission, which saw it as a contradiction to the status of a modern, secular nation-state.¹⁷⁴ Arguing that this article was “important psychologically to the Malays”, Tunku Abdul Rahman deflected the strong objections of the MCA and MIC to its inclusion by assuring their leaders that “Islam was intended to have only symbolic significance and for ceremonial purposes only, and that the rights of non-Muslims would not be affected.”¹⁷⁵ Nevertheless, since Article 160 of the Constitution defined a ‘Malay’ as “a person who professes the religion of Islam, habitually speaks the Malay language [and] conforms to Malay custom” it was clear that the elaborate system of constitutionally sanctioned Malay special privileges was directly linked to the legal status of Islam within Malaysia.¹⁷⁶ The effect of this association meant that a largely secular approach to politics would be almost impossible after independence and the repercussions of this association continue to reverberate within contemporary Malaysia.¹⁷⁷

UMNO’s participation in the multi-communal Alliance, however, meant that the intensity of its appeal to Islamic notions was, necessarily, somewhat muted. To this end, Article 3 of the Federal Constitution contained the proviso that other religions were free to be practiced in any part of the Federation while Article 11 similarly guaranteed the right for all citizens to profess and practice their religion.¹⁷⁸ A similar compromise was reached on language in Article 152 of the Constitution. The Malay language was designated as the national language but that no restrictions were to be placed on the use of other languages for unofficial purposes.¹⁷⁹ In terms of using the national education system as a means of inculcating a greater sense of ‘national’ identity, Malay would become a compulsory school subject after independence with an eye towards it becoming the sole official language after 1967. In order to avoid alienating the essential minimum of Chinese support required to govern, the UMNO leadership assured Chinese educationalists, a powerful constituency within the Chinese community, that “Chinese schools, language and culture would be

¹⁷³ Means (1978), p.389 and Lee (2000), p.3.

¹⁷⁴ This is Article 3 of the Federal Constitution.

¹⁷⁵ Hing (2009), p.71. See also: Neo, p.100.

¹⁷⁶ International Law Book Services (2010). *Federal Constitution*, p.198.

¹⁷⁷ See Section 5.4 below.

¹⁷⁸ International Law Book Services (2010). *Federal Constitution*, p.20 & p.28.

¹⁷⁹ International Law Book Services (2010). *Federal Constitution*, pp.186-188.

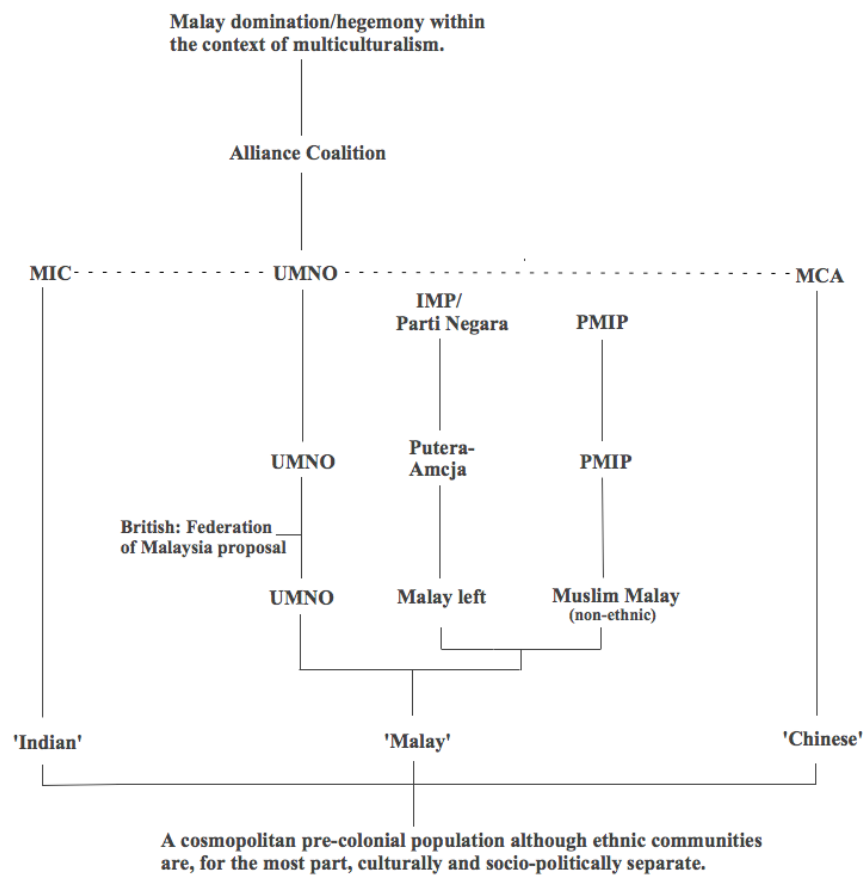
preserved” within this system.¹⁸⁰ In the end, however, the *Merdeka* Constitution formally recognized and institutionalized the uneven status of Malay and non-Malay cultures in Malaya.

Independent Malaya would clearly contain sizable ethnic and/or religious minorities. Equally evident, however, was that any expression of or commitment to multiculturalism by state actors could only operate within the context of Malay hegemony or, barring that, Malay domination.¹⁸¹ I argue that this, essentially, is the foundational ‘governing statement’ that has underpinned national identity discourses in Malaya/Malaysia since 1957 and which represents the culmination of a process began before the arrival of the British but that was inextricably sculpted by the shape of British colonialism and domestic reaction to colonial practices. Here, then, was Malaya’s authority-defined ‘nation-of-intent’ at independence (Figure 7).

¹⁸⁰ Lee (2009), p.72 and Lim (1985), p.258. Refer to the earlier discussion on the concept of *minzu* to better understand the weight that cultural and educational matters carried within the Chinese community.

¹⁸¹ See Section 1.3 above for some discussion of the difference between these two concepts.

Figure 7: An Anthropology of the 'Governing Statement' (Step 5)



The deliberations surrounding the drafting of the Federal Constitution reflected the very delicate interethnic environment of late colonial Malaya in which each ethnic community was determined to ensure that its core interests were safeguarded. So long as these were mutually incompatible it was unlikely that the final terms of the constitutional bargain would fully satisfy all involved. Nevertheless, key compromises were reached which allowed Malays and non-Malays to work together and jointly demand independence from the British, leading some to regard the final product of these constitutional deliberations as the basis of the social compact of the Malaysian nation-state.¹⁸² While this notion of a Malaysian social contract is vehemently contested, it is broadly recognized that the Constitution has “provided the parameters of all subsequent discourses on interethnic relations.”¹⁸³ Nowhere is this clearer than in the numerous instances where the inherent

¹⁸² Neo, p.100.

¹⁸³ Lee (2009), p.72.

strains contained within particular articles of the Constitution have surfaced. These tensions stem directly from the contingent nature of interethnic relations prior to independence and, in particular, the ‘curious and irreplaceable combination of circumstances’ that saw the creation of the Alliance. Artificially pushed together by British colonial policy and the Emergency, Malay and non-Malay elites had the opportunity to cultivate close relationships before they had to seriously contend with ‘divisive’ issues.¹⁸⁴ The compromises entered into were enough to approve the terms of what was never meant to be anything more than a temporary bargain. However, without a more enduring ‘organic’ foundation for the new nation-state it is hardly surprising that contestation and conflict have periodically erupted in independent Malaya/Malaysia.

Conclusion

With the cries of ‘*Merdeka!*’ ringing through the sports stadium in the heart of Kuala Lumpur, Tunku Abdul Rahman proclaimed Malaya’s independence on August 31, 1957. Looking back only a year after the event, the last British colonial administrator genuinely believed in the existence of “a common Malayan outlook...and a national consciousness to a degree sufficient to ensure that the people would hold together as a nation.”¹⁸⁵ This he put down to the sense of compromise that had characterized the constitutional deliberations which had seen the different communities come together to forge a united front in their common struggle for independence. However, over the course of the next decade, the newly independent country would experience increasing interethnic tensions culminating in the deadly race riots of 1969. The following chapter will address this development in greater detail but, for now, it is worth considering a few preliminary points based on the historical experiences of pre-independence Malaya.

While global forces may appear to be largely absent in this analysis of pre-independence Malaya, they played a crucial, if relatively inconspicuous, role in establishing the governing statement of the new country’s authority-defined ‘nation-of-intent’. While the initial pretext for the colonization of the Peninsula had been the protection of the ‘Malay rulers’, by the turn of the twentieth century, racially conscious British administrators now saw the

¹⁸⁴ D.L. Horowitz (1985). *Ethnic Groups in Conflict*. Berkeley: University of California Press; pp.396-440.

¹⁸⁵ MacGillivray, p.162.

protection of the 'Malay race' as a more attractive justification for their presence. As Anthony Reid observes,

[t]he pseudo-scientific European idea of competing biological strains had merged with the indigenous concepts of identity (*bangsa*, *minzu*)...sharpening the boundaries of what had been fluid categories...we might say that the European conviction of the importance of racial boundaries, then at its peak, had not yet poisoned the Malayan imaginary. But it had certainly begun its work.¹⁸⁶

In fact, as the global prominence of the nation-state concept and the accompanying ideology of nationalism came to dominate international relations in the twentieth century, notions of identity became increasingly problematic on the Malay Peninsula. British colonial officials realized that they could create a modern colonial state but that it could not be a fully modern state until it was a national state.¹⁸⁷ Although they attempted to introduce the term 'Malaya' to describe the intensely multi-ethnic land, which people of many races were beginning to call home, this hybrid word failed to find root in Malay speech.¹⁸⁸ As ethnic forms of identification became more salient, particularly among the Malays, tensions inevitably arose over what was to be the defining national identity for the political entity known as 'British Malaya'.

The peculiarities of Malaya's historical experiences meant that the development of national imaginings saw immediate concerns with political identity and international recognition as a modern nation-state thus trump any substantive discussion of cultural identity. Malaya's initial authority-defined 'nation-of-intent' arose out of the disputes surrounding the Malayan Union and Federation of Malaya with debates centered on what precisely was the existential essence of Malaya. The priority in the first instance, therefore, was:

the maximization of political privileges and economic opportunities for the parties involved, the people of Malaya and the British...[s]econd, and following from that,

¹⁸⁶ Anthony Reid (2010). *Imperial Alchemy: Nationalism and Political Identity in Southeast Asia*. Cambridge: Cambridge University Press; p.101.

¹⁸⁷ Tarling, p.84.

¹⁸⁸ As noted above, the term 'Malaya' could only be rendered in Malay as *Tanah Melayu* ('the land of the Malays') which was an uncomfortable antithesis of what the British were trying to achieve. See: Reid, pp.94-95.

national identity as a constellation of clearly defined symbols and attributes was, if not entirely neglected in the discussion, regarded as a residual category; only after political consensus had been achieved and become electorally operational, could it then be properly attended to.¹⁸⁹

Unlike many other Southeast Asian colonies, coherent expressions of nationalism were thus rarely visible in the Malayan context. The separation of the different ethnic communities, each with their own 'nation-of-intent', meant that even by the late colonial period there was little sense of a common purpose. C.W. Watson notes the absence in Malaya of "the long lead-time between the emergence of nationalist sentiments coupled with the creation of powerful symbols" during which time "the people acquire an understanding of and a commitment to the nation."¹⁹⁰ The relative weakness of widespread nationalist fervour in Malaya seems unsurprising considering the presence of divergent 'nations-of-intent' as well as the last-minute nature of the phenomenon there. Nationhood was achieved well before the symbolic discourse was entrenched and, consequently, notions of national identity had to be largely created on the go.

Malaya's colonial history, in particular the evolution of the sociopolitical terrain following the end of World War Two, saw the country's authority-defined 'nation-of-intent' at independence determined by UMNO.¹⁹¹ However, it was not really until Tunku Abdul Rahman took over the reins of the party from Onn that UMNO truly articulated a distinctive 'nation-of-intent'. From the party's inception in 1946 until Onn's departure in 1951, UMNO really had no clear notion of 'the nation' to advance beyond Onn's vague notion of a 'plural society nation'. Paradoxically, given UMNO's role in torpedoing it, this was essentially no different than the concept of nation proposed by the British under the terms of the Malayan Union. Fully aware of the demographic realities of Malaya, the Tunku's vision similarly operated within the basic premise of the plural society but with a crucial difference. Unlike Onn, the Tunku advocated "a 'Malay UMNO', retaining it as a communal party and thus emphasizing the primacy of Malay ethnic interests while recognizing the interests of the other ethnic groups."¹⁹² Independence, therefore, saw an

¹⁸⁹ Watson, p.316.

¹⁹⁰ Watson, p.315.

¹⁹¹ Shamsul (1996b), p.486.

¹⁹² Shamsul (1996a), p.335.

officially articulated nationalism that involved a plural but communal political environment in which the Malays, via UMNO, would exercise dominance.

In this sense, perhaps the clearest way in which domestic reverberations of the global were mediated by the specific historical structure of the Malayan state during this time period was with respect to the process of decolonization. As British Malaya moved towards independence it was no longer the task of state-building that mattered but rather the task of *nation*-state building. Western precedent could provide something of a guide inasmuch as the state actors recognized that they needed the familiar superficial trappings of a nation-state: flags; anthems; symbols; rituals; etc. Nonetheless, while political elites might promote a national language, national feeling or a national anthem, without real political participation on the part of 'the people', such efforts, ultimately, would ring hollow. As a global norm, popular sovereignty operated as the ideal basis for political authority and legitimation, but it remained elusive for many postcolonial states. One commentator writing on decolonization in the 1950s noted as much when they observed, "[o]n the surface [self-determination] seemed reasonable: let the People decide. It was in fact ridiculous because the people cannot decide until someone decides who are the people."¹⁹³ What this essentially meant was that those within the colonial boundaries had to be transformed into citizens, ideally via the creation of a 'common nationality'. As we have seen in this chapter, however, this was an inherently problematic process in Malaya given the multi-communal nature of the new (nation-)state and the emphasis placed on ethnic identification.

In this sense, the historical contours of the state shaped the actual articulation of a global norm in independent Malaya. The concept of popular sovereignty suggests that state actors must be socially ordained as 'rightful' if they are to be able to exercise effective authority. But the question then becomes, ordained by whom? What British colonialism did was to ensure that at independence the social constituency of legitimation and, therefore, the bases of popular sovereignty would be conceptualized largely in ethnic or communal terms. This meant that the officially sanctioned 'nation-of-intent' largely reflected the internalization of the logic of colonial governmentality. Colonial policies sought to both "fix and determine,

¹⁹³ Sir Ivor Jennings, in Tarling, p.166.

as well as divide and order, the various ethno-linguistic communities and nationalities” in order to suit the external economic needs of British capitalism.¹⁹⁴ As several scholars have argued, the supreme irony of postcolonial politics is that after winning independence, many newly installed postcolonial governments simply replicated the narratives and modes of governance practiced by their colonial predecessors, thereby replicating and elaborating social and political inequalities.¹⁹⁵ The structural blueprint of colonial Malaya was not radically transformed with the departure of the British and essentialized and conventional stereotypes of ethnic identity have been faithfully reproduced since 1957 by Malaysian political structures and state actors in an uncritical manner. The very premise of the Alliance coalition (and later the *Barisan Nasional*) reiterated the “same logic of race-relations of the colonial period with its claim that only such an interracial compromise between elites of the various racialised communities can serve to ensure that economic prosperity and political stability is ensured in the country.”¹⁹⁶ By embodying Malaya’s historical experiences (in the Alliance’s view, at least), the authority-defined ‘nation-of-intent’ was designed to legitimate the authority of state actors and thus provide a solid footing for the state’s interrelationships with domestic society and global forces.

Having said that, all constructions contain the possibility of deconstruction and it is the presence of the ‘Other’ Malaysia(s) which provides the promise of a national narrative that is accommodating and genuinely plural. The existence of different ‘nations-of-intent’ alongside and beneath UMNO’s offered different bases for the collective imagining of the Malaysian nation and the legitimization of political authority. While analytically convenient, the Malay/non-Malay (later *bumiputera*/non-*bumiputera*) dichotomy does not fully capture the range of possible identities and ‘nations-of-intent’ available within Malaysia. For example, the Malay subject as an ideal type shares a superficial homogeneity and would appear to be relatively easy to identify – constitutionally a Malay is defined as “a person who professes the religion of Islam, habitually speaks the Malay language [and] conforms to Malay custom”.¹⁹⁷ However, the creation of this ideal type neglects the historical variation present across and within the Malay states where “at the same historical moment

¹⁹⁴ Noor (2009), p.83.

¹⁹⁵ Lee (1990), p.485 and Noor (2009), p.83.

¹⁹⁶ Noor (2009), pp.87-88.

¹⁹⁷ This definition appears as part of Article 160 of the Federal Constitution. See: International Law Book Services (2010). *Federal Constitution*, p.198.

Malays in different geographical and economic sites were exposed and reacted to a host of external influences generating a differential rate of change and development.”¹⁹⁸ The ‘true’ nature of Malay identity is therefore subject to heated contestation across a range of domains, all of which “hinge upon this issue of who or what was a Malay in the colonial period.”¹⁹⁹

Just as the postcolonial reproduction of many of the narratives and modes of colonial governance has emerged as a site of contestation, so too has the portrayal of the colonially created Malay. As Watson observes, two points are in issue here: “first, the reality and acceptability of the image of the Malay, that is, the character ascribed to the Malay personality by the colonial scholar-administrator, and second, the extent to which colonial policy consciously worked to fix and perpetuate the image once fashioned.”²⁰⁰ The colonial fashioning of the stereotypical Malay as an easy-going, polite, somewhat indolent character has itself been sustained by the postcolonial heirs to the British who have been easily seduced by colonial imaginings.²⁰¹ Mahathir himself in his most polemic writing on the subject of the *sikap bangsa Melayu* (the attitude of the Malay people) wavers between condemning the British for socially engineering the subordinate position of the Malays and pointing the finger at the innate culture and genetic heritage of the Malay race.²⁰²

To reiterate, conceptualizations of Malay and Malaysian identity drive contemporary public debates concerned with the idea and exercise of legitimate political authority in Malaysia. In turn, these notions of identity are rooted in a particular evaluation of the past: “it is one’s account of what one argues has occurred in the period of recent history that substantiates one’s analysis of the present.”²⁰³ While a strategic-relational approach to the state compels us to acknowledge the historical variability of the state idea, the fact remains that certain

¹⁹⁸ Watson, p.308. See also: Milner (2008) and Timothy Barnard (ed.) (2004). *Contesting Malayness: Malay Identity Across Boundaries*. Singapore: Singapore University Press.

¹⁹⁹ Watson, p.308. For an example of such arguments over the authentic ‘Malay’ identity in the domain of literary criticism refer to the discussions of the traditional Malay figures of Hang Tuah and Hang Jebat in Watson and also Khoo (2006).

²⁰⁰ Watson, p.310.

²⁰¹ The classic critique of this phenomenon in the Malaysian context is Syed Hussain Alatas (1977). *The Myth of the Lazy Native*. London: Frank Cass.

²⁰² Mahathir bin Mohamad (2008) [1970]. For a contemporary and similarly essentialist ethnic account of national characteristics see also: Mahathir B. Mohamad (1971). “The Problems of Democratic Nation-Building in Malaysia”, *Solidarity*, 6, pp.6-15.

²⁰³ Watson, p.313.

state forms will eventually be privileged. Only by investigating how certain “traditions and images became established and in their rigid forms resisted re-analysis” can we understand the ways in which the postcolonial Malaysian state has been both grounded and challenged.²⁰⁴ That is, a sense of collective identity relies on a general consensus about the past in order to furnish a commitment to a common set of national goals but postcolonial states often cannot wait for competing interpretations to come to an agreement before devising a strategy for nationhood. Independence impelled the newly independent Malayan state to not only break the psychological ties its inhabitants may have had with outside countries but also to cement a particular imagining of Malaya within which affective bonds might find root. In the next chapter I want to show how, as a consequence of the evolving society-state-global interrelationship, alternative ‘nations-of-intent’ challenged and subsequently forced UMNO to modify Malaysia’s authority-defined ‘nation-of-intent’.

²⁰⁴ Watson, p.315.

Chapter Three – Independence to the Collapse of the ‘Bargain’.

Introduction

The elite constitutional ‘Bargain’ negotiated in the late colonial period set the goals of political development and the parameters for legitimate action. In return for broad Chinese and Indian political participation, Malay political and cultural dominance was ensured, although the scope of the arrangement left the essential cultural fabric of the Chinese and Indian communities largely intact. Equally crucial to the conditions of this political arrangement was an additional dimension that sought to resolve long-standing Malay concerns over the community’s economic ‘backwardness’. To this end, “Malays would have to gain genuine access to the economy and a proportionate share of its products, without, however, depriving Chinese of their property or imposing crippling handicaps on their economic opportunities.”¹ Any fears surrounding the successful implementation of the Bargain were allayed by Alliance leaders who were convinced that their system of political compromise had already proven how such a *modus vivendi* was possible. After all, the constitutional contract reached in 1957 was the direct result of a well-defined strategy involving the simultaneous combination of “(1) the *vertical* mobilization of the Malay, Chinese, and Indian communities and (2) the *horizontal solidarity* of the Malay, Chinese, and Indian political leaders.”² The end of colonial rule, however, saw the emergence of a significantly different socio-political environment than had existed under the British. Without an overarching external colonial presence with which to engage, and blame, communal leaders were now left to their own devices in order to manage potential and real conflicts of interest between the different ethnic communities.

Inevitably, this new postcolonial setting necessitated trade-offs between the vertical and horizontal dimensions of the Alliance system of politics. A central theme of early years after independence was the propensity of Alliance elites to regularly seek the political middle ground. Considering the peculiar structure of colonial Malaya’s plural society a strategy of give-and-take may have been necessary to convince the British to agree to

¹ Karl von Vorys (1975). *Democracy Without Consensus*. Princeton, NJ: Princeton University Press; p.14. The notion of unresolved Malay economic backwardness is a persistent theme in Malay nationalist discourse with scholars recognizing the without a solution to this pressing issue there is little “likelihood of the [Malaysian] government moving towards multiethnic racial ‘political equality’.” See: Cheah Boon Kheng (2002). *Malaysia: The Making of a Nation*. Singapore: ISEAS; pp.78 (emphasis in the original) & 85-86 and also von Vorys, pp.219-250.

² Karl von Vorys, p.143 (emphasis in the original).

local demands for self-government and independence. However, in the postcolonial environment such practices drew attention to the central paradox contained within the Alliance approach and the authority-defined 'nation-of-intent'. Compromises made between the political elites to maintain horizontal stability would damage the credibility of individual leaders within their vertically-aligned ethnic communities. Efforts to retain and/or increase popular support within one's own ethnic community would, in turn, result in more rigid negotiating postures thereby damaging perceptions of mutual solidarity amongst an otherwise ethnically differentiated political elite. The need for such political reciprocity meant that "there was always the danger that faced with the necessity of compromises, either vertical support or horizontal loyalty would drop below a critical minimum level and then the system would collapse."³ That it did not do so in the first twelve years of independence can be put down to a combination of external factors, in particular, the 'Confrontation' with Indonesia, and the political will of communal leaders within the Alliance.⁴ Nevertheless, the early 'success' of the Alliance approach belied certain fundamental weaknesses in the operation of political authority that directly lead to the tragic events of May 1969 and, in its aftermath, a re-definition of the hegemonic or authority-defined 'nation-of-intent'.

Thus, behind the façade of political stability at independence palpable signs of future strain were perceptible and opportunities for alternative articulations of Malaya's 'nation-of-intent' would come soon after the country gained its independence. The story to be told in this chapter is how imaginings of the Malayan/Malaysian nation-state evolved during the period immediately following Independence and how these both reflected and were informed by the society-state-global dynamic that lies at the centre of this thesis. The years between 1957 and 1969 represent the initial tentative steps towards nation-building as the newly independent nation-state sought to negotiate a range of pressures in order to develop its own individual personality.⁵ What becomes clear in this chapter is that although external influences had some bearing on this process, internal pressures played a far more central role, with articulations of the 'national' gravitating more toward the backlash extreme of the 'backlash-

³ von Vorys, p.144.

⁴ In particular, the moral standing of Tengku Abdul Rahman across all the ethnic communities as the 'Bapa Kemerdekaan' ('Father of Independence') played a significant role in maintaining the Alliance system. See: Abdullah Ahmad (1985). *Tengku Abdul Rahman and Malaysia's Foreign Policy 1963-1970*. Kuala Lumpur: Berita; pp.11-25.

⁵ For a discussion on how state's identities are developed see: Alexander Wendt (1999). *Social Theory of International Politics*. Cambridge: Cambridge University Press; pp.226-230.

internationalizing continuum'. This meant that the society-state-global dynamic was largely skewed 'inwards' as state actors sought to establish a sound footing for the legitimization of their political authority.⁶ Although the Federal Constitution spelled out the main features of a 'Malay' nation-state, the full implementation of this project was postponed by the Tunku in order to focus on the more immediate issue of national unity.⁷ The essential problem, I argue, is that the terms of the governing statement of national identity discourses – 'Malay domination/hegemony within the context of multiculturalism' – were too ambiguous. What did 'multiculturalism' entail specifically? What were the conditions and reach of 'Malay domination/hegemony'? For that matter, who or what exactly was 'Malay'?⁸ All of this rendered conceptualizations of national identity uncertain.

The problematic nature of a Malayan and, after 1963, a Malaysian national identity meant that this period was marked by open and often heated debates between political actors who advocated a more 'inclusive' national citizenship and those who proposed far more 'exclusive' bases for membership within the national political community. In the language of my conceptual framework, I argue that the presence of a number of clearly distinguishable nations-of-intent, each vying for dominance, meant that the legitimate bases of political authority were fragmented; the structure of the state was too undefined to operate efficiently. A strategic-relational approach to the state emphasizes the significance of social relations in determining state form; if the former is ill-defined then so too will be the structure of the state. Although state actors were confronted by exogenous challenges, primarily in the controversies surrounding the merger with and then separation from Singapore, it was above all their inability to adequately manage the society-state interrelationship within the broader society-state-global dynamic which meant that the system of legitimization was bound to eventually collapse.

⁶ As alluded to above in Section 1.4, this chapter will illustrate how Malaysia's interactions with the global during this time period largely complemented state structures.

⁷ Cheah Boon Kheng (2002). *Malaysia: The Making of a Nation*. Singapore: ISEAS, p.76. The Malaysian writer/director Amir Muhammad comments that this failure to create a Malay nation meant that there essentially is no such thing as 'Malaysian nationalism'. Rather, Malaysians are dealing with the remnants of Malay nationalism, which means that most attempts to articulate a Malaysian nationalism are generally focused inwards towards an internal 'Other' instead of following the more typical nationalist strategy of differentiating one's (national) self against an external 'Other'. (Interview held in Kuala Lumpur, Malaysia, 2 June 2009.)

⁸ As noted above, the social constituency of legitimization identifies the actual social grouping in which legitimacy is sought, ordained, or both. If we accept this idea then it was of vital importance for Malay leaders to answer this question in a definitive fashion.

In this light, the bloody ethnic riots of May 1969 and the subsequent declaration of a State of Emergency provide a historic turning point for both Malaysia and the story being chronicled in this chapter. After the re-establishment of parliamentary rule in 1971, the Malaysian state became a far more *Malay* political and cultural entity. The reigns of Tun Abdul Razak and Tun Hussein Onn as Malaysia's second and third Prime Ministers, respectively, saw the growing assertion of Malay political, economic and cultural primacy through the implementation of a range of legislative and public policy initiatives. The practice of give-and-take, which had so characterized the Tunku's administration, was gone. Challenges to the constitutional contract would no longer be tolerated and the full resources of the state would be made available for the social and economic integration of the Malays. Needless to say, Malaysia remained a multiethnic society and, consequently, both of the Tunku's successors resisted any official declaration of Malaysia being a 'Malay' nation-state. That is, while the authority-defined 'nation-of-intent' needed to be rearticulated as part of a new nation-building strategy, both Tun Razak and Tun Onn were cognizant of the on-going need to promote broad processes of national integration in order to legitimate their political authority and manage the society-state-global interrelationship from a more secure and settled position. This was a clear example of the asymmetry noted above as (Malay) political elites resorted to 'backlash' strategies in order to solidify their internal position before engaging once again with the global.

3.1 Early Challenges to the 'Bargain': The Issue of Nationality.

The unresolved Achilles' heel of Malaya at independence was the issue of nationality. The structure of the Malayan state in 1957 was roughly similar to the Federation of Malaya created in 1948 – an inclusive but distinctly Malay political and cultural entity. Asserting the concept of original sovereignty, UMNO ensured that the Malay community formed the basis of the 'nation-of-intent' upon which independent Malaya would be grounded. Tunku Abdul Rahman and the UMNO leadership conceded that 'federal citizenship' could be extended to those non-Malays who met the stringent criteria for admission but in no way would this imply that nationality constituted the basis of such citizenship. Membership in the nation on the basis of citizenship was nothing more than "a legal guarantee of specified privileges."⁹ Nationality, on the other

⁹ T.N. Harper (1999). *The End of Empire and the Making of Malaya*. Cambridge: Cambridge University Press; p.350.

hand, involves a national identity and, therefore, means something more than mere citizenship. A clearly defined national identity entails a shared public culture that sees a “set of understandings about how a group of people is to conduct its life together.”¹⁰ In a narrow sense this necessarily includes political principles such as the rule of law but the concept stretches more widely to also embrace certain social norms and cultural ideals.¹¹ Leading up to *Merdeka* the distinction between citizenship and nationality in Malaya was “played down in the interests of unity, and in so far as the term ‘nationality’ was used it was used in its restricted legal sense, almost synonymously with citizenship – but the Tunku would not allow the term *bangsa* (race/nation) to be used for it.”¹² For the Tunku and the conservative Malay elite, the *bangsa Melayu* had to be at the heart of any articulation of the authority-defined Malayan ‘nation-of-intent’. Without this, there simply was no such thing as ‘Malaya’.

To be fair, this was still a remarkable transformation for UMNO. Given the circumstances surrounding its genesis in 1946 and the strident nationalist appeals of its early days, the constitutional arrangement arrived at by 1957 was a marked departure from its initial stand in favour of a wholly exclusive socio-political entity; a ‘Malaya for the Malays’. In order to satisfy British demands and achieve independence, UMNO had become the “‘nucleus’ of an inclusive, wider, multiethnic nationalism which has been called ‘Malayan nationalism’ by some scholars.”¹³ However, the largely inchoate nature of the interethnic compromise reached by the Alliance party to win British approval meant that the foundations of the future state would be subject to constant stress. The failure of UMNO to push a more exclusivist nationalist line in the final years of colonial rule left the party open to factional challenges from within its own ranks as well as from other Malay nationalist organizations. This meant that there were a number of rival Malay ‘nations-of-intent’ that sought to challenge the authority-defined ‘nation-of-intent’ advanced by the UMNO-led Alliance government. Such intra-Malay contests then engendered resistance and parallel communal appeals from non-Malay groups, each with their own conceptualization of what ‘nation-of-intent’ should underpin the state and from which state actors could draw legitimacy. In terms of a strategic-relational approach, the social relations underpinning state structures were

¹⁰ David Miller (1995). *On Nationality*. Oxford: Clarendon Press; p. 29.

¹¹ As an example of social norms and cultural ideals Miller (pp.27-31) mentions honesty in filling one’s tax returns and one’s commitment to preserving the purity of the national language, respectively.

¹² Harper (1999), p.350.

¹³ Cheah, (2002), p.6.

simply too woolly; by neglecting to clearly define the ‘national’ boundaries of the Malayan political community, crucial inter-communal issues were left largely undetermined by the constitutional contract.¹⁴ Compromises reached among Alliance leaders ran the very real risk of disappointing all sides involved. Moreover, a number of critical communal concerns simply proved too difficult for the Alliance approach to tackle. By repeatedly side-stepping issues such as Chinese acceptance of Malay language dominance or of improved Malay access to the economy, the Alliance system demonstrated its inherent political impotence and foreshadowed its eventual demise in the bloodshed of May 1969.

The first significant challenges to the provisions of the ‘Bargain’ arose almost immediately after Malaya achieved independence. The lead up to the 1959 state and general elections saw the Alliance lose influence and public support as communal rivalries and tensions intensified. The government’s strategy of “compromise and the contradictions between its ‘pluralism’ and ‘Malay nationalism’ policies” had displeased many Malay and non-Malay voters alike.¹⁵ In particular, policies designed to fully implement the cultural terms of the constitutional contract by establishing Malay as the national rather than simply as the sole official language proved divisive, particularly when it came to devising an appropriate national education system. One of the first acts of the Tunku as the Chief Minister of the Federation of Malaya was to appoint an Education Committee under the stewardship of (then) Dato’ Abdul Razak.¹⁶ The committee was charged with the development of a new education policy and its recommendations epitomized the emerging Alliance system of inter-communal compromise. The final report of the committee, tabled in May 1956, stated that “the ultimate objective of educational policy in this country must be to bring together the children of all races under a national education system in which the national language [i.e., Malay] is the main medium of instruction, though we recognize that progress towards this goal cannot be rushed and must be gradual.”¹⁷ Both Malays and non-Malays were generally satisfied with the proposals submitted under the Razak Report.¹⁸

¹⁴ Puthucheary, p.9. See also: Cheah (2002), pp.78-82.

¹⁵ Cheah (2002), p.90.

¹⁶ Dato’ Abdul Razak was the then Minister of Education and the Tunku’s deputy within UMNO.

¹⁷ Federation of Malaya (1966). *Federation of Malaya, Report of the Education Committee, 1956*. Kuala Lumpur: Jabatan Chetak Kerajaan; pp.2-3.

¹⁸ von Vorys, p.213. In particular, Malay schoolteachers, who were influential leaders of their communities and formed a significant bloc of support within UMNO, were pleased. See also: Cheah (2002), pp.86-88 and Tan Liok Ee (1992). “*Dongjiaozong* and the Challenge to Cultural Hegemony 1951-

The inter-communal support that the final report received, however, rested on the document's intentional ambiguity. Each community interpreted the terms of the report differently; the danger here was that in trying to please everyone, the report had "the negative effect of legitimizing conflicting aspirations" and so can be seen as yet another example of how the authority-defined 'nation-of-intent' failed to resonate broadly within Malaya.¹⁹ Equivocation in the midst of negotiations on the cultural terms of the constitutional contract invited the "awful prospect of Malays and Chinese righteously accusing each other of bad faith in the negotiation and/or implementation of the supreme law of the land."²⁰ The different interpretations of accepted policy soon clashed. In early 1958, the Federation of Malay School Teachers' Association, disaffected by what they perceived to be the excessively slow implementation of the Razak Committee report, instructed its 10,000 members, most of who belonged to UMNO, to resign their party membership.²¹ Rattled, the government pledged that Malay would begin to operate as the language of instruction in high schools within three months.²² Such moves in turn alarmed Chinese leaders who argued that this violated the terms of the recently approved constitutional contract.²³ Under pressure from the MCA and the United Chinese School Teachers' Association the government relented and the Tunku made an election promise to "encourage and sustain the growth of the languages and cultures of the 'non-Malay' races."²⁴ By trying to satisfy all communities, the Alliance risked pleasing none. By seemingly legitimizing divergent articulations of the Malayan political community, Alliance policies gave sustenance to more narrowly-defined communal organizations and their aspirations.²⁵ The effects of this were soon apparent as the country faced its first general election as an independent state.

1987" in, Joel Kahn and Francis Loh Kok Wah (eds.), *Fragmented Vision: Culture and Politics in Contemporary Malaysia*. Honolulu: University of Hawaii Press, p.189.

¹⁹ von Vorys, p.213. In this sense, 'aspirations' are synonymous with the ideals of the separate 'nations-of-intent' each ethnic community held.

²⁰ von Vorys, p.213.

²¹ Margaret Roff (1967). "The Politics of Language in Malaya", *Asian Survey*, 7(5), p.321.

²² von Vorys, p.214.

²³ Roff (1967), pp.318-319.

²⁴ Cheah (2002), p.88.

²⁵ For an example of how the language issue nearly split the Alliance and threatened the government's existence prior to the 1959 general election see: Roff (1967), pp.319-321.

3.2 *Rising Inter-ethnic Tensions and the 1959 General Election.*

In 1955 the electorate was just over 1,280,000 people and predominately Malay.²⁶ Despite the extremely uneven communal distribution of the electorate, there exists little indication that communal voting occurred in 1955.²⁷ This is not to say that communally oriented campaigns did not occur with the Pan-Malayan Islamic Party (PMIP),²⁸ in particular, running a persuasive platform that sought to exploit the religious sentiments of the Malay population.²⁹ In the end, however, the election results indicate that the Alliance was able to tactfully subsume communal issues under the broader national issue of gaining independence from the British. Nevertheless, the political maturity of the Malayan electorate to rise above the emotional pull of communalism in 1955 must be qualified. With most non-Malays disenfranchised “the test had only proved the ability of the Malays to surmount the more extreme communal appeals.”³⁰

A mere four years later, the size of the electorate had increased by almost a million persons. Even more significant was the fact that by 1959 the communal composition of the Malayan electorate more accurately reflected the general ethnic distribution of the population as a whole.³¹ This was especially the case for urban areas which were disproportionately non-Malay and whose electoral support had consequently been left largely untested at the first general election. By heightening the potential appeal of communalism these changes were, in a fundamental sense, “a referendum of the

²⁶ It was estimated that 84% of the 1955 electorate was Malay, 11% were Chinese and roughly 5% were Indian. See: T.E. Smith (1960). “The Malayan Elections of 1959”, *Pacific Affairs*, 33(1), p.40.

²⁷ This is equally true for the allocation of candidates within the Alliance prior to the election as well as within the electorate as individuals cast their vote. See: Ratnam (1965), pp.188-190. The distribution of seats within the Alliance was contested, however, forcing the need for a compromise to be reached.

²⁸ When this party was founded in 1948, it adopted the name ‘Pan-Malayan Islamic Association’, abbreviated to PAS. To contest the 1955 elections it was required to call itself a party and so changed its name to the Pan-Malayan Islamic Party, which in turn was often abbreviated to *Parti Islam*, or PI. Confusingly, all three terms (PAS, PMIP and PI) are used by scholars writing in different periods to refer to the same entity. As far as possible in this thesis, I will conform to the historical usage of terms.

²⁹ For example, a ‘whisper campaign’ attributed to the PMIP warned Muslim voters that it was *haram* (forbidden) under Islam for them to cast votes for non-Muslims (i.e., non-Malays). Religious figures within UMNO were compelled to explain to their co-religionists that nothing in the Koran proved such a notion. See: Ratnam (1965), p.194.

³⁰ Ratnam (1965), p.199. In fact, a by-election for a federal seat in Ipoh in 1956 foreshadowed the doubtful future of non-communal voting. With language and educational issues taking precedence over the now largely resolved struggle for independence, communal appeals and concerns became a more attractive option for politicians and voters alike. See: Ratnam (1965), pp.199-200; James P. Ongkili (1985). *Nation-building in Malaysia 1946-1974*. Oxford: Oxford University Press; p.129 and; Smith (1960), p.41 & 44.

³¹ Following independence, the Constitution of independent Malaya had made it easier for non-Malays to obtain citizenship by registration or naturalization and approximately 36 per cent of the increased electorate in 1959 was Chinese (750,000 Chinese voters as opposed to under 150,000 in 1955) and 7 per cent were Indian. See: Smith (1960), p.40 and Ratnam (1965), pp.200-201.

constitutional contract'.³² For their part non-Malays no longer “had to regard themselves as ineffective participants in the electoral process” while for Malays, the strengthened electoral position of the Chinese in particular must “have weakened the argument for non-communal voting” as there was now little reason left for assisting them.³³ Despite the Alliance coalition agreeing that educational policy would be put on hold and reviewed after the general election, the problem of assimilating the Chinese schools into the national education system had amplified communal anxieties both within and outside of the Alliance. These worries were further magnified by an internal conflict within the Alliance over the allocation of constituencies between the parties for the 1959 election which was only averted after the expulsion of MCA ‘militants’ who had demanded a proportionate allocation of seats in line with the increase in registered Chinese voters.³⁴ The results of the state elections, which preceded the general election, also pointed towards the growing political influence of communal organizations in Malaya which directly attacked the terms of the settlement.³⁵

This pronounced trend towards a greater communalism in independent Malaya was evident in the results of federal election. While the coalition maintained its easy working majority in Parliament by winning 74 of the 104 seats on offer, its popularity had clearly waned.³⁶ Communal parties now claimed a total of 18 parliamentary seats.³⁷ When the election results were broken down it was apparent that “[i]n no State did an increase in the absolute size of the Alliance vote keep pace with the increase in the electorate.”³⁸ More disturbing, however, was that overtly communal parties had won most of the votes lost by the coalition.³⁹ On one side, the Alliance’s constitutional

³² von Vorys, p.146.

³³ Ratnam (1965), p.201.

³⁴ This clash had almost pushed the coalition over the edge but, in true Alliance fashion, the final result saw a compromise reached. Originally, the National Alliance Council had decided upon an arbitrary apportionment of the 104 federal constituencies as follows: UMNO 75; MCA 27 and MIC 2. The ‘militant’ faction of the MCA had, instead, demanded that they should have 40 seats. The end result was that the Tunku agreed to UMNO contesting 69 seats, the MCA 31 and the MIC 4. See: Smith (1960), p.42 and Cheah (2002), pp.91-92.

³⁵ On the whole, the Alliance did quite well, winning 207 of the 282 state seats being contested across all eleven peninsular states. Nevertheless, strong showings by the PMIP in the predominantly Malay east coast states of Kelantan and Terengganu and by the largely non-Malay Socialist Front and People’s Progressive Party (PPP) in Penang and Perak, respectively, indicated the increased appeal of explicitly communal parties. See: Smith (1960), p.42.

³⁶ In 1955 the Alliance had captured 79.6% of the popular vote but in 1957 could only manage 51.5%. See: Ratnam (1965), p.203; Smith (1960), p.46 and; Cheah (2002), p.90.

³⁷ The PMIP (Malay) had won 13 seats, the PPP (Chinese and Indian) 4 and Party Negara (Malay) 1. See: Ongkili (1985), p.127.

³⁸ T.E. Smith (1960), p.46.

³⁹ The PMIP had increased its share of the popular vote to 21.2% from 3.9% in 1955 while the largely non-Malay PPP had seen its share of the total vote grow from 0.1% in 1955 to 6.4% four years later. See:

contract was assailed by the People's Progressive Party (PPP) as well as by the Socialist Front (SF), a coalition comprising the *Partai Ra'ayat* and the Labour Party, which complained that Malays were receiving too many privileges.⁴⁰ More pressing, however, was the formidable challenge posed by the PMIP with its twin platform of Muslim orthodoxy and Malay nationalism.

In many respects, the threat posed by the PMIP was one of UMNO's own creation. In an effort to win the support of Islamists within the broader Malay nationalist movement as well as to forestall the emergence of an Islamic opposition, UMNO had organized a series of pan-Malayan *ulama* congresses in the late 1940s and early 1950s. This move backfired, however, when a critical mass of these religious scholars, many of whom were members of UMNO's religious bureau, defected from UMNO in late 1951 to form the PMIP.⁴¹ Underlying this split was the divide between the traditional, aristocratic elite of UMNO and more conservative Islamist and rural factions within the Malay nationalist community. The leadership of the PMIP shrewdly recognized that strategically significant sections of this community – Muslim religious functionaries and rural Malay school teachers, in particular – were, at best, lukewarm in their support for the British-trained politicians who populated the upper echelons of UMNO.⁴²

Unlike UMNO, which was constrained by its participation in a multi-communal coalition, the PMIP was free to pursue a distinctly Malay/Muslim chauvinist approach. On the one hand, it appealed to Malay nationalism by accusing UMNO of having betrayed the interests of Malays. UMNO's concessions to non-Malays vis-à-vis citizenship rights and the perception that UMNO had been lacklustre in its support of Malay 'special rights' was offered as clear proof of the party's treachery.⁴³ At the same time, the PMIP took aim at the avowedly secular UMNO. Its Islamically orthodox

Ratnam (1965), pp.203-204. Also, see: K.J. Ratnam and R.S. Milne (1967). *The Malayan Parliamentary Election of 1964*. Kuala Lumpur: The University of Malaya Press; pp.13-15.

⁴⁰ The Socialist Front was a coalition of the Party Ra'ayat (People's Party) and the Labour Party. The former represented largely Malay fishermen and rural workers while the latter Chinese urban workers. The People's Progressive Party also drew upon urban Chinese labourers for support and was largely a Perak-based political organization.

⁴¹ K.S. Jomo and A.S. Cheek (1992). "Malaysia's Islamic Movements", in: Joel S. Kahn and Francis Loh Kok Wah (eds.), *Fragmented Vision: Culture and Politics in Contemporary Malaysia*. Honolulu: University of Hawaii Press; p.83. Many of the early members of the PMIP did hold dual membership of both organizations, however.

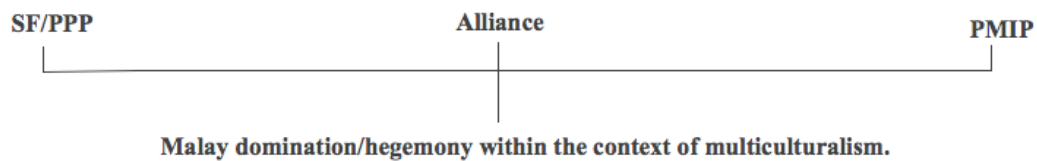
⁴² von Vorys, p.147.

⁴³ The PMIP leadership felt that the constitutional provisions surrounding the notion of Malay 'special rights' should have been made more extensive and more permanent than what was actually agreed. See: von Vorys, p.147.

message that the secular and spiritual realms were one and the same resonated deeply amongst socially conservative rural Malays, particularly the notion that legitimate authority and public policy depended primarily on conformity to the Qur'an.⁴⁴

What we already can see is the evolution of three broad discursive interpretations of the governing statement for national identity discourses in Malaya (Figure 8).

Figure 8: Postcolonial 'Nations-of-intent' 1957-1969 (Step 1)



In the middle, aptly enough, was the UMNO-led Alliance, which, having essentially created the governing statement, now sought to operationalize it as the guiding principle for governance in independent Malaya. On either flank were parties that highlighted the inherently paradoxical nature of attempting to balance these twin objectives of Malay domination/hegemony and social pluralism and who thus challenged the Alliance's authority defined 'nation-of-intent' by seeking more definitive articulations of the governing statement. One on side was the PMIP, who argued that as Muslim Malays were the dominant ethno-religious group, the structure of the Malayan state and any conceptualization of national identity should better reflect this basic fact. On the other side, were parties like the SP and PPP who also based their line of reasoning on a social reality - that of Malaya being a 'plural society'. These parties thus made the case for a more inclusive conceptualization of national identity, one that better reflected the multicultural character of the country.⁴⁵

In spite of traction gained by communalism, however, the 1959 election can still be seen in a relatively positive light. The Alliance's two-third's majority in Parliament and, therefore, its ability to amend the constitution remained intact. No matter how much the opposition objected, so long as UMNO and the MCA could find common ground even the basic contract could be revised. Moreover, by refusing to employ electoral devices in order to ensure some degree of communal representation, the Tunku's administration

⁴⁴ von Vorys, p.147.

⁴⁵ As we shall see, the phenomenon of 'flanking' is significant in helping to explain the longevity of the Alliance (and later, the BN) system of coalition politics in Malaya/Malaysia. In brief, by highlighting the 'extremism' of either flank, the Alliance/BN was able to capture the broad middle by playing on ethno-religious fears.

managed to defuse many of electoral problems that tend to arise in a plural society such as Malaya's.⁴⁶ Despite such optimism, however, the socio-political environment after these elections was such that it remained unclear as to whether broad political strategies of inter-communal cooperation would prove in the future to be more alluring than strictly communal appeals. The bases of legitimation were still extremely fluid. Writing soon after the election, one scholar argued that the Alliance approach faced a potentially stern test from communal parties before the next election especially if the interceding years witnessed serious economic troubles and/or renewed domestic tensions.⁴⁷ Limiting the narrow appeal of communalism was explicitly tied to the continuation of economic development and social progress; issues that not only would become increasingly contested as the next decade unfolded but would also highlight the increasing influence of the global economy on the structure of the state and state-society relations. More immediately, though, Malayan leaders were "still profoundly concerned with the need to mould their people into a more integrated nation" so as to provide a stronger foundation for the legitimacy of their rule.⁴⁸ This much was apparent after 1959 and it was in this socio-political context that the idea for the formation of Malaysia soon emerged.

3.3 *From Malaya to Malaysia*

Calls for some kind of political association between Malaya, Singapore and the non-Dutch colonial possessions of northern Borneo were nothing new.⁴⁹ However, it was not until the Tunku casually broached the subject during a luncheon speech in late May 1961 that the idea of confederation gained any real purchase. In doing so, he acknowledged that unless his country was to come to an understanding with Britain and the peoples of Singapore and northern Borneo, Malaya was in danger of being

⁴⁶ von Vorys (pp.150-151) presents evidence to show that the Alliance generally won its seats with the support of all three major communities and that, "in the aggregate, in both federal and state elections there was no significant correlation between the communal composition of the constituency and the votes cast for the Alliance." Not that the motivation for the Alliance to promote communal cooperation was entirely altruistic though, as "communal co-operation was the best way to maximize its own power (and, before 1957, the only way of achieving independence)." See: Ratnam (1965), p.207.

⁴⁷ Smith (1960), pp.46-47.

⁴⁸ Ongkili, p.131.

⁴⁹ For instance, Lord Brassey, a Director of the North Borneo Chartered Company, had suggested as much in 1887. Malcolm MacDonald, the Governor-General of Malaya (1946-48), also believed that a Malayan-Singapore-Northern Borneo confederation made more geo-political sense than a scenario that saw a number of separate independent states. See: S. Runciman (1960). *The White Rajahs*. London: Cambridge University Press; p.195 and Ongkili, p.151.

internationally isolated.⁵⁰ The Tunku's comments were surprising given the historic opposition to any talk of a merger between peninsular Malaya and Singapore.⁵¹ Not only were there lingering concerns about how the addition of an overwhelmingly Chinese Singapore could upset the finely-balanced racial composition of the peninsula but Malayan leaders were equally concerned that the "inclusion of an increasingly-leftist Singapore would aggravate the problems posed by the Malayan Communist Party (MCP)."⁵² Singaporean leaders had long argued that their island was a natural complement of peninsular Malaya and given the reality of a regional and international politics focused on the processes of decolonization and self-determination, Singapore's leaders now actively pursued merger with Malaya.⁵³ Malaya's raw materials and markets were an integral part of the ruling People's Action Party (PAP) government's program of economic development for the city-state while the Federation's security forces would also have a potentially deterrent effect on the party's political opponents.⁵⁴ In the week following the Tunku's luncheon speech, the PAP's leader, Lee Kuan Yew, reaffirmed his government's single-minded goal of unifying Singapore and Malaya via the creation of Malaysia.⁵⁵

Malayan leaders, however, were not as equally enamoured as the Singaporeans with the prospect of a merger. On the plus side, the Tunku was attracted to the substantial increases in tax revenue that would accrue to the federal government if prosperous Singapore were to be included. In addition, having forced communist insurgents into the inhospitable jungle regions along the Thai-Malayan border, the concern of his administration was now directed south, towards a potential communist threat across the causeway.⁵⁶ The difficulty for the Malayan government, and UMNO in particular, lay

⁵⁰ Ongkili, p.152.

⁵¹ The British had omitted Singapore from both the Malayan Union in 1946 and the Federation of Malaya in 1948 largely because they were sensitive to Malay concerns about being 'swamped' by Chinese.

⁵² Ongkili, p.152. In his own memoirs, Lee Kuan Yew himself recognized the potential pitfall a merger with Singapore was for the Malayan leadership. Looking back, however, he stressed how important such an association was for his own political survival in the face of an internal communist challenge. See: Lee Kuan Yew (1998). *The Singapore Story: Memoirs of Lee Kuan Yew*. Singapore: Singapore Press Holdings; p.362.

⁵³ In 1954, world and U.N. opinion had compelled the British to introduce constitutional reforms designed to reduce their governmental control and gradually lead Singapore to independence. In light of this, Singaporean leaders pursued merger with Malaya in order to ensure a larger and more powerful economic base for their new state. See: Ongkili, pp.156-159.

⁵⁴ Lee Kuan Yew (1961). *The Battle for Merger*. Singapore: Singapore Government Press; pp.3-4. See, also: von Vorys, p.152. Numerous cultural and familial ties were also compelling reasons behind the push for a merger.

⁵⁵ Ongkili, p.159.

⁵⁶ von Vorys, p.152. Scarred by the Emergency, the Tunku was an inveterate anti-communist. In fact, an explicit part of his rationale for the creation of Malaysia was to remove "Communist exploitation of anti-

in the fact that a merger with Singapore would see the Chinese gain numerical superiority over the Malays.⁵⁷ To resolve this issue the Tunku proposed including the including the Borneo territories of Sabah, Sarawak and Brunei, each of which were, in the main, populated by indigenous people who to varying degrees shared a similar ethnic and cultural background to the Malays.⁵⁸ Doing so would maintain the numerical superiority of the Malays and other indigenous peoples over the Chinese.⁵⁹ While the rationale for the addition of the Borneo territories rested on the problematic assumption that the indigenous inhabitants there might choose to align themselves politically with their Malay cousins instead of the Chinese, there seems little doubt that such base ethnic calculations formed a large part of the Tunku's thinking on the matter.⁶⁰ That is, although the initial impetus for this dramatic change to the structure of the state may have been 'outside-in', domestic considerations remained paramount in the final wash.

As negotiations progressed it quickly became apparent that Malaysia would be closer to a confederation rather than a federation with the state governments of Sabah, Sarawak and Singapore retaining control over matters within their borders. Even so, the idea of political union evoked strong opposition. Political leaders in Sabah and Sarawak had "long been condition into thinking that their common rulers, the British, would eventually lead them to sovereignty and independence" and so were taken aback by the Tunku's proposal in 1961.⁶¹ Nevertheless, a lack of nationalist fervour in Sabah and Sarawak and the desire of the British to gracefully exit the colonial scene meant that there was no significant organization of opposition to Malaysia in these Borneo

colonial feelings...to enable the peoples of these states [Singapore, Sabah, Brunei and Sarawak] to achieve the independence they desired...". See: Tunku Abdul Rahman (1965). "Malaysia: Key Area in Southeast Asia", *Foreign Affairs*, 43(4), p.661 and the Tunku's comments reported in the *Malayan Times* on 25 September 1962.

⁵⁷ Censuses held in both Malaya and Singapore in 1957 showed that a direct Malaya-Singapore merger would see Chinese outnumber Malays by just over 100,000 people. If Indians and Others were included then non-Malays would outnumber Malays by just over one million people. See: Federation of Malaya (1961). *Official Year Book of 1961*. Kuala Lumpur, p.36 and Colony of Singapore (1959). *Annual Report 1958*. Singapore; pp.27-28.

⁵⁸ For a number of reasons, not least of which was the terms of agreement concerning its rich oil reserves, Brunei eventually chose not to become part of Malaysia. In addition, there were concerns over the Sultan of Brunei's position in relation to the nine Malay rulers of peninsular Malaya. See: Ongkili, pp.172-173.

⁵⁹ The addition of Sabah and Sarawak would see the Malay and other indigenous peoples of the new nation-state of Malaysia total 4,187,788 and the Chinese amount to 3,758,047 persons. See: Richard Allen (1968). *Malaysia: Prospect and Retrospect*. London: Oxford University Press; pp.149-150; Federation of Malaya (1961), p.36 and; Colony of Singapore (1959). *Annual Report 1958*. Singapore; pp.27-28. Despite their numerical superiority compared to the Chinese, Malays would still be outnumbered by non-Malays (Chinese, Indians and Others) in Malaysia. See: Ongkili, p.154.

⁶⁰ Cheah, (2002), p.94.

⁶¹ Ongkili, p.161.

territories.⁶² On the peninsula, too, there was opposition to the planned merger with the PMIP insisting that Malays had more in common with the peoples of Indonesia than they did with the inhabitants of Sabah and Sarawak.⁶³ Furthermore, the party insisted that the addition of the Borneo territories would not counter-balance the massive influx of Singaporean Chinese that the merger would produce.

In Singapore, the largely socialist opposition did not resist the PAP's drive for merger as they were "quite prepared to sacrifice local autonomy for a good prospect to gain control of the central [federal] government" by aligning with the Chinese-dominated socialist opposition in the Federation.⁶⁴ This would then mean the end of the Alliance and the Alliance approach. Lee Kuan Yew, however, was wise to this strategy and the PAP government held a referendum in September 1962 to gauge popular support for both the idea of merger and its terms. A significant majority of the electorate backed the merger arrangements that saw Singapore retain domestic autonomy particularly in the fields of labour and education.⁶⁵ After this, there was little question that Singapore would merge with Malaya.

Internationally, both the Philippines and Indonesia objected to the proposed formation of Malaysia and criticised the plan as nothing more than "a 'British neo-colonial plot' to encircle their territories."⁶⁶ Of the two, the threat posed by Indonesia was the more serious concern for the Malayan and Singaporean governments with President Sukarno promising in early 1963 that if the merger was pursued "Indonesia would face it with political and economic 'confrontation'."⁶⁷ Despite the intention to form Malaysia on 31 August 1963, the Tunku, in an effort to defuse tensions, acceded to Philippine and Indonesian demands that the United Nations (UN) independently determine whether a majority of the peoples of Sabah and Sarawak actually wished to enter Malaysia. The UN's report was released on 14 September and confirmed that "a sizeable majority of

⁶² The Malayan and Singaporean governments, along with the British, went to great lengths to dampen any concerns that Sabahan and Sarawakian leaders may have had with respect to important aspects of the social, economic and political life of their peoples. See: Ongkili, pp.163-166 and Cheah (2002), pp.95-97.

⁶³ This should come as little surprise considering that the PMIP was now led by Dr. Burhanuddin Al-Helmy who had earlier advocated the creation of a *Malaya-Raya* that would incorporate both Indonesia and Malaya. See Section 2.3 above.

⁶⁴ von Vorys, p.154.

⁶⁵ Ongkili, p.160 and von Vorys, p.154. Von Vorys (ft. 9, p.154) questions the legitimacy of this referendum, however, noting that its wording and working provided little voice to those who might have been opposed to the merger and its conditions.

⁶⁶ Cheah (2002), p.95.

⁶⁷ von Vorys, p.155.

the people of both territories wished to join in the Federation of Malaysia.”⁶⁸ Two days later, just after midnight on 16 September 1963, Malaysia was established. Both the Philippines and Indonesia refused to recognize the new nation-state but whereas the Philippines was content to voice its disapproval by breaking off diplomatic relations, the Indonesians adopted a far more belligerent approach. Malaysia was subjected to a total economic boycott and military operations were set in motion. As *Konfrontasi* (Confrontation) escalated, regular units of the Indonesian military conducted raids into Sabah and Sarawak and threats to invade the peninsula were also made.⁶⁹

While *Konfrontasi* never seriously endangered the territorial or political integrity of Malaysia, the formation of the new nation-state and the Indonesian objections to its creation became the foremost issue of the 1964 general election. In this way, an external factor played a hugely significant role in affecting the interrelationship between the state and its domestic society, masking many of the inconsistencies contained within the authority-defined ‘nation-of-intent’. By dominating the campaign, the Indonesian confrontation superseded “a possible referendum on the merger with Singapore and, of course, an evaluation of Alliance stewardship of the constitutional contract.”⁷⁰ Having voiced their opposition to the formation of Malaysia some opposition parties, most notably the SF and the PMIP, were now attacked for being unpatriotic in the face of the challenge from Indonesia.⁷¹ UMNO, in particular, was keen to crush its primary rival for the Malay vote going to great lengths to prove the active pro-Jakarta sympathies of the PMIP and its leadership.⁷² *Konfrontasi* also provided an opportunity for the Alliance government to arrest several senior opposition leaders for reasons of internal security, further weakening the opposition. Several prominent politicians also left the opposition to join the Alliance. Finally, the Indonesian confrontation affected the prospects for opposition electoral alliances in 1964. Chinese-dominated parties like the

⁶⁸ Ongkili, p.174. Lee Kuan Yew, however, declared Singapore’s independence from Britain on 31 August 1963 *before* joining Malaysia.

⁶⁹ Indonesian ‘Volunteer’ and ‘irregular forces’ made incursions into Malaysia from Kalimantan. Indonesians also made air and sea landings at Pontian and Labis in the state of Johor in August and September 1964. These latter incidents were significant as it appears that Jakarta was hoping to create communal discord in peninsular Malaya. See: Ongkili, p.188.

⁷⁰ von Vorys, p.156. This is not to say that traditionally ‘political’ issues such as language, education, Malay special rights, Islam, communal harmony, rural development, etc. were ignored but rather that the issue of the Indonesian confrontation loomed large over the whole election campaign. See: Ongkili, p.196.

⁷¹ Ratnam and Milne, p.16.

⁷² See: von Vorys, p.157. This strategy was fully endorsed by the MCA and MIC who, within their own ethnic constituencies, reiterated the dangers associated for Chinese and Indians within a pan-Malayan configuration that would see them “reduced to a singularly vulnerable, permanent minority.” Von Vorys, p.158.

PPP and the United Democratic Party (UDP), while unhappy with the way Malaysia had been formed, deplored the way the Chinese were treated in Indonesia and so were “decidedly more anti-Indonesia than anti-Malaysia.”⁷³ With the PMIP showing an apparent decline in interest for the idea of an opposition alliance and the SF totally rejecting the formation of Malaysia, there was little prospect for a grand united opposition in the lead up to the general election. The divergent nature of opposition policies and ideologies meant that finding a common ground between them was too difficult.

Besides the external threat posed by *Konfrontasi*, the Alliance system faced another, ‘internal’ challenge associated with the formation of Malaysia – the entry of the PAP and Lee Kuan Yew into the political arena of the Malayan peninsula. Despite having previously stated that the PAP would not contest the 1964 elections the party had long provided overtures of its desire to participate north of the causeway.⁷⁴ In the PAP’s sights was the MCA, which it attacked as being “effete and corrupt...[and as] the organization chiefly responsible for Chinese votes going by default to the anti-Malaysia Socialist Front.”⁷⁵ Although PAP representatives claimed that the party was not attempting to supplant the MCA or align itself with UMNO it seems as if its overall message was that “the Alliance would have a much brighter future if the UMNO accepted the PAP as its chief non-Malay partner.”⁷⁶ In the end, however, the PAP’s strategy of relentlessly attacking the MCA backfired as UMNO, which had refrained from entering the fray, was eventually spurred to defend its political ally.⁷⁷ Chinese voters were now under no illusion that supporting the government in the face of Indonesian belligerence meant voting for the MCA.⁷⁸

On the surface, the election results in 1964 were a resounding success for the Alliance. It gained fifteen seats in Parliament and also made significant gains at the state level. Opposition numbers in Parliament were reduced with the PMIP losing four seats and the SF and PPP also losing heavily. The PAP could only manage to win a single federal

⁷³ Ratnam and Milne, p.19. Also: Ongkili, p.197. The UDP was founded in 1962 by Dr. Lim Chong Eu, a former president of the MCA who had left active politics in 1959 after the MCA’s demands for a revision of educational policy and an increase in electoral nominations had been rejected by the Tunku. See Section 2.2 above.

⁷⁴ Ratnam and Milne, pp.22-24.

⁷⁵ von Vorys, p.159.

⁷⁶ Ratnam and Milne, p.430. See also: Ongkili, p.183.

⁷⁷ Ongkili, pp.183-184.

⁷⁸ Ratnam and Milne, p.431.

seat on the peninsula. Although the formation of Malaysia and the Indonesian reaction to its creation clearly influenced the campaign and the results of the election the real significance of the Indonesian challenge to Malaysia lay elsewhere.⁷⁹ Karl von Vorys summed up the danger signals that lurked:

Increasingly, Alliance candidates, whether UMNO, MCA, or MIC, became dependent on the Malay electorate...Chinese voters in rapidly rising numbers were not only voting against the MCA in its contests with the more chauvinist Chinese parties but also against UMNO in its contest against the more chauvinist Malay party [PMIP]. A trend away from the Alliance's broad-based, multi-communal support was already in motion and the time available to...negotiate specific compromises on the national language, the economy and other issues of inter-communal conflict was running out.⁸⁰

Konfrontasi and the legitimating potential offered by a 'pro-Malaysia' stance had distracted Malaysian leaders within the Alliance from the ways in which the social ordination of political authority was changing. The general election had become "a test of loyalty to the nation rather than an opportunity to display any particular internal political preference."⁸¹ Mesmerized by a spectacular electoral victory they failed to adequately address the underlying socio-political stresses that continued to characterize state structures and which threatened the authority-defined 'nation-of-intent'.

3.4 Challenging Malay Political Dominance: The 'Malaysian-Malaysia' Campaign.

Although the Tunku believed that the constitutional agreements reached in 1957 acted as a national compact which bound all Malaysians together, we have already seen how interpretations of the 'bargain' differed.⁸² Many Chinese questioned the terms concluded and were especially critical of the indefinite time frame of the 'special position' of the Malays. Malays, too, became increasingly dissatisfied throughout the 1960s with the lack of progress being made with regard to their cultural and economic expectations.⁸³ External crises such as *Konfrontasi* amplified these internal communal tensions, in particular, those concerned with the inherently ambiguous shape of the country's hegemonic 'nation-of-intent'. In the mid to late-1960s, these strains would

⁷⁹ Ratnam and Milne estimate that "[c]onfrontation...was indeed broadly the explanation for the 7 per cent increase in the Alliance proportion of the vote since the last parliamentary election." They add, however, "there was never really any doubt that the Alliance would win...even without confrontation." See: Ratnam and Milne, p.431.

⁸⁰ von Vorys, pp.160-161.

⁸¹ Roff (1967), pp.322-323.

⁸² R.S. Milne (1970). "'National Ideology' and Nation-Building in Malaysia", *Asian Survey*, 10(7), p.564.

⁸³ R.S. Milne (1970), pp.564-565.

come to the surface twice, first in the form of the ‘Singapore Separation’ and then later with the May 1969 racial riots. These two separate domestic crises would have lasting ramifications for the articulation of national identity and the ways in which state actors would manage the society-state-global interrelationship.

Before joining Malaysia, Singapore, like Sarawak and Sabah, was promised and given a large measure of domestic autonomy.⁸⁴ In addition to the fields of education and labour, the island city-state was allowed some freedom to administer economic matters. All three territories were further able to retain a substantial proportion of the domestic revenues they collected in order to support the everyday administration of state services. At the national level, however, Malaysia was very much a continuation of the Federation of Malaya which preceded it. The official religion would continue to be Islam, a Malay king would be the constitutional monarch and the Malay language would remain the national language of the nation-state. The constitutionally entrenched special status of the Malays as *bumiputera* also remained unchanged and was now extended to the ‘natives of Borneo’. For all intents and purposes, Malaysia was legally and constitutionally framed as a ‘Malay’ nation-state. What was uncertain, however, was whether the greater ethnic diversity now contained within its borders would further challenge authority-defined ‘nation-of-intent’, i.e., the existing bases of legitimate political authority, and, if so, how? In other words, how would the governing statement underpinning conceptualizations of national identity now be interpreted – would political integration and the structure of the Malaysian state rest on a predominantly ethnic Malay basis or on one that was more multiethnic?

A clue to answering these questions lay in the political representation prescribed to each of the territories when they joined Malaysia. Unlike Sabah and Sarawak, Singapore was distinctly under-represented in the federal parliament.⁸⁵ Furthermore, the Tunku, perhaps angered by Lee Kuan Yew’s unilateral declaration of independence from the British, neglected to appoint any Singaporean leader to his federal cabinet after the

⁸⁴ The Government of Malaya signed separate agreements with Sabah (20 points) and Sarawak (18 points) proposing the terms of their respective incorporation into the Federation of Malaysia. These memoranda were written with a view to safeguarding the interests, rights and the autonomy of the peoples of Sabah and Sarawak within the broader federation and cover a range of fundamental issues. Over time, there have been numerous calls for both agreements to be revisited so as to account for social, economic and political changes that have occurred since their signing. See: Cheah (2002), pp.96-97.

⁸⁵ Singapore was only allotted 15 seats in Parliament whereas Sarawak had 24 MPs and Sabah 16.

formation of Malaysia.⁸⁶ Further differences flared up in the months following the formation of Malaysia. Robust campaigning by the Alliance in the 1963 Singapore general elections, held just days after Malaysia was inaugurated, angered Lee and the PAP. In turn, the total electoral failure of the Alliance dismayed the Tunku who reportedly blamed Malay ‘traitors’ for voting for the PAP.⁸⁷ Finally, the proposed common market between Singapore and Malaya, which had been agreed upon as part of the Malaysia agreement, was delayed repeatedly by the Federal Government.⁸⁸ Relations between the two states and their respective leaders steadily worsened.

The situation came to a head following the 1964 Malaysian general election. Lee and the PAP may have been willing to endure the political slights dealt to them by Tunku’s administration so long as the prospect of a greater federal role existed. After their dismal performance on the peninsula in 1964, it was clear that a new strategy was called for – something along that lines that if you could not join them, you should beat them. Rather than just attacking the MCA, the entire Alliance approach became Lee’s new target.⁸⁹ The situation was further exacerbated by racial riots which broke out in Singapore in July and September 1964. Lee placed the blame for the violence squarely on ‘Malay ultras’, publically implying the direct involvement of UMNO’s Secretary-General, Syed Jaafar Albar, in provoking the rioters.⁹⁰ In response, Malay leaders heaped scorn on Lee and charged that he had blood on his hands and that he was actually the one responsible for setting Malays and Chinese against one another.⁹¹ Eventually, a truce was agreed upon by the Alliance and the PAP that called for both sides to avoid ‘sensitive issues’ for at least two years.

In May 1965 there was a new development when five non-Malay and principally Chinese-dominated opposition parties formed the Malaysian Solidarity Convention (MSC).⁹² Led by the PAP, the MSC immediately published a declaration calling for a ‘Malaysian Malaysia’ in which “the state is not identified with the supremacy, well-

⁸⁶ What was worse, the Tunku appointed two Bornean politicians to the first Malaysian federal cabinet.

⁸⁷ See: Cheah (2002), p.100 and Ongkili, p.182.

⁸⁸ Ongkili, pp.160-161.

⁸⁹ Ongkili, p.183 and von Vorys, p.168.

⁹⁰ Cheah (2002), pp.100-101 and Ongkili, p.184.

⁹¹ von Vorys, p.169.

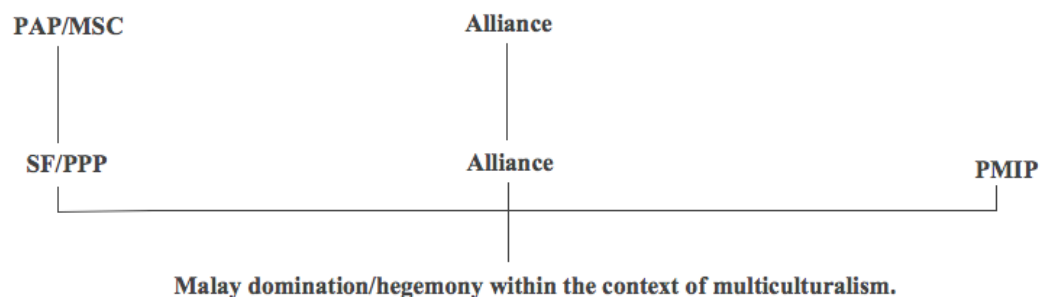
⁹² The MSC was comprised of the PAP, UDP, PPP, the Sarawak United People’s Party and MACHINDA (a tiny multiracial group from Sarawak). The most important non-Malay communal party on the peninsular, the SF, was not a member. See: Ratnam and Milne, pp.433-434 and Ongkili, p.184.

being and interests of any one particular community or race.”⁹³ The pronouncement proclaimed:

Support for the ideal of a Malaysian Malaysia means, in theory as well as in practice, educating and encouraging the various races in Malaysia to seek political affiliation not on the basis of race and religion but on the basis of common political ideologies and common social and economic aspirations, which is the real basis of ensuring the emergence of a truly free prosperous and equitable national community.⁹⁴

By challenging the constitutionally guaranteed special position of the Malays, the concept of ‘Malaysian Malaysia’ directly threatened UMNO’s framework of Malaysia as an essentially Malay nation-state.⁹⁵ Malay organizations and publications reacted to the MSC’s statement and activities by calling for Lee’s arrest and for the suspension of Singapore’s constitution. By mid-1965 it was clear that an impasse had been reached between two opposing ‘nations-of-intent’, i.e., two separate approaches to the political, socio-cultural and economic aspects of nation-building in a communal Malaysia (see Figure 9).⁹⁶

Figure 9: Postcolonial ‘Nations-of-intent’ 1957-1969 (Step 2)



In the face of the PAP challenge, many UMNO leaders were convinced that the best solution was to arrest Lee and install a new, more amenable, government in Singapore. Cognizant of the internal and external ramifications of such a move, the Tunku rejected this course of action.⁹⁷ As the PAP refused to withdraw from peninsular politics there

⁹³ Cheah (2002), p.101.

⁹⁴ Government of Singapore (1965a). *Separation: Singapore's Independence on 9th August 1965*. Singapore: n.d., p.17.

⁹⁵ Abdullah Ahmad maintains Malays saw a repeat of the Malayan Union in the formation of the MSC. Lee's public assertions that "none of the three races in Malaysia could claim to be more native than the others because all their ancestors came to Malaysia not more than 1000 years ago" only served to emphasize such fears and suspicions. See: Ahmad (1985), p.91.

⁹⁶ Ahmad (1985), pp.90-91 and Ongkili, p.192.

⁹⁷ While Malays may have perceived such a move in zero-sum terms as a victory over the Chinese, the Tunku was apparently wary of the implications such an action would have for public order on both sides of the causeway. In addition, he was concerned about alienating the British (who still had considerable military forces in the area) and also wished to avoid the boost this would undoubtedly give Indonesia in

was only one other alternative acceptable to the Alliance elite – separation. Seen from a strategic-relational perspective this was an unsurprising move: if the state is a social relation and there were mutually incompatible social constituencies of legitimation present that were beyond reconciliation then there was little alternative but to split. On August 7 1965, the Tunku and Lee Kuan Yew signed the separation agreement, which was then ratified by the Federal Parliament two days later in a hurriedly convened emergency session. In addressing Parliament the Tunku explained that this was the best course of action and that while repressive measures could have been taken against Singapore, these ran counter to internationally held norms of appropriate state behaviour.⁹⁸ A few hours later, Lee proclaimed Singapore's independence as "forever a sovereign democratic and independent nation."⁹⁹

At the heart of the separation was a contest over how a genuinely Malaysian 'nation-of-intent' was to be realized. It can be argued that both the Alliance and PAP leadership believed that there must be "inter-communal cooperation in order to form a workable government which would ensure the political survival of the nation."¹⁰⁰ However, the PAP sought to move too quickly for the liking of the old heads in the Alliance who were more inclined to allow lingering ethnic suspicions to soften gradually over time, perhaps in combination with advances in economic development. The separation emotionally affected politicians on both sides of the causeway who expressed their anguish at the failure of a people connected by geography, economics and the ties of kinship to remain united in a single entity.¹⁰¹ Domestic considerations outweighed any international advantages that might have accrued from Singapore's inclusion in Malaysia.

In fact, the divorce was a matter of irreconcilable differences and a clear indication of the mounting tensions contained within the Sino-Malay relationship. Lee's call for a 'Malaysian Malaysia' evoked memories of the Malayan Union and was seen by Malays

its 'Confrontation', especially with respect to the newly incorporated states of Sabah and Sarawak. See: von Vorys, p.170.

⁹⁸ In Parliament the Tunku stated that repressive action were "repulsive to our concept of parliamentary democracy." See: Government of Malaysia (1965a). *Parliamentary Debates (Dewan Ra'ayat)*, Vol.2, 9 August, col.1466.

⁹⁹ Government of Singapore (1965b). *Proclamation of Singapore*. Singapore: n.d.

¹⁰⁰ Ongkili, p.190.

¹⁰¹ Both Lee Kuan Yew and Tun Tan Siew Sin, the president of the MCA, referred to the split as a 'tragedy'. See: Ongkili, p.193.

as “an attempt to wrest from them all that they considered their birthright.”¹⁰² Despite Lee’s reputation for political acumen his questioning whether Malaysia in fact belonged to the Malays was an elemental error.¹⁰³ In the immediate period, the departure of Singapore from the Federation of Malaya was a success in that it averted the imminent possibility of racial clashes. However, separation was hardly a lasting solution as it did little to mitigate the presence of multiple social constituencies of legitimation on the peninsula; question marks still surrounded the shape of Malaysia’s ultimate ‘nation-of-intent’. With the terms of the governing statement remaining ambiguous the potential for communal conflict had merely been postponed.

3.5 *Socio-Political Trends, 1965-1969: Education, Language and the Economy.*

The mid-1960s saw Kuala Lumpur normalize diplomatic relations with both Jakarta and Manila following a change of leadership in both the Philippines and Indonesia.¹⁰⁴ Two pressing external threats to its existence were removed. This was fortuitous as it now allowed state actors to devote their attention and resources to on-going and emerging domestic problems. Initial reactions in Sabah and Sarawak to Singapore’s expulsion were critical of the Tunku’s administration and centered on fears that the federal government had little respect for the Constitution and would over-ride the points of agreement if it saw fit. State actors reacted forcefully to such concerns and, in the end, local conditions in Borneo meant that protests against the Singapore separation attracted little popular support.¹⁰⁵ For their part, non-Malays on the peninsula were nervous about the possibility that the loss of pre-dominantly Chinese Singapore would now see the UMNO-led Alliance government implement increasingly pro-Malay policies.¹⁰⁶

In this context, unresolved issues surrounding the issue of language rose to the surface once more and the cultural terrain became a fiercely contested arena between rival

¹⁰² Ongkili, p.193.

¹⁰³ Ahmad (1985), p.91.

¹⁰⁴ Malaysia and the Philippines normalized relations following Ferdinand Marcos becoming President while the steady fall of President Sukarno after the abortive coup of 1965 led directly to the Djakarta Agreement of August 1966 that saw the resumption of normal diplomatic relations between Indonesia and Malaysia.

¹⁰⁵ Ongkili, pp.187-188. Fears that the Sabah might follow the path of Singapore saw the federal government engineer the removal of its Chief Minister in 1965. The same fate befell the Chief Minister of Sarawak in 1966. See: Cheah (2002), p.102.

¹⁰⁶ Ongkili, p.194. Non-Malay concern (and, arguably, Malay communalism) was also magnified by comments made by President Suharto of Indonesia soon after he took power in 1966 in which he stated: “...we would like to unite with the Malay race and other friendly neighbouring countries.” See: Bernard Krisher (1966). “A Talk with General Suharto”, *Newsweek*, 5 September, p.43.

‘nations-of-intent’. Following the 1959 general election a fresh education committee under the new Minister of Education, Abdul Rahman bin Haji Talib, had been appointed to review the findings of the earlier Razak Report. The Talib Report, published in 1964, concluded that public primary schools whose medium of instruction was Chinese should be allowed to continue ‘for the time being’ at least. It was a different story for secondary schools, however. The new report asserted that it would be “incompatible with an educational policy designed to create national consciousness and having the intention of making the Malay language the national language of the country to extend and perpetuate a language and racial differential throughout the publically-financed educational system.”¹⁰⁷ Unsurprisingly, this generated fierce resentment among peninsular Chinese whose disquiet only intensified with the approach of 1967, the year designated by the Constitution for Malay to officially become the national language.¹⁰⁸

Lee Kuan Yew’s ‘Malaysian Malaysia’ campaign further focused attention on the issue of ‘equal rights’ for non-Malays, including the objective of establishing Chinese as an official language. Such concerns were only heightened following Singapore’s separation, highlighting how problematic the exercise of effective authority remained. Keen to perhaps reaffirm its role as the primary representative of the Chinese on the peninsula following the demise of the PAP, the closing months of 1966 saw the MCA again agitate for a more liberal use of the Chinese language for official purposes and pronouncements.¹⁰⁹ Roused by what they regarded as a breach of the constitutional bargain, Malay nationalists responded by forming the *Barisan Bertindak Bahasa Kebangsaan* (National Language Action Front) under the leadership of Syed Nasir bin Ismail, the director of the *Dewan Bahasa dan Pustaka* (Council for Language and Culture, DBP) and senior UMNO figure.¹¹⁰ Since becoming the first full-time Director of the DBP, Syed Nasir had quickly emerged as something of a folk-hero to those who “resented the subsidiary use of other languages as a provocation to Malay nationalism”

¹⁰⁷ Federation of Malaya (1964). *Report of the Education Review Committee, 1960*. Kuala Lumpur: Jabatan Cetak Kerajaan; p.3.

¹⁰⁸ Tan (1992), pp.191-192. Tan later (p.197) notes that while Chinese educationalists had developed an alternative ‘nation-of-intent’ centered on the concept of plurality, they failed to translate this vision into practical terms by actively recruiting other minorities to their campaign.

¹⁰⁹ Roff (1967), p.323. Although Tun Tan Siew Sin, the party’s president, feared Malay resentment and thought that such demands might trigger Malay chauvinist demands. See: Cheah (2002), p.103 and von Vorys, p.202.

¹¹⁰ Established in 1956, the DBP is the governmental body responsible for coordinating the use of the Malay language in Malaysia and Brunei. After independence it was placed under the purview of the Malayan Ministry of Education.

by doing everything in his power to “hasten the day when Malay would become unquestionably the (only) national language.”¹¹¹ In October 1966, he took the nuclear option by publically objecting to the trilingual (Mandarin, English, Malay) signboard outside the office of Bernard Lu, the Political Secretary to the Minister of Finance, MCA President Tan Siew Sin. When Tun Tan and others explained that such notice boards were necessary for the “guidance of those who are only literate in Chinese”, Syed Nasir retorted contemptuously that he was fed up with such excuses and of similar arguments that claimed “other languages were used only as ‘translations’ of a Malay original.”¹¹² A fortnight later, Syed Nasir upped the ante by sending a confidential memorandum to the Prime Minister, the Deputy Prime Minister, all Cabinet Members, all state Chief Ministers and all members of the UMNO Executive Council in which he bluntly criticized the government’s language policies as a betrayal of the constitutional contract. Section VI of the document (*Pengorbanan Orang Melayu*, The Malay’s Sacrifice) contains the crux of his reasoning:

For the importance of national unity and racial harmony, the Malays who are sons of the soil (bumiputeras), have agreed to compromise with non-bumiputeras, especially the Chinese, on the question of their language, one of their few remaining properties. They agreed to compromise and allow citizenship rights to these non-Malays and agree to uphold the status of the Chinese language and other non-official languages...After Independence what do we see? Not only is the status of Chinese preserved, it is now more widespread than before Independence...[Alliance leaders] must not be indecisive...The language policy of this country is one and final: to replace English with the National Language as the sole official language in this country. There are no other questions, problems or issues on this, and cannot be raised...Our national leaders must be careful of the feelings of the Malays which now show restless tendencies as the result of the Chinese language claim.¹¹³

Here, then, was an alternative vision for Malaysia’s dominant ‘nation-of-intent’, one that differed greatly from the incumbent Alliance narrative. In many respects these contesting visions reflect Fishman’s dichotomy between *nationalism* and *nationism*.¹¹⁴ Syed Nasir and the DBP clearly saw the formal adoption of *bahasa Melayu*, and Malaysia’s language policy more broadly, in terms of Malay nationalist requirements that demanded the Malay language be made the sole official national language of the

¹¹¹ von Vorys, pp.200-201.

¹¹² Roff (1967), p.324; von Vorys, p.203 and; Cheah (2002), p.103.

¹¹³ von Vorys, pp.204-205.

¹¹⁴ J.A. Fishman (1968). “Nationality – Nationalism and Nation – Nationism”, in, J.A. Fishman, C.A. Ferguson and J.D. Gupta (eds.), *Language Problems in Developing Nations*. New York: John Wiley and Sons; pp.39-51.

country.¹¹⁵ This far more communal and Malay-centric ‘nation-of-intent’ ran counter to the Alliance’s more practical ‘nationalist’ approach to the issue of language, which although acknowledging the primacy of *bahasa Melayu*, sought to protect the use of secondary languages, such as Mandarin and Tamil. As Puteh notes, however, “[s]ince the problems language presents for nationalism are pragmatic rather than symbolic, a solution to a nationalist problem often creates a nationalist problems.”¹¹⁶ The Tunku soon became increasingly concerned that as a result of Syed Nasir and the DBP’s efforts, the establishment of *bahasa Melayu* as the sole official language would be “perceived not only as a national event but also a Malay communal victory.”¹¹⁷

Eager to dispel the potential for the language issue to unnecessarily inflame communal passions, the Tunku and the Alliance government sought to ensure that the National Language Bill to be introduced in the first half of 1967 would be balanced.¹¹⁸ Senior government officials alternatively soothed and warned the different communities in an effort to avert possible outbreaks of communal violence over the matter.¹¹⁹ The actual bill tabled in Parliament was remarkably short and, at heart, remained a quintessentially Alliance document. Although it reaffirmed that Malay was the national language and would be used for official purposes it similarly confirmed that government bodies could use the “language of any other community in the Federation for such purposes as may be deemed necessary in the public interest.”¹²⁰ In addition, the continued use of English for official purposes was at the discretion of the King. While the non-Malay opposition parties spoke against the bill during parliamentary debate, non-Malay reaction to the bill was largely favourable.¹²¹ More significant was the way in which the bill resulted in serious divisions within the Malay community. Although the bill was proclaimed as ‘part of UMNO’ by the party’s Secretary-General, there was clear evidence of dissatisfaction within certain sections of the Malay community and even within UMNO

¹¹⁵ Alis Puteh (2006). *Language & Nation Building: A Study of the Language Medium Policy in Malaysia*. Petaling Jaya: SIRD; p.30.

¹¹⁶ Puteh, p.44.

¹¹⁷ von Vorys, p.205.

¹¹⁸ Roff (p.323) notes that the ‘semantic confusion’ surrounding the issue was evident in the Alliance party’s political vocabulary where “an ‘official language’ seem[ed] to be somewhat different from a language used for official purposes.”

¹¹⁹ Roff (1967), pp.324-325.

¹²⁰ Roff (1967), p.325. Also: von Vorys, p. 206.

¹²¹ The leader of the PPP described the bill as “a betrayal of the four million non-Malays in this country”, a view later reiterated by spokesmen from both the UDP and Democratic Action Party, DAP (the PAP’s successor party on the peninsula). See: Roff (1967), p.326.

itself.¹²² These frustrations were given their clearest voice by Syed Nasir and many of his supporters who vehemently and actively opposed the bill and the Tunku for ‘dishonoring’ the constitutional bargain and ‘betraying the Malays.’¹²³ In the end, however, the Alliance performance was convincing and the bill was overwhelmingly passed.¹²⁴ For his disloyalty to the Alliance, Syed Nasir was forced to resign from UMNO’s Executive Council.¹²⁵ Despite his removal and the successful passage of the National Language Bill the underlying problems associated with the issue of language and interethnic relations in Malaysia remained unresolved; so long as the social relations upon which the state was based remained imprecise, the exact terms of the authority-defined ‘nation-of-intent’ would continue to be blurry.¹²⁶

Although educational and language concerns resonated deeply within and across Malaysia’s different ethnic communities, it could be argued that few Malays assumed that the cultural terms of the constitutional bargain would be fully realized by 1967. It was a very different story, however, when it came to economic expectations as the vast majority of Malays ‘anticipated spectacular progress’ towards the full realization of the economic provisions contained within the contract.¹²⁷ The Alliance position on fulfilling the economic terms of the bargain dictated that “the constitutional mandate [had] to proceed without arbitrary and confiscatory policies” which, in turn, meant “success would become possible only in an economy which was capable of persistently generating additional quantities of reward.”¹²⁸ Right from the start of independent Malaya/Malaysia, the ultimate objective of the state’s economic policy – the redistribution of income between the different ethnic communities – was tied to a broad strategy of economic development.

¹²² Roff (1967), p.327.

¹²³ von Vorys, p. 207 and Roff (1967), 327-328. A further example of the split in the Malay community caused by the passage of the bill can be seen in the editorial support that *Utusan Melayu*, the staunchly Malay nationalist newspaper, eventually gave the bill. This earned it the ire of those Malay groups protesting the bill, which ritually burned copies of the paper in front of the *Dewan Bahasa*.

¹²⁴ Only 11 MPs, mostly PMIP, voted against the bill. Even Syed Nasir’s allies in UMNO, which included members of the Executive Council such as Dr. Mahathir bin Mohamad, voted for the bill. See: von Vorys, pp.209-210.

¹²⁵ Although he was permitted to remain in the party and also retained his Directorship of the DBP.

¹²⁶ One observer argued that Alliance’s National Language Bill weakened one of the central pillars of UMNO’s membership, that of Malay school teachers. This loss of support would have grave consequences in the 1969 general election. See: Mubin Sheppard (1995). *Tunku: His Life and Times (The Authorized Biography of Tunku Abdul Rahman Putra al-Haj)*. Kuala Lumpur: Pelanduk Publications; p.157.

¹²⁷ von Vorys, p.219.

¹²⁸ von Vorys, p.219.

This strategy lay at the heart of the First Malaysia Plan (1MP) released in 1965 and designed to “consolidate the foundation already laid for the far-reaching process of Malaysia’s modernisation and nation-building” over the period 1966-1970.¹²⁹ Here then, we begin to see more clearly the ideological approach that would guide state actors as they sought to manage the society-state-global interrelationship by cultivating a balanced ‘modernizing-traditional’ fusion upon which they could then legitimate their authority. In his speech to Parliament to introduce the 1MP, Tun Razak wove together the twin themes of national unity and economic progress, stressing that although heavy doses of nationalism were required as a ‘necessary stimulant’, Alliance philosophy meant that this nationalism operated “within the correct and balanced context of internationalism.”¹³⁰ With political elites believing that their domestic position was sound, there was a perceptible shift towards the internationalizing extreme of Solingen’s continuum. This nod to international norms is understandable given the fact that the performance of the Malaysian economy has historically been governed in large part by the performance of its export sector.¹³¹ By the time of the 1MP, this need to engage with the global economy was further reinforced by the realization that Malaysia could not continue to rely on traditional patterns of economic growth, i.e., natural rubber and tin exports.¹³² A stagnant level of export earnings during the period 1960-1965 had been counterbalanced by increases in domestic consumption and investment, with the latter now being identified as “the main dynamic element producing economic growth during the next five years.”¹³³ To this end, the 1MP “emphasized an essential need to assure a congenial environment for private investment, domestic and foreign.”¹³⁴ As we shall see, this is a theme that runs through to contemporary times and one that repeatedly reflects and informs the shape of the society-state-global dynamic in Malaysia.

Economic development, while crucial, was primarily a means to an end; “the real test of economic policy remained its ability to reduce inter-communal income disparity

¹²⁹ Government of Malaysia (1965b). *First Malaysia Plan, 1966-1970*. Kuala Lumpur: Jabatan Chetak Kerajaan; p.v.

¹³⁰ Federal Department of Education (1966). *First Malaysia Plan: Full Text of Speech by Deputy Prime Minister and Minister for National and Rural Development, Tun Abdul Razak bin Hussein, in Moving the Adoption of the First Malaysia Plan 1966-1970 at the House of Representatives on 15th December, 1965*. Petaling Jaya: Sharikat Malayan Printers; p.5.

¹³¹ Ahmad (1985), p.30.

¹³² Government of Malaysia (1965b), pp.6-7.

¹³³ Government of Malaysia (1965b), pp.24-25 & p.48. See also: Federal Department of Education (1966), p.8.

¹³⁴ von Vorys, p.224. See also: Federal Department of Education (1966), p.15.

between Malays and ‘non-Malays’.”¹³⁵ This objective operated as a cardinal aspect of the inter-communal understanding that underpinned the Alliance system of governance inasmuch as it allowed state actors to sidestep some of the more difficult decisions generated as a result of the Alliance’s ambiguous articulation of the state’s governing statement. Economic development was a central plank of the Alliance’s 1964 election platform and by 1966 Malaysian leaders remained acutely aware of the pressing need to fulfill this part of the bargain. Tun Razak concluded his speech to Parliament by noting: “The stakes are high. If we fail [to develop economically], national unity will be jeopardized and our very existence as a nation will be imperiled. If we succeed, and succeed we must, we will have taken a major step forward towards the creation of a more united, secure and prosperous Malaysia.”¹³⁶ Without specifically mentioning any community, it is clear that the IMP’s distinct focus on reducing rural poverty was squarely aimed at the improving the relative and absolute economic lot of the Malays who comprised the overwhelming majority of the rural population.¹³⁷ Despite extensive national and rural development programs, however, rural poverty and economic handicaps remained a conspicuous part of the Malaysian socio-political landscape.¹³⁸

As the decade drew to a close, the lack of progress in the relative economic position of the Malays assumed increasing political significance for the ‘Alliance way’. While it may have been unrealistic to imagine that within the first few years of independence a fundamental redistribution of income or economic control would occur, the Tunku’s administration did “fervently hope for some signs that its economic policy was appreciated by the Malay masses and that they accepted it as an effective process through which the terms of the constitutional contract was implemented.”¹³⁹ Although some progress was discernible it was equally apparent that the years following *Merdeka*

¹³⁵ von Vorys, p.226. It should be remembered that the Communities Liaison Committee had concluded that the constitutional and national foundations of an independent Malaya would only result if the economic status of the Malays improved to the point where they would be willing to sacrifice their privileged political position. See: Ongkili, p.216.

¹³⁶ Federal Department of Education (1966), p.22.

¹³⁷ One of the stated aims of the IMP was “to increase the well-being of Malaysia’s rural inhabitants and other low-income groups, primarily by raising their productivity and thus their income-earning capacity.” This saw the mushrooming of a range of federal and state agricultural institutions all designed benefit producers and consumers by accelerating commercial services in the rural sector. Government of Malaysia (1965a), p.2. See also: Government of Malaysia (1969). *Mid-Term Review of the First Malaysia Plan, 1966-1970*. Kuala Lumpur: Jabatan Cetak Kerajaan; pp. 18-19 and von Vorys, pp.231-233.

¹³⁸ A chronic economic rural-urban divide generally coincided with the physical location of *bumiputera* and non-*bumiputera* and meant that bridging this divide had to lie at the heart of any nation-building endeavour. See: Ongkili, pp.220-221 and von Vorys, pp.238-244.

¹³⁹ von Vorys, p.245.

had not brought forth the wealth that the Malays had expected. Even in rural areas Malay power was being eroded by Chinese and foreign competition in the mining and plantation sectors, respectively. Traditional bastions of Malay employment and influence such as the civil service and the police had seen a steep influx of non-Malays as a consequence of the Emergency. The First Bumiputera Economic Congress held in 1965 bemoaned the government's failure to aid the formation of Malay capital. By the second congress in 1968 "the clamour by these same elements within UMNO for a vast expansion of state capital to aid Malay interests was overwhelming."¹⁴⁰ By the 1969 general election, the only area where Malay control remained evident was the political arena, epitomized by the two-thirds majority of seats the UMNO-led Alliance held in Parliament. Yet the popular Malay perception was that the government had repeatedly made significant political concessions to the non-Malays in terms of citizenship, language and education without the Malays having made equivalent economic gains.¹⁴¹ What a strategic-relational approach emphasizes is the degree to which effective authority is located within a changing balance of political forces. Questions now centered on the extent to which the persistence of the economic and social disparities, which had long marked Malaysia, might reduce the broad support the Alliance had enjoyed since 1955. Would the visible lack of expected material rewards diminish Malay political support? Would non-Malay endorsement of the Alliance similarly evaporate in the face of a steady rhetoric of economic redistribution? The general election of 1969 was soon to provide the answers.

3.6 *A Political System in Peril: 1969 and the Failure of the Alliance's Nation-Building Project.*

If the start of the 1960s had seen the spectre of external threats overshadow many of the contentious domestic issues surrounding the articulation of the authority-defined 'nation-of-intent' and the legitimation of the state, by the end of the decade crucial domestic issues now assumed centre stage in Malaysia. Latent inter-ethnic tensions lay just below the surface of increasingly heated debates over matters of language,

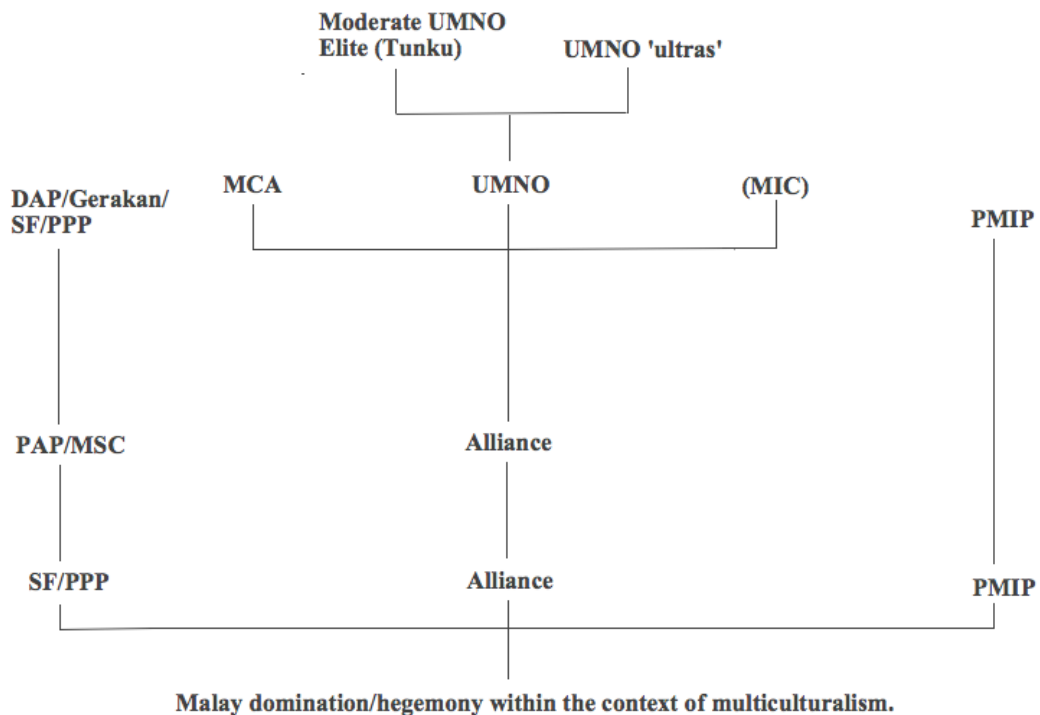
¹⁴⁰ Kua Kia Soong (2007). *May 13: Declassified Documents on the Malaysian Riots of 1969*. Kuala Lumpur: Suaram Komunikasi; p.27. After 1965 the Alliance government had reacted to demands emanating from the first Bumiputera Congress by creating *Majlis Amanah Rakyat* (Council of the People's Trust, MARA) along with several other state enterprises, such as Bank Bumiputera and the Federal Agricultural Marketing Authority (FAMA). All were designed to actively assist Malay commercial interests.

¹⁴¹ Ongkili, pp.222-223 and Lee Hock Guan (2000). *Ethnic Relations in Peninsular Malaysia: The Cultural and Economic Dimensions*. Singapore: ISEAS; p.16.

education and economic redistribution. In hindsight, it is evident that the 1969 general election represented the first real electoral test of the viability of the Alliance system of politics based as it was on an intentionally vague reading of the state's governing statement.¹⁴² In 1959, the fresh sheen of Independence had clouded any critical consideration of the terms of constitutional arrangement and the inconsistencies it contained. In 1964, the threat of external military and ideological confrontation had similarly distracted the electorate from the terms of the constitutional contract, which made the election a referendum on Malaysia rather than on the 'nation-of-intent' advanced by the Alliance. 1969 was clearly different. Twelve years had passed since *Merdeka* and the Alliance's somewhat disappointing political and economic record had left much to be desired. Well-organized and well-financed opposition parties now presented a real challenge to its political dominance. Finally, the Malaysian nation-state no longer faced any credible threat to its territorial integrity or sovereignty. For the first time then, what would be at stake in a general election would be the terms of the constitutional contract and the right to determine the essential structure of the state. Figure 10 below outlines the development of the rival 'nations-of-intent' as well as the many actors now involved.

¹⁴² Harold Crouch argues that the successful functioning of the Alliance system initially depended upon relatively low levels of Malay political activity. The emergence of a new generation of better educated and urbanized Malays disappointed with UMNO's inability to meet their rising socio-economic expectations meant that the government faced increased questioning throughout the 1960s. 1969 represented the peak of their frustrations. See: Harold Crouch (1980b). "The UMNO Crisis: 1975-1977" in, Harold Crouch, Lee Kam Hing and Michael Ong (eds.), *Malaysian Politics and the 1978 Election*. Kuala Lumpur: Oxford University Press; pp.12-13.

Figure 10: Postcolonial ‘Nations-of-intent’ 1957-1969 (Step 3)



On the surface, there was little to distinguish the run-up to the 1969 general election from the two previous polls held on the peninsula since Independence. With the exception of the Democratic Action Party (DAP) and the *Gerakan Rakyat Malaysia* (Malaysian People's Movement, *Gerakan*), the cast of political parties remained the same as in 1959 and 1964, as did many of the same issues.¹⁴³ Both the Alliance and opposition parties approached the polls optimistic that the *rakyat* would provide them with a popular mandate for their policies and platforms.¹⁴⁴ The early days of the actual campaign period were relatively uneventful and subdued. However, after a few weeks the tone of the campaign took a distinctly communal turn with a chorus of opposition parties attacking both the record and structure of the Alliance.¹⁴⁵ For the most part, the upper echelons of the Alliance, confident in “a strategy which had worked so well in the past and [given] the atmosphere of optimism generated by their subordinates and the

¹⁴³ As noted above, the DAP was the successor to the PAP on the peninsular after Singapore's expulsion in 1965. See: von Vorys, pp.259-260 and Gordon P. Means (1991). *Malaysian Politics: The Second Generation*. Singapore: Oxford University Press; pp.4-5. The *Gerakan* had been formed in March 1968 by former leaders of the Labour Party of Malaya and the UDP. While a predominantly non-Malay led party, the *Gerakan* projected a moderate image and sought to pursue a genuinely non-communal platform. See: Ongkili, pp.197-198; von Vorys, p.263-264 and Means (1991), p.5.

¹⁴⁴ von Vorys, pp.251-264 and Ongkili, pp.199-201.

¹⁴⁵ The PMIP accused the Alliance and UMNO, in particular, of undermining Islam, debasing Malay culture and betraying the Malay race. For their part, both the DAP and the PPP criticized the idea and practice of Malay special privileges, claiming instead that Malaysia belonged to all Malaysians, not just the Malays. To their credit, both the *Parti Rakyat* and the *Gerakan* resisted the temptation to resort to radical communal appeals. See: von Vorys, pp.278-281.

press...responded with patience and restraint to provocations.”¹⁴⁶ Despite this, events soon began to move beyond their control and the peninsula experienced rising ethnic antagonisms punctuated by sporadic outbursts of violence as local candidates and party workers increasingly resorted to vulgar communal appeals.¹⁴⁷

While latent inter-ethnic tensions had been brought to the surface, there was little indication of the turmoil that would later erupt as voters on the peninsula went to the polls on May 10, 1969.¹⁴⁸ The day itself was calm with no demonstrations and there was little to suggest anything other than the publically predicted Alliance landslide. As such, the results were wholly unexpected. The final count revealed that the Alliance had received only 48.1% of the popular vote and had captured only 66 out of the 104 seats, thereby losing its two-thirds majority in Parliament.¹⁴⁹ Opposition parties had their best showing to date with the PMIP winning 12 seats, the DAP 13 seats, the *Gerakan* 8 seats and the PPP 4 seats.¹⁵⁰ At the state level, the Alliance prevailed in five states but failed to recapture Kelantan from the PMIP, lost Penang to the *Gerakan* and could not secure a majority in both Selangor and Perak.¹⁵¹ To add insult to injury, a number of Alliance ministers as well as prominent UMNO figures lost their seats.¹⁵²

¹⁴⁶ von Vorys, p.282.

¹⁴⁷ Numerous examples abound. Dr. Mahathir advised his Chinese constituents not to vote for him as he would not represent their interests in Parliament. A DAP candidate in Selangor reportedly promised that if his party were to gain power, he would see to it that all Malays learned Chinese within two months. PMIP party workers suggested that a solution to the ‘Chinese problem’ lay in their conversion to Islam or their return to China. Finally, two deaths had cast a shadow over the election campaign. The first was that of an UMNO worker murdered in Penang. At the request of the party, he was quietly buried in order to avert any communal unrest. The second was of a Labour Party member who was shot dead by police acting in self-defense. In contrast to the first case and contrary to Chinese custom, he was not buried quickly and instead became the focus of a massive funeral procession that wound its way through the heart of Kuala Lumpur on the day before the election. According to one scholar, “[t]he effect of the funeral was inestimable...For the moment at least the ideal of Malaysian Malaysia merged into the vision of Chinese control.” For Malays, the procession served only to confirm campaign rhetoric emphasizing the erosion of Malay political power. See: von Vorys, p.278 & pp.284-288.

¹⁴⁸ Ongkili, p.201 and von Vorys, pp.289-290. Polling day in Sabah and Sarawak was scheduled for May 17.

¹⁴⁹ Ratnam and Milne, pp.203-204. On the surface, the election results point to a startling loss of popular legitimacy; in 1955 the Alliance had won 81.7% of the popular vote, in 1959 this fell to 51.8% and then rose in 1964 to 58.4%. Even more damning was its failure to keep its two-thirds majority in Parliament and thus its ability to amend the constitution unimpeded.

¹⁵⁰ Ratnam and Milne, p.204. In many respects, these results lay in the difference between incumbency and opposition. Unconstrained by the need to appeal across communal lines, opposition parties were able to appeal more narrowly to ethnic / religious sensitivities and to play upon real or perceived grievances.

¹⁵¹ von Vorys, pp.297-299; Means (1991), pp.6-7 and Cheah (2002), p.105.

¹⁵² The Minister for Information and Broadcasting, Senu bin Abdul Rahman, lost his seat while Dr. Mahathir also failed in his bid to be re-elected. Tellingly, both constituencies were in Kedah, the Tunku’s home state.

Although the election results were surprising and a clear set-back for the Alliance, a rational analysis would hardly conclude that they were catastrophic. For most modern democratic systems periodic shifts in voter support are to be expected and the formation and shape of a new government following elections is generally not cause for alarm. Looked at objectively, the election results of 1969 would seem to imply at least that much. By Western standards the Alliance still maintained a very healthy parliamentary majority. Certainly, when compared to the previous election the results suggested a sizeable decline in support but von Vorys argues that this is an unfair comparison considering the existential challenge Malaysia and Malaysians faced in 1964.¹⁵³ Without discounting their impact, if the results are compared instead to 1959 they prove to be less impressive.¹⁵⁴ Von Vorys similarly questions the validity of the popular vote as a more sensitive index of popular support for the Alliance government. By omitting those electorates where Alliance candidates were returned unopposed, official statistics most probably under-represented the Alliance's popular support.¹⁵⁵ The coalition's decline in fortunes at the state level should also be put in context. Though serious, they were hardly critical with only one Alliance Chief Minister defeated. It would seem, then, that there was "no rational basis for the exuberant boasts [of opposition supporters] or the terrified alarm of the government's collapse...in spite of the electoral reverses and the emerging internal [Alliance] strains...the electoral rationale for the coalition of UMNO, MCA and MIC had not been vitiated."¹⁵⁶ In Malaysia, though, long-standing ambiguities inherent in the country's socio-political framework, highlighted by contestation between rival conceptualizations of the 'national', meant that orderly processes of democratic transformation were unlikely to transpire.

What objective measures fail to account for is the way in which the election results were *perceived*. In particular, the Alliance's loss of both popular support and parliamentary seats seemed to demonstrate to all and sundry that it was no longer able to mobilize the inter-communal support which lay at the very foundation of the political system it had created.¹⁵⁷ In other words, the 'nation-of-intent' advocated by the coalition had clearly failed to resonate with a broad cross-section of the Malaysian electorate. Immediately

¹⁵³ von Vorys, p.296.

¹⁵⁴ von Vorys, p.296 and Harold Crouch (1980a). "From Alliance to Barisan Nasional" in, Harold Crouch, Lee Kam Hing and Michael Ong (eds.), *Malaysian Politics and the 1978 Election*. Kuala Lumpur: Oxford University Press, p.3. In 1964, the Alliance had captured 89 of the 104 seats on the peninsular. In 1959, however, it won only 74 seats, not many more than the 66 it had now won in 1969.

¹⁵⁵ von Vorys, p.297.

¹⁵⁶ von Vorys, p.299 & p.306.

¹⁵⁷ Harold Crouch (1980a), p.4.

following the election, the MCA, stung by its poor electoral returns, withdrew from the Federal Cabinet and announced that it would not help form the new government. Ostensibly, this was a consequence of the weak mandate the party had received but more likely was the explanation that the party's elite sought to 'punish' those Chinese voters who had abandoned them, to illustrate in no uncertain terms the cost of their disloyalty. Depriving the government of a distinct Chinese voice was a petulant reaction and a tactic which, ultimately, was to tragically backfire. Many Malays regarded this move as a betrayal of UMNO and "raised serious implications for the constitutional contract."¹⁵⁸ Without Chinese representation in Cabinet "the spectre of no inter-ethnic bargaining mechanisms being in place in the new government" was raised.¹⁵⁹ At the same time, non-Malay opposition parties (DAP and the *Gerakan*) celebrated their 'victories' by staging parades in and around Kuala Lumpur on the days following the election. It is generally accepted that during these processions opposition leaders lost control of their followers with Chinese participants and Malay bystanders hurling racial epithets and threats at one another.¹⁶⁰

In response to these provocations, the under-fire Selangor Chief Minister, Dato' Harun bin Haji Idris, sought to alleviate "his most pressing problem, the explosive insecurity of the Malay community."¹⁶¹ To reassure his constituents he called for a counter-demonstration in support of the government to be held on the evening of 13 May. Dato' Harun's summons was answered by thousands of Malays from around the state, many of whom, afraid that they might be attacked, came armed. As the numbers swelled, the assembled crowd listened to numerous speeches each of which played on the Malay community's anxieties and each of which repeated the same basic mantra – the election results and the subsequent opposition parades were clear proof of dwindling Malay political power. Incensed by calls to 'teach the Chinese a lesson', the situation eventually got out of control and armed Malays began to rampage through predominantly Chinese areas of the city, looting and burning shops and houses. Where they could, Chinese inhabitants put up stoic resistance and occasionally mounted retaliatory counter-attacks.¹⁶² In spite of a heavy military and police presence and government-imposed curfews, the days immediately following May 13 saw severe

¹⁵⁸ Cheah (2002), p.106.

¹⁵⁹ Means (1991), p.7.

¹⁶⁰ von Vorys, pp.309-323; Ongkili, p.203 and Means, p.7.

¹⁶¹ von Vorys, p.316.

¹⁶² For the definitive account of the events immediately leading up to and of May 13 see: von Vorys, pp.309-338.

rioting, looting and arson continue. In the end, 6000 residents of Kuala Lumpur, ninety per cent of whom were Chinese, lost their homes. Official figures put the death toll from the riots at 178 although foreign journalists and non-government sources estimated that the total number of fatalities was much higher.¹⁶³

Although it is difficult to discern the exact impact of the events of May 13 on the Malaysian economy, it seems fair to assume that the political instability generated had both a macroeconomic and microeconomic effect. Throughout the late 1960s, there was growing recognition within the halls of government that future prospects for industrial development would require the expansion of export-oriented industries. Consequently, the Malaysian government sought to promote export-oriented activities by enacting legislation, such as the Investment Incentives Act of 1968, which offered a rich assortment of incentives to export-oriented foreign investment. While the economic growth rate for 1969 was a relatively healthy 4.1%, the investment component of Gross National Product registered a negative growth rate (-6.0%), a likely consequence of both foreign and (largely Chinese) domestic investor wariness given the political insecurity following the events of May 13.¹⁶⁴ There was evidence, too, that ethnic tensions were manifesting themselves at the microeconomic level. It was reported that Chinese merchants were raising prices on many goods to Malay consumers and were also cutting off the credit that many Malay farmers relied on in order to buy seed for their next crop.¹⁶⁵ In addition, Chinese-owned pickup trucks had ceased to collect agricultural products from Malay fisherman and farmers. Speculation was rife that the Malaysian economy could not endure such a standoff for very long and, if left unresolved, fresh explosions of ethnic strife were likely to occur.¹⁶⁶

While the ruin and loss of life was undoubtedly tragic, the events of May 13 thus also had clear ramifications for the efficacy of the existing socio-political framework of Malaysia and the authority-defined 'nation-of-intent'. The intrinsic ambiguity surrounding the social bases of the Malaysian state and the political authority of state

¹⁶³ See: Means, p.8 and Cheah (2002), p.106.

¹⁶⁴ Investment as a component of Gross National Product had been 4.3% in 1968. There was also a sharp drop in the growth in net exports as a component of Gross National Product, which had been 83% in 1968 but fell to only 18.3% in 1969. By 1970, net exports actually registered a negative growth rate of -18.1%. These falls in investment and net exports were offset, to a degree, by increases in government spending. See: Penn World Tables (v.5.6), Center for International Comparisons at the University of Pennsylvania, <http://www.economicshomeinstitute.org/ecdata.htm>, accessed on 22 April, 2013.

¹⁶⁵ "Preparing for a Pogrom", *Time Magazine* (July 18, 1969).

¹⁶⁶ "Preparing for a Pogrom".

actors, as reflected in greater and greater contestation between rival ‘nations-of-intent’, was no longer tenable. The Tunku’s reliance on a dual strategy of accommodation and compromise, born of a different historical period and better suited to winning independence from the British, had failed in postcolonial Malaysia.¹⁶⁷ The death and destruction of 1969 had cruelly exposed the fragility inherent in his government’s nation-building project. By refusing to definitively define what was meant by either ‘multiculturalism’ or ‘Malay domination/hegemony’ (let alone the terms of their relationship) he had tried to please all communities. In the end, however, he satisfied none.¹⁶⁸ It was now abundantly apparent that a new, more clearly defined basis for the Malaysian state would have to be found in order to restore political order and re-legitimate political authority. Attention soon focused on (re-)articulating the underlying governing principles of the Malaysian state. What exactly were the social bases of political authority and how could state actors ensure the legitimacy of their authority?

Although these were hardly new questions, the events of May 1969 crystallized opinions and provided the impetus for political leaders, particularly within UMNO, to forcefully advance a much narrower, more distinct conceptualization of the Malaysian state and national identity. In doing so, however, the Alliance government confronted the same central challenge it had faced for much of the 1960s – how to pay “reasonable heed to the demands of all racial communities whilst avoiding the perils of a confrontation between a largely Chinese-based Opposition and a Malay administration.”¹⁶⁹ The rationale for a new *modus vivendi* lay not simply in the restoration of political stability but also in the concomitant fulfillment of Malaysia’s economic ambitions upon which its development goals rested. Domestic and international observers were cognizant of the more lasting effects the riots would have in “raising a new unknown which potential investors must allow for in estimating their

¹⁶⁷ An alternative view of the May 13 incident, based on British diplomatic and intelligence reports from 1969, is offered by Kua Kia Soong. This account claims that the ethnic riots were not spontaneous acts of communal violence, as constantly alleged by UMNO and reflected in the official Malaysian government version of the events. Instead, Soong argues that the riots were fanned by younger Malay elements within UMNO, with support from the army and police, wanting to discredit the Tunku and impose a much more rigorous Malay agenda. A similar interpretation was considered by the *Far Eastern Economic Review* correspondent on the ground in Kuala Lumpur at the time. See: Soong (2007) and Bob Reece (1969). “The Parting of the Ways”, *Far Eastern Economic Review*, (June 21), 64(25), p.662. A less radical interpretation is offered by Syed Husin Ali, who suggests that some UMNO figures used the fallout from the riots as an opportunity to “grab the reins of power from the Tunku, with whom they were dissatisfied, but that it was not premeditated.” See: Philip Bowring (2007). “Digging Up the Racial Past”, *Asia Sentinel*, 17 May, www.asiasentinel.com, accessed 22 April, 2013.

¹⁶⁸ Cheah (2002), pp.105-106.

¹⁶⁹ “Sifting the Ashes”, *Far Eastern Economic Review* (May 29, 1969), 44(22), p.479.

prospects in Malaysia.”¹⁷⁰ In a pragmatic editorial published just a fortnight after May 13, the Far Eastern Economic Review explicitly linked any future nation-building project to Malaysia’s international economic performance:

...if it appears that racial bitterness will be allowed to remain a permanent feature of Malaysia life, investors must inevitably grow more nervous. In a racial tug-of-war, the position of the key Chinese elements in the business world would be in jeopardy, and few investors would be foolhardy enough to risk their money in a developing economy which failed to exploit all its talented entrepreneurs. Such nervousness would not be confined to foreign businessmen; Malaysia’s Chinese would scarcely wish to tie up their funds in new projects if their future looked bleak...the country’s image as a sound and profitable haven for capital will quickly disappear unless the racial temperature falls significantly in the immediate future. The economy is not a problem which Kuala Lumpur can afford to ignore: any serious slowdown in either the agricultural or industrial sectors must inflame mutual hatreds and recriminations to an intolerable degree.¹⁷¹

Conclusion

On the eve of independence in 1957, the new Malayan state was firmly centered on not simply on a core culture, but on a core ethnic identity. As Reid observes:

...the conflict between ethnic and civic nationalisms had to be skirted around again, in a formula which finally granted a single Malayan nationality, but only after hard bargaining for concessions which would acknowledge the definitive position of *bangsa Melayu* at the core – chiefly in symbolic forms and the ‘Malay privileges’ in education and government service.¹⁷²

In this sense, the domestic articulation of the global focus on the processes of decolonization and self-determination continued to be moulded by the specific historical structure of the Malayan/Malaysian state. As noted above, the creation of Malaysia in 1963 was a direct consequence of international and regional realities and the neutral and artificial name of the new state held out the promise of a national identity distinct from that of any particular ethnic group. Nevertheless, profound tensions between the concepts of neutral citizenship and a core ethnic identity persisted. At first, the external threat of *Konfrontasi* obscured the need to deal with these internal strains but these

¹⁷⁰ “Sifting the Ashes”, p.479.

¹⁷¹ “Sifting the Ashes”, p.479.

¹⁷² Reid, p.105.

could not be papered over indefinitely. Lee Kuan Yew's vigorous campaign for a civic or territorial nationalism – 'Malaysian Malaysia' – was ultimately viewed by political elites on the peninsula as destined to lead to violent conflict with Malay ethno-nationalism.¹⁷³ To preserve the inter-communal bargain upon which political legitimization and effective authority was based, the Tunku decided to expel Singapore. As such, Singapore's expulsion from the federation less than two years after the formation of Malaysia can be seen as the clearest indication of the ways in which domestic reverberations of 'the global' were mediated by the specific historical structure of the Malaysian state.

Nevertheless, while the interrelationship between the state and the global began to assume even greater importance toward the end of the first decade of independence, particularly with respect to global economic forces, it should be evident from this chapter that state actors were far more preoccupied with the terms and tenor of the society-state interrelationship over this time period. In this sense, the society-state-global dynamic was skewed noticeably 'inwards' as the initial focus of state actors was to develop a set of broadly acceptable goals to drive Malaysia's political development and establish the domestic parameters for legitimate socio-political action. However, what the strategic-relational approach to conceptualizing the state reminds us is that specific state structures and strategies always remain in danger of collapse or failure due to inherent structural contradictions characteristic of complex social formations. If, according to the propositions developed in chapter 2, specific discursive manifestations of national identity ('nations-of-intent') help legitimate certain policies and expressions of political authority, then 1969 highlighted the dangers associated with discursive instability. The range of both inter- and intra-ethnic Self-Other dichotomies present meant that there was no firm ground upon which political authority could be effectively established. By failing to adequately meet the aspirations of either Malays or non-Malays, the Alliance government ensured a tragic mismatch between the overall structure of the state and the society within which it was embedded.¹⁷⁴

After 1969, it was clear that state actors could no longer rely on the old ways of managing the country and its underlying historical socio-political tensions. As the dust cleared,

¹⁷³ Mahathir (1970), pp.122-126.

¹⁷⁴ In Reus-Smit's terms, there was a disjuncture between the realm of political action and the social constituency of legitimization. Or, in this case, the social *constituencies* of legitimization.

however, the way forward remained uncertain. First and foremost, political elites needed to reduce the range of 'nations-of-intent' vis-à-vis the official metanarrative in order to establish a firmer foundation for exercise of political authority. If the state operates primarily as a social relation then it was apparent that such relations needed to be more clearly delineated in order to avoid further disjunctures between the realm of political action and the community (or communities) within which political elites actually sought/commanded legitimacy. At the same time, state actors needed to offset domestic and essentially communal issues of political legitimacy with the legitimating potential offered by rapid economic development, itself increasingly reliant on external economic conditions and forces. In turn, Malaysia's relationship with global economic forces hinged upon the restoration of ethnic harmony. The society-state-global interrelationship which had thus far been characterized by a distinct asymmetry in favour of the domestic realm was entering a new, more mature phase, one that would require a new approach and a different, more clearly outlined, authority-defined 'nation-of-intent'. Just how state actors now sought to balance their domestic and international considerations forms the focus of the following chapter.

Chapter Four – The Development of *Malaysia*?

Introduction

While it is possible to differentiate analytically between state actors and the society over which they exercise political authority and from which, in theory at least, they ultimately derive this authority, a strategic-relational approach means that, in reality, “we cannot understand the behavior of these actors without considering their internal relation to society.”¹ The socio-political structures that arise as a consequence of the mutually constitutive relationship between the state and society offer the clearest insight into the content of this internal relation. In this respect, 1969 represents a critical juncture in which the embedded tensions concealed within the governing statement of postcolonial Malaysia could no longer be contained within the institutional structures of the new nation-state. Nation-building under the Tunku’s administration had relied on processes of elite inter-communal compromise in order to manage the intrinsic ambiguity of the constitutional bargain agreed upon in 1957. The headiness of Independence and the nationalist fervour surrounding the formation of Malaysia had allowed cracks in the political system to be papered over. The lead-up to the 1969 general election saw these cracks widen, as communally-charged issues such as education, language and the economic advancement of the Malay community became more politically salient.

But it was May 13 that brought the situation to a dramatic head, exposing the lack of a genuinely collective identity upon which political legitimacy of state actors might be based.² The disillusionment of the Malaysian public with the economic and cultural policies of the Tunku’s government forced them to abandon the Alliance at the polls in favour of an ethnically divided opposition. Malays, in particular the growing middle class, rejected the Prime Minister’s accommodative and laissez-faire policy towards foreign and domestic Chinese capital.³ As such, the violence that erupted in Malaysia in 1969 was evidence that the internal relationship between state actors and their society had broken down. What is more, there was evidence that such internal divides would compromise the

¹ Wendt (1999), p.209.

² Considering the close identification between the Alliance government and the Malaysian state, it is difficult to separate the ‘government’ from the ‘state’ in this discussion.

³ K.S. Jomo (1990-1991). “Whither Malaysia’s New Economic Policy?”, *Pacific Affairs*, 63(4), p.471.

ability of state actors to negotiate with global economic forces in order to develop. Seen through the lens of the strategic-relational approach that informs this investigation, the events of May 13 forced a fresh reconceptualization of Malaysia's institutional configuration and authority-defined 'nation-of-intent' in order to ensure that state structures would be better suited to the emerging socio-political realities of Malaysia. For those at the helm it now was abundantly clear that in the absence of effective communal self-restraint popular sovereignty could only continue as the basis of legitimate political authority if the government were "to intervene and through direct action reverse the politicization of conflict and communalization of politics."⁴

However, this was not a complete transformation of the national model and its institutional structure but rather a 're-tuning'. The dominant governing statement that had existed since Independence – Malay domination/hegemony within the context of multiculturalism – remained largely intact as the basis of the political system. The difference now lay in how the twin parts of this governing statement were to be interpreted or emphasized in the authority-defined 'nation-of-intent'. This, in turn, raised questions and concerns about how the terms of inclusion/exclusion within the Malaysian polity would now be reframed. At the core of this reformulation lay some basic revisions to both the vertical and horizontal dimensions of the Alliance political system and this chapter tracks how state actors sought to recalibrate the modes of legitimation within the constraints set by domestic and international structures so that claims of political authority would resonate more clearly with key constituencies.

In the immediate period following May 13, the focus of all political leaders was, quite understandably, directed squarely inwards and geared towards shoring up their domestic, i.e., communal, bases of legitimacy. Although there may have been the temptation in some quarters to establish one-party (UMNO) rule, broad political support for a constitutionally-based democratic system of governance never seriously wavered.⁵ Instead, state actors sought to balance domestic socio-political considerations with the internationally-

⁴ von Vorys, p.342.

⁵ Radical Malay groups, in particular, adopted 'non-negotiable' stands on ethnic issues. These groups openly proposed to terminate the processes of compromise that had characterized the Tunku's rule and instead replace it with a 'one party, one-race' government. See: Means (1991), p.9.

prescribed norm of democratic governance in order to maximize both internal and external legitimacy and thus better manage both the society-state and state-global interrelationships. What becomes clear in this chapter is how the re-scripting of national identity required after 1969 eventually compelled Malaysian state actors to more fully engage with the global, particularly with respect to international economic and financial forces, as part of their overall strategy of legitimation. In other words, there was a distinct, but qualified, shift away from what was previously a predominantly ‘backlash’ grand strategy vis-à-vis (re)articulations of the ‘national’ by Malaysian state actors. As we shall see, herein lies the genesis of Malaysia’s sovereignty bargains.⁶

Through a combination of strategies state actors throughout the 1970s sought to legitimate a system of rule that would be broadly acceptable to Malays and non-Malays, as well as to key actors within the global realm such as business leaders and investors.⁷ Mindful of its legitimating potential, state actors agreed that the 1957 constitutional arrangement, commonly referred to as the ‘Bargain’, would not be discarded. What would no longer be tolerated, however, was the inherent ambiguity contained within this agreement. Although its basic premise remained intact – that is, non-Malay recognition of the ‘special position’ of the Malays and the need for the state to assist economically the Malay community in return for non-Malay citizenship rights – the terms and implementation of the ‘Bargain’ would now be far more narrowly defined given the fact that the haziness surrounding it had been identified as a prime cause of the civil unrest in 1969. The broad political process would still see some give-and-take occur but within far more narrow parameters; a clear political hierarchy now existed and political decisions would no longer be reached by more or less equal partners agreeing to compromise.⁸ In short, the social constituency of legitimation would be more clearly delineated along ethnic lines. Motivated by this, Malay leaders were now keen to stress their political pre-eminence by deciding what was ‘fair’

⁶ See Section 5.3 below.

⁷ As state actors became more and more reliant on rapid economic growth and development, i.e., performance legitimacy, to ensure widespread acceptance/toleration of the authority-defined ‘nation-of-intent’, global economic and financial forces grew in importance.

⁸ The office of the Prime Minister would no longer act as some kind of supra-communal arbiter. In fact, a central lesson of 1969 was that “non-communal behavior by...a political leader was apparently neither understood nor appreciated” by the Malaysian electorate and was instead regarded by most Malaysians as either a weakness to be exploited by those from other communities or as treason by one’s co-ethnics. See: von Vorys, p.343.

and in the best interests of *Malaysia*, something that would then be reflected in (re)conceptualizations of national identity.

In terms of the legitimation of political authority, i.e., those actions that we can observe or infer as a government seeks to claim legitimacy, this appeared to be a much less fuzzy system than had previously existed. Although previously implied, authority now explicitly rested, first and foremost, on the capacity of the government to maintain Malay political primacy while simultaneously promoting the economic development of the Malay community. As this chapter will show, however, it was equally apparent throughout the 1970s, just how much the legitimation of political authority in Malaysia relied on global economic forces such as international capital flows and export markets, as well as international socio-cultural developments, like the worldwide Islamic resurgence of the mid-1970s. In this fashion the domestic and the global increasingly informed one another, (re)configuring state structures and possible modes of legitimation. While this mutually constitutive dynamic undoubtedly functioned throughout the 1960s, it is only after 1969 that its operation became more distinct, primarily in the shape of the New Economic Policy (NEP). This presented both opportunities and challenges for the UMNO-led government throughout the 1970s and beyond. On the one hand, international norms concerning 'appropriate' forms and practices of modern, democratic governance influenced state actors and constrained the implementation of more nakedly communal policies. Throughout this period, political leaders continued to endorse the multiethnic image of Malaysia and promote the need for national harmony. Underpinning this image was a particular discourse of collective identity still based on a 'nation-of-intent' that projected Malay domination/hegemony within the context of multiculturalism. On the other hand, the ability of state actors to meet the material expectations of the Malay community was increasingly and explicitly tied to Malaysia's economic development and, therefore, global economic forces beyond their immediate control.

A strategic-relational approach emphasizes that effective political authority is located within a changing balance of domestic and global socio-political and economic forces. More than in the pre-1969 period, state actors now were forced to negotiate between internal and external forces in order to legitimate their authority. It is here that we now are

able to more clearly discern how postcolonial, developing countries are compelled to be flexible in their conceptions of sovereignty and national identity if they are to be relevant in a globalized world. An UMNO-led government had to satisfy the political and material aspirations of the Malay community and fulfill its *raison d'être*. However, if overly communal policies were pursued further instances of civil disorder might erupt, threatening the investment and capital flows required to achieve necessary levels of economic growth.⁹ Malaysia remained a multiethnic state in which the other communities would “also have a place, but not a place inconsistent with the Malay perception of Malay interests.”¹⁰ Post-1969, state actors recognized the legitimating potential a democratic system of governance offered on the international stage but were now painfully cognizant of the fact that this norm had to be adapted to a continually evolving local socio-political environment in order to ensure the state’s empirical sovereignty.¹¹ The central narrative of this chapter explores the evolution of this dynamic and the changing nature of national identity discourses in Malaysia between 1969-1980. Despite their ostensible commitment to national unity over this time period, state actors failed to develop a broadly acceptable collective identity. Unable to shed the historic logic of communalism, they instead ended up reinforcing and even hardening ethnic, and increasingly, religious divisions within Malaysian society. I argue that the shallowness of the internal relation between state actors and their society in Malaysia throughout the 1970s meant that the authority-defined ‘nation-of-intent’ and, therefore, the legitimation of political authority, rested on highly contingent bases. As later chapters will show, this is something state actors in Malaysia continue to struggle with.

⁹ For example the Second Malaysia Plan (1971-1975) (2MP) predicted a growth rate of 6.8% per annum and estimated that the total amount of funding required to meet its development objectives would be U.S.4674 million, half of which would be provided by domestic and foreign private investment. The Third Malaysia Plan (1976-1980) (3MP) envisioned a economic growth rate of 8.4% and relied even more heavily on private investment to finance its development goals with almost 60% of the total required to finance the 3MP’s targets coming from private investment. Moreover, the 3MP envisaged that foreign investment as a proportion of total private investment would be more than triple what it was under the 2MP. See: Marvin Rogers (1972). “Malaysia and Singapore: 1971 Developments”, *Asian Survey*, 12(2), p.172 and Government of Malaysia (1976). *Third Malaysia Plan, 1976-1980*. Kuala Lumpur: Government Printing Office; p.37 & p.277.

¹⁰ Pran Chopra (1974-1975). “Malaysia’s Strategy for Survival”, *Pacific Affairs*, 47(4), p.443.

¹¹ In short, an example of the mutually constitutive dynamic outlined in Figure 1 in action. On the surface it may seem strange that UMNO was prepared to reinstate a democratic political system after 1969 when there were both voices within the party for the establishment of one-party rule and numerous precedents for doing so within non-communist Southeast Asia. In fact, Mahathir Mohamad, the *ultra* Malay politician who would later become Prime Minister, implied as much in a 1971 article where he discussed the problems that democracy imposes upon those who want to create a nation. Among the most likely reasons for restoring at least the trappings of a democratic system was the desire on the part of state actors to maintain the ties Malaysia had already built, particularly with the Western powers. See: Mahathir Mohamad (1971).

4.1 Mapping Malaysia I: Rethinking Malay Political Dominance.

On the afternoon of May 14, 1969 the King, acting on the advice of the government declared a national emergency in order to allow the Alliance government to quell any further outbreak of civil violence. Parliamentary government was suspended and, in its place, a National Operations Council (NOC) headed by the Deputy Prime Minister, Tun Abdul Razak, was granted the administrative powers of government.¹² The NOC comprised the heads of the military, police, and the public and foreign services along with three political leaders – Tun Razak, Tan Siew Sin and V.T. Sambanthan, representing the UMNO, the MCA and the MIC respectively.¹³ Although Cabinet continued to meet and the Tunku remained Prime Minister, real political power now lay entirely with the NOC. Its immediate concern was to restore civil order but once this had been achieved council members turned their attention to devising strategies for re-establishing a more durable political order based on the restoration of “harmony and mutual trust among the various races.”¹⁴ Despite the highly charged atmosphere, the leaders of the Alliance felt that there was no need to abandon the political system they themselves had planned and practiced since Independence.¹⁵ Nevertheless, given the political and civil crises that had transpired, it was abundantly clear to them that the system needed to be amended.¹⁶

The NOC published its report on the May 13 riots towards the end of 1969. In its preface, Tun Razak foreshadowed the broad shape of Malaysian politics in the future:

The lesson of the recent disturbances is clear. This Nation cannot afford to perpetuate a system that permits anybody to say or do things which would set one race against another. If the events of May 13 are not to occur again, if this Nation is to survive, we

¹² This was all quite legal under Article 150 of the Federal Constitution and in no way implied that constitutional government was being abandoned.

¹³ This meant that the NOC consisted of six Malays and only two non-Malays. The composition of the Council was yet another clear indication of the direction the Malaysian political system was to take following the events of 1969. See: Gordon P. Means (1972). “‘Special Rights’ as a Strategy for Development: The Case of Malaysia”, *Comparative Politics*, 5(1), p.55.

¹⁴ The National Operations Council (1969). *The May 13 Tragedy: A Report*. Kuala Lumpur: The National Operations Council; p.77. A second wave of rioting occurred in late June 1969, which saw Indians in the Sentul district of Kuala Lumpur attacked by militant Malay youth. Means argues that this violence was instigated at the urging of more radical Malay elites who had become emboldened by the events of May 13 to adopt a more aggressive political posture. Ultimately, they sought to pressure the NOC to institute a ‘one party, one-race’ system of government. See: Means (1991), p.9.

¹⁵ See: Means (1991), p.10 and von Vorys, p.342.

¹⁶ The National Operations Council (1969), p.80.

must make sure that subjects which are likely to engender racial tensions are not exploited by irresponsible opportunists. We can only guarantee this by placing such subjects beyond the reach of race demagogues...and other subversives. We need, therefore, to construct a political framework which is realistic and takes full account of the social and economic conditions of our people and which is based on an unshakeable and sound foundation.¹⁷

While the report acknowledged the role played by both Malay and non-Malay extremists in enflaming ethnic passions and instigating the violence, the overall tone of its findings was distinctly pro-Malay.¹⁸ The report repeatedly emphasized the importance of understanding Malaysia's unique history, particularly if the operation of normal democratic processes, such as election campaigns, were not to offend racial sensitivities again in the future. Public debate and the unrestrained operation of democratic processes had proven themselves incapable of resolving the basic communal issues facing the country.¹⁹ Although it reiterated Malaysia's normative commitment to democracy, the report's authors sought to articulate a particularly *Malaysian* interpretation of 'democracy'; one tempered by the conventions and practices that had evolved organically over time as a consequence of Malaysia's political and constitutional history.²⁰

The report identified the Federal Constitution as the solution to Malaysia's problems and the best articulation of the country's socio-political realities. Again, political leaders within the government resisted any temptation to alter radically the underlying bases of the Malaysian state and the authority-defined 'nation-of-intent'. In their minds, Malaysia was merely damaged, not broken. The general opinion of Council members was that the riots on May 13 were the result of a collapse in the constitutional 'gentlemen's agreement'

¹⁷ The National Operations Council (1969), pp.v-vi.

¹⁸ The report condemns opposition candidates for attacking the constitution in racist terms and makes the explicit claim that ethnic tensions were engineered by Chinese secret society agents working in conjunction with communist provocateurs within the (largely Chinese) Labour Party of Malaya. To be fair, however, Tun Razak also summarily dismisses extremist calls for the establishment of a purely Malay government as 'impractical' and clearly ignorant of the 'multi-racial realities' of Malaysian society. See: The National Operations Council (1969), p.iv & p.27.

¹⁹ Means (1972), p.56.

²⁰ The words and actions of the Malaysian government following the suspension of Parliament attested to this fact. In early 1970, the government created the National Consultative Council (NCC) as an advisory body to the NOC. All the major parties were invited to send representatives and although NCC members were encouraged to speak frankly on communal issues, sessions were held *in camera* so that ethnic passions would not again be inflamed. See: Means (1972), pp.55-56 and Section 5.3 below.

reached in 1957.²¹ Chinese inroads in the political sphere had undermined the established formula for ethnic harmony based as it was on traditional Malay dominance in politics and Chinese economic dominance. At the core of the NOC's strategy for socio-political reconstruction, therefore, lay three interconnected sets of initiatives: "(1) it would spell out clearly and once and for all the constitutional contract; (2) it would visibly accelerate the implementation of the cultural terms; and (3) it would design a credible program for the implementation of the economic terms."²² In particular, the Council sought to make explicit the previously implicit assumptions regarding the highly sensitive political issue of Malay 'special rights' by eliminating them as a topic for public political debate.²³ By redressing perceived cultural and economic imbalances it similarly hoped to mitigate deep-rooted notions of vulnerability within the Malay community that could conceivably fuel divisive debates in the future, particularly over issues of public policy.

To this end, the report reiterated the significance of the Constitution as the fundamental law of the country while seeking to solidify the central terms of the constitutional contract by highlighting specific provisions within the Constitution as more basic than others.²⁴ Among these 'entrenched provisions' the NOC specifically set apart those sections of the Constitution that dealt with issues of citizenship, the national language and the 'special position' of the Malays.²⁵ The Council argued that these provisions were the legal embodiment of the inter-communal agreement reached before Independence and which bound the separate ethnic communities together. They were the "underpinnings on which the constitutional structure such as fundamental liberties, the machinery of government and a score of other detailed provisions [was] built."²⁶ The report's authors claimed that any challenge to these provisions risked inflaming ethnic tensions and would, in turn, threaten the existence of the nation itself. As the resumption of parliamentary democracy rested on the existence of racial harmony, the report's findings signaled the likelihood that

²¹ In this sense, the riots signaled the failure of the program of Malay special rights as outlined in the Constitution. See: Bob Reece (1969). "The Name of the Game", *Far Eastern Economic Review*, 65(31), 27 July - 2 August, p.278; Lim (1985), p.256; Sudhir Anand (1983). *Inequality and Poverty in Malaysia – Measurement and Decomposition*. Oxford: Oxford University Press; p.8 and; Ongkili, p.216.

²² von Vorys, p.394.

²³ Means (1972), pp.51-52.

²⁴ The National Operations Council (1969), p.82.

²⁵ The National Operations Council (1969), pp.82-83. Specifically, the report singled out the following parts of the Constitution as 'entrenched': all of Part III (Citizenship); Article 152 (National Language); Article 153 (Reservation of Quotas) and Article 159 (Amendment of the Constitution).

²⁶ The National Operations Council (1969), p.85.

constitutional amendments to protect certain 'essential' articles would be required before this could occur.²⁷ In short, the NOC sought to reduce the potential for ethnic conflict by more narrowly circumscribing the social constituency of legitimation in order to reduce competition within the realm of political action. Following the logic of a strategic-relational analysis, the move to more clearly demarcate social relations in Malaysia necessarily meant the privileging of a certain state form.

In a further attempt to achieve the racial harmony required for a return to parliamentary democracy, the NOC created the Department of National Unity (DNU) in July 1969. Headed by Tan Sri Ghazali bin Shafie, this body was charged with developing a broad-based public consensus on communal issues by educating people of the spirit in which the Constitution was written.²⁸ Ghazali was convinced that the "first essential step to depoliticize an issue was to make it an act of faith, or in more modern terms, to incorporate it into an ideology."²⁹ Where governments face a legitimacy deficit the need for such an ideology is likely to be even more pressing. If nothing else, the events of May 1969 "tragically showed that consensus *was* low and that primordial loyalties *were* high."³⁰ The direct result was the proclamation of the *Rukunegara* as a national ideology on Independence Day in 1970.³¹ By elevating the terms of the inter-communal constitutional contract to the status of ideology the *Rukunegara* was "designed to assert that fundamental agreements that had been the result of inter-elite ethnic bargaining were not to be challenged in the ongoing process of politics."³² In rendering certain principles of the

²⁷ The National Operations Council (1969), p.77 & pp.86-87 and Ongkili, p.223.

²⁸ Reece (1969), p.278. As the Permanent Secretary of Foreign Affairs, Ghazali was also a member of the NOC.

²⁹ von Vorys, p.394.

³⁰ Milne (1970), p.567. (Emphasis in the original.) See also: David E. Apter (1964). "Ideology and Discontent", in, David E. Apter (ed.), *Ideology and Discontent*. New York: Free Press; p.22.

³¹ The *Rukunegara* Declaration reads: "OUR NATION, MALAYSIA, being dedicated to achieving a greater unity of all her peoples; to maintaining a democratic way of life; to creating a just society in which the wealth of the nation shall be equitably shared; to ensuring a liberal approach to her rich and diverse cultural traditions; to building a progressive society which shall be oriented to modern science and technology; WE, her peoples, pledge our united efforts to attain these ends guided by these principles: - Belief in God; Loyalty to King and Country; Upholding the Constitution; Rule of Law; Good Behaviour and Morality." Jabatan Penerangan Malaysia (1977) [1970]. *Rukunegara (English Translation)*. Petaling Jaya: Percetakan PKS Sdn. Bhd.; pp.5-6.

³² Means (1991), p.13. See also: Salleh Abas (1985). *Constitution, Law and Judiciary*. Kuala Lumpur: Malaysia Law Society; p.231 and Milne (1970), pp.566-568. Of course, an interesting question here is whether a national ideology can be created/imposed simply by saying that it is so. In addition, Milne argues that the use of the term 'ideology' was surprising in the Malaysian context as 'formal' (as opposed to 'personal') ideologies have not played a historically significant role in ordering political beliefs.

political system inviolable this represented a significant revision of the way in which Malaysia's governing statement had been interpreted previously and can be seen as another means of further reducing the presence of multiple audiences of legitimation. After 1969, it was evident that the inherent imprecision of earlier readings would no longer be tolerated, particularly by UMNO leaders; what had previously been brokered informally would now be put plainly on record.³³

In effect then, the *Rukunegara* was the first major discursive attempt to articulate how the underlying bases of the Malaysian state now had changed.³⁴ Although it opened with the call for a united and democratic nation with liberty and freedom for all Malaysians guaranteed by the Constitution, the commentary quickly warns that these rights were not unlimited and should "not be abused, in the name of democracy, to promote racialism or to destroy democracy itself."³⁵ And yet, traces of the 'politics of ambiguity' persisted. On the one hand, the commentary accompanying the third principle ('Upholding the Constitution') seemed to remove any lingering doubts about how the bases of political authority were to be reordered. It was now the express duty of all Malaysians to "respect and appreciate the letter, the spirit and the historical background of the Constitution" particularly as this applied to the entrenched provisions, i.e., the 'special position' of the Malays, the official standing of Islam and the status of Malay as the national and official language.³⁶ However, the commentary for the fourth principle ('Rule of Law') emphasized the fundamental liberties and equality guaranteed to all citizens.³⁷ For all practical purposes, the *Rukunegara* was simply a more formal ideological restatement of the terms of the

³³ Means (1972), p.58 and Milne (1970), p.568.

³⁴ *Rukunegara* is derived from two Malay words: *rukun*, meaning 'basic principle' or 'article of faith' and *Negara*, meaning 'state'. As the term *rukun* can also be used to refer to the five pillars of Islam which every good Muslim tries to observe Means (1972, fn.55) suggests that the two words taken together convey "a national ideology with a rather strong religious Islamic connotation. There are a number of other words in Malay which could have been used as a title for a secular statement of national principles." While it is conceivable that this was a deliberate concession to Muslim (Malay) sensitivities, I contend that Means overstates the Islamic aspect of the *Rukunegara* and there is little evidence that its provisions represented a departure from pre-existing government policies on religion.

³⁵ Jabatan Penerangan Malaysia (1977) [1970], pp.7-8.

³⁶ Jabatan Penerangan Malaysia (1977) [1970], p.13. Also mentioned is the position of the monarchy within Malaysia and how loyalty to King and country constitutes the soul of Malaysian nationalism. To be fair, the *Rukunegara* (p.15) also states that "[n]o citizen should question the loyalty of another citizen on the ground that he [sic] belongs to a particular community." However, considering this appears in the penultimate sentence and only after numerous statements confirming the Malay core of the nation-state the sentiment seems cosmetic.

³⁷ Jabatan Penerangan Malaysia (1977) [1970], p.14.

constitutional 'Bargain' and so, perhaps, it is unsurprising that it would embody some of the inherent contradictions contained within the general principle underpinning conceptualizations of national identity, e.g.. the clash between the notion of a common nationality and the 'special position' of the Malays. The question remained, were the five principles equal or were some more equal than others?³⁸

The first real indication of the government's strategy came in 1970 with the release of a White Paper, titled *Towards National Harmony*, which outlined the government's stipulations for the safe end of emergency rule. The UMNO leadership had identified two factors behind the previous year's breakdown in public order: Malay fears that their 'special position' was being undermined by those agitating for a 'Malaysian Malaysia' and the Alliance government's failure to redress the economic inferiority of the Malay community.³⁹ Two broad socio-political objectives were thus advanced to address each of these concerns in turn and, taken together, would form the nucleus of the post-1969 political scene in Malaysia.

Although the NOC claimed that ethnic issues would no longer be 'swept under the rug', the first objective asserted that certain 'sensitive' issues had to be removed from "the realm of public discussions so as to allow the smooth functioning of parliamentary democracy; and to redress the racial imbalance in certain sectors of the nation's life and thereby promote national unity."⁴⁰ A central recommendation of the White Paper was the need for a series of constitutional amendments to legally entrench the terms of the 1957 'Bargain' and restrict the content of political discourse.⁴¹ When Parliament was finally reconvened on 23

³⁸ Reece argues that the *Rukunegara* was better thought of as a set of rules rather than as an ideology inasmuch as it represented "a list of do's and don'ts which will prevent another outbreak of racial strife." Writing in mid-1969, the question for him was who should be in charge of making these rules for Malaysia. The promulgation of the *Rukunegara* was the (first) clear answer to this question. See: Reece (1969), p.278

³⁹ Milton J. Esman (1994). *Ethnic Politics*. Ithaca: Cornell University Press; p.68.

⁴⁰ Government of Malaysia (1971a). *Towards National Harmony*. Kuala Lumpur: Jabatan Cetak Kerajaan ; p.2. Also : Milne (1970), pp.569-570. As early as November 1969, Tun Razak appeared on national TV stressing the need to "bring to the open all fundamental and sensitive problems of our multi-racial society." Quoted in: Just Faaland (1969). *Racial Disparity and Economic Development*. Kuala Lumpur: Department of National Unity; p.1. Variations of the 'under the rug' phrase were frequently used in public by leading political figures such as DNU chief, Tan Sri Ghazalie, NOC head, Tun Razak and MCA President, Tun Tan Siew Sin. See: R.S. Milne (1970), p.568.

⁴¹ For example, public advocacy of a 'Malaysian Malaysia' would now be a subversive criminal act. See: Stuart Drummand and David Hawkins (1970). "The Malaysian Elections of 1969: An Analysis of the Campaign and the Results", *Asian Survey*, 10(4), p.334. In 1970, the NOC, unwilling to wait for the

February 1971, the first act of the government was to present its' proposed package of constitutional amendments as the *sin qua non* for the resumption of parliamentary democracy.⁴² In a vote of 125 to 17, Parliament passed all of the amendments proposed in the White Paper and a new era began in Malaysian politics, in which an admixture of democratic institutions and authoritarian powers prevailed.⁴³ State actors, in particular, the Prime Minister, now enjoyed extensive additional powers for managing and controlling socio-political conflicts. A range of restrictive laws that severely limited the ability of opposition forces to challenge the government were either introduced or beefed up.⁴⁴

Furthermore, this was now a state with a distinctly *Malay* hue to it. Where the political supremacy of the Malays previously had been implied and relatively unobtrusive it was now front and centre. A strategic-relational approach highlights the historical variability of both the state idea and the ways that certain state forms come to be privileged. After May 13, Malay political elites were determined to narrow the range of social relations upon which legitimate authority would be based. Many of their moves can thus be viewed as part of an overall package designed to mitigate the pull of alternative narratives ('nations-of-intent') within the realm of political action. However, political superiority was not simply an end, but also a means. To satisfy fully the aspirations of the Malay community upon which empirical sovereignty and legitimate authority now so clearly rested, UMNO was compelled to take actions designed to redress the economic inferiority of the Malays.⁴⁵

resumption of Parliament, passed an emergency decree to amend the Sedition Ordinance and limit freedom of speech and of the press with regard to certain 'sensitive' topics such as Malay special rights, the status of Islam and the status of Malay as the sole national language. This was done so as to minimize "feelings of ill-will and enmity between different races...". See: Government of Malaysia, *Emergency Ordinance No. 45 of 1970*, as cited in Means (1991), p.14. See also: Ongkili, p.223; Harold Crouch (1980), p.6 and; Diane K. Mauzy (1983a). *Barisan Nasional: Coalition Government in Malaysia*. Kuala Lumpur: Marican & Sons Sdn. Bhd.; p.39.

⁴² Means (1972), p.58.

⁴³ As already noted, constitutional amendments required a two-thirds majority of Parliament if they were to be passed. Parliamentary debate in this instance was restricted, however, as the Sedition Act had been further amended to remove the parliamentary privilege of MPs seeking to discuss any of the issues deemed 'sensitive' by the government.

⁴⁴ For instance, along with the changes made to the Sedition Act noted above, The Emergency (Public Order and Prevention of Crime) Ordinance 1969 (EPOPCO) gave the Home Minister powers to issue a detention order of up to two years against a person if he the Minister deemed it necessary to protect 'public order'. The Official Secrets Act (OSA) 1972, which did not contain definitions of what constituted an 'official secret', imposed wide restrictions on the right to freedom of expression and on the examination and discussion of public interest issues by the political opposition. Restrictions to The Societies Act of 1966 were tightened through amendments to the Act in 1972 that further limited freedom of association.

⁴⁵ Chopra, p.443.

The events of 1969 showed that, if it did not, the political viability of the Malaysian state could be compromised.

4.2 Mapping Malaysia II: Resolving Malay Economic Inferiority.

In recognizing that ethnic social and economic inequalities needed to be urgently addressed, the second objective of the White Paper was destined to have profound political implications. By stressing that economic factors were, in fact, the primary cause of the 1969 riots the White Paper left little doubt about the intentions of the UMNO-led government to legislatively manage issues of ethnically-delineated socio-economic inequality.⁴⁶ Tun Razak, for one, was unconvinced that Malaysian democracy could be guaranteed in political terms alone and that the struggle for national unity would be won or lost in the economic and social restructuring of the Malaysian nation-state.⁴⁷ For most Malay leaders the persistent economic inferiority of their community, in both absolute and relative terms, was seen as further proof of a breakdown in the constitutional contract.⁴⁸ Although the government had made concessions to non-Malays with respect to language and education in the late 1960s, it was clear to most that the Malays had not enjoyed the expected equivalent economic gain implicitly required by the 'bargain'.⁴⁹ To counter this trend, Tun Razak argued that "[t]he democratic process must be spelt out also in terms of

⁴⁶ While this was undoubtedly a simplistic explanation and glossed over a range of complex social phenomena that led to May 13, the 'economic' account for the outbreak of ethnic violence contained a germ of truth. Firdaus Hj. Abdullah (1997). "Affirmative Action Policy in Malaysia: To Restructure Society, to Eradicate Poverty." *Ethnic Studies Report*, 15(2), p.191, Means (1972), p.59; Jomo (1990-1991), pp.469-472 and; Means (1991), p.23.

⁴⁷ Tun Razak had publically and repeatedly stressed the need for all Malaysians to enjoy equal economic opportunities, particularly with respect to employment and wealth. See: von Vorys, pp.400-401; Means (1991), p.11; Drummand and Hawkins, p.334 and; Faaland, *et al* (1990), p.25. Tun Razak's concern over ethnic economic inequality was also shared by others within the Malay political elite. For example: Mahathir bin Mohamad (2008) [1970].

⁴⁸ Ahmad, p.106. As we have already seen in Chapter 2, British colonial policies designed to 'protect' the Malays from alien exploitation meant that they were insulated from the modern economy and the progress it offered. Articles 153 and 89 of the Constitution included some guidelines for achieving economic parity but, in typically Malaysian fashion, set no quantitative targets or timetables for achieving this objective. See: Faaland, *et al* (1990), p.17.

⁴⁹ Prior to 1969, the government had attempted to improve the economic lot of the Malays, particularly in terms of rural development, and had enjoyed some success in this regard. Similar efforts were made in the non-rural sector although the total impact here was slight. Significantly, the results of such actions, even if successful, were not apparent to many Malays who believe that it was the Chinese who had mainly benefited from the economic environment engendered by Alliance government policies. See: R.S. Milne (1976). "The Politics of Malaysia's New Economic Policy", *Pacific Affairs*, 49(2), p.237.

more equitable distribution of wealth and opportunity.”⁵⁰ After the Tunku resigned as Prime Minister and was formally replaced by Tun Razak in September 1970, it became increasingly apparent that the new Federal Cabinet was “directing its energy to the need to redress the unfulfilled part of the ‘bargain’, that the Malays and other *bumiputras* be uplifted to achieve economic parity and balance with the non-indigenous communities in Malaysia.”⁵¹

Following Tun Razak’s increasing emphasis on the ‘ethno-economic foundations’ of national integration, the DNU published a definitive paper in March 1970 that marked the genesis of what would become Malaysia’s future development strategy.⁵² Titled ‘The New Economic Policy’ it identified the government’s economic priorities as: “(i) the promotion of national unity and integration, (ii) the creation of employment opportunities; and (iii) the promotion of overall economic growth.”⁵³ On the surface, it appeared indistinguishable from the broad underlying principles of the First Malaysia Plan (1MP), which also centered on the theme of national integration via economic and social progress.⁵⁴ The events of May 1969 were clear evidence, however, that the 1MP had failed to deliver a peaceful Malaysia despite the overall rate of economic growth exceeding the target set in the Plan.⁵⁵ The *ad*

⁵⁰ Means (1991), p.11.

⁵¹ Ongkili, p.224. Cheah claims that the Tunku’s resignation was voluntary and that despite calls from within UMNO for him to take responsibility for Malay dissatisfaction and step down immediately after the riots, it was not until the opportunity for a face-saving departure arose that he left office. In 1970, the Tunku was offered the prestigious post of Secretary-General of the Islamic Secretariat in Saudi Arabia. At the same time, his nephew was about to ascend to the throne as the next King and the Tunku did not think it proper that he should remain as Prime Minister. See: Cheah (2002), p.108. Jomo, however, argues that certain sections of the new Malay elite had long been dissatisfied with the ethnically more accommodative policies of the Alliance government and that, after May 13, the Tunku’s control of the UMNO elite continued to dissipate. With this in mind, Jomo claims that the Tunku, rather than going on his own accord, was, in fact, bypassed as national leader and, ultimately, “eased out of the leadership of the government and the ruling party.” See: Jomo (1990-1991), pp.470-471.

⁵² It should be noted that the diagnosis and prescription offered by the DNU in response to May 1969 was not the only one. The Economic Planning Unit, a section of the Prime Minister’s department, emphasized economic growth over other priorities. It, therefore, advocated a policy of ‘return to normalcy’ and more effective implementation of the policies and strategies of the 1960s. As will be seen below, this school of thought fell into eclipse in post-1969 Malaysia. See: Faaland, *et al* (1990), pp.28-37.

⁵³ Government of Malaysia (1970). *The New Economic Policy*. Kuala Lumpur: Department of National Unity, in, Faaland, *et al* (1990), p. 306. For more detail on the DNU school of thought see: Faaland, *et al* (1990), pp.69-72.

⁵⁴ See Section 4.5 above.

⁵⁵ David Lim (1971). “Have the Objectives of the 1st Malaysia Plan Been Achieved?” in, Fong Chek Kwai and Teh Swee Kiat (eds.), *The Great Economics Debate*, Kuala Lumpur: University of Malaya Economics Society; pp.1-2. The original Plan included an average target rate of economic growth of 4.8% per annum which was revised to 5.6% per annum in the Mid-Plan Review. The average rate of economic growth achieved over the duration of the 1MP was 6.5%. See also: Faaland, *et al* (1990), p.74.

hoc nature of the 1MP with its “imprecise statements of desirable events and hinted-at priorities” neglected to recognize how the objective of national unity related to the employment and growth objectives contained within it.⁵⁶ Past strategies were criticized for allowing large segments of the population to be by-passed in the development process.⁵⁷ The DNU school of thought not only subsumed many important aspects of national unity under the economic objective of ethnic balance but it explicitly prioritized the basic objectives of reducing ethnic economic disparities and the creation of employment opportunities above that of promoting overall economic growth.⁵⁸ The lesson learned from May 1969 was that if national unity was to be genuinely promoted the process of growth mattered just as much if not more than the pace of growth.⁵⁹

The realization that economic growth alone was not enough to produce ‘a happier Malaysia’ unless also accompanied by some form of economic redistribution forced a dramatic change in the intensity and scope of government policies, particularly those designed to assist the Malay community. For an UMNO-led government, this was necessary, first and foremost, in order to (re)legitimate its ‘nation-of-intent’ and political authority.⁶⁰ Although the ethnic divide in Malaysia had a class texture, the experience of the Emergency and official ideological antagonism to any explicit class analysis meant that a more ‘acceptable’ jargon had to be found for addressing the socio-political problems afflicting Malaysia. Formally unveiled in Parliament in July 1971 as the centerpiece of the Second Malaysia Plan (2MP), the New Economic Policy (NEP) advanced a two-pronged, ‘ethnic’ approach in order to promote the Plan’s underlying objective of national unity:

⁵⁶ Lim (1971), pp.2-3 and Faaland, *et al* (1990), p.74.

⁵⁷ Some commentators, however, questioned whether the riots truly indicated a failure of development policy, claiming that this attributed “far too much direct, short-term importance to economic development, given the number and complexity of other factors involved.” See: Donald R. Snodgrass (1971). “Have the Objectives of the 1st Malaysia Plan Been Achieved?” in, Fong Chek Kwai and Teh Swee Kiat (eds.), *The Great Economics Debate*, Kuala Lumpur: University of Malaya Economics Society; p.9.

⁵⁸ Government of Malaysia (1970). *The New Economic Policy*. Kuala Lumpur: Department of National Unity, in, Faaland, *et al* (1990), pp.307-308.

⁵⁹ Government of Malaysia (1970). *The New Economic Policy*. Kuala Lumpur: Department of National Unity, in Faaland, *et al* (1990), pp.306-310. This realization was later succinctly expressed by Tun Razak in the Foreword to the Second Malaysia Plan when he stressed that rapid economic development must occur alongside “social justice, equitable sharing of income growth and increasing opportunities for employment...” See: Government of Malaysia (1971b). *Second Malaysia Plan, 1971-1975*. Kuala Lumpur: Government Printing Office; p.v.

⁶⁰ Milne (1976), pp.402-403. By the same token, however, an emphasis on the distribution of wealth was entirely consistent with the dominant school of thought within international development economics at the time. See: Jomo (1990-1991), p.480.

The first prong is to reduce and eventually eradicate poverty, by raising income levels and increasing employment opportunities for all Malaysians, irrespective of race. The second prong aims at accelerating the process of restructuring Malaysian society to correct economic imbalance, so as to reduce and eventually eliminate the identification of race with economic function.⁶¹

The first 'distributive' prong was relatively uncontroversial, as it did not necessarily imply any ethnic bias.⁶² The second 'restructuring' prong, however, was clearly biased in that it aimed to "correct the imbalances in income distribution, employment, and ownership and control of wealth" between Malays and non-Malays."⁶³ Political realities dictated that the second objective dominated the 2MP, which included a series of long-term targets designed to "help restructure the racial composition of employment and the racial ownership of wealth."⁶⁴ Specifically, the 2MP stipulated that by 1990 the employment pattern in all sectors and across all levels had to reflect the racial composition of Malaysia's population.⁶⁵ At the same time, it was expected that "Malays and other indigenous people will manage and own at least 30% of the total commercial and industrial activities in all categories and scales of operation."⁶⁶

⁶¹ Government of Malaysia (1971b), p.1. Unlike class-based analyses, 'ethnic analysis' was considered a legitimate form and was "actually encouraged by influential foreign economic advisors, most notably Just Faaland of the then very influential Harvard Development Advisory Service (DAS)." See: Jomo (1990-1991), p.471.

⁶² Abdullah (1997), p.202. Although, as the mean household income for Malays was considerably lower than that of non-Malays, any measures designed to eradicate poverty generally would necessarily improve the economic situation of Malays in particular. In fact, there is a rather larger intersection of those targeted by the separate prongs with 78.1% of all poor households being Malay and 51.4% of all Malay households being poor. As such, "policies that raise the incomes of poor Malays will help promote both prongs." See: Anand (1983), p.299 and Milne (1976), p.240.

⁶³ Government of Malaysia (1971b), p.41. In many respects, the NEP was the re-articulation of sentiments expressed at the First and Second Bumiputera Economic Congress held in 1965 and 1968, respectively. Both congresses recognized that a laissez-faire economy was unlikely to promote the development of their disadvantaged community and proposed increased government intervention and regulation to remedy the inferior economic position of the Malays. See: Lim (1985), p.262 and Abdullah (1997), pp.204-206.

⁶⁴ There were no specific targets set for the eradication of poverty in the 2MP. As such, beyond the brief mention of some general policies designed to modernize the rural (Malay) sector this plan offered little elaboration vis-à-vis the first prong. There was more mention of targets for economic restructuring but in a typically Malaysian fashion specific quantitative targets were left ambiguous despite the DNU possessing statistical evidence in support of a methodology designed to reduce racial economic imbalances. It was not until The Outline Perspective Plan (OPP), 1970-1990, contained within the *Mid-Term Review of the Second Malaysia Plan*, that the broad framework for achieving the second objective of the NEP was more clearly spelled out. See: Anand (1983), p.10 and Just Faaland, et al (1990), pp.75-81.

⁶⁵ The 2MP initially specified that by 1990 30% of all managerial and professional positions should be filled by Malays. The OPP included more specific targets for particular sectors. See: Government of Malaysia (1973). *Mid-Term Review of the Second Malaysia Plan, 1971-1975*. Kuala Lumpur: Government Printing Office; pp.76-80.

⁶⁶ Government of Malaysia (1971b), pp.41-42. In 1970, the Malay share of the economically productive assets in the country was 1.9% as opposed to the Chinese share of 22.5%. By far the largest share of share

In many respects, the NEP was the operationalization of the Alliance's revised 'nation-of-intent' and has remained the foundation of and the yardstick for all subsequent economic and social policy. It can be argued that the NEP, rather than the *Rukunegara*, became Malaysia's real national ideology in the decades following 1969.⁶⁷ Given UMNO's consolidation of political power and the pressures emanating from the ultra-nationalist wing of the party, which had long demanded that the Malays be given a better deal in their own country, the strong Malay bias contained within both documents is unsurprising.⁶⁸ What is perhaps more interesting was that the UMNO-led government did not press its political advantage and adopt a more extreme chauvinist Malay position as advocated by some prominent Malay intellectuals by revising the governing statement underpinning the structure of the Malaysian state and national identity discourses.⁶⁹ Instead, political leaders, in particular the Prime Minister, assiduously sought to attract wide-based support for the NEP from all communities, especially the Chinese. Despite the government occasionally warning of the possibility of another May 13 if the NEP's objectives were not met, what is telling is the extent to which government figures sought to legitimate the new socio-political environment with reference to notions of national integration and social justice.⁷⁰

Although casual observations had long affirmed the socio-economic backwardness of the Malay community, these were no longer sufficient as the government sought to justify the

capital, however, was owned by foreign interests (60.7%). See: Government of Malaysia (1973), p.83. It should be noted that the 2MP sees the first use of the more euphemistic term *Bumiputra* (literally, 'princes of the soil') to describe those regarded as indigenous to Malaysia – 'true Malays' and the small number of non-Muslim tribal peoples. This can be seen as an attempt to make its discourse of ethnicism appear less blatant.

⁶⁷ Milne (1976), p.235; R.S. Milne (1986). "Malaysia – Beyond the New Economic Policy", *Asian Survey*, 26(12), p.1381 and; Just Faaland, *et al* (1990), p.77.

⁶⁸ Perhaps the most prominent voice among the Malay *ultras* was that of Dr. Mahathir bin Mohamed who published *The Malay Dilemma* in 1970. In this book, Mahathir articulates his notions on the nature of racial inequality in Malaysia and advances two broad arguments for resolving this problem. On the one hand, non-Malays must be prepared to make some kind of sacrifice in order to correct the existing imbalance so as to avert any repeat of the May riots. On the other hand, Malays themselves must bear some responsibility for their inferior economic position and 'rehabilitate' their feudal mindset in order to adjust and adapt to modern circumstances. See: Mahathir bin Mohamad (2008) [1970], in particular Chapters 4, 5 and 7.

⁶⁹ Abdullah (1997), p.206. For example, Ungku A. Aziz, a prominent economist and the Vice-Chancellor of the University of Malaya in 1970 perceived the economy in fundamentally zero-sum terms. See: von Vorys, p.405.

⁷⁰ According to such arguments, the social and economic transformation promised by the NEP was necessary to ensure that a majority of Malaysians would no longer be deprived of their fair share of economic opportunities. Abdullah (1997), p.207.

need for the NEP. To justify the new interventionist strategy, previously confidential statistics were deliberately publicized in order “to further highlight the racial imbalances and thereby justify affirmative action as embodied in the NEP.”⁷¹ Government figures released in 1970 revealed that the incidence of poverty in Malaysia was an overwhelmingly Malay problem.⁷² What is more, although the mean incomes of Malay households had increased between 1957 and 1970, they had not kept pace with the mean income levels enjoyed by the other ethnic communities in Malaysia over this period.⁷³ In turn, these statistics were objectively verified by international analysts who confirmed the government’s position that high rates of growth were not enough to overcome the deep-seated economic disparities which existed between different ethnic communities. These reports further warned that unless disadvantaged groups were given the opportunity to increase their participation in the modern sectors of the economy, the inter-ethnic economic gap was bound to widen.⁷⁴ Faced with similar data highlighting patterns of ethnic disparity in higher education, professional employment, urban land ownership and share capital ownership state actors believed they had little choice but to intervene substantially if the authority-defined ‘nation-of-intent’ was to be realized.⁷⁵ Under the NEP the government increased public expenditure and, given the financial inability of individual Malays to meet quotas and targets, set up a huge number of public enterprises to purchase and hold corporate equity and enforce affirmative action quotas on their behalf.⁷⁶

⁷¹ Abdullah (1997), p.213.

⁷² Sudhir Anand (1977). “Aspects of Poverty in Malaysia”, *Review of Income and Wealth*, 23, pp.12-15. Anand notes that in 1970, 78.1% of poor households were Malay and that 51.4% of Malays could be classified as ‘poor’ as opposed to only 14.7% of all Chinese and 24.8% of all Indians.

⁷³ Anand (1983), p.36. Not only did Malay mean income levels not keep pace but they increasingly fell further behind the mean income levels of the other major communities. For example, in 1957/58 the mean income level of Chinese households in Malaysia was 189% that of Malay households. By 1967/68 this figure had increased to 247%. See also: Just Faaland (1990) [1969]. “Racial Disparity and Economic Development” in Just Faaland, J.R. Parkinson and Rais Saniman, *Growth and Ethnic Inequality: Malaysia’s New Economic Policy*. London: C. Hurst & Co.; pp.273-280.

⁷⁴ Just Faaland (1990) [1969], p.283. Professor Faaland was the head of the Harvard University Advisory Service in Malaysia in the late 1960s and early 1970s. See, also: Chopra, p.444.

⁷⁵ The basic philosophy which underpinned the 2MP acknowledged as much: “National Unity is unattainable without greater equity and balance among Malaysia’s social and ethnic groups in their participation in the development of the country and in the sharing of the benefits from modernisation and economic growth. National Unity cannot be fostered if vast sections of the population remain poor and if sufficient productive employment opportunities are not created for the expanding labour force.” Government of Malaysia (1971b), pp.3-4.

⁷⁶ Milne (1976), p.244 and Lim (1985), pp.263-264. Some of the larger Government Linked Corporations (GLCs) actually engaged in business with the eventual aim of handing over operations and control to individual Malay entrepreneurs.

Of course, the economic strategy of balanced participation outlined in the NEP and the 2MP was also a political choice as extreme economic inequality could only lead to more political chaos.⁷⁷ Overall economic growth was subsumed under the objective of parity, which was seen as a means of legitimating the authority-defined 'nation-of-intent' before the Malay community. Paradoxically, however, it was the very nature of ethnic economic disparity in Malaysia that erased any possibility of a Burma-style socialization of the economy in order to redistribute wealth and income to the Malays.⁷⁸ Given the predominantly non-Malay composition of the modern private sector in Malaysia as a result of colonial practices, such a policy would have undoubtedly crippled the Malaysian economy.⁷⁹ Economic failure would likely see the Alliance government fall short of meeting the aspirations of the Malays, the political fall-out from which would jeopardize the legitimacy of the state.

To avoid such a scenario by securing the participation of the largely non-Malay private sector in the modernization of Malaysia, the NEP included the fundamental premise that it would be implemented in the context of rapid economic expansion so as to "ensure that no particular group will experience any loss or feel any sense of deprivation."⁸⁰ To realize the broad objectives of the NEP without major social and/or political dislocation the government therefore set a target rate for economic growth of 6.4% in real terms for the period up to 1985. That rapid economic growth would alleviate general poverty was self-evident. More significantly, it would facilitate the entry of Malays into the modern sectors of the economy without hindering the socio-economic potential of non-Malays.⁸¹ In particular, Malaysia's potential for export-led private sector industrial growth was highlighted in the 2MP as a key means of achieving rapid economic growth. Although clearly subsumed under the objective of restructuring society it is critical to remember that

⁷⁷ Faaland (1990) [1969], p.303. In this light, the implicit message to the Chinese in Malaysia was that they had more to lose in a chaotic and riot-torn country. This conviction was subsequently corroborated by the experiences of neighbouring countries in Southeast Asia. See: Abdullah (1997), pp.213-214 and Lee (2000), p.18.

⁷⁸ The prevailing consociationalist structure of Malaysian politics also encouraged a gradualist strategy.

⁷⁹ Faaland (1990) [1969], p.284 and Lee (2000), p.17.

⁸⁰ Government of Malaysia (1971b), p.1. See also: Faaland (1990) [1969], p.284 and Chopra, p.445.

⁸¹ Government of Malaysia (1973), p. 63 and Faaland, *et al* (1990), p.71. See, also: Milne (1976), p.241 and Chopra, p.446.

maintaining high rates of economic growth thus remained a crucial component of the way in which state actors sought to legitimate the authority-defined 'nation-of-intent'.⁸²

Economic performance was now intertwined with national unity and the legitimation of the authority-defined 'nation-of-intent'. The political implications of this approach were almost immediately apparent.⁸³ To support the private sector's leading role in spearheading rapid industrialization efforts and driving export earnings, state actors repeatedly stressed to domestic and foreign capital – both of which were largely non-Malay in composition – Malaysia's international economic credentials and intensively promoted the country as an attractive investment option.⁸⁴ A budget deficit of US\$285 million in 1972 revealed the extent to which the government relied on domestic and foreign borrowing in order to meet its economic targets, particularly when revenues from primary-sector exports fell due to global downturns.⁸⁵ The issue for the UMNO-led government was that the private sector was overwhelmingly controlled by foreign and domestic Chinese interests. In particular, the government was concerned about the increasing shyness of local Chinese capital in light of the potential impact of the NEP's restructuring objective. By consistently emphasizing a strategy of growth with equity state actors hoped to counter non-Malay anxieties and, instead, project an image of a Malaysian nation-state in which there was space for all citizens to prosper. As we shall see, however, this strategy never really instilled anything more than a pragmatic acceptance among non-Malays of the need for inter-ethnic redistribution.⁸⁶

⁸² Alliance leaders believed that a strategy of 'Redistribution with Growth' could mitigate the potential for economic restructuring to become a zero-sum game and, thereby, foster a more durable basis for national integration. See: Faaland, *et al* (1990), p.75.

⁸³ Means (1991), p.25 and Derek Davies (1972). "The Three-Year Recovery", *Far Eastern Economic Review*, 6, p.12.

⁸⁴ Almost immediately after the riots, the NOC established the Capital Investment Committee under MCA chief Tun Tan Siew Sin to cut through existing bureaucratic red-tape and stimulate private investment. At the same time, government figures went out of their way to protect the country's international credit standing. Nevertheless, by 1974 a showdown between the government and the International Chamber of Commerce over the issue of increasing opportunities to Malay interests saw the latter complain of 'undue harassment' which could 'destroy confidence and credibility and frighten away potential investors'. Undeterred, the government refused to accept any excuses for a lack of positive progress in this regard, making it very clear that it would "no longer tolerate 'the old days when Chambers of Commerce...could strangle the economy.'" See: von Vorys (1975), pp.398-399; Means (1991), p.25; Chopra, pp.447-448 and; Faaland, *et al*, p.71.

⁸⁵ Davies, p.12. Unlike, the secondary and tertiary sectors, goods/services in the primary sector products tend to be income inelastic, which means export revenues do not keep pace with increases in global incomes.

⁸⁶ In fact, with the (eventual) exception of PAS and its rejection of a materialistic conceptualization of national unity, the redistributive objectives of the NEP faced no explicit opposition. See: Jomo (1990-1991), p.472 & p.479. For a broad overview of the various Chinese positions (MCA, DAP and *Gerakan*) as well as

4.3 Towards an 'Ethnic' National Identity

The events of 1969 prompted more than simply a redefinition of Malaysia's political and economic order. Establishing a cultural order grounded in an authority-defined 'nation-of-intent' which articulated "the presuppositions of the dominant, paradigmatic community's existence and the historical authenticity of its political identity" was a similarly indispensable means of justifying and legitimating the political-administrative authority of Tun Razak's administration.⁸⁷ Having said this, we must remember that dominant discourses are always subject to challenges from rival, subjugated discourses and the 1960s had witnessed fierce contestations between Malays and non-Malays over issues of culture, language and religion all of which had complicated the attempts of state actors to legitimate their political authority. Although the Constitution empowered state actors to construct a national culture founded largely on Malay cultural and religious symbols, the Tunku's administration had shied away from heavy-handed expressions of Malay ascendancy. Consequently, efforts to advance a national identity based on Malay cultural prominence without depriving non-Malays of their constitutionally-guaranteed cultural freedoms were inconclusive.⁸⁸ 1969 amply demonstrated the failure of this approach and motivated the UMNO-led government to aggressively reshape the country's cultural landscape.⁸⁹ By asserting the primacy of Malay cultural markers and eliminating the ambivalence surrounding the terms of inclusion / exclusion of non-Malay cultures in the construction of the modern Malaysian nation-state, Tun Razak's government sought to introduce a more coherent basis for the structure of the state.

At its core, the definition of the national community would be based on, and articulate, the unquestionable notion of *ketuanan Melayu* (Malay supremacy).⁹⁰ The National Culture Policy, introduced in 1971, defined three principles as guidelines for Malaysia's 'national

that of the MIC, see: Faaland, *et al*, (1990), pp.160-176. Also: Milne (1976), pp.251-253 and Jomo (1990-1991), p.472.

⁸⁷ Kessler (1992), p.138.

⁸⁸ Lee (2000), pp.3-4.

⁸⁹ Nancy Snider (1970). "Race, Leitmotiv of the Malayan Election Drama", *Asian Survey*, 10(12), p.1072.

⁹⁰ The notion of 'supremacy' carries connotations of dominance, control, preference, superiority, etc. and is, therefore, hardly the basis for an inclusive and cooperative national identity. The paradox of UMNO trying to be both 'the party of the Malays' as well as a party that can speak up for all Malaysians at the head of a coalition government is central to understanding how and why the post-1969 authority-defined 'nation-of-intent' has failed to broadly resonate among Malaysians.

culture': "1) The National Culture must be based on the indigenous [Malay] culture; 2) Suitable elements from the other cultures may be accepted as part of the national culture and; 3) Islam is an important component in the moulding of the National Culture."⁹¹ The justification for this "Islamically-fortified Malay ascendancy" was justified on the grounds that the Malays were "the indigenous people and therefore entitled to makes theirs the nation's definitive, paradigmatic cultural identity."⁹² Despite the nod to Malaysia's multiculturalism, the government's explicit declaration that the second principle was subservient to the other two left little doubt about its' priorities.⁹³ In practical terms, this was evident in the generous state support and funding that Malay cultural institutions and symbols received after 1971. The National Education Policy, announced in the same year, further established the national preeminence of Malay culture by strictly enforcing an incremental switch to the Malay language as the medium of instruction in all government-funded educational institutions.⁹⁴

By delineating clear-cut cultural boundaries between Malays and non-Malays, the UMNO-led government hoped to remove the categorical blurriness that had rendered the legitimacy of its 'nation-of-intent' more problematic in the eyes of its Malay constituents. In spite of the government's claims that national integration would occur in such a way so as to be acceptable to all of Malaysia's ethnic communities, the practices of the state betrayed an overtly Malay bias with non-Malay cultures banished to the periphery.⁹⁵ The essential logic of the *Rukunegara*, the amendments to the Constitution, the New Economic Plan, the National Culture Policy and the National Education Policy was to stabilize a modern political regime by more clearly defining the hegemonic 'nation-of-intent' around a distinctly Malay political, economic, cultural and linguistic nucleus (Figure 11).⁹⁶

⁹¹ Government of Malaysia (1971c). *Asas Kebudayaan Kebangsaan*. Kuala Lumpur: Jabatan Chetak Kerajaan.

⁹² Kessler (1992), p.139. This 'discourse of indigeneity' would become a critical component in Malay conceptualizations of legitimate political authority.

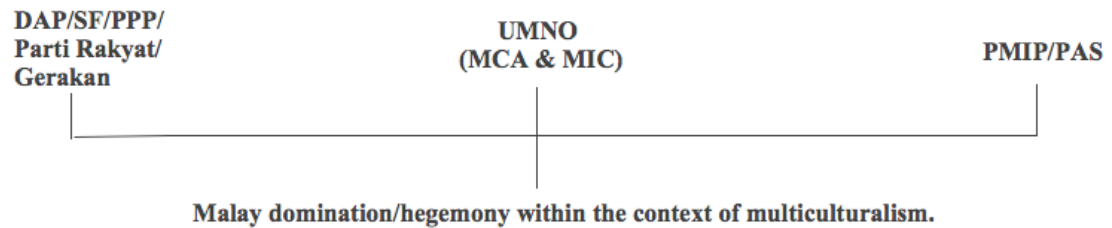
⁹³ Kua Kit Soong (1985). "Introduction", in, Kua Kit Soong (ed.), *National Culture and Democracy*. Petaling Jaya: Kersani Penerbit-Penerbit Sdn. Bhd.; pp.2-3.

⁹⁴ Essentially, this was an exclusivist implementation of the 1967 National Language Act and would see all primary, secondary and tertiary students studying in the Malay language by 1983. See: Milton J. Esman (1987). "Ethnic Politics and Economic Power", *Comparative Politics*, 19(4), p.403 and Lim (1995), p.12.

⁹⁵ For example, see: Cheah (2002), p.121 and Lee (1990), p.492.

⁹⁶ M. Shamsul Haque (2003). "The Role of the State in Managing Ethnic Tensions in Malaysia: A Critical Discourse", *American Behavioral Scientist*, 47(3), p.255 and Francis Loh Kok Wah (2002). "Developmentalism and the Limits of Democratic Discourse", in, Francis Loh Koh Wah and Koo Boo Teik (eds.), *Democracy in Malaysia: Discourses and Practices*. Richmond: Curzon; pp.25-26.

Figure 11: Postcolonial ‘Nations-of-intent’ 1969-1980 (Step 1)



Such moves can be seen as further examples of an attempt by political elites to ensure a tighter fit between the realm of political action and a social constituency of legitimation that was increasingly and overtly Malay in nature in order to avoid a repeat of 1969. As Clive Kessler argues, “the more complicated and untidy the [socio-political] reality, the more urgent and indispensable is the politically authenticating process in which the logic and character of this political order are unambiguously fused, at the ideal or normative level, with the cultural identity and unfolding common destiny of the paradigmatic, definitive, culturally ascendant group.”⁹⁷ However, despite the discursive drive for integration the practical effects of these policies, much like their economic counterparts, actually amplified cultural segregation by emphasizing the centrality of ethnic considerations. Rather than engendering a genuine and consensual sense of national community state actors faithfully reproduced the same logic of ethnic differentiation that characterized the late colonial period. The actions of the state meant that few individuals, whether Malay or non-Malay, were able to transcend these essentialized ethnic boundaries.⁹⁸ The state’s attempts to (re)legitimate its political authority via the creation of a Malaysian national identity centered first on Malay culture and later on Islam would strain inter-ethnic relations and, therefore, the authority-defined ‘nation-of-intent’ throughout the decade and undermine Tun Razak’s professed desire for greater social and ethnic integration.⁹⁹

⁹⁷ Kessler (1992), p.140.

⁹⁸ As should already be apparent, ethnic identities are fluid and so centering a national identity on a constitutionally-defined ethnic basis may seem ambitious. With the benefits of the NEP accruing to certain individuals on the basis of a legally-sanctioned ethnic identity, notions of the national community became even more politicized. This occurred not simply in Malay/non-Malay terms but, increasingly, in terms of who or what exactly was a ‘Malay’. For example, see: Kessler (1992), p.139.

⁹⁹ Lee (2000), p.12.

4.4 *Re-Centering and Re-Testing Political Authority: The Formation of the Barisan Nasional and the 1974 General Elections.*

While the New Economic Policy was given top priority, Tun Razak's government never lost sight of the fact that economic development remained dependent upon political stability.¹⁰⁰ While the ultimate cause of May 13 may have been economic in nature, political leaders in the government argued that open competition between political parties representing different communal groups was the proximate cause of the ensuing violence. A permissive political environment – that is, one characterized by an ethos of negotiation and compromise – had allowed flank parties to outbid the Alliance in the lead-up to the 1969 elections, forcing the government on the defensive and ramping up ethnic unease. To pursue its primary task of addressing Malay economic grievances the government introduced a series of steps designed to reduce such 'politicking' and ensure the ethnic harmony required to ground political stability. The package of constitutional amendments passed by Parliament in 1971 suggested a measure of elite agreement on this strategy.¹⁰¹

However, this was not enough for Tun Razak who was anxious for notions of unity to filter through to a broader cross-section of Malaysian society so as to avert any repeat of political unrest that might threaten Malaysia's development.¹⁰² Here then, the shape of the society-state-global dynamic was becoming clearer. Given the need for state actors to appease the socio-economic aspirations of Malays without unduly alienating non-Malays, rapid economic growth was required. This, in turn, depended to a large extent on private investors, both foreign and domestic (primarily Chinese). Investor confidence relied heavily upon the ability of state actors to manage state-society relations so as to provide political stability and reassure investors. Given their recent experience, government leaders now believed that they needed draw upon a much broader base of popular support in order to effectively eliminate the potential for ethnic outbidding.¹⁰³ This desire to create a national political consensus and limit political rivalry became a major preoccupation of the

¹⁰⁰ *Straits Times* (Malaysia), December 28, 1973 and Means (1991), p.28. As we shall see below, it is the (in)stability of state structures that affects, and is affected by, the (in)ability of state actors to manage the society-state and state-global interrelationships.

¹⁰¹ Cheah (2002), pp.138-139. Although they may have been acting pragmatically, non-Malay elites, especially those within the Alliance system, largely voted in favour of the 1971 amendments.

¹⁰² Mauzy (1983a), p.102.

¹⁰³ Means (1991), p.28.

Razak administration. By co-opting those parties on the flanks and bringing them into the government fold it could build, simultaneously, a broader political consensus and eliminate competition, a strategy, which eventually inspired the concept of the *Barisan Nasional* (National Front, BN).

The formation of the BN was an evolutionary process. Its genesis lay in the government's creation of the National Consultative Council (NCC) in January 1970. With the stated aim of "establishing positive and practical guidelines for inter-racial cooperation and social integration for growth of a national identity" the NCC included representatives from practically all the major political parties as well as from a wide range of government bodies and civil society organizations, all of whom were eager not to be excluded from such processes.¹⁰⁴ The NCC operated on the basis of three key features: representativeness, confidentiality and consensus. While Tun Razak was adamant that no issue would be beyond reproach within the council there would be no public record of the Council's proceedings. Furthermore, all agreements required unanimity. Ultimately, Tun Razak hoped that a broad consensus could be reached on 'sensitive' issues in a manner which would not enflame communal passions and result in public mobilization.¹⁰⁵

The NCC supplied the space for *in camera* debate about government policies such as the NEP and *Rukunegara*. The ability of this format to provide not only valuable feedback but to also lend such proceedings with at least the semblance of national integration and social justice provided the impetus for Tun Razak to pursue his grand vision of coalition-building in Malaysia as a means of de-communalizing politics in Malaysia. Although the Alliance still enjoyed a commanding parliamentary majority Tun Razak no longer believed that this "was adequate for the tasks of reducing political strife, for forging ethnic harmony, for ensuring government legitimacy, or for meeting the goals of economic development as specified in the NEP."¹⁰⁶ 1969 had exposed the thinness of national solidarity and

¹⁰⁴ Mauzy (1983a), p.47. The DAP was the only party that decline the invitation to join the NCC as the government refused to release its leader, Lim Kit Siang, from detention under the Internal Security Act. The Party Rakyat later also withdrew its representative.

¹⁰⁵ Ongkili, p.216 and Milne (1970), pp.571-572.

¹⁰⁶ Mauzy (1983a), p.74. Writing just after the 1969 elections, Ratnam and Milne anticipated the potential need for the Alliance to become even more inclusive in order to avoid being outbid on communal issues in future elections. K.J. Ratnam and R.S. Milne (1970). "The 1969 Parliamentary Election in West Malaysia", *Pacific Affairs*, 43(2), pp.225-226.

empirical sovereignty in the absence of external threats such as *Konfrontasi*. Taking a long-term view, Tun Razak recognized the need to broaden the government's base of popular support in order to check an erosion of both the communal and non-communal vote.¹⁰⁷ In essence, he first sought to narrow the social constituency of legitimation around a distinctly Malay nucleus in order to ground his political authority before then incorporating other 'nations-of-intent' as peripheral components.

Tun Razak's new political strategy was tested first at the state level in Sarawak in July 1970 and then on the peninsula in Penang in February 1972 and in Perak in April the same year.¹⁰⁸ In the case of the latter two, coalition agreements at the state level saw the opposition *Gerakan* and PPP in time become Alliance partners at the federal level. Their incorporation was a clear demonstration of Tun Razak's overall strategy of broadening popular support for his administration by widening non-Malay representation within the government. More vital to Tun Razak's overall coalition-building scheme, however, was the agreement with PAS in December 1972 that considerably broadened the government's Malay base and eliminated the threat of chauvinistic 'outbidding' from the Malay fringe. The notion of ethnic/religious unity not only carried a strong emotional appeal within the Malay community but it also satisfied an indispensable political requirement of Tun Razak for the continuation of electoral democracy. By successfully mobilizing the Malay community behind the government, Malay political supremacy was guaranteed regardless of how the other ethnic communities might vote thereby reinforcing the stability of the state.¹⁰⁹

¹⁰⁷ Ratnam and Milne (1970), p.226. In particular, the twin losses of the Chinese vote and the anti-communal vote threatened the very *raison d'être* of the Alliance.

¹⁰⁸ In the former, the local Sarawak Alliance, comprised of the Malay-dominated Party Bumiputera, the Iban-dominated Parti Pesaka and the Chinese-dominated Sarawak Chinese Association, entered into a coalition with the Chinese-dominated Sarawak United People's Party (SUPP), which had formerly been in opposition. Using Sarawak as a test-case was a canny move on the part of Tun Razak as the state's uniquely different political situation and distance from Kuala Lumpur meant that coalition-building there could not be construed as setting a precedent for similar moves on the peninsula. Consequently, there was considerable surprise when it was announced that the Alliance would be entering into a coalition with the *Gerakan* in Penang soon followed by the announcement of a similar coalition with the PPP in Perak. See: Mauzy (1983a), pp.48-66; Chopra, p.451 and; Means (1991), pp.28-29.

¹⁰⁹ von Vorys, p.425. Assured of holding all Malay majority constituencies, the government could count on having a two-thirds majority in Parliament and the power to amend the Constitution.

Initially, each coalition agreement was arrived at on an *ad hoc* basis with the intention that the arrangements would be of limited duration.¹¹⁰ Over time, however, momentum gathered for a more formal understanding between the UMNO-led Alliance and all of its separate coalition partners. The primary attraction of deepening the terms of coalition was the opportunity to further de-communalize politics by “shifting at least some of the racial interaction from the glare of the electoral arena to the more or less private councils of the National Front.”¹¹¹ However, as the support base for the government was gradually widened and deepened, the structure and working agreements of the old Alliance system became more ambiguous, even if it was unclear what the emergent political system meant in practical terms.¹¹² In fact, it was not until early 1974 that it became clear what the term ‘National Front’ tangibly entailed when individual party symbols along with the Alliance symbol of the sailing boat were abandoned in favour of a new common electoral symbol – the traditional balance, or *dacing*, symbolizing justice and equity.¹¹³ Then on June 1 the Alliance was disbanded and the *Barisan Nasional* of Malaysia was formally registered as a political party in preparation for general elections that were expected later that year.¹¹⁴

Two things were clear, however. First, UMNO continued to be the hegemonic party within the framework of the BN. Second, the presence of several competing non-Malay parties within the coalition generated a host of new internal stresses and strains and it became apparent that the horizontal solidarity that had formerly characterized the Alliance system of politics was now beginning to unravel.¹¹⁵ The addition of *Gerakan* and the PPP in government meant a considerable dilution of the MCA’s position as the ‘Chinese’ representative in government. Despite a series of setbacks, as well as Tun Razak’s pointed

¹¹⁰ Each was originally restricted in duration to the current term of the specific state government or, in the case of the federal Alliance, until the next general election.

¹¹¹ Chopra, pp.450-451. Each member party of the BN was promised equal representation on the Supreme Council.

¹¹² Throughout 1973, Tun Razak repeatedly signaled a shift away from the traditional Alliance political formula. Diane Mauzy (1983a, p.76) notes that with “the ‘formation of the barisan nasional, the days of ‘old style’ politicking were over, and that [Tun Razak] hoped that ‘the concept’ of the barisan nasional would be further strengthened in the coming general election.”

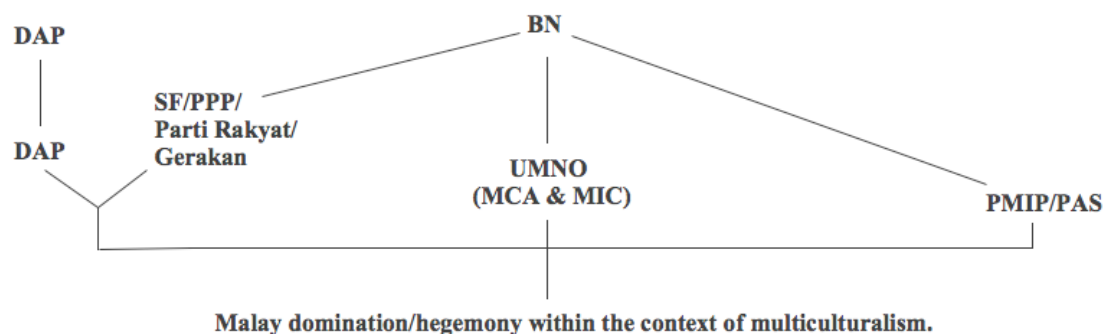
¹¹³ Tun Razak had first used the term publically on Independence Day in 1972.

¹¹⁴ At its inception the BN was comprised of UMNO, MCA, MIC, PAS, PPP, *Gerakan*, SUPP, Parti Pesaka Bumiputera Bersatu (PBB) and the Sabah Alliance Party.

¹¹⁵ In January 1971, Tun Dr. Ismail, the Deputy Prime Minister, had announced publically that the MCA and MIC were ‘neither dead nor alive’. See: von Vorys, p.427. When Tun Ismail died suddenly in August 1973, Tun Tan Siew Sin argued that as the next most senior Cabinet minister he should be the next Deputy Prime Minister. Tun Razak flatly denied him explaining that the Malays would not accept this appointment despite its constitutionality. See: Cheah (2002), pp.146-148.

public reminder that the MCA was no longer the sole representative of the Chinese community, the party leadership steadfastly remained within the BN.¹¹⁶ Determined to make the most of a poor hand after 1969, the MCA sought to draw upon its “traditional relationship with UMNO and its substantial financial resources and organizational machinery” to be the primary, if not the only, mouthpiece of the Chinese in Malaysia.¹¹⁷ PAS, too, faced serious internal dissension and rank-and-file rebellion over the decision of the party leadership to join the UMNO-led BN coalition. However, just as in the case of the MCA, those PAS leaders in favour of the grand coalition were able to quell the worst effects of party factionalism. By the time of its 1974 national congress there was little evidence of discord with “the membership providing a strong mandate for PAS to participate in the Barisan Nasional.”¹¹⁸ The inclusion of these opposition parties into the BN structure meant that, with the exception of the DAP, UMNO’s authority-defined ‘nation-of-intent’ was now largely undisputed (Figure 12).

Figure 12: Postcolonial ‘Nations-of-intent’ 1969-1980 (Step 2)



The successful incorporation of most political parties within the framework of the BN encouraged Tun Razak to test his government’s popular support and call a general election in mid-1974. Nevertheless, the Prime Minister’s commitment to democratic norms was incomplete. With UMNO and PAS both in the BN, the Malay vote was assured but Tun Razak was less certain about the support of the non-Malay communities. While repeatedly

¹¹⁶ Concerns over the relevance of the party saw an exodus of younger party members to *Gerakan* in 1973. The MCA was further rocked by the sudden political retirement of its founder and figurehead, Tun Tan, in April 1974. Means (1991), pp.30-31 and Mauzy (1983a), pp.79-82.

¹¹⁷ Mauzy (1983a), p.82.

¹¹⁸ Mauzy (1983a), p.85. The fact that so many disgruntled members remained within the party and that serious factionalism continued to exist just below the surface, particularly within the party’s stronghold in the northeast of the country, meant that PAS’s involvement in the BN remained tenuous at best and foreshadowed its eventual departure in 1976.

stressing his enthusiasm for a genuinely *Malaysian* national government he nonetheless urged non-Malay voters to elect Chinese and Indian candidates from the BN.¹¹⁹ The clear warning was that if they did not, the result would be a Malay government. For his part, the Tun Razak backed up his words with actions in an effort to appeal to the various separate segments of the Malaysian electorate. The decision to host the fifth Islamic Conference of Foreign Ministers in 1974 was very popular with Malays and, in a stunning diplomatic coup on the eve of the elections, Tun Razak impressed Malaysian Chinese with a highly successful state visit to China.¹²⁰ From such an unassailable position it was apparent even before Election Day that these elections would be “more in the nature of a referendum than a contest to see who would govern.”¹²¹ The Prime Minister’s bullish prediction that his government would win at least 80 per cent of the vote only reinforced this perspective.

Despite its optimism, the government took a series of precautions to assure an overwhelming victory, again not all of which conformed to accepted democratic norms.¹²² These measures along with the generally cautious mood of the electorate in the first elections since the riots of 1969 saw a massive landslide in favour of the BN which won 135 of the 154 parliamentary seats on offer and 59 per cent of the popular vote.¹²³ The results of the state elections held concurrently followed a similar pattern. While pockets of opposition continued to exist, primarily among the urban Chinese on the peninsula as well as in Sarawak, the elections provided the BN with a clear mandate to rule. Tun Razak’s strategy of ‘limited accommodation’, i.e., just enough to maintain political stability and enact the government’s socio-economic policies, had been apparently legitimated.

¹¹⁹ Mauzy (1983a, p.87 and Means (1991), p.32.

¹²⁰ Mauzy (1983a), p.87; Cheah (2002), p.148 and; Chopra, pp.451-452. Several other opportune factors also bode well for the BN as the elections approached – inflation after the OPEC oil hike had been curbed, the number of parliamentary seats had been increased to the advantage of the government and the election was scheduled to fall before both the start of the monsoon season and the Islamic fasting month of Ramadan.

¹²¹ Means (1991), p.32 and Mauzy (1983a), p.87.

¹²² Besides the restrictions on raising ‘sensitive issues’ defined by the constitutional amendments passed in 1971, the government redrew electoral boundaries to its advantage and also threatened to withhold federal funding for any state that voted into power a party opposed to the BN coalition. These are all measures which became the hallmark of later general elections. See: Chopra, p.450 and Means (1991), p.33.

¹²³ Mauzy (1983a), pp.91-92; Crouch (1980), pp.7-8 and; Means (1991), p.33. Although the popular vote did not accurately reflect support for the BN as no votes were tallied in the 47 constituencies where a BN candidate won unopposed, it is unlikely that the BN received the 80 % of the vote Tun Razak expected. Nevertheless, in an all-round commanding display, UMNO won 100 % of the seats it contested in 1974 as opposed to only 76 % in 1969, the MIC 100 % also against 67 %, the MCA 83 % as against 39 %, PAS 100% against 20 percent and, *Gerakan* 64 % versus 33 %. See: Chopra, pp.452-453. The only BN party to fare poorly in 1974 relative to 1969 was the PPP. See: Mauzy (1983a), pp.92-93.

However, questions lingered over how legitimate the government's political authority actually was.¹²⁴ With no Malay party in opposition, the likelihood that opposition protests and the government's reactions to them would acquire ethnic (i.e., Chinese) overtones increased. In addition, it was estimated that due to Malaysia's first-past-the-post electoral system "nearly 40 per cent of those who cast their votes...[would] find only a five per cent representation in Parliament", a discrepancy that raised doubts about the efficacy of parliamentary politics particularly as many of those thus disenfranchised were non-Malays.¹²⁵ Perhaps the most immediate sign of the new political reality, however, was the allocation of Cabinet portfolios among the member parties of the BN. For the first time in Malaysia's history UMNO politicians held all of the top ministries.¹²⁶ Although the BN would ostensibly operate in a spirit of compromise and accommodation, it was abundantly evident that Malays would openly dominate the political arena. All of this pointed to an unmistakable re-reading of the governing statement underpinning national identity discourses within Malaysia. The authority-defined 'nation-of-intent' now offered by the BN included a much more clear-cut vision of Malay political dominance; one that was firmly entrenched in the socio-cultural and socio-political fabric of the country. At the same time, expressions of multiculturalism, although still present, were now to be far more circumscribed.

As UMNO was the core of the BN, those who occupied leadership positions within the party would hold similarly important positions within the government and it is in this sense that the party's 1975 General Assembly was seen by some as Malaysia's real election.¹²⁷ Talk circulated that an increasingly frail Tun Razak might soon retire and this, coupled with Deputy Prime Minister Datuk Hussein Onn's recent heart attack, generated intense competition for the three vice-presidential posts.¹²⁸ Taking a calculated gamble, Tun Razak

¹²⁴ Chopra, p.453; Mauzy (1983a), pp.96-96 and; Crouch (1980a), p8.

¹²⁵ Chopra, p.454.

¹²⁶ Both the MIC and MCA were displeased with the portfolios they received but had little choice but to acquiesce to UMNO's decision, as did the other coalition partners. Crouch (1980a), p. 8; Mauzy (1983a), p.97 and; Means (1991), p.35.

¹²⁷ Mauzy (1983a), p.99 and Cheah (2002), pp.148-149.

¹²⁸ By tacit agreement, the President of UMNO is always the Prime Minister and his UMNO deputy, the Deputy Prime Minister. The three Vice-Presidents usually occupy one of the 'power' ministries, i.e., Defence, Education, Home or Finance and are next in line for the Deputy Prime Ministership. Internal struggles for leadership positions within UMNO were further exacerbated with the introduction of the NEP

named a government 'team' for the vice-presidential positions in his speech to the assembly. In a strong endorsement of his leadership, delegates elected all three of his proposed candidates. The lasting ramifications of this vote and, in particular, the narrow victory of the rehabilitated *ultra* Dr. Mahathir as the third Vice-President were soon to be apparent.¹²⁹ By mid-January 1976, Tun Razak would be dead.

4.5 *The Hussein Onn Administration: 1976-1981.*

Lacking a strong political base within UMNO, Hussein Onn's sudden ascension to the office of Prime Minister was widely viewed as a stop-gap measure until a more suitable candidate could be identified. The uninterrupted continuation of many of the economic and national integration policies formulated during the Razak era only reinforced this image.¹³⁰ Compared to the strong interventionist style of Tun Razak, Onn's apparent weakness encouraged largely dormant factional rivalries in UMNO to surface.¹³¹ Onn's selection of Mahathir as his Deputy Prime Minister further ruffled feathers as, of the three UMNO Vice-Presidents, he had been elected in 1975 with the fewest number of votes.¹³² Furthermore, as a former *ultra*, Mahathir's ascension was bitterly resented by the old guard within UMNO aligned around the former Prime Minister, Tunku Abdul Rahman.¹³³ While such internecine struggles can be seen as a generational conflict, between an older group of leaders who were more comfortable with a hands-off approach to socio-political development and a younger cadre that believed extensive government intervention was required to foster the socio-economic conditions conducive to the maintenance of political stability, a less ideological, more banal explanation can be advanced. Onn's eventual victory at the 1977 UMNO General Assembly was arguably more the result of his control

and the increased economic power and control over patronage that accrued to those at the top of the party. This is yet one more reason why UMNO General Assemblies are often considered the country's real election. See: Khoo Kay Jin (1992). "The Grand Vision: Mahathir and Modernisation", in, Joel S. Kahn and Francis Loh Kok Wah (eds.), *Fragmented Vision: Culture and Politics in Contemporary Malaysia*. Honolulu: University of Hawaii Press; p.44 and; Milne (1976), p.255.

¹²⁹ Mahathir received 474 votes, only 47 votes ahead of the fourth placed Dato' Harun, the powerful but controversial Chief Minister of Selangor.

¹³⁰ Cheah (2002), p.159 & p.173.

¹³¹ Crouch (1980a), pp.16-20 & pp.27-30; Cheah (2002), pp.172-177 and; Means (1991), p.56-57.

¹³² Means (1991), p.55-56. As Mahathir himself had avoided factional affiliation since rejoining UMNO, Onn's choice may have been an attempt to rise above the factional alignments of the Razak era. Means argues that Mahathir's youthful and dynamic public image was probably also considered an asset within the new administration.

¹³³ Crouch (1980a), p.16.

over the distribution of patronage and the spoils of office than any philosophical preference vis-à-vis planned social change.¹³⁴

Whatever the case, the nature of Malay politics was changing irrevocably. The tremendous socio-economic transformation wrought by the NEP had begun to critically sharpen the social and political consciousness of many Malays. In the 1950s and 1960s, when the bulk of its membership were peasants, UMNO was defined by traditional conventions of deference to party leadership. As a consequence of the NEP, these were giving way to a new set of ground rules dictated by more crude, materialistic values.¹³⁵ The strategic-relational approach to conceptualizing the state reminds us of the contingency of any state form – as social relations change so, too, will the structures of the state. The political success of the ‘new leadership’ was now increasingly tied to Malaysia’s impressive economic performance; economics and politics thus became even more tightly intertwined after 1971. Within UMNO, this saw an intensification of party politics as individuals aimed for their share of the spoils.¹³⁶ On a broader scale though, this meant that the legitimization of the BN’s authority-defined ‘nation-of-intent’, in terms of meeting the socio-economic aspirations of Malays, increasingly depended upon the ability of state actors to negotiate with the global political economy.

An equally serious internal challenge to the new political idiom arose in December 1977 when a political crisis in Kelantan saw PAS expelled from the BN and returned to the ranks of the opposition.¹³⁷ The failure of the BN to remain intact signaled a potential return to the ‘politicking’ that had largely characterized post-Independence Malaysia and which Tun

¹³⁴ Crouch (1980a), p.35.

¹³⁵ A. B. Shamsul (1988). “The ‘Battle Royal’: The UMNO Elections of 1987”, *Southeast Asian Affairs*, 15, pp.170-171.

¹³⁶ At the 1978 UMNO General Assembly, Onn faced a rival for the party’s top position. This was the first time in UMNO’s history that an incumbent president had been challenged and although Onn registered an overwhelming victory a ‘sacred’ UMNO tradition had been ‘demystified’.

¹³⁷ A long-smouldering feud between rival PAS factions in Kelantan led to mass rioting in mid-1997 and the imposition of a State of Emergency. Unwilling to accept Onn’s terms for the resolution of the crisis, the Kelantan PAS hierarchy passed a motion of no-confidence in the UMNO-supported PAS Chief Minister, Mohamed Nasir. This, in turn, triggered the introduction of a parliamentary bill to suspend the state assembly and bestow authority in a federally-appointed civil servant. Defying the warnings of the BN whip, all of PAS’s federal MPs voted against the bill. Although both the PAS federal leadership and Onn stated that they wished to see the BN remain intact PAS’s defiance was too dangerous a precedent for Onn and UMNO. See: Muhammad Kamlin (1980. “The Storm Before the Deluge: The Kelantan Prelude to the 1978 Election” in, Harold Crouch, Lee Kam Hing and Michael Ong (eds.), *Malaysian Politics and the 1978 Election*. Kuala Lumpur: Oxford University Press, pp.37-68; Mauzy (1983a), pp.112-117 and; Means (1991), pp.61-64.

Razak had been so desperate to avoid. What was even worse for UMNO was that it now once again faced “the challenge of a Malay nationalist and Islamic party in competition for the Malay vote.”¹³⁸ In spite of this political development, Onn called for a national election in 1978, almost eighteen months before the end of his government’s mandated term.¹³⁹ On one side, the BN faced a wounded PAS, which was now free to launch a vigorous campaign based on familiar Islamic themes in defense of Malay/Islamic political and economic dominance. On the other side, the ruling coalition confronted a well-organized and formidable challenge posed by the DAP and its appeal to the non-Malay urban electorate (Figure 13). Legally prevented from attacking the NEP and the notion of Malay special privileges front-on, the DAP’s campaign was “explicit in calling for a shift in public policy priorities from ethnic distributive quotas to criteria based on economics and ‘need’.”¹⁴⁰ Employing many of the same techniques that recently had worked so well at the state level – a short campaigning period and a ban on all public rallies¹⁴¹ – the BN achieved an overwhelming victory, capturing 131 of the 154 federal seats on offer and 57.5 per cent of the valid vote.¹⁴²

¹³⁸ Mauzy (1983a), p.119.

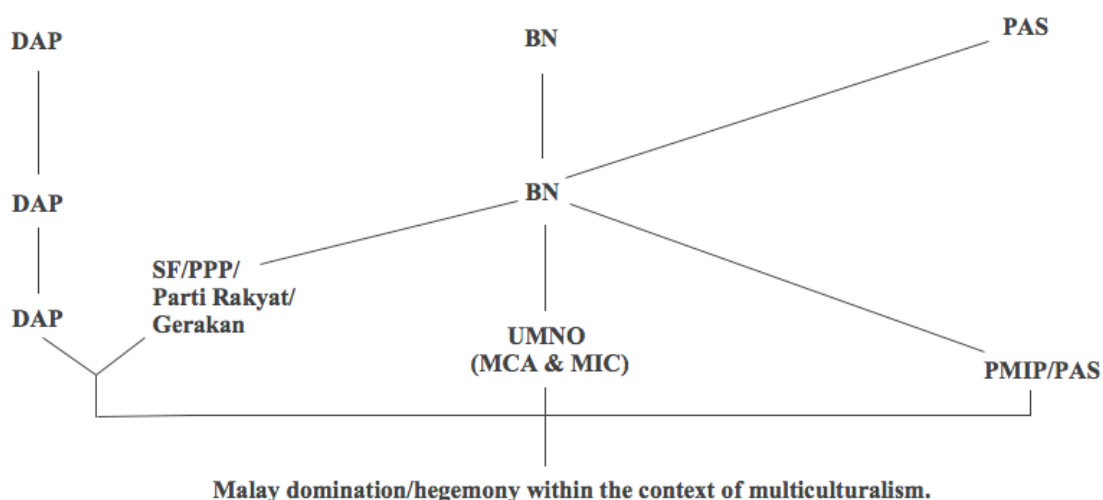
¹³⁹ To be fair, it was not all gloom and doom for Onn and the BN. The Malaysian economy was thriving and in the March 1978 Kelantan state election, PAS had been virtually wiped out in what had been its traditional stronghold and which it had held since the 1959 elections, capturing only 2 of the 36 seats it contested. In contrast, the BN (i.e. UMNO) won 23 seats. Although these results apparently sounded the death knell for PAS in the Malay heartland states of Kelantan, Terengganu, Kedah and Perlis, closer inspection reveals otherwise as PAS still picked up almost a third of the popular vote. See: Kamlin, pp.53-54; Means (1991), pp.63-64 and; Mauzy (1983a), pp.117-118.

¹⁴⁰ Gordon P. Means (1991). *Malaysian Politics: The Second Generation*. Singapore: Oxford University Press, p.67. Ironically, more than thirty years later this ‘need-based’ focus for government policy would become the foundation of the BN’s New Economic Model. See Section 6.7 below.

¹⁴¹ Officially, the ban on public rallies was justified by fears that the Malayan Communist Party planned on disrupting campaigning as part of its 30th anniversary ‘celebrations’. See: Diane K. Mauzy (1979). “A Vote for Continuity: The 1978 General Elections in Malaysia”, *Asian Survey*, 19(3), p.290.

¹⁴² Harold Crouch (1980c). “The Results” in, Harold Crouch, Lee Kam Hing and Michael Ong (eds.), *Malaysian Politics and the 1978 Election*. Kuala Lumpur: Oxford University Press; pp.293-294. Nine parliamentary seats were won unopposed by the BN.

Figure 13: Postcolonial ‘Nations-of-intent’ 1969-1980 (Step 3)



Considering the re-alignment of the BN with the departure of PAS, it could be argued that the BN’s electoral performance in 1978 was better than expected. Despite the small dip in BN’s overall share of the popular vote since 1974, the results clearly reaffirmed the basic integrity of the coalition’s structure and, by association, its authority-defined ‘nation-of-intent’. Nevertheless, a more careful examination of the election results pointed to a serious decline in support for the BN and its policies with potentially far-reaching repercussions. On one level, the high number of uncontested seats won by the BN in 1974 masked the true extent of its popular appeal and hence the fall in its popular support between 1974 and 1978 was grossly understated.¹⁴³ On a related level, the individual electoral performances of the main government and opposition parties further hinted at a growing bifurcation within Malaysian society, arguably as a consequence of government policies such as the NEP and National Culture Policy.¹⁴⁴ Within the government coalition, only UMNO’s performance was impressive, winning 69 of the 74 seats it contested.¹⁴⁵ Significantly, the BN’s non-Malay parties again failed to win a single large urban

¹⁴³ Crouch (1980c), p.294. Similarly, the DAP’s electoral improvement from 1974 to 1978 was, in reality, better than the raw results in 1978 indicated.

¹⁴⁴ Diane K. Mauzy (1979). “A Vote for Continuity: The 1978 General Elections in Malaysia”, *Asian Survey*, 19(3), p.296.

¹⁴⁵ In 1974, UMNO had won all 61 of the seats it contested. By comparison, the MCA won only 69.9% of the seats it contested in 1978 compared with 82.6% in 1974, the MIC only 75% compared to 100% previously and the PPP lost the single seat it contested in 1978. *Gerakan*, however, did marginally better in 1978, winning 66.6% of all the seats it contested compared with 62.5% in 1974. See: Crouch (1980c), p.297 & p.309.

constituency where more than 71 per cent of the electorate was non-Malay.¹⁴⁶ Of the two major opposition parties, PAS's parliamentary presence was severely eroded with the party winning only 5 seats, down from 15 in 1974 when it was part of the BN coalition.¹⁴⁷ For the DAP, on the other hand, the federal election was an unmitigated success both in terms of seats won and popular support.¹⁴⁸

While it may be questioned whether or not the 1978 elections actually signaled an overt shift towards greater ethnic 'extremism' in the socio-political structure of Malaysia, the latter years of Onn's administration did yield growing proof of social anomie.¹⁴⁹ Although outbreaks of public unrest were largely the result of specific local circumstances, "in the aggregate, they provided evidence of pockets of alienation, perhaps because some groups felt that they were being left behind or were relatively more deprived in an era when others appeared to be benefiting from new prosperity."¹⁵⁰ Non-Malays were increasingly critical of pro-Malay affirmative action programs that had seen the public sector expand aggressively, afraid that these strategies might blunt their competitive edge and reduce their share of the economic pie.¹⁵¹ Among Malay or, more specifically, Muslims, the social and economic transformations wrought by the NEP had brought rural Malays into direct contact with an alien urban culture replete with often unsettling 'un-Islamic' values.¹⁵² Both phenomena – deteriorating inter-ethnic relations between Malays and non-Malays and the growing importance of Islamic identity markers within Malaysian society – were symptomatic of the challenges facing the Malaysian government as it sought to

¹⁴⁶ Mauzy (1979), p.294. This implies that parties like the MCA and MIC relied heavily on Malay voters who most likely voted for these parties as UMNO proxies rather than for the parties themselves *per se*.

¹⁴⁷ In 1974, PAS won 100% of the seats it contested, in 1978 this ratio fell to 0.56% (5 of 89). However, this is not to suggest that PAS was a spent force as many of the seats the party lost in 1978 were by razor-sharp margins and it still managed to secure 17.7% or 537,253 of the valid votes on the peninsula. See: Harold Crouch (1980c), p.298 and Firdaus Haji Abdullah (1980). "PAS and the 1978 Election" in, Harold Crouch, Lee Kam Hing and Michael Ong (eds.), *Malaysian Politics and the 1978 Election*. Kuala Lumpur: Oxford University Press; pp.69-96.

¹⁴⁸ In 1974, the DAP had won 9 parliamentary seats (out of 46 contested, a ratio of 19.56%) with 18.3% of the popular vote. Four years later, the party held 16 seats (from 53 contested, a much improved ratio of 30.2%) with 19.2% of the valid votes. If we focus only on the peninsula then the DAP mustered 21.56% of the popular vote. See: Crouch (1980c), p.297 & 309.

¹⁴⁹ Mauzy argues that in light of government policies favouring the Malay community it is "perhaps somewhat surprising that the [BN] non-Malay parties performed as well as they did" in 1978. She puts this down to non-Malay speculation that Onn might ease some of the restrictions on non-Malays after being confirmed at the UMNO General Assembly to be held in September. See: Mauzy (1979), p.296.

¹⁵⁰ Means (1991), p.70.

¹⁵¹ Cheah (2002), pp.177-178 and Means (1991), pp.59-60.

¹⁵² Gordon P. Means (2009). *Political Islam in Southeast Asia*. Petaling Jaya: SIRD; pp.85-86.

(re)legitimate its authority-defined 'nation-of-intent' and political authority. The strategies implemented in the early 1970s immediately after the events of May 13 had sought to narrow both the realm of political action and the social constituency of legitimation within which legitimacy could be sought and/or ordained. Although these moves may have successfully strengthened UMNO's authority-defined 'nation-of-intent', the enclosure was incomplete and alternative 'nations-of-intent' continued to exercise influence. To better understand how the BN's authority-defined 'nation-of-intent' struggled to resonate among a broad cross-section of Malaysian society it is therefore necessary to assess the quantitative and qualitative socio-political impact of the NEP and similar policies.

4.6 *Assessing the NEP, 1971-1981: Unintended Consequences?*

In quantitative terms, the first decade of the NEP was largely a success story. Under the 2MP Gross Domestic Product (GDP) grew by 7.4% per annum, exceeding the original target set in 1971.¹⁵³ Given the openness and vulnerability of the Malaysian economy to external shocks and the difficult international economic environment of the early 1970s this achievement is even more remarkable.¹⁵⁴ Nevertheless, with regard to the specific objectives of the NEP the report card was mixed and in this there were early signs of the risks involved in relying on the global economy to furnish state actors with the performance legitimacy required to meet the aspirations of key domestic constituencies, not all of whom were the same page.¹⁵⁵ If state actors could not depend on export revenues and private

¹⁵³ The original target growth rate set in the 2MP was 6.8% per annum. The rate of growth achieved did, however, fall short of the revised Mid-Term Review target of 7.8%.

¹⁵⁴ Unprecedented inflation rates in the industrial states and a global shortage of food grains saw import prices soar. The annual inflation rate in Malaysia between 1971-1975 was 7.3% (compared to only 1% for the period 1960-1970). Furthermore, the shortfall in economic growth between the 7.4% achieved and the revised target of 7.8% was largely a consequence of a world-wide recession in 1974-1975. See: David Lim (1983). "The Political Economy of the New Economic Policy in Malaysia", in, David Lim (ed.), *Further Readings on Malaysian Economic Development*. Kuala Lumpur: Oxford University Press; pp.3-6.

¹⁵⁵ For example, by 1975 it was clear that more *bumiputera* students were attending university and that the ethnic restructuring of employment was proceeding apace, although to meet the latter's 1990 target it was apparent that a much faster rate of Malay rural-urban migration was required. At the same time, the overall incidence of poverty (measured as the percentage of poor households within the total number of households) fell from 49.3% in 1970 to 43.9% in 1975. However, this was accompanied by a worsening of both inter- and intra-ethnic income inequalities over this period. For instance, the gap between the mean incomes for Chinese and Malays widened from RM222 in 1970 to RM446 in 1979 (RM=Ringgit Malaysia). Within communities, the Gini ratio for *bumiputera* worsened from 0.466 in 1970 to 0.506 in 1976, for Chinese from 0.466 to 0.541 and for Indians from 0.466 to 0.541. See: Lim (1985), p.266 & pp.270-271; Lim (1983), pp.12-15; Government of Malaysia (1976), p.163; Ishak Shari (2000). "Economic Growth and Income Inequality in Malaysia, 1971-95", *Journal of the Asia Pacific Economy*, 5(1), p.116 and; Haque (2003), p.254.

investment flows to generate the high economic growth rates required to meet the restructuring goals of the NEP, the public sector would have to expand. The consequences of increased government dependency on public enterprises would have far-reaching implications for the structure of the Malaysian state and its ability to manage the society-state-global interrelationship. For example, the inferior economic position of many individual Malays meant that most of the corporate stock reserved for them under the NEP had to be held in trust by statutory bodies, raising fears that these assets might not be properly administered by the Malay politicians and bureaucrats in charge of them.¹⁵⁶

At the same time, the need for administrative controls to meet the NEP's restructuring objectives engendered uncertainty and had an adverse effect on private (non-Malay and foreign) investment by obscuring the criteria upon which decisions were made. The best example of this was the passage of the Industrial Coordination Act (ICA) in April 1975. This act required all firms with capital and reserve funds beyond a certain level to demonstrate that they met *bumiputera* equity ownership or participation targets as outlined in the NEP before they could obtain or renew their business license.¹⁵⁷ This meant that the Minister of Trade and Industry now possessed discretionary power over a range of management and shareholder practices that would ordinarily lie within the control of individual firms. Despite official assurances to the contrary, the fact that the state could now interfere with the internal operations of any firm deemed to have fallen short of the 30% requirement was interpreted as a "blatant attempt by the bureaucracy to extend its control over areas of the economy over which it has yet no influence through its control of public enterprises."¹⁵⁸

With no guarantee that public enterprises would prioritize economic efficiency and with many statutory bodies run by either politicians or civil servants, private investors were

¹⁵⁶ To meet the restructuring goals of the NEP an annual average growth rate of 14.4% in the corporate stock held by Malays and/or Malay interests was required by 1975. However, the actual share achieved by this time was only 7.8% implying that the growth of total corporate stock would have to increase significantly over the remainder of the NEP's timeframe. For details on how these figures were calculated see: Lim (1983), pp.10-11. Also: Government of Malaysia (1976), p.86 and Lim (1983), p.20.

¹⁵⁷ Haque, p.248; Lee (2000), pp.18-19 and; Lim (1983), p.11.

¹⁵⁸ Lim (1983), p.11.

concerned that political considerations would trump sound economic judgment.¹⁵⁹ If private investment were to fall as a consequence of the state's growing role in the economy the growth of both the corporate sector as well as the overall economy would be negatively affected. Without prudent management, the state's expansion could slow economic growth to the point where the underlying growth strategy of the 2MP would have to be abandoned in favour of a more redistributive strategy if the NEP's objectives were to be met.¹⁶⁰ Needless to say, this would undermine the fundamental premise of the government's attempts to legitimate its authority-defined 'nation-of-intent' and meet its wider obligations to all Malaysians.

To this end, the 3MP recognized that the use of public enterprises and wider institutional bodies designed to help Malays become more competitive had been largely unsuccessful. Instead of facilitating greater Malay participation and ownership in the economy, there was a growing awareness that self-reliance and initiative were essential for encouraging the spirit of entrepreneurship necessary for development.¹⁶¹ At the same time, the 3MP acknowledged the considerable growth in non-Malay resentment as a consequence of the NEP's implementation.¹⁶² Unwilling or unable to escape the logic of its hegemonic 'nation-of-intent', the 3MP saw the UMNO-led BN renew its commitment to performance legitimacy by, once again, emphasizing rapid economic growth as a central theme. Central to the 3MP was the assumption that, following the rebound in Malaysian exports after the global recession of the mid-1970s, the country's economic growth credentials would attract the private (i.e., non-Malay) and foreign investment required to provide the lion's share of development funding.

Nevertheless, doubts over the ability of the BN government to successfully manage the aspirations of all Malaysians threatened to temper the enthusiasm of investors and, therefore, derail the Plan. To counter this perception and sooth investor anxiety the 3MP repeatedly assured its readers that it was designed to assist all Malaysians and not just the

¹⁵⁹ Lim (1983), p.12. There were also prescient concerns about "the temptations that inevitably arise from the rapid concentration of economic power in the hands of a small group in power."

¹⁶⁰ Lim (1983), p.12.

¹⁶¹ Colin MacAndrews (1977). "The Politics of Planning: Malaysia and the New Third Malaysia Plan (1976-1980), *Asian Survey*, 17(3), p.303.

¹⁶² Milne (1976), pp.250-251 and MacAndrews, p.300.

Malay community.¹⁶³ Significantly, the Plan also appreciated the effect that the recent UMNO factionalism had had on investor confidence and contained a strong warning to Malays and others that party factionalism would only defeat the overall purpose of the Plan.¹⁶⁴ Despite all these efforts, the 3MP failed to build upon the momentum of policy change promised after 1969 and, despite impressive rates of economic growth, a steep drop in the incidence of absolute poverty and a narrowing of inter-ethnic income disparities, many of the problems the 3MP identified at its inception remained unresolved at the end of the decade.¹⁶⁵ The growth in private investment was not as expansionary as public investment which, contrary to the expectations of the 3MP, remained the primary source of capital formation and, therefore, one of the main drivers of economic growth.¹⁶⁶

The Mid-Term Review of the 3MP acknowledged that the introduction of legislation such as the ICA had contributed to this phenomenon, lending weight to the assertion that “the rapid expansion of the power of the bureaucracy [had] reduced the confidence of private investors and so produced a shortfall in the level of private investment” required to fund the objectives of the 3MP and NEP.¹⁶⁷ Although a strong export performance between 1977 and 1980 somewhat reversed this trend, the government was eventually forced to amend the ICA in order to allay investor anxiety.¹⁶⁸ In doing so, it hoped to set a virtuous cycle in

¹⁶³ For example, see: Government of Malaysia (1976), pp. v, 44,49, 90 and 92-95.

¹⁶⁴ Government of Malaysia (1976), pp.103-104.

¹⁶⁵ Between 1976-1980 Malaysia enjoyed an average annual economic growth rate of 8.6% which not only exceeded that of the previous five year span but also the 8.4% target set in the 3MP. By 1978, 36.6% of all Malaysian households were classified as ‘poor’, down from 43.9% in 1975. Finally, the disparity ratio between the mean incomes of Chinese and Malays fell from 2.29 in 1970 to 1.90 in 1980. In addition, preferential policies made considerable progress in redressing imbalances of ethnic representation in the arenas of education and employment. See: Shari (2000), p.114 & 121; Lim (1983), p.17; K.S. Jomo (1983). “Prospects for the New Economic Policy in Light of the Fourth Malaysia Plan”, in, K.S. Jomo and R.J.G. Wells (eds.), *The Fourth Malaysia Plan: Economic Perspectives*. Kuala Lumpur: Malaysian Economic Association; pp.51-54 and; Haque, pp.252-253.

¹⁶⁶ The first decade of the NEP saw the public sector expand from 21% to 29% of the economy. See: Lim (1995), p.5.

¹⁶⁷ Lim (1983), p.16 and Government of Malaysia (1979). *Mid-Term Review of the Third Malaysia Plan 1976-1980*. Kuala Lumpur, Government Printing Office; p.5. Between 1970-1980, the share of the public sector in total investment increased in real terms from 32.1% to 33.2% while the share of private investment declined from 67.9% to 66.8% in real terms. Before the implementation of the NEP, Chinese investments comprised 66.9% of all investment. Between 1972 and the implementation of the ICA, Chinese investments averaged just above 30% of total investment. With the enactment of the ICA in 1975 Chinese investments in manufacturing fell below 30%. See: Government of Malaysia (1981). *The Fourth Malaysia Plan 1981-1985*. Kuala Lumpur, Government Printing Office; p.71 & p.78 and Lee (2000), p.19.

¹⁶⁸ Government of Malaysia (1981), p.78. These amendments released many small-to-medium sized firms from having to meet the conditions of the Act. As many non-Malay companies fell into this category, this move was well-received domestically by those who accepted the need for inter-ethnic redistribution in

motion. Greater private investment would spur economic growth and, as the NEP itself stressed, economic expansion was necessary if a policy of redistribution was to be avoided and the potential for inter-ethnic conflict to be reduced.¹⁶⁹ Once again, the interrelationship between society, state and ‘the global’ is evident. On the one hand, the state’s (in)ability to negotiate with ‘the global’, in this case, foreign investors, can be seen in terms of how it must respond to and engage with key domestic ‘social constituencies of legitimation’. On the other hand, the fluid nature of state-society relations in Malaysia helps shape and drive the way(s) in which state actors can connect with ‘the global’ by rendering certain (in)actions more legitimate than others.

However, while state actors recognized the potentially negative political effects of the NEP vis-à-vis inter-ethnic relations, they felt that the consequences of its failure would be even more disastrous for the legitimation of the authority-defined ‘nation-of-intent’.¹⁷⁰ So although the need for investment saw state actors retreat from some of the excesses of the plan, the framing of more and more issues in ethnic terms under the NEP had clearly altered state structures and engendered ethnic polarization.¹⁷¹ As a consequence, the dominant discourse gradually became one of ethnicism or, more specifically, *bumiputraisim*, as the practices of the state reflected an authority-defined ‘nation-of-intent’ whose clear focus was the Malay community. Once again, this is not to say that dominant discourses are uncontested and, certainly, there is ample evidence that disaffected groups attempted to project an image of Malaysia as a more civic entity.¹⁷² The inability of state actors to deliver a broadly acceptable ‘nation-of-intent’ meant that national unity remained an elusive goal.¹⁷³ The uncertainty surrounding the terms of inclusion/exclusion within the national model that had underpinned the violence of 1969 had not yet been resolved. In

principle as necessary for national unity but who resented the more discriminatory aspects of the NEP in practice.

¹⁶⁹ Milne (1976), p.257.

¹⁷⁰ See: Tengku Razaleigh Hamzah (1973) “The Private Sector and the New Economic Policy – Tokenism in Business”, *Development Forum*, 4(1), p.11.

¹⁷¹ Francis Loh Kok Wah (2002), p.27 and K.S. Jomo (1989). “Malaysia’s New Economic Policy and National Unity”, *Third World Quarterly*, 11(4), p.37.

¹⁷² Lee (2000), p.15.

¹⁷³ Ong Puay Liu (1990). “Ethnic Quotas in Malaysia: Affirmative Action or Indigenous Right?”, *Asian Profile*, 18(4), pp.325-334. For her study Ong surveyed Malaysian university students studying in the United Kingdom in the early- to mid-1980s. 97% of the Chinese sample believed that Malay special rights were the most important cause of ethnic tension in Malaysia whereas only 67% of Malays held a similar view. Most Chinese exhibited a strong sense of alienation in their responses while a majority of Malays regarded special rights as having a functional necessity in order to redress the historical inferiority of their community.

fact, by invoking the natural, inherent rights of the *bumiputra* as *bumiputra*, UMNO presented a clear picture of how it interpreted the governing principle of the Malaysian state and conceptualizations of Malaysian national identity. In turn, this forced a counter-reaction from non-Malay groups who adopted an antagonistic stance based on the notion of equal rights. The ensuing stalemate only highlighted further the importance of a rapidly growing economy and the need for state actors to negotiate with the global political economy if the ethnic frictions exacerbated by the NEP were to be contained.

4.7 *Projecting an Islamic Image.*

The NEP did not just have an impact on inter-ethnic relations but also exerted influence on intra-ethnic relations, particularly with the Malay community. State-sponsored socio-economic mobility under the auspices of the NEP increased Malay aspirations while simultaneously applying immense pressure on performance levels. As more Malays entered higher education and modern sectors of the economy, discrepancies between ability and aspiration became apparent. As noted earlier, for many *kampong* Malays city life was a cultural shock and the state's attempts to construct them as members of the new urban, modern bourgeoisie became a major source of tension both within the Malay community as well as between rural Malays and the government. The potential for tremendous social and psychological stress among Malay university students was particularly pronounced as their worldview, informed by the Islamic teachings of rural-based *ulama*, was now confronted by the rational and scientific perspectives of a modern, secular and often Western curriculum.¹⁷⁴ However, with various security laws limiting public expression of dissent Malays had to find alternative means for voicing their disaffection with the disciplinary forces of modernization. Given all this and with the increased salience of Islam following the stress placed on the Malay identity of the Malaysian state, the 1970s witnessed a religious resurgence as Islam provided Malays with an easily identifiable framework within which to articulate their dissatisfaction with the government's modernization program.¹⁷⁵

¹⁷⁴ Means (2009), p.86 & p.123. Many Malay students who studied abroad under scholarship programs in the 1970s were also exposed to alternate life-styles actively promoted by fellow students from other Muslim states and returned to Malaysia determined to demonstrate a renewed commitment to Islam.

¹⁷⁵ Lee (1990), p.494.

Although Islam had previously acted as a basis for anti-establishment movements within the Malay community, the situation in the 1970s was quite different.¹⁷⁶ As we have seen, Malay nationalism in the pre-war period was overwhelmingly secular in the sense that it was “more an outward response to British colonialism and the non-Malay presence” whereas the situation now saw such developments arising from “the internal differentiations within Malay society.”¹⁷⁷ Whereas in the past, the ‘nation-of-intent’ advanced by Islamic activists had reflected an essentially modern critique of traditional religious and political structures on the peninsula, they now embodied a ‘traditional’ backlash against what was perceived to be a modern and predominantly Western assault on a closely-held marker of Malay identity. Muslim activists accused the government of “seeking to instill an alien and irreligious set of materialistic values into the Malays” with the introduction of the NEP only confirming to them the fundamentally secular capitalist structure of the Malaysian state.¹⁷⁸

But this was not strictly a domestic phenomenon and, in another instance of the ways in which the domestic and the global act upon one another and how such interactions inform and are informed by particular ‘nations-of-intent’, the internal tensions and contradictions generated by the NEP then found expression in trends emanating from the broader Islamic

¹⁷⁶ For instance, in the 1930s, Malay Muslim intellectuals educated in the Middle East returned to Southeast Asia and formed the *Kaum Muda* (Younger Generation). Influenced by the universalizing, reformist and anti-colonial ideas associated with the so-called Muslim modernism, their members were highly critical of the *Kaum Tua* (Old Faction) alliance of religious conservatives and traditional elites on the Malayan peninsula. The *Kaum Muda* sought to simultaneously purify and rationalize the practice of Islam on the peninsula so that Muslims could compete in the modern world. See: Roff (1967), pp.56-90; Means (1969), pp.272-274; Kahn (2006), p.93; Tan (1988), p.12 and; Michael F. Laffan (2003). *Islamic Nationhood and Colonial Indonesia: The Umma Below the Winds*. London and New York: Routledge Curzon; p.132. Kahn (2006, pp.98-105), however, highlights the problematic nature of the term ‘Islamic modernism’ by questioning its universalizing aspirations.

¹⁷⁷ Lee (1990), p.494.

¹⁷⁸ Simon Barraclough (1983). “Managing the Challenges of Islamic Revival in Malaysia: A Regime Perspective”, *Asian Survey*, 23(8), p.962. To be fair, despite their largely secular approach to Malay nationalism successive Prime Ministers had realized the important role Muslim opinion, both domestic and international, could play in “building consensus on recognizing the legitimacy of Malaysia as a Muslim state and of UMNO as its ruling party.” For instance, during *Konfrontasi*, Indonesia was able to secure diplomatic support from Muslim countries such as Saudi Arabia and Egypt. After the cessation of the conflict, Tunku Abdul Rahman acknowledged that Malaysia could not pursue relations with the West at the expense of international Muslim support and efforts were made to redress the balance by adopting a distinctly pro-Arab stand on Middle East and hosting several important Islamic conferences throughout the 1960s. Tun Razak’s was clearly eager to regain domestic and international confidence in Malaysia’s viability as a multiethnic state but, here too, we can see evidence of “the development of more extensive contacts with international Islamic activities...as part of the post-1969 pattern of UMNO/government movement towards a more Muslim character.” See: Shanti Nair (1997). *Islam in Malaysian Foreign Policy*. London: Routledge; pp.56-61. Also: Lee (1990), p.496.

world. The increasingly assertive posture of many Muslim states, especially after the first ‘oil shock’ in 1973, drove a worldwide Islamic resurgence which prompted the emergence of missionary or revival (*dakwah*) movements.¹⁷⁹ Although international in scope, specific manifestations emerged according to local conditions.¹⁸⁰ As a cultural response to modernization, Malaysian *dakwah* movements were primarily an urban phenomenon implying that “the locus of ferment [lay] among the chief beneficiaries of the NEP: Malay professionals and bureaucrats who stood to gain the most materially, but yet were increasingly alienated from state-sponsored secularism.”¹⁸¹ In short, it was apparent that in its drive for material progress the postcolonial Malaysian state had neglected to adequately attend to traditional Malay forms of identification in its authority-defined ‘nation-of-intent’ and, in so doing, had failed to negotiate the tension between ‘traditional sentiments of blood and belonging’ and the construction of ‘an efficient, dynamic and modern state’ as identified by Geertz above. By developing a Muslim identity that stressed conformity with ‘true Islam’, *dakwah* movements provided a culturally appropriate means for Malays to critique the perceived excesses of and cultural degradation of a ‘Western secular materialism’ brought about by Malaysia’s rapid economic development.¹⁸²

The increased mobilization and politicization of the Muslim community presented both a challenge and a threat to the Malaysian government and its authority-defined ‘nation-of-intent’. A strategic-relational approach compels us to account for how a changing balance of internal and external socio-political forces can affect the grounds upon which political elites rely for their legitimate authority. In the past, Malay rights and language had formed

¹⁷⁹ This was in stark contrast to the deep sense of spiritual and intellectual malaise among Muslims following the defeat suffered by the Arab states in the Six Day War in 1967 and the consequent loss of Jerusalem and the burning of the Al-Aqsa mosque in 1969. See: Nair (1997), p.68. *Dakwah* (or *da’wah* in Arabic) can be interpreted variously as ‘summons’, ‘call’ or ‘to claim rights’ and generally refers to the responsibility of individual Muslims to perform missionary work by either recalling lapsed Muslims or converting unbelievers. See: Means (2009), p.85; Jomo and Cheek; p.81 and; Means (1978), p.400.

¹⁸⁰ Western labels such as ‘fundamentalist’, ‘conservative’ and ‘anti-Western’ fail to satisfactorily describe *dakwah* as it is not a unitary phenomenon. This is not to deny that certain themes and characteristic recur but that the relative significance of each varies according to the local context. See: Judith Nagata (1980). “Religious Ideology and Social Change: The Islamic Revival in Malaysia”, *Pacific Affairs*, 53(3), pp.405-406.

¹⁸¹ Lee (1990), p.494.

¹⁸² Lee (1990), p.497. It should be noted that *dakwah* did not involve a coherent set of ideas. Each *dakwah* movement is distinct and within Malaysia Islam is characterized by disagreements and fragmentation. In particular, the notion of what exactly is ‘true Islam’ varies considerably, not only between different organizations but also within movements over time. For example, see: Jomo and Cheek, pp.79-105 and Nagata (1980), pp.413-414 & pp.418-428. At the same time, the *dakwah* ideology subtly disguised Malay ethnic antagonism towards the Chinese whose culture was often identified with the evils of materialism.

the basis for socio-political mobilization whereas now religion was becoming the focus; *bahasa jiwa bangsa* ('language is the soul of the people') now began to give way to *bangsa dan agama* ('race and religion').¹⁸³ The erosion of the first two constitutionally-defined components of 'Malayness' – language and custom – left Islam as the only truly effective means for distinguishing between Malays and non-Malays. The symbolic and emotional power of Islam meant that Malay leaders were "particularly concerned with any serious theological or doctrinal disputes that threatened to split the Malay community which was viewed as the 'keystone' constituency underpinning the political base of the government."¹⁸⁴ By stressing a return to the 'essence of Islam' *dakwah* movements implicitly challenged the UMNO-led government's Islamic credentials and, therefore, its legitimacy among Malays.¹⁸⁵

PAS's decision to join the BN coalition in 1973 had left the political space for *dakwah* movements to emerge and articulate social grievances in Islamic terms. Of all the local iterations of *dakwah* in the 1970s, none was more politically influential than *Angkatan Belia Islam Malaysia* (Islamic Youth League of Malaysia, ABIM), which was active throughout all centers of higher learning and committed to Islamic internationalism.¹⁸⁶ As the modern products of a traditional society, western-influenced and urban-based university students were especially receptive to ABIM's message of how intellectual and spiritual experiences could be integrated in a deeper study of Islam.¹⁸⁷ In the context of the BN, ABIM became increasingly influential as a stringent critic of government policies that "served to perpetuate un-Islamic colonial traditions and secular practices which separated

¹⁸³ Nagata (1980), p.409.

¹⁸⁴ Means (1991), p.72. The myth of 'Malay unity' had already been shattered in December 1974 when large student demonstrations were organized to highlight the plight of Malay peasants who were allegedly starving in the Baling area of Kedah. The issue of peasant suffering was regarded as a largely Malay issue and the overwhelming majority of demonstrators were Malay students, many of whom were government scholarship holders. By protesting, these Malay students were directly challenging the UMNO-led government's legitimacy as the protector of Malay interests.

¹⁸⁵ Means (1991), p.72. Government leaders also expressed fears that certain *dakwah* groups might be used by foreign powers to subvert the government's authority. In 1976, Finance Minister Tengku Razaleigh Hamzah warned of the dangers that communist agents were infiltrating the Malay community through Islamic missionary bodies. Similar concerns were expressed with regard to certain Middle Eastern countries. Barraclough (1983), p.961.

¹⁸⁶ ABIM's ideological outlook and organizational structure revealed a close affinity with established Islamic movements overseas such as the Muslim Brotherhood (Ikhwan-ul-Muslimin). See: Jomo and Cheek, pp.70-72.

¹⁸⁷ Nagata (1980), pp.425-426.

religion from political, social and economic issues.”¹⁸⁸ Unlike PAS, which fused its nebulous goal of establishing an Islamic state with Malay nationalistic sentiments, ABIM presented a more pristine interpretation of Islam’s political role. In doing so it advanced an alternative Islamic ‘nation-of-intent’, one that challenged UMNO’s image as a Malay-Muslim organization and as the ruling party.

The ideational challenge to the BN’s authority-defined ‘nation-of-intent’ posed by ABIM and other *dakwah* movements centered on the universalism of Islam to appeal to both Muslims/Malays and non-Muslims/non-Malays. While it did not entirely sabotage the respect for formal authority traditionally encouraged within Malay society, the *dakwah* movement as a whole did challenge the status quo by bringing into relief an alternative locus of formal authority.¹⁸⁹ Laying the blame for Malaysia’s contemporary problems squarely on UMNO’s narrow ethnically-based policies, ABIM’s leaders challenged the ethnic chauvinism (*assabiyah*) of the government and instead offered ‘Islam as the panacea to the problems of a plural society.’¹⁹⁰ This critique struck a chord with many Malaysians and even saw the predominantly-Chinese opposition DAP extend an invitation to ABIM’s charismatic president, Anwar Ibrahim, to address its leadership.

In response to the threat posed by ABIM growing socio-political influence, UMNO initially sought to curb its pull in universities, the public service and among the rural Malay population.¹⁹¹ Despite such efforts though, the government received a rude shock in 1979 when the united associations of Malaysian Muslim students in Britain publically rejected the NEP on the grounds that it was pro-Western, pro-capitalist, anti-poor and only benefitted the Malay bourgeoisie.¹⁹² As was the case in Baling in 1974, this challenge to the NEP from those benefitting from its affirmative action clearly threatened the “official, rather chauvinistic view of Islam, with its ideal ‘trinity’ of Malay/Muslim/political (UMNO) identity.”¹⁹³ By challenging the NEP’s commitment to modern technology, Western investment and state capitalism as un-Islamic, the government feared that *dakwah*

¹⁸⁸ Jomo and Cheek, p.85.

¹⁸⁹ Nagata (1980), pp.434-435.

¹⁹⁰ This was the theme of ABIM’s hugely successful 1979 annual convention. Although ABIM leaders, like many of their counterparts in PAS, formally stressed the transcendence of religion over race or ethnicity, on occasion they would slip into the easy equation of Islam and ‘Malayness’. Nagata (1980), p.428.

¹⁹¹ Jomo and Cheek, p.88.

¹⁹² Nagata (1980), p.429.

¹⁹³ Nagata (1980), p.429.

movements would undermine its efforts to restructure the Malaysian economy and promote communal economic equality in line with the authority-defined 'nation-of-intent'.¹⁹⁴ UMNO leaders fretted that the Islamic resurgence jeopardized the government's redefinition of a 'modern' Malay identity under the NEP and its push to change traditional Malay attitudes.¹⁹⁵

These fears were further compounded by the possible impact on foreign investment. With Western investors already spooked by recent events in the Middle East, the Malaysian state's growing emphasis on its Islamic identity potentially threatened a key component of Malaysia's economic development strategy and brought into question "the extent to which the government [was] willing to subordinate its secular programmes to Islamic ones."¹⁹⁶ Despite these fears, however, the government was able to adroitly equate most Islamic dissent with blind resistance to economic modernization in the minds of a majority of Malaysians and sooth the nerves of Western and Japanese investors.

Nevertheless, the challenge of the *dakwah* movement ultimately forced a review of UMNO's attention to Islam and its image within the Islamic world. Responding in typical fashion, the UMNO-led government decided to "curb the more radical aspects of the revival and mold it into a force supportive of the incumbent regime and its policies."¹⁹⁷ With PAS's return to opposition ranks in 1977 followed by the Iranian Revolution in 1979, these efforts were intensified and UMNO, as a whole, began to project itself more and more as an Islamic organization.¹⁹⁸ For many UMNO leaders, the only sure way to address the

¹⁹⁴ Means (1978), p.400.

¹⁹⁵ UMNO leaders were particularly concerned that *dakwah* movements reinforced conventions in which Malays, comfortable in the knowledge that the next world (*akhirat*) was theirs, would be willing to abandon this world to non-Muslims. The Deputy Prime Minister at the time, Datuk Musa Hitam, stated "...there are those now who are using the *dakwah* movement to go back to the old system which will do no good to the country in the long run because the New Economic Policy means opportunities for the Malays and gives them their rightful place in the country." See: Barraclough (1983), p.963. Also: Nagata (1980), p.417.

¹⁹⁶ Lee (1990), p.495. Also: Barraclough (1983), p.973, fn.15.

¹⁹⁷ Barraclough (1983), p.967. Barraclough (pp.967-972) outlines four principle elements that were discernable in the government's response to the political challenge posed by the *dakwah* movements. First, the government made significant symbolic concessions to Islam. Second, it sought to co-opt the energies generated by the revival by promoting its own *dakwah* activities. Third, it sought to regulate Islamic developments by centralizing its control over religious education and the affairs of mosques and imams. Finally, coercion was employed against groups that threatened the authority of the government. See also: Means (1978), p.400.

¹⁹⁸ Initially, the Malaysian government and UMNO were silent on the events in Iran, uncertain of what the revolution might herald for other Muslim countries. Seven months after the revolution, Dr. Mahathir (then Deputy Prime Minister and Deputy President of UMNO) addressed UMNO's General Assembly to defend the

challenge posed by the international resurgence of Islam and the ways in which it engaged domestic Islamic movements both within and without the electoral process was with more Islam.¹⁹⁹ The “process of global Islamic reassertion and...the capacity of such changes to feed into the domestic Malaysian context” escalated competition amongst Malay leaders to prove their Islamic credentials in order to appeal to both domestic and international audiences.²⁰⁰ In other words, the intensive and interactive relationship between the internal and external contexts meant that an otherwise secular and Western-oriented Malay political elite was now compelled to don a more explicitly Islamic outlook and practices.²⁰¹

In line with the propositions associated with a strategic-relational approach, the emergence of a more Islamic socio-political environment signaled a distinct change in the authority-defined ‘nation-of-intent’ and in how political authority could be legitimated in Malaysia with potentially far-reaching consequences for both inter- and intra-ethnic relations (Figure 14). The government’s generally conciliatory approach to Islamic pressures meant that its ability to moderate further demands in the future was seriously compromised which, in time, would “have serious consequences not only for the regime’s economic and social policies, but also for communal stability.”²⁰² While it was conceivable for non-Malays to challenge overt expressions of Malay ethnic assertiveness, the highly emotive nature of religious identity injected an even more non-negotiable element into communal relations and, therefore, carried far graver implications for national unity.

party’s overall struggle as one that was concerned with both the material *and* the spiritual. Barraclough (1983), p.968 and Nair (1997), pp.73-78.

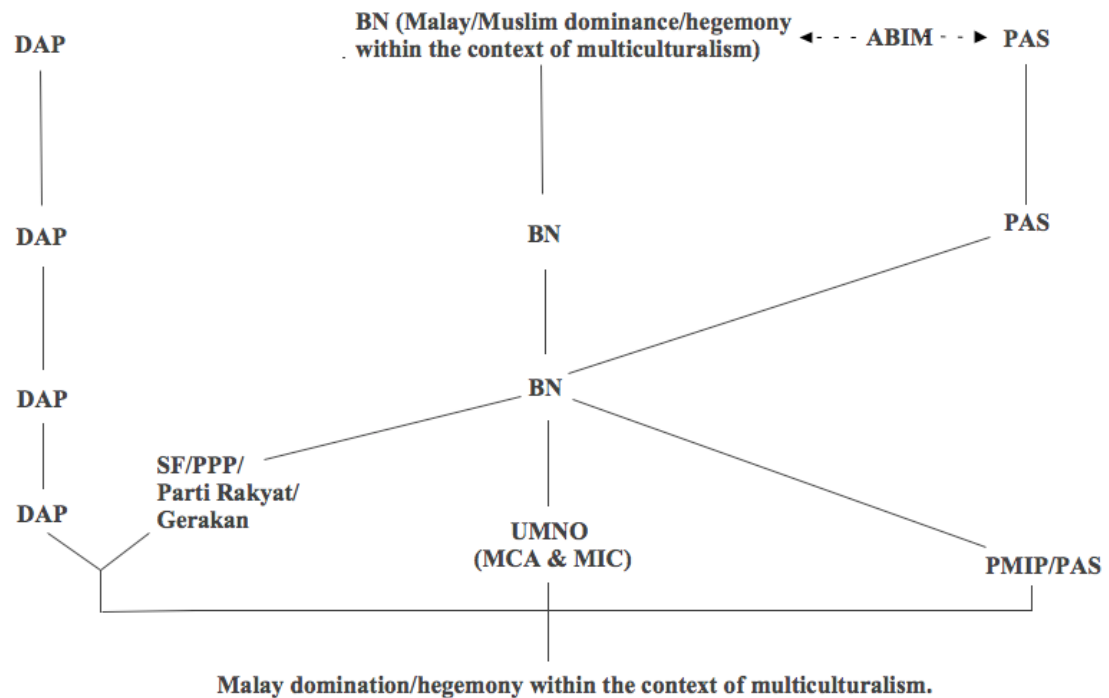
¹⁹⁹ Nair (1997), p. 77. The late 1970s saw a mushrooming of government-sponsored *dakwah* organizations and programs. See: Nagata (1980), pp.430-432.

²⁰⁰ Nair (1997), p. 82.

²⁰¹ Means (1978), pp.397-398

²⁰² Barraclough (1983), p.973.

Figure 14: Postcolonial ‘Nations-of-intent’ 1969-1980 (Step 4)



Conclusion

May 13, 1969 represented a critical juncture in Malaysia’s postcolonial history. As explained and examined in earlier chapters, a strategic-relational approach reminds us that the state exists primarily as a social relation. Not only does this then allow us to account for why any state form might be privileged – something that I argue is reflected in the authority-defined ‘nation-of-intent’ – but it also emphasizes the contingency of any such privileging. In this sense, the (in)stability of internal socio-political dynamics and the evolution of social relations can be directly connected to notions of political authority. Following the events of May 13, the inherent flaws contained within the authority-defined ‘nation-of-intent’ and the structure of the state, could no longer be papered over by a ‘politics of ambiguity’. In the aftermath of the racial riots the UMNO-led Malaysian government sought to redefine the country’s national model and institutional structure and in doing so reorganized the terms of inclusion and exclusion within the nation-state by privileging a particularly Malay state form, limiting the realm of political action and attempting to define the social constituency of legitimation in largely Malay terms. To

avoid any repeats of civil unrest and promote national unity the political elite recognized that Malay anxieties over their socio-political and economic positions had to be assuaged. No longer hesitant in asserting its political dominance, UMNO moved decisively to legally cement the concept of Malay 'special rights'. Amendments to the Federal Constitution and legislation introduced in Parliament in the early 1970s ensured that the provisions of the 1957 'bargain' would be fenced off, free from public scrutiny and questioning. The operationalization of Malay special rights via an extensive system of affirmative action programs further legitimated the government's authority among the majority Malay population. By translating Malay political dominance into socio-economic advancement the UMNO-led government hoped to secure not only popular support within a key social constituency but also to guarantee national unity by removing what it considered to be the root cause of the ethnic conflagration in 1969.

But while Alliance, and later BN, governments laboured to re-establish their legitimacy by more narrowly defining the social constituency of legitimation around a distinctly Malay core, Tun Razak realized that legitimation could not be complete if the state relied solely on the Malay community for its social ordination. However, the BN was unable or unwilling to shed the historic logical of communalism and so failed to develop a broadly acceptable collective identity. To meet the socio-political and material aspirations of the Malay community without alienating non-Malay communities, BN governments instead began to rely more and more on global economic flows of investment and capital to fuel the levels of economic growth required to at least minimally satisfy all Malaysians. In this sense, it was the specific historical structure of the Malaysian state that, somewhat ironically, compelled political elites to increasingly turn to global economic forces to provide the material benefits needed to maintain the (communal) *status quo*. As noted earlier, this meant that state actors were forced, more than before, to negotiate between internal *and* external forces in order to legitimate their authority. In terms of the society-state-global interrelationship, the 1970s thus saw a shift in the balance between the three components; where the dynamic had been largely skewed inwards prior to 1969, there was now something of a realignment as 'the global' assumed greater significance. As we shall see in the next chapter, this greater engagement eventually fed back into the dynamic, altering the society-state

relationship but, for now, the domestic reverberations of ‘the global’ were still largely constrained by the historical structure of the Malaysian state.

This much seems apparent for while the BN’s set of programs may have proved somewhat successful in improving the socio-economic lot of Malays by the end of the decade, the same could not be legitimately claimed for the stated objective of creating a harmonious and unified society. The institutionalization of Malay special rights guaranteed the immediate political support of the Malay community but their ossification within ‘untouchable’ sections of the constitution denied the government the “future policy flexibility necessary to pursue goals that require the manipulation of so many interdependent variables” and sorely limited its ability to respond to the kind of historical contingency revealed by a strategic-relational approach.²⁰³ After 1969 most political leaders, both Malay and non-Malay, agreed that the economic position of the Malays should be radically restructured but there was considerably less consensus on the ethnic discourse of *bumiputraisim* which subsequently emerged. Non-Malays considered the centralization of government efforts to induce social and economic change within a single community as an unjustified perpetuation of communally-defined functional compartmentalization. The need for economic redistribution was accepted in principle but the use of a particularistic trait, ethnicity, in favour of a more universalistic criterion to determine who would receive assistance was widely criticized by non-Malay political leaders and antagonized ordinary non-Malay citizens. Without either a blocking or veto power, non-Malays had little say vis-à-vis government policy changes. Although most did not suffer economically their politically marginal status ensured that while they were not entirely excluded they were also not fully included within Malaysia’s authority-defined ‘nation-of-intent’.

Within the context of steadily deteriorating inter-ethnic relations, largely as a result of the government’s affirmative action programs, a parallel crisis of legitimacy emerged as a result of the implementation of the NEP in practice. By reducing socio-economic gaps and displacing some of the distinctiveness of the old ethnic boundaries between Malays and non-Malays, the NEP had increased Malay anxieties over ethnic identity. Furthermore, by

²⁰³ Means (1972), p.61.

eschewing a class-based approach the government's affirmative action programs had struggled to effectively redress intra-ethnic income inequality, particularly within the Malay community.²⁰⁴ These two factors together presented a direct challenge to UMNO's legitimacy, based as it was on maintaining Malay unity and its role as the protector of Malay rights. The increased saliency of 'Islam' as the new code-word for 'Malay' and the potential for Islamic ideals to provide "the grounds for an internal differentiation of the Malay community in a manner which could be seen as reflecting class interests" meant that Islam could act potentially as both a unifying and divisive force within the Malay community.²⁰⁵ The need to ensure the former compelled UMNO and, therefore, the Malaysian government to steadily incorporate a more Islamic outlook into the authority-defined 'nation-of-intent' in order to promote intra-Malay solidarity.

By the end of the decade it was apparent that ethnic/religious polarization had sharpened as concessions made to Islamic pressures throughout the 1970's cast further doubts on the government's sincerity in maintaining inter-ethnic harmony.²⁰⁶ Due to the centrality of Islamic politics at home and of its global reassertion, the UMNO-led government increasingly began to project, domestically and internationally, an 'Islamic' image of the Malaysian state, which constrained its official approach to 'dissident' domestic Islamic organizations. At the same time, it would seem as if the government was more than prepared to use the perceived threat of 'deviant' Islamic groups to create an atmosphere in which the UMNO-led BN would be the best placed to manage these new and even more sensitive challenges to the communal equilibrium.²⁰⁷ The nuances of the Islamic revival with "its diverse organizations and links with intra-Malay politics [was] difficult for non-Malay community and political leaders to understand" and they generally regarded the *dakwah* movement as "an expression of Malay insecurities rather than an outpouring of

²⁰⁴ Nagata (1980), p.412.

²⁰⁵ Nagata (1980), p.437.

²⁰⁶ A number of disturbing incidents towards the end of the decade reflected such concerns. In 1978, four white-robed Malay fundamentalists were beaten to death when they were discovered attempting to desecrate a Hindu temple by a vigilante group of Indian temple guards. The Indian community was upset by the restrained response of the Malay leadership and emotions ran high when eight of the temple guards were charged with homicide. In an even more dramatic incident a group of twenty men clad in white robes and armed with swords attacked a police station in Batu Pahat in 1980. In the ensuing melee, police shot dead six of the attackers and several more people were injured. Although both incidents did not escalate into serious bloodshed or communal unrest they served as a stark reminder that religiously- and ethnically-tinged tensions remained just below the surface in Malaysia. See: Means (1991), pp.70-71.

²⁰⁷ Barraclough (1983), pp.965-966.

religious sentiment.”²⁰⁸ The possibility that the Islamic revival might fuel outbreaks of communal violence was of concern but there were also additional fears that the growing momentum of *dakwah* might also eventually erode the constitutional rights of non-Muslims and result in a far more exclusive conceptualization of the authority-defined ‘nation-of-intent’.²⁰⁹ As the moderator of Malay demands within the BN structure, UMNO’s position was thus arguably strengthened by the appearance of the Islamic revival as it was the only coalition member that could speak with any semblance of religious authority. To counter the potential loss of Malay support from doing so UMNO would then require unqualified non-Malay support, which implied “a reinforcement of the rights of non-Muslims in the face of their erosion by Islamic concessions.”²¹⁰ UMNO’s ethnic balancing act within Malaysian politics and society more broadly now assumed a distinctly religious hue.

By plainly underlining the differences between different ethnic / religious communities in Malaysia following 1969 the government reinforced vertical cleavages and made it more difficult to synthesize these primordial allegiances into an inclusive Malaysian national identity.²¹¹ In short, attempts on the part of state actors to implement a hybrid grand strategy and conceptualization of the ‘national’ continued to be problematic due to the unwieldy nature of the political landscape in Malaysia. Although a degree of national unity can be achieved by keeping the possibility of further civil unrest fresh in people’s minds, it is only natural that the effect of doing so might wear off in time. Alternatively, national unity can be promoted as a necessary condition for meeting developmental goals, the logic being that socio-political stability is required to attract investment and drive the Malaysian economy forward. But, in the absence of genuine attempts to overcome existing primordial ethno-religious loyalties, national unity itself becomes reliant on economic performance. That is, without a single coherent and overarching social constituency of legitimation incorporating a broad cross-section of Malaysian society, the BN was forced to look without rather than within. In this fashion, the legitimation of the BN government’s

²⁰⁸ Barraclough (1983), p.965 & p.966. Also: Means (1978), p.401. The diversity present in the non-Muslim religious field in Malaysia has also prevented non-Malays from effectively organizing against increasing Islamic domination.

²⁰⁹ The late 1970s saw increased calls for the introduction of Islamic *shariah* law to cover all Malaysians irrespective of their professed religion. There have also been incidents where government agencies have sought to minimize the public presence and status of other religions. See: Barraclough (1983), p.966.

²¹⁰ Barraclough (1983), p.972.

²¹¹ Means (1978), p.404.

‘nation-of-intent’ and, therefore, its political authority became explicitly linked to the international economy as steady rates of economic growth allowed the government to engage in non-zero sum socio-economic restructuring and development. Restructuring efforts, particularly the NEP, worsened inter-ethnic relations and undermined the government’s efforts at legitimization.²¹² But so long as the UMNO could rely on the broad support of the Malay community its political authority was assured. Therein lay the second potential threat to the BN government’s attempts at legitimization. While the NEP benefitted Malays on an aggregate level, the absence of clear-cut criteria to determine which Malays actually needed assistance threatened to obscure pre-existing class inequalities. The more vertical, ethnic distinctions became legally and ideationally ‘entrenched’ in Malaysian politics and society, the more dangerous communal fissures became for the legitimization of political authority.

²¹² In terms of Solingen’s spectrum, the Malaysian government first veered towards the ‘backlash’ extreme in the period immediately following the racial riots of 1969 as it attempted to shore up its core Malay base of support. However, once this was achieved, state actors shifted to a more internationalizing strategy. In fact, the latter could be viewed as a necessary move given the initial backlash strategy. Having pinned its legitimacy primarily on meeting the needs of the Malay community but still dependent on non-Malay capital, the UMNO-led government was largely compelled to (re)engage with global economic flows in order to satisfy both constituencies in a non-zero sum fashion.

Chapter Five – The Mahathir Years: Global Forces and the Paradoxes of Personalized Politics.

Introduction

The 1970's had witnessed the emergence of a new political idiom in Malaysia. The failure of the political system in 1969 to peacefully accommodate extreme ethnic demands and high levels of political activity compelled the Malaysian government to severely narrow the political agenda and minimize opportunities for political mobilization. The political rules of the game had changed irrevocably with the introduction of a range of constitutional amendments, the *Rukunegara* and, especially, the NEP. Rapid socio-economic change similarly transformed the elite structure of Malaysian politics as increased functional diversification undermined generally hierarchical ethnic structures and the role of traditional elites.¹ This new milieu also saw the emergence of a range of 'strategic elites' – the Malay royalty, Islamic *ulama*, business figures, the press, the legal profession, etc. – whose command of significant political, economic and ideational resources could not be ignored in political calculations. Taken together, the new 'ground rules' and a mélange of socio-political actors engendered a policy agenda which "tended to move from broad fundamental policy issues to questions of patronage and allocative decisions affecting specific groups and the distribution of tangible material benefits to key political constituents."²

Despite the remarkable socio-political and economic developments of the 1970s, however, the institutional structure of the Malaysian state at the start of the following decade was essentially similar to that present in 1957. Political institutions reflected the authority-defined 'nation-of-intent' and thus continued to work for the "seemingly inimical purposes of upholding a leading role for Malays and maintaining racial and religious harmony."³ The legitimation of political authority continued to rest on the fulfillment of these paradoxically interdependent ethnically-defined objectives. With government leaders unwilling or unable to abandon an ethnically-stratified status quo and subordinate

¹ Each of the separate ethnic communities displayed different degrees of hierarchy in their structure with the Malay exhibiting the highest (although still incomplete) level.

² Means (1991), p.111.

³ Meredith L. Weiss (2006). *Protest and Possibilities: Civil Society and Coalitions for Political Change in Malaysia*. Stanford: Stanford University Press; p.39.

“‘primordial sentiments’ to the requirements of civil politics”, the syncretic approach of state actors in which Malay dominance was assured and non-Malay resentment contained could only be realized within the context of a steadily expanding economy.⁴ Meeting the aspirations of both Malays and non-Malays meant that political legitimization and economic performance had become two sides of the same coin.

This strategy, however, contained some unintended pitfalls that would surface throughout the following decades. Most obviously, the open nature of Malaysia’s economy, itself a legacy of British colonial policy, meant that it was heavily dependent on external factors.⁵ What is more, any downturn in the global economy could threaten the material bases of the government’s legitimization efforts by jeopardizing the economic expansion required if a policy of redistribution from non-Malays to Malays was to be avoided. However, by increasing the likelihood that identities other than ethnicity might become more politically prominent, rapid economic development had made it equally evident that state actors needed to satisfactorily balance the competing socio-economic interests of Malays and non-Malays for both normative and instrumental purposes. That is, they needed to ensure the salience of the authority-defined ‘nation-of-intent’ as both *the* expression of the governing principle of ‘Malaysia’ and as a reference point against which key constituencies could measure the performance of the UMNO-led government. By mobilizing ethnic sentiments and vigilantly patrolling ethno-religious boundaries throughout the 1970s, state actors had successfully managed to crowd out rival ‘nations-of-intent’ that highlighted either secular horizontal identities/ideologies based on class politics or those based on Islam, both of which encouraged notions of autonomy from the state.⁶ Malaysia’s remarkable middle-class growth, however, now promised the potential for “new linkages among social groupings...[and] a new culture of participation, and perhaps even a new partnership with government” that could provide the impetus necessary for a re-alignment in the balance

⁴ Alvin Rabushka and Kenneth A. Shepsle (1972). *Politics in Plural Societies: A Theory of Democratic Instability*. Columbus: Charles E. Merrill; p.8 and Diane K. Mauzy (1983a), p.149.

⁵ Subrata Ghatak, Chris Milner and Utku Utkulu (1997). “Exports, Export Composition and Growth: Cointegration and Causality Evidence for Malaysia”, *Applied Economics*, 27, p.215 and Doraisami (1996), pp.224-225. Recall that between 1970-2011 Malaysian exports as a percentage of total GDP averaged 77.3%. If we this range is narrowed to just 1987-2011, the export-GDP ratio skyrockets to 98.45%. See: International Monetary Fund (1995).

⁶ James V. Jesudason (1996). “The Syncretic State and the Structuring of Oppositional Politics in Malaysia” in, G. Rodan (ed.), *Political Oppositions in Industrialising Asia*. London: Routledge; p.148.

between state and society.⁷ In particular, the socio-economic transformations occurring within the Malay community as a consequence of the NEP had generated a progressively fluid political environment in which the myth of ‘Malay unity’ was being increasingly exposed.

The transformation of the political and social landscape as a consequence of internal and external factors shaped how state actors could possibly legitimate their political authority with reference to an authority-defined ‘nation-of-intent’. Rapid economic growth allied with the government’s affirmative action programs had begun to impact on the operation of domestic politics, particularly with respect to UMNO. The NEP saw increased numbers of business people become active within the party, bringing with them the aggressiveness of the corporate world to party politics. Even by the end of the 1970s there was evidence that the deference traditionally given to those in authority within Malay society was waning as party delegates became more critical of the leadership.⁸ The Islamic resurgence presented an alternative locus of (de)legitimation and also implied a reconceptualization of the authority-defined ‘nation-of-intent’. Finally, the increased dependence of the Malaysian economy on foreign investment and export revenue so as to meet the economic aspirations of the Malays without unduly alienating non-Malays put a premium on political stability and, somewhat ironically, highlighted the need for inter-ethnic harmony.

The challenge facing the Malaysian government in the period 1981-1996 was how to successfully manage a progressively more complex domestic socio-political environment in which the articulation and performance of the authority-defined ‘nation-of-intent’ had become more problematic. Increased contact with the economic dimensions of globalization, particularly in the form of export markets and foreign investment, was beginning to transform the structure of the state and the dynamics of political competition. Malaysia’s shift from being an exporter of primary commodities to a producer of manufactured goods was increasingly dependent on not just Western, Japanese and Korean investment but also on that from second-tier ‘tigers’ such as Taiwan, Hong Kong and Singapore. According to David Camroux, these latter investors were attracted to Malaysia

⁷ Robert Hefner, in Meredith L. Weiss (2006), p.39.

⁸ R. S. Milne and Diane K. Mauzy (1999). *Malaysian Politics Under Mahathir*. London and New York: Routledge; p.26.

not only for “its relatively cheap labour force but also [because of] the existence of a class of Chinese-Malaysian entrepreneurs and executives.”⁹ The fact that much of this second-wave NIC (Newly Industrializing Country) investment in Malaysia was concentrated in the predominantly Chinese centers of Penang and Kuala Lumpur further illustrates how the “pressures coming from globalisation were running...counter to a narrow defence of Malay interests.”¹⁰ The need for prudent economic and social policies in order to appease important non-Malay transnational economic connections thus implied a reconfiguration of Malay-centered constructions of national identity. In this sense, any apparent re-articulation of the authority-defined ‘nation-of-intent’ during this time period should be seen as more than merely coincidental.

At the same time, the changing nature of state-society relations was altering the shape of political authority within Malaysia conditioning the ways in which such global processes could be diffused domestically. In particular, the gradual blurring of the old national discursive division between the Malay ‘core’ and non-Malay ‘periphery’ held out the promise that the socio-economic impacts of these global economic and financial flows might be more ‘multicultural’ in shape and distribution rather than being geared primarily for the benefit of the main ethnic community, as they previously had been.¹¹

Together these two aspects of a single, mutually constitutive dynamic affected the options and constraints facing political leaders as they sought to legitimate their authority. A strategic-relational approach to conceptualizations of political legitimacy stresses that effective authority is located within a changing balance of external and internal forces. The purpose of this chapter is, thus, to explore the ways in which the society-state-global interrelationship evolved between 1981-1996 and, in particular, to investigate how the Malaysian state under Mahathir attempted to more closely manage the terms of its external and internal relations according to the logic of its authority-defined ‘nation-of-intent’ and

⁹ David Camroux (1994). *Looking East and Inwards: Internal Factors in Malaysian Foreign Relations During the Mahathir Era, 1981-1994*. Griffith University: Centre for Study of Australia-Asia Relations; p.8.

¹⁰ Camroux, p.9.

¹¹ Bunnell lists three possible ‘domestic’ reasons for this move away from the defense of Malay cultural-economic interests: 1) the increasingly moderate stance of *dakwah* movements; 2) the rise of a *bumiputera* capitalist class suggested that affirmative action was no longer seen to be as necessary as it had been and; 3) changes in the demography of Malaysia meant that, numerically at least, Malays were no longer in threat of being ‘swamped’ in their own country. See: Bunnell, pp.110-111.

maintain its political authority. Equally telling, however, were the ways in which the state's interrelationship with both domestic society and the global increasingly undermined this logic, giving space and oxygen to alternative conceptualizations of the 'national' as state actors attempted to balance 'internationalizing' and 'backlash' pressures in their attempt to craft a hybrid conceptualization of the 'national'.

5.1 The Transition to Mahathir: Attempting to Balance Change and Continuity.

Following a coronary by-pass operation in February 1981, Hussein Onn signaled that he intended to leave office and retire from politics. By this stage, a clear norm existed for the Deputy Prime Minister to take over the top job and despite some indication that Dr. Mahathir Mohamad might face some opposition at the June 1981 UMNO General Assembly this did not materialize.¹² Like Tun Razak and Hussein Onn before him, Dr. Mahathir made the smooth transition to the Prime Minister's office. Attention in June instead focused on the election of the party's Deputy President who, by convention, would then become the country's Deputy Prime Minister and thus possibly a future Prime Minister. Feverish activity marked the early stages of the contest but in the end only two major contenders were left to square off against one another – Finance Minister Tengku Razaleigh Hamzah and Education Minister Datuk Musa Hitam. Razaleigh possessed the early advantage but this was soon over-turned by Musa and a combination of factors eventually assured the latter of a comfortable victory in the final tally.¹³ On July 16, 1981 the new '2-M' team took office.¹⁴

The transition from Onn to Mahathir marked a sea-change in Malaysian politics. In the first place, both Mahathir and Musa had been expelled from UMNO in August 1969 following the May 13 race riots for their stringent criticism of the Tunku and his ostensibly

¹² Fred R. von der Mehden (1982). "Malaysia in 1981: Continuity and Change", *Asian Survey*, 22(2), p.212 and Means (1991), p.82.

¹³ Razaleigh's 'un-Malay' aura of self-importance and naked ambition along with his purported ties to the Chinese community made delegates uneasy in contrast to Musa's humble aspiration for the position. Finally, despite their ostensibly neutrality it was widely believed that Musa enjoyed the support of both Mahathir and Onn. Musa won with 722 votes to Razaleigh's 517. See: von der Mehden (1982), pp.212-213.

¹⁴ The press' use of this term implied that Mahathir and Musa shared a common political outlook and style, unsurprising considering their shared histories.

pro-Chinese position.¹⁵ Although politically rehabilitated and rapidly promoted by Tun Razak, the ascension of these two ‘ultras’ to leadership of the country personified the way in which the authority-defined ‘nation-of-intent’ had been redefined during the 1970s. Understandably, non-Malays were apprehensive and questioned the ability of Mahathir and Musa to follow in their predecessors’ footsteps and govern ‘fairly’. But while Mahathir and Musa certainly recognized the political realities of maintaining their core Malay constituency, they were equally careful to simultaneously emphasize their commitment to Malaysia’s multiethnic, plural society and both publically downplayed their extreme chauvinist pasts.¹⁶ Intra-ethnic relations within the Malay community were similarly affected as neither Mahathir nor Musa had any links with the feudal elite who had traditionally made up UMNO’s top leadership. Musa’s defeat of Razaleigh, a member of Kelantan’s aristocracy, highlighted UMNO’s “rapid movement away from the entrenched traditional concepts of hierarchy and deference towards a more ‘open’ organization.”¹⁷ Furthermore, unlike their British-educated predecessors, neither was irrevocably wedded to western conceptions of development. These themes would reverberate throughout Mahathir’s long reign.

Prior to becoming Prime Minister, Mahathir had studiously avoided controversy and had assured Malaysians that there would be no major changes in policy once he assumed office.¹⁸ While it is true that the new administration was similar in composition and policy outlook to Onn’s, Mahathir did inject a new ‘action oriented’ style implying that any problems which existed were more a matter of implementation than substance. The cardinal message was clear: “the NEP and the basic economic and social policies of the previous administration would be improved to achieve the policy goals with greater haste and with less waste.”¹⁹ Ahead of expected elections in 1982, Mahathir introduced a number of measures designed to prove to the Malaysian public that his administration was

¹⁵ Mahathir used his time in the political wilderness to articulate his prognosis on Malaysia’s socio-political ills. These thoughts were eventually crystallized in *The Malay Dilemma*, which was subsequently banned in Malaysia. The ban was only lifted in August 1981 after he became Prime Minister.

¹⁶ V. Selvaratnam (1982). “Malaysia in 1981: A Year of Political Transition”, *Southeast Asian Affairs*, 9, p.246 and von der Mehden (1982), p.214. Without denying any normative motivation, the steep drop in the Malaysian share market following UMNO’s General Assembly would have provided an impetus for both men to stress an inclusivist posture.

¹⁷ Selvaratnam (1982), p.247. See also: Jerry Bass (1983). “Malaysia in 1982: A New Frontier?”, *Asian Survey*, 23(2), p.192.

¹⁸ Means (1991), p.83.

¹⁹ Means (1991), p.85.

taking positive steps to address issues of governance. Critical of the poor overall performance of the bureaucracy, Mahathir launched a series of concrete measures to improve the efficiency and productivity of the civil service and to weed out any 'passengers'.²⁰ Unprofitable *bumiputra* enterprises were also subject to greater scrutiny and warned that they could not remain dependent on the state indefinitely. Efforts to monitor the progress of government projects as well as the implementation of policy were intensified as part of Mahathir's desire to streamline the processes of government.

Mahathir had long been a critic of the government and so there was anticipation that this ethos of greater public accountability might be accompanied by the emergence of a more tolerant and open political process in which public discussions of policy alternatives might occur. Such expectations had, admittedly, been clouded by Mahathir's support, as Prime Minister designate, for the passage of the controversial Societies Act (Amendment) Bill 1981. This legislation curtailed the political activities of public interest pressure groups, which Mahathir regarded as one of the worst aspects of democracy for having an influence out of all proportion to their actual numbers.²¹ At the same time, the government passed a bill that amended Article 160 of the Federal Constitution granting the government the power to declare a state of emergency in case of 'imminent danger' and to implement decrees without judicial oversight.²² Together with existing legislation and security powers, the government possessed formidable means to counter any likely opposition to its authority. However, in other respects, Mahathir signaled a shift towards greater political liberalization once he became Prime Minister. Besides lifting the ban on his own

²⁰ For instance, a system of punch-in time clocks was instituted and all civil servants were instructed to wear name tags so that they could be readily identifiable by the public. In addition, the National Bureau of Investigations was instructed to pursue issues of corruption and mismanagement of public funds with increased vigour. See: Means (1991), pp.84-85; Selvaratnam (1982), pp.247-248 and; von der Mehden (1982), pp.214-215.

²¹ Selvaratnam (1982), p.261. Under the terms of the bill, the Registrar of Societies had the power to deregister any group challenging "(1) the government, (2) Islam or other religions, (3) the National Language, (4) the special position of the Bumiputras, or (5) the legitimate interests of the country's other communities. In addition, any organization that 'tries to influence in any manner the policies and activities of the Government' could be deregistered, or would have to register as a 'political society', and would be prohibited from having non-citizens as members or from having any international affiliations without permission." Among other groups, this legislation was clearly targeted at the growing influence of *dakwah* organizations. Although these changes to the bill were watered down somewhat when it was finally amended in 1983 casting a liberal light over Mahathir's administration when compared to previous ones, the fact remains that the 'new' bill was a potentially coercive tool. See: Michael Ong (1984). "Malaysia in 1983: On the Road to a Greater Malaysia", *Southeast Asian Affairs*, 11, p.200; Means (1991), p.85 and; von der Mehden (1982), p.217.

²² von der Mehden (1982), p.216.

controversial work, *The Malay Dilemma*, he fulfilled an earlier pledge to review the situation of those held under the Internal Security Act (ISA). Within a fortnight of taking office, Mahathir released 21 prominent detainees and also removed restrictions on those who had been freed earlier. A further 47 ISA detainees were released a month later as part of *Merdeka* celebrations.²³ This careful balancing of continuity and change signaled a new trend in Malaysian politics, one that emphasized pragmatism, innovation and stability and one that hinted at a further redefinition of the authority-defined 'nation-of-intent' to ensure it was more acceptable to a wider audience of Malays and non-Malays.

Mahathir's balancing act soon had international repercussions. In September 1981 the Malaysian government conducted a dawn-raid on the London Stock Exchange to acquire a controlling interest in Guthrie, a giant plantation corporation, as part of the restructuring objective of the NEP. Although the whole process was entirely above board, the move was condemned in Britain as being an instance of 'back-door nationalism' and the British Securities Council swiftly introduced new rules to prevent similar attempts in the future.²⁴ Angered by this and other British actions considered to be anti-Malaysian in nature, Mahathir instigated a 'Buy British Last' policy.²⁵ This deliberate shift away from established trading and investment patterns was followed up by a broader discursive realignment of Malaysia's socio-cultural and economic perspective. To balance the intrusion of western influences, Mahathir introduced a 'Look East' policy, which was the international equivalent of his administration's domestic leitmotiv of 'clean, efficient, trustworthy' in that "it connoted a similar reorientation of direction, focus on efficiency, and promotion of an undistorted view of Malaysian interests."²⁶ Pragmatism rather than slavish reliance on traditional trade and investment channels now underlay Malaysia's international economic relations. In short, the Malaysian state now sought to actively manage its relations with the global economy rather than simply being a relatively passive recipient of external flows.

²³ Selvaratnam (1982), pp.262-263. Despite these releases, 513 people continued to be detained under the ISA.

²⁴ Selvaratnam (1982), p.267

²⁵ The regulations governing the operation of the London Metal Exchange were similarly changed to thwart Malaysian attempts to bolster tin prices. Finally, the British government dramatically increased the fees for Malaysian students studying in the United Kingdom, many of whom were on government scholarships.

²⁶ Bass (1983), p.197.

At the same time, this was also very much a socio-cultural program and it is here that we see another development in the society-state-global interrelationship. Mahathir was not simply looking to diversify Malaysia's external policy agenda by courting Japanese and Korean governments and businesses to invest in his country but he was also seeking "a means to better manage the government's internal economic policy" by shocking Malaysians into accepting the realities of modern times.²⁷ In this sense, Mahathir sought to be proactive rather than reactive and actually manage the social relations that underpinned the state. To meet the modernizing goals of the NEP and enhance development Mahathir believed that it was necessary to inculcate a specific mentality among all the different communities within Malaysia, but especially among the Malays. Japan and South Korea were thus promoted as socio-economic exemplars and Malaysians in both the public and private sectors were "urged to...emulate the Japanese and Korean work ethic, harmonious industrial practices, and social discipline" in order to foster economic development.²⁸ This readiness to challenge established ties and conventions and forge new discursive paths would become an enduring hallmark of Mahathir's leadership and goes a long way to explaining the more 'internationalizing' shape that the society-state-global interrelationship would adopt during his tenure.

5.2 *The 1982 General Election – Replacing an Inherited Mandate.*

It became immediately apparent once Mahathir took office that he would call for an early general election. Cashing in on the momentum generated by his administration's new-image politics Mahathir sought to (re)legitimize the political authority required for any new public policy initiatives while simultaneously consolidating his authority over the main institutions of government by reassigning positions of power to his supporters.²⁹ A global economic recession was also beginning to bite domestically, providing further incentive for Mahathir to go to the polls before its effects provoked a backlash from the electorate and undermined his government's performance legitimacy. By the time the election was called for April 1982 the government could still point to an undeniably excellent economic track

²⁷ Pushpa Thambipillai (1983). "Malaysia: Twenty-Five and Pragmatic", *Southeast Asian Affairs*, 10, p.219.

²⁸ Bass (1983), p.197. Note that Mahathir deliberately did not include any 'Chinese' examples such as Hong Kong, Taiwan, Singapore or the People's Republic of China as exemplars of his 'Look East Policy'. See also: Means (1991), pp.92-94.

²⁹ Thambipillai (1983), p.205 and Means (1991), p.86.

record. Non-Malay voters were further swayed by the promise of socio-political liberalization implied by some of the administration's rhetoric and actions. In particular, the Prime Minister's calls for greater efficiency and a strong work ethic impressed many urban Chinese voters, as did his apparent appreciation of Malaysia's multiethnic nature.³⁰ To counter the challenge from PAS, the government had gradually moved away from its 'secular-pragmatic' approach to politics that avoided "the use of Islam as the primary basis for legitimacy and political support."³¹ Under Mahathir, the UMNO-led government increasingly stressed its connections with the Muslim world while insisting that Malaysia's vision of material development was entirely consistent with Islamic principles and doctrine.³² In a stunning coup just prior to the elections, Mahathir enticed ABIM's President, Anwar Ibrahim, to join UMNO and stand as a BN candidate for parliament. As a prominent and effective spokesperson for "a new, indigenous vision of the relevancy of Islam to modern Malaysia" his 'defection' to the government was interpreted as a significant victory for UMNO in its battle with PAS for the Malay vote and denied the Islamic party the opportunity to expand its core Malay constituency.³³

While there was little doubt that the BN would emerge victorious on Election Day, the scale of the victory was wholly unexpected.³⁴ On the peninsula, the BN captured nine additional parliamentary seats and increased its share of the popular vote to 61% from 57% in 1978.³⁵ The campaign was notable for its lack of major controversy. Without any potentially explosive ethnic issues to exploit, peninsular opposition parties were limited to

³⁰ Bass (1983), p.194 and S. Sothi Rachagan (1987). "The 1986 Parliamentary Elections in Peninsular Malaysia", *Southeast Asian Affairs*, 14, p.219.

³¹ Means (1991), p.87.

³² For instance, Mahathir's administration announced the creation of an International Islamic University and also hinted that Islamic banking would follow soon after the election. The Prime Minister and Deputy Prime Minister made separate, well-publicized, visits to Muslim states and Malaysia offered itself as a 'channel of communication' in the Iraq-Iran conflict. Finally, one of Mahathir's campaign pledges was to 'review' the rationales for the controversial Societies (Amendment) Act of 1981 to which ABIM was bitterly opposed. See: Mauzy (1983a), p.127 & p.130 and Bass (1983), p.195.

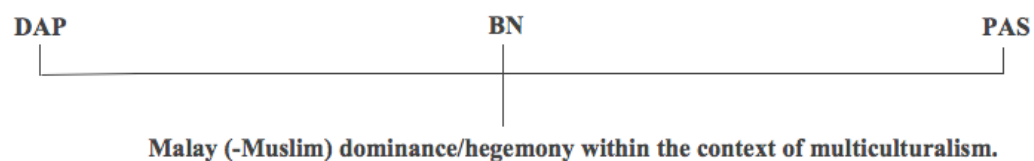
³³ Bass (1983), p.196; Means (2009), pp.124-125. Furthermore, Anwar's recruitment split the ranks of ABIM between those who supported his joining the government fold and those who were bitterly opposed, thereby blunting ABIM's overall effectiveness as a critical socio-political force.

³⁴ As in 1978, a short campaign period was enforced and a ban was imposed on public rallies. Given the resources at their disposal, particularly in terms of press coverage, organizational machinery and finances, the BN parties possessed a clear advantage over their disorganized opposition rivals. See: Mauzy (1983a), pp.128-129; Means (1991), p.88 and; *Far Eastern Economic Review*, March 26 1982, p.11.

³⁵ Harold Crouch (1982). *Malaysia's 1982 General Election*. Singapore: Institute of Southeast Asian Studies; pp.58-62 and Diane K. Mauzy (1983b). "The 1982 Election in Malaysia", *Asian Survey*, 23(4), pp.497-512. The BN also won 280 of the 311 state seats on offer and assumed control of all state assemblies. The only blight on the coalition's performance was the loss of seven federal seats in Sabah and Sarawak.

making either a plea for more seats so as to ensure an effective opposition (DAP) or an appeal to Islamic sentiments within the Malay community (PAS).³⁶ In many respects, it was a return to the past with two rival ‘nations-of-intent’ flanking the BN’s authority-defined ‘nation-of-intent’ and, again, voting trends indicated that a sizeable minority of Malaysians supported either PAS’s or the DAP’s ‘nation-of-intent’ (Figure 15).

Figure 15: Postcolonial ‘Nations-of-intent’ 1981-1996 (Step 1)



But despite securing significant percentages of the popular vote, Malaysia’s first-past-the-post electoral system meant that both major opposition parties were left with only a negligible parliamentary presence.³⁷ The most dramatic aspect of the election was the spectacular effort of the MCA to win 24 of the 28 seats it contested. The party had campaigned on the platform that the only way the Chinese voice could be effectively heard was if it was represented within government, a sentiment that was publically reinforced by Mahathir himself.³⁸ The MCA’s net gain of seven seats was a clear indication of the Chinese community’s support for the party and, more broadly, for the progressivism and professionalism displayed by Mahathir’s administration thus far.³⁹ In addition, both the MIC and *Gerakan* improved on their previous position. The emasculation of the BN’s opposition and the fact that any collusion between the DAP and PAS on substantive matters was highly unlikely given their ideological differences reinforced the hegemonic position of the authority-defined ‘nation-of-intent’ and meant that Mahathir now enjoyed an

³⁶ Thambipillai (1983), pp.206-207.

³⁷ Opposition parties now held a mere 14 seats in the 154-seat Parliament. PAS captured 14.5% of the vote compared to 14.9% in 1978 and saw its number of parliamentary seats remain at five. The DAP actually increased its share of the popular vote, from 18.5% in 1978 to 19.6% in 1982. However, its number of seats in Parliament fell from sixteen to nine. See: Crouch (1982), pp.58-62.

³⁸ Mahathir had asserted that the MCA President, Datuk Lee San Choon, would only need to whisper for the Prime Minister to listen whereas the DAP President, Chen Man Hin, could holler and still not be heard. See: *New Straits Times*, 21 April 1982. See also: Bass (1983), p.194 and Mauzy (1983a), pp.132-133.

³⁹ It could also be argued that the NEP had seen the Malay proportion of urban voters increase markedly between 1978 and 1982. Although urban constituencies remained overwhelmingly Chinese these voters would be more likely to vote for the BN (MCA) candidate as an UMNO proxy rather than for the DAP and so might have made a crucial difference in otherwise evenly divided contests.

unequivocal mandate to pursue bold new policy directions, not least of which would involve the NEP.⁴⁰

5.3 *Malaysia's Evolving Political Economy.*

Satisfying the twin objectives of the NEP without redistribution was the cornerstone of the Malaysian government's legitimation strategy and inextricably tied the authority-defined 'nation-of-intent' and political authority to continually high rates of economic growth. Meeting the restructuring objectives of the NEP without unduly straining communal tensions hinged upon the Malaysian economy maintaining growth rates of between 7-8% per annum, a notion which had lain at the heart of every five-year economic plan since 1971.⁴¹ Throughout the 1970s a combination of strong export revenues and high public expenditure meant that the Malaysian government was able to attain the necessary level of economic growth.⁴² Nevertheless, there were strong underlying internal and external forces that now worked to undermine this fortunate state of affairs. Internally, the NEP had seen an enormous concentration of power in the hands of the executive branch and a few key technocratic agencies, such as the EPU. This meant that the more pluralized set-up of economic decision-making that had existed in the first decade after Independence was gone; the NEP now "sanctioned a high level of politically warranted inefficiency in the economy...[and] the particular economic wishes of the top leaders strained state and national resources even further."⁴³

⁴⁰ One must always keep in mind though that the DAP and PAS together captured nearly 35% of the popular vote. It is, therefore, likely that the degree of contestation surrounding the authority-defined 'nation-of-intent' has been understated due to the effects of Malaysia's first-past-the-post electoral system.

⁴¹ For instance, see: Government of Malaysia (1986). *Fifth Malaysia Plan 1986-1990*. Kuala Lumpur: National Printing Department; p.10.

⁴² Bank Negara reported in 1979 that GDP growth had hit 8.5% with Malaysia's exports of palm oil, rubber, tin, petroleum and tropical woods seeing a 38.9% increase in the dollar value of exports. Average export growth rose from 6.0% through the 1960s to 8.2% during the 1970s. See: Fred R. von der Mehden (1980). "Malaysia in 1980: Signals to Watch", *Asian Survey*, 21(2), p.248 and Shahid Yusuf and Kaoru Nabeshima (2009). *Tiger Economies under Threat: A Comparative Analysis of Malaysia's Industrial Prospects and Policy Options*. Washington: World Bank; p.18. Between 1970-1980, the contribution of the tertiary sector to total GDP increased from 33.5% to 41.3%, largely due to the rapid increases in public sector activity. See: Prema-chandra Athukorala and Jayant Menon (2002). "Outward Orientation and Economic Development in Malaysia", *The World Economy*, 22(8), p.1128.

⁴³ Jesudason (1989), p.117.

The external economic situation, which had long supported the state's development program, was also very different by the 1980s. A global recession buffeted the country's open economy, debt levels grew as the government sought to finance expenditures and the balance of payments deficit worsened appreciably as the prices of Malaysia's commodities weakened.⁴⁴ This unfavourable economic environment consequently forced a re-evaluation of NEP and its implementation. Given a probable context of 'low' annual economic growth rates in the foreseeable future it was apparent early on to Mahathir that the NEP would have to be modified.⁴⁵ Inefficiencies and losses that might have been acceptable when the economy was doing well could no longer be absorbed. An unprecedented review of Malaysia's fourth Five-Year Plan (4MP) acknowledged as much when it recommended a series of public expenditure cuts and Mahathir's efforts to improve bureaucratic efficiency and trim state-linked corporations can be seen in this light. Despite all of these measures, however, the budget for 1983 showed a shortfall of almost RM\$10 billion suggesting that the government would still have to rely on domestic and foreign borrowing to cover the difference.⁴⁶

The global recession of the early 1980s also provided the impetus and opportunity for Mahathir to implement his industrial vision, a course of action that would further compound the state's financial problems in the future. Cognizant of the need to reduce economic dependence on primary production due the price volatility of primary commodities, a major thrust of the government's restructuring exercise centered on turning Malaysia into a predominantly industrial economy.⁴⁷ Although a steady process of industrialization had been going on since *Merdeka*, Mahathir was now "committed to

⁴⁴ In the early 1980s the Malaysian economy was still largely dependent on a few major export commodities (rubber, tin, petroleum and palm oil). As a result of the global economic downturn in 1981-1982 Malaysia experienced an unfavourable trade balance for the first time in twelve years. See: Government of Malaysia (1986), pp.10-11 and Bass (1983), p.193. This unfavourable situation was further compounded in 1986 when the price of petroleum plummeted.

⁴⁵ The Malaysian economy registered a growth rate of 3.9% in 1982, much lower than the stellar growth rates it had previously enjoyed but still quite healthy by the standards of industrialized economies.

⁴⁶ In 1982, the government had already obtained foreign loans of RM\$2.4 billion to help cover general development expenditure. See: Thambipillai (1983), p.218.

⁴⁷ It is commonly accepted that rapid, unexpected and often large movements in commodity prices are an important feature of their behavior and that the prices of manufactures tend to be more stable. If a government is relying on a certain level of export revenue to fund its development program, price stability becomes important for its predictive value. P. Cashing and C.J. McDermott (2002). "The Long-run Behavior of Commodity Prices: Small Trends and Big Variability." *IMF Staff Papers*, 49(2); Jesudason (1989), p.118 and; Kenneth James (1986). "The Malaysian Economy: The Shadow of 1990", *Southeast Asian Affairs*, 13, p.211.

accelerate the pace of industrialization even further because he viewed industrialization as a vital component of government policies designed to restructure Malaysian society.”⁴⁸ Dissatisfied with the reluctant efforts of the private sector and unwilling to solve the political impediments to deeper industrial development by modifying those state regulations which impeded Chinese investment in manufacturing, Mahathir argued instead that the state had to assume a larger role in providing the ‘big push’ required to propel Malaysia’s industrial output. Following the industrial model of South Korea, an Industrial Master Plan (IMP) was formulated under which foreign investors would team with the state-run Heavy Industry Corporation of Malaysia (HICOM) to “channel large capital investments into industries that were identified as suitable for national development.”⁴⁹ Despite the steady chorus of academic and political criticism this policy attracted on the grounds that such processes were better directed by market forces, Mahathir remained unrepentant and “dismissed his critics...for failing to appreciate the many social and economic benefits [that would accrue] from developing modern, high-technology industrial capacity through large inputs of co-ordinated government and private investment.”⁵⁰ Short-term economic viability was of far less concern to Mahathir than the long run social, economic and cultural benefits that would ensue from such industrialization.⁵¹

For Mahathir, this meant that the state was to play an even more active role in managing its interrelationship with both domestic society and the external political-economic environment. His industrial vision was centered on an intimate relationship between the public and private sectors and given shape in the twin policies of ‘Malaysia Incorporated’ and ‘Privatisation’. With his gaze firmly directed east once more, Mahathir explained that under the concept of Malaysia Incorporated the country would eschew what he saw as the traditionally adversarial relationship between government and business prominent in the Western model.⁵² Instead, Malaysia would adopt a framework in which the private and

⁴⁸ Means (1991), p.94.

⁴⁹ Means (1991), p.94.

⁵⁰ Means (1991), p.95.

⁵¹ This was a good thing for when HICOM’s jewel in the crown – the National Car Project – came on-stream a combination of recession and the appreciation of the Yen, saw the domestic middle-class market in Malaysia shrink drastically. As such, the car plant initially operated on just a three-day week.

⁵² It is true that there are many ‘Western’ examples of corporatism in which government, labour and the private sector seek to coordinate their actions as part of some kind of grand bargain or coalition. However, the fact remains that, traditionally, the bulk of the literature has seen the relationship as an adversarial one. See: Taieb Hafsi (1985). “The Dynamics of Government in Business”, *Interfaces*, 15(4), pp.62-69 and

public sectors would be required to “see themselves as sharing the same fate and destiny as partners, shareholders and workers within the same ‘corporation’, which in this case is the Nation.”⁵³ Less explicitly stated was the hope that teaming up with the business sector would reform a bloated and counterproductive public sector, allowing it to act as a facilitator of rapid economic development rather than as a stumbling block.⁵⁴ A similar logic operated with regard to the policy of Privatisation where the transfer of public services and government-owned corporations to the private sector would introduce management methods better able to ensure their profitability while simultaneously lessening the government’s financial burden.⁵⁵ In line with both policies successive government budgets and, later, the Fifth Malaysia Plan (5MP) would recommend a ‘corset-and-vitamins’ treatment in which the government would “control the fat by tightening the corset on public expenditure...and inject a stream of economic incentives to stimulate private-sector involvement.”⁵⁶

On paper, such developmental strategies seemed like a reasonable response to the realities posed by the harsh external economic environment of the early 1980s. Nevertheless, such policy re-directions raised internal questions about the Malaysian government’s continued

Magoroh Maruyama (1982). “Mindscapes, Management, Business Policy and Public Policy.”, *Academy of Management Review*, 7(4), pp.612-619. In many respects, Malaysia Inc. was a natural extension of Mahathir’s ‘Look East’ policy in that it was clearly modeled on the case of Japan Inc. See: Chalmers Johnson (1987). “Political Institutions and Economic Performance: The Government-Business Relationship in Japan, South Korea, and Taiwan”, in, F. Deyo (ed.), *The Political Economy of the New Asian Industrialism*, Ithaca: Cornell University Press; pp.136-164.

⁵³ Mahathir Mohamad (1984). “Malaysia Incorporated and Privatisation: Its Rationale and Purpose”, in, Mohd. Nor Abdul Ghani, Bernard T. H. Wang, Ian K. M. Chia and Bruce Gale (eds.), *Malaysia Incorporated and Privatisation: Towards National Identity*. Petaling Jaya: Pelanduk Publications Sdn. Bhd.; p.2. Like the ‘Look East’ policy, Malaysia Inc. was both an economic and socio-cultural program in which close public-private cooperation would not only make “greater contributions to national development” but would also “connect government services to national profit.” See: Ooi Kee Beng (2006). “Bangsa Malaysia: Vision or Spin?”, in, Saw Swee-Hock and K. Kesavapany (eds.), *Malaysia: Recent Trends and Challenges*. Singapore: ISEAS; p.48.

⁵⁴ Jerry Bass (1984). “Malaysia in 1983: A Time of Troubles”, *Asian Survey*, 24(2), p.170 and Ong (1984), p.197.

⁵⁵ Mahathir (1984), pp.4-5 and Ong (1984), p.222.

⁵⁶ James (1986), p.214 & p.217. Successive government budgets sought to reduce operating expenditures, increase government revenue, stimulate exports and promote private sector growth by reviewing government spending, individual income tax rates, interest rates policy, export duties and announcing new industrial incentives. See: Ong (1984), p.223; Murugesu Pathmanathan (1984). “Malaysia in 1984: A Political and Economic Survey”, *Southeast Asian Affairs*, 12, pp.228-229; Mohamed Ariff (1987). “Malaysia in a Recessionary Setting: An Overview”, *Southeast Asian Affairs*, 14, pp.211-212 and; Government of Malaysia (1986), pp.22-26 & pp.218-219.

support for the NEP as it was unclear who exactly in the private sector would benefit.⁵⁷ The sale of whole industries to private investors, as practiced in the West, would undoubtedly benefit non-Malays and foreigners more as they had greater access to capital than Malays. It soon became apparent, however, that Mahathir had no intention of embracing the anti-statism implied by Malaysia Incorporated or Privatisation and categorically stated that neither would negate the fundamental objectives of the NEP.⁵⁸ Regardless of the economic rationale for shifting the economic centre of gravity away from the public sector, Mahathir was sensitive to the fact that adherence to the NEP's objectives was required to maintain his party's and, therefore, the government's, Malay base. When the first examples of privatization were announced this became all too clear. While the government would seek private investment in public enterprises, majority ownership and management control would steadfastly remain with the state.⁵⁹

Complicating issues though was the realization that the state had not simply become enlarged but had become over-burdened as a consequence of the state's attempts to overcome a long history of inter-ethnic economic disparity.⁶⁰ The enormous increase in export earnings over the second half of the 1970s had led state planners to assume that export revenues would continue to keep pace, which had given them the confidence to "carry out one of the largest deficit-spending binges in the world" in pursuit of the NEP's goals.⁶¹ However, as economic growth rates ground to a halt in the mid-1980s, it became increasingly unlikely that these targets would be met.⁶² High public debt service charges as

⁵⁷ Rachagan (1987), p.222.

⁵⁸ Mahathir (1984), pp.5-6 and Pathmanathan (1984), pp.226-228.

⁵⁹ In 1983, the government issued a license to a private company to establish and operate the television channel TV3 on a commercial basis. The recipient of the license was an UMNO-controlled business. Two years later, the government indicated that the national carrier would be privatized but that it would retain majority ownership and managerial oversight. Investors were less than impressed and the sale of shares in the airline was sluggish. See: Means (1991), p.99.

⁶⁰ Jesudason (1989), p.124.

⁶¹ Jesudason (1989), p.121. The 1981 forecast for export earnings in 1985 was \$63.1 billion whereas the actual figure in 1985 was only \$37.6 billion. See: Government of Malaysia (1981), p.204.

⁶² Average economic growth rates for the period 1981-1985 were a relatively modest 5.8% per annum in real terms, below the NEP's 8% target for the period 1971-1990. Government of Malaysia (1986), p.10. See also: Zakaria Haji Ahmad (1986). "Malaysia in 1985: The Beginnings of Sagas", *Asian Survey*, 26(2), p.151. To be fair, the first prong of the NEP – poverty reduction – was proceeding apace. By 1984 only 18.4% of Malaysian households were classified as 'poor' as compared to 49.3% in 1970. The *bumiputra* mean income increased from RM\$172 in 1970 to RM\$384 in 1984 (or from 65% to 78% of the national average). Despite this increase both inter- and intra-ethnic disparities remained wide and it seemed unlikely that the restructuring goals of the NEP would be met in time. So, while there were significant improvements in the distribution of employment in all sectors to better reflect Malaysia ethnic composition, *bumiputras* remained

well as other budgetary constraints suggested that in the absence of a foreseeable boost in revenues, additional increases in public (development) spending could only occur by further increasing domestic and foreign debt.⁶³

Given these economic realities, it became apparent that the public sector could no longer generate sufficient growth in the economy. Unable to rely on public investment and relatively favourable external economic conditions to buoy rapid economic growth as they had done in the late 1970s, state actors intensified their efforts to persuade the private sector to contribute more to economic growth and to facilitate the increase of *bumiputra* participation in the modern sectors of the economy.⁶⁴ That is, as a result of domestic politics a broadly internationalizing strategy was implemented, which saw the government gradually began to liberalize many aspects of the Malaysian economy in order to encourage a leading role for the private sector. It was in this context that the 5MP explicitly linked the growth of private sector investment to meeting the economic growth rates required to fulfill the objectives of the NEP. Consequently, the 5MP announced that the government would implement a number of bold and substantive initiatives designed to attract foreign multinationals and foreign investment while also encouraging re-investment from local and foreign sources.⁶⁵

under-represented in both administrative and managerial group and the higher earning technical and professional category. Finally, although the *bumiputra* share of the corporate sector had increased considerably from a mere 4.3% in 1971 to 17.8% by the close of 1985, the 30% target set by the NEP appeared out of reach. By the mid-1980s the government began to prepare Malaysians for the reality that the restructuring targets of the NEP would not be realized by 1990. See: Government of Malaysia (1986), pp.7-10 & pp.17-18 and Simon Barraclough (1986). "Malaysia in 1985: A Question of Management", *Southeast Asian Affairs*, 13, p.189.

⁶³ Jesudason (1989), pp.121-122.

⁶⁴ Between 1981-1985, private sector expenditure increased at a rate of 3.2% per annum, well below the 7.8% growth per annum in public expenditure and also the 4.9% annual growth rate in GDP. Steep increases in public expenditure since 1980 could be traced directly to off-budget agencies, entities established by the government that were not subject to parliamentary oversight. By 1985 the government had acknowledged that their activities had negatively impacted upon the economy, resulting in a ballooning budget deficit and a worsening balance of payments. In addition, private sector investment grew at a mere 1.8% per annum between 1981-1985 (compared with the 4MP's target rate of 10.7% per annum). This saw private investment's overall share of total investment decline from 62.6% in 1980 to 50.4% in 1985. Government of Malaysia (1986), pp.205-210 & p.213 and James (1986), p.216.

⁶⁵ For example, in early 1985, Malaysia's Foreign Minister announced a re-orientation of the country's foreign policy: "In line with the Malaysian Government's policy of encouraging exports, foreign investments, transfers of technology and South-South co-operation, in the spirit of Malaysia Incorporated, the thrust of our foreign policy today is clearly in the economic field. *Wisma Putra* is now an economic-oriented Ministry." Ahmad Rihauddeen, in Barraclough (1986), p.204. *Wisma Putra* is the Malaysian Foreign Ministry. See also: Zakaria Haji Ahmad (1985). "Malaysia in 1984: No More Free Lunches?", *Asian Survey*, 25(2), p. 212; Government of Malaysia (1986), p.vi, pp.22-23 & pp.211-223 (in particular, p.213); Diane K. Mauzy (1987).

In the domestic sphere the regulatory requirements of the ICA were further relaxed, as were the equity ownership conditions for projects that were export-oriented.⁶⁶ A critical element in this more relaxed commercial environment was the expansion of the special Free Trade Zones (FTZs), first established in 1971. Firms entering these zones were afforded a range of benefits and were exempted from the vast majority of bureaucratic controls associated with the NEP and ICA.⁶⁷ The U-turn in the mid-1980s from state intervention to market or private sector-led development and the institutionalization of a far more aggressive program of industrialization under the IMP fostered the development of Malaysia's 'mixed economy' and can be seen as example of 'sovereignty bargains' in operation.⁶⁸ Under this system, the BN government established globalized enclaves to attract foreign direct investors while simultaneously protecting local markets, largely in non-tradables, in order to promote 'indigenous' Malay business elites. By insulating foreign direct investors from these domestic socio-political pressures, firms within the FTZs were able to compete effectively in global markets. Their success then filtered back into the regular domestic economy in the form of direct employment, corporate taxes, campaign 'contributions' and informal payments, all of which helped fund "the promotion of Malay business elites in protected local markets."⁶⁹

Although these apparently contradictory twin orientations were pursued separately, they remained discretely linked thereby allowing Mahathir's government to extract some productive synergies. In short, "foreign direct investors...contributed to the economic growth and revenues through which Malay business elites could be funded. In turn, these business elites, by operating in protected local markets, generated 'excessive' profits that gratified foreign portfolio investors and lenders."⁷⁰ Some of these profits then made their way back to UMNO's coffers, helping to reaffirm the loyalties of these business elites to

"Malaysia in 1986: The Ups and Downs of Stock Market Politics", *Asian Survey*, 27(2), p.240 and; Ariff (1987), p.213-214.

⁶⁶ Government of Malaysia (1986), pp.215-216; Michio Kimura (1992). "Foreign Direct Investment in Malaysia", *Southeast Asian Affairs*, 19, p.185; Ahmad (1986), pp.151-152; James (1986), p.218 and; Barraclough (1986), pp.189-190.

⁶⁷ Jesudason (1989), p.173.

⁶⁸ Salleh (1999), pp.188-189.

⁶⁹ William Case (2005). "Malaysia: New Reforms, Old Continuities, Tense Ambiguities", *Journal of Development Studies*, 41(2), p.288.

⁷⁰ Case (2005), p.286. Also: Helen Nesadurai (2000). "In Defence of National Economic Autonomy? Malaysia's Response to the Financial Crisis", *The Pacific Review*, 13(1), pp.74-75.

the government.⁷¹ In this fashion, “politics were thus stabilised in ways that fed back again to benefit foreign investors, whether direct or portfolio in their character.”⁷² So long as these globalized enclaves and protected domestic markets remained compatible, the BN government was able to maintain a relatively even keel between statist interventions and market forces, generating high levels of economic growth and political stability while broadly meeting mass-level expectations of governance. On the one hand, the limits on competition attracted foreign portfolio investors and lenders to Malaysia as they chased speculative profits. At the same time, foreign direct investors geared to more competitive global markets were drawn to the FTZs.⁷³ Case argues that it is only in this sense that “we can understand the seeming paradox in Malaysia of rapid economic expansion paralleled by voracious rent-seeking.”⁷⁴ Moreover, the concomitant rise of a Malay business class “inspired a broader sense of ‘group worth’ among the Malays, hence aiding the community in its collective rivalry with the Chinese” and reconsolidating UMNO’s status as an ethnic ‘protector’.⁷⁵

This broad development would have significant repercussions for Malaysia’s future socio-political environment. In the first place, it created the impetus for state actors to attempt to coalesce internationalizing interests, favouring foreign direct investment (FDI) and exports, alongside more traditional, import-substituting, interests.⁷⁶ Furthermore, this choice by state actors to turn to foreigners to help boost the economy reflected the specific nature of the society-state-global dynamic at the time. In Malaysia, the political and cultural dynamics of ethnicity meant that state actors were inclined to concede on policies that

⁷¹ The heightened status of many Malay entrepreneurs had the added effect of bolstering ethnic pride within the broader Malay community. See: Jesudason (1989), pp.10-12.

⁷² Case (2005), pp.286-287.

⁷³ The differences between foreign direct investment (FDI) and foreign portfolio investment (FPI) are great. In fact, the only trait they really share is that they both take place across national borders. FDI occurs when a company or corporation creates business across national boundaries, for example by building a physical plant overseas. In contrast, FPI occurs when an investor purchases shares in a firm that has branches abroad – it is the overseas buying of already existing securities.

⁷⁴ Case (2005), pp.288-289.

⁷⁵ Case (2005), p.289.

⁷⁶ Etel Solingen has identified two ideal-typical political domestic coalitions that arise due to the distribution consequences of increased globalization. In simple terms, internationalist coalitions support globalization while backlash coalitions oppose it. Noting that the distance between ideal and empirical coalition types varies, hybrid forms abound. Looking at the ASEAN states, Solingen maintains that internationalizing domestic coalitions exist in the majority of these. See: Etel Solingen (2005); Etel Solingen (2004); Etel Solingen (1999). “ASEAN, Quo Vadis? Domestic Coalitions and Regional Co-operation”, *Contemporary Southeast Asia*, 21(1), pp.30-53 and; Etel Solingen (1998). *Regional Orders at Century’s Dawn: Global and Domestic Influences on Grand Strategy*. Princeton: Princeton University Press.

might have built a strong national economy.⁷⁷ Relying on foreign investment and resources, while waiting for commodity prices to improve, was simply a far less controversial route for an UMNO-led government to take than one which saw them become more dependent on the predominantly Chinese domestic private sector. So long as national income and employment growth were high as a result of foreign inflows, the government could maintain its networks of patronage and gain legitimacy by adding to a sense of Malay efficacy and worth. So long as multinationals and foreign investors were willing to participate in the Malaysian economy, Malay political elites could remain relatively insulated from pressures bubbling up from below and, thus, could avoid engaging in meaningful dialogue with rival 'nations-of-intent'.

However, a strategic-relational approach that argues for a disaggregation of the state concept requires us to be sensitive to social relations when considering state structures and the bases of political authority. This unwillingness, or inability, to be more sensitive to alternative conceptualizations of the 'national' in Malaysia, meant that state actors were swapping one potential threat to their political authority with another, however, as any downturn in the global economy would now have political consequences. UMNO now derived its legitimacy from the backing of disparate economic groups, such as the increasingly noisy and powerful Malay business lobby as well as poor rice farmers and to ensure their support the party relied on "an extensive system of patronage that depended on high growth and strong state resources."⁷⁸ Without steady increases in foreign participation, the targets of the NEP would remain out of reach and a central plank of the government's legitimization strategy would collapse. However, many of the incentives now being offered to foreigners to meet economic growth requirements compromised the equity provisions that formed the heart of the NEP's second prong. With the NEP operating as a sacred and/or cash cow for the Malay community the government faced an uphill struggle against powerful politically-connected vested domestic interests to revamp the country's affirmative action programs.⁷⁹ But without such reforms it was clear that scarcity and

⁷⁷ Jesudason (1989), p.198.

⁷⁸ Jesudason (1989), p.198.

⁷⁹ The rise of 'money politics' within UMNO as a consequence of NEP-generated wealth added to the Catch-22 state actors now experienced. As early as 1983, in the lead up to UMNO's General Assembly, Mahathir had identified the new trend of money politics based on the wealth and patronage of the new Malay entrepreneur elite as a major danger facing the party. He feared that the party would lose touch with its

competition could exacerbate class and communal tensions and thus have political consequences for state actors. Growing perceptions that the economic burden was being distributed unequally both within and between different communities in Malaysia also threatened to undermine popular support for the BN government and its 'nation-of-intent'.⁸⁰ In particular, it was becoming more and more evident that political control over the large sums of public money generated under the NEP had created an overwhelming temptation for those in power to abuse their position for personal or political gain.⁸¹ As Jesudason noted, it was clear that "the golden mean between economic growth and political legitimacy had yet to be found."⁸²

5.4 *A Distant Nation: Religious and Ethnic Polarization*

For UMNO, national unity was premised first and foremost upon Malay unity. By the time Mahathir became Prime Minister in 1981, the popularity of *dakwah* among Malays had increased the political prominence of Islam. Islamic symbols and doctrine were a convenient means of legitimating one's leadership within this community and the harmonious image of a united *ummah* was especially attractive to Malay politicians as they sought to mobilize mass support. As the 1982 elections approached, both UMNO and PAS intensified their separate political views of Islam forcing a split in the community as each

traditional peasant and civil servant base and become nothing more than a 'rich man's club'. See: Pathmanathan (1984), p.217.

⁸⁰ Barraclough (1986), p.188 and Ariff (1987), p.200.

⁸¹ The case of Bumiputra Malaysia Finance (BMF), an overseas subsidiary of the state-linked Bank Bumiputra, exemplified these anxieties. In 1983 it became evident that BMF would have to write off loans totaling RM1.7 billion it had made to several Hong Kong land development companies after the island's real estate market collapsed as a result of uncertainty over the colony's post-1997 status. Not only did the financial scandal tarnish the reputations of many leading UMNO figures and cast a shadow on Mahathir's promise that his government would be 'clean, efficient and trustworthy' but the enormity of the losses and the revelation of widespread business irregularities also raised doubts about the managerial aptitude of Malays and their involvement in the modern sectors of the economy. Moreover, the mismanagement of NEP funds by a parastatal enterprise to bankroll the speculative ventures of overseas Chinese firms threatened to undermine the standing of the government vis-à-vis its core Malay constituency. Despite calls from both inside and outside the BN for a Royal Commission to investigate the matter, the government decided instead to conduct an in-house inquiry which in 1984 noted the extent of BMF's losses but failed to assign any blame for the company's financial mismanagement or corrupt practices. This report was subsequently released as a parliamentary White Paper in 1986. See: Ong (1984), pp.206-207; Bass (1984), p.168; Means (1991, pp.122-123; Pathmanathan (1984), pp.230-231; Ahmad (1985), p. 209; Jesudason (1989), p.120; Mauzy (1987), pp.232-233 and; Rachagan (1987), p.223.

⁸² Jesudason (1989), p.124.

claimed to be more ‘true’ than the other.⁸³ To counter this challenge, the BN government sought to establish a link between PAS and the menace posed by Muslim extremist groups to the integrity of the Malaysian state.⁸⁴ In doing so, the UMNO leadership sought to “consolidate its support among the Malays but also to paint what seemed the unacceptable alternative proposed by PAS to the other, non-Malay, communities.”⁸⁵ However, ensuring the political unity of the Muslim community by trumpeting its Islamic credentials became increasingly difficult for the UMNO-led BN as the decade progressed. Economic and social diversity, epitomized by numerous *dakwah* movements and generated largely by the NEP and other government modernization programs, steadily reduced the ability of state actors to exclusively define Islam on their own terms.

Unsurprisingly, official religious policies also had clear consequences for the shape and tenor of inter-ethnic relations. Despite claims that government policies would be culturally neutral, non-Malays had clear cause for concern about the socio-cultural direction Mahathir’s government was taking.⁸⁶ The speed with which Mahathir fulfilled his 1982 campaign pledges to authorize Islamic banking and establish the International Islamic University of Malaysia attested to the increased political saliency of religion in Malaysian, particularly Malay, politics. Anwar Ibrahim’s cooption and rapid rise through the ranks of UMNO further signaled Mahathir’s intent to emphasize his government’s Islamic credentials in order to fend off challenges from PAS as well from within his own party. In 1983, as Culture, Youth and Sports Minister, Anwar stressed the importance of Islam in the formulation of the National Cultural Policy although he denied that the incorporation of

⁸³ Disputes at the *kampong* level would often see religious rivals accuse one another of being *kafir* (an infidel). Religious division gave rise to the ‘two-*imam*’ phenomenon whereby a single village would contain two rival *imams*, one that affiliated with PAS and the other with UMNO. Each *imam* would have their own congregation and conduct their own prayers and sermons. Considering the importance of social solidarity within Malay culture, this development was particularly distressing to ordinary rural Malays. The ‘*kafir-mengkafir*’ (infidel-disbelief) issue culminated in 1984 when the PAS leadership accepted a challenge from Mahathir to a nationally-televised debate. Three days before the debate was due to be held it was cancelled by the Agong who was afraid that instead of resolving intra-Malay/Muslim issues would, in fact, aggravate them and perhaps even inflame intercommunal antagonisms. See: Means (1991), pp.126-127 and Thambipillai (1983), p.215.

⁸⁴ The primary means of doing so was via a White Paper the government tabled in Parliament (‘The Threat to Muslim Unity and National Security’) in 1984. Although PAS was not mentioned as one of these extremist groups, more than a dozen PAS members were identified as Muslim extremists who sought to overthrow the government. See: Pathmanathan (1984), p.225.

⁸⁵ Pathmanathan (1984), p.225. Also: Means (1991), pp.128-131.

⁸⁶ For instance, the Deputy Prime Minister categorically stated that the “process of Islamization [was] the utilisation of Islam and other religions to create a more moderate, realistic and practical Malaysia.” See: Musa Hitam (1983), in Ong (1984), p.209.

Islamic values was intended to suppress those of other cultures.⁸⁷ Such confusion was commonplace in the early 1980s as non-Malays were subjected to a range of mixed messages that once again reflected not just the growing diversity of political, social and religious views within Islam but also highlighted the federal government's inability to adequately regulate religious affairs in a coherent manner.⁸⁸ For many non-Malays it was unclear how the government's authority-defined 'nation-of-intent' would reconcile rising Malay expectations for the types of Islamically-inspired governance implied by official policy with the realities of Malaysia's ethnically and religiously plural society.

In spite of occasional pronouncements from government officials to the contrary it became increasingly apparent that in many issues of "administration and policy, the government's calculation appeared to be that the interests of the non-Malay communities, while not to be ignored, were to be discounted."⁸⁹ Time and time again, government policies and actions with regard to perennial 'ethnic' issues such as vernacular education, language and culture seemed designed to emphasize Malay socio-political dominance with only minimal concessions made to non-Malays.⁹⁰ The NEP, too, continued to be a source of tension especially as it became apparent by the mid-1980s that it would fail to meet its 1990 targets.⁹¹ Despite repeated reassurances from the government that it was committed to improving the economic welfare of all citizens regardless of ethnicity, the announcement in August 1985 that the NEP would be replaced in 1990 by a similar policy magnified the

⁸⁷ *New Straits Times*, 3 August 1983 and 29 September 1983. Also: Ong (1984), p.210.

⁸⁸ Further examples include the 1983 public declaration by Malaysia's two remaining ex-Prime Ministers that Malaysia must 'never be turned into an Islamic state'. In the same year, however, the Chief Minister's of each state agreed 'to control the haphazard growth of temples and shrines' raising doubts about their commitment to freedom of worship. Such fears were amplified by evidence that state planning authorities were making it increasingly difficult for non-Muslim communities to purchase land for burial grounds or to build a place of worship. Regardless of what its true intentions may have been, the latter examples highlight the difficulties facing the federal government as it sought to control what was constitutionally primarily a state matter. See: Ong (1984), p.209 and Means (1991), pp.133-134.

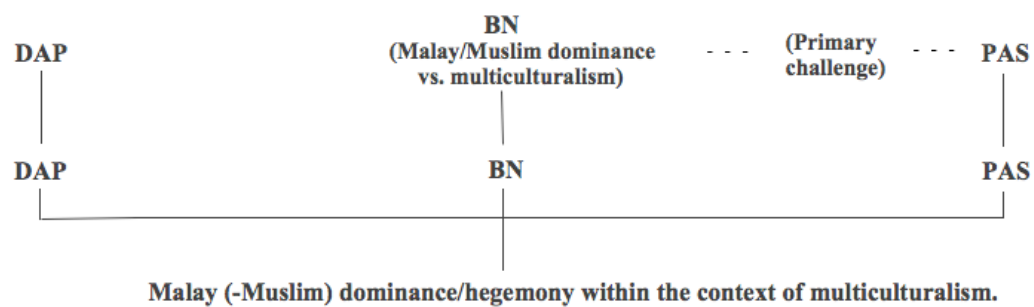
⁸⁹ Means (1991), p.133.

⁹⁰ In early 1982, the government introduced a new education curriculum that seemed to violate a 1980 Cabinet agreement on education that guaranteed the preservation of vernacular schools. In the same year, the government banned public performances of the Chinese lion dance since it 'could not be accepted by all the people in the country.' In 1984, Chinese passions were further inflamed when the Malacca state government announced plans to commercially develop Bukit Cina, one of the oldest Chinese cemeteries in Malaysia. See: Means (1991), p.133; *The Star*, 20 November 1982; Pathmanathan (1984), p.233; Ahmad (1985), p. 210 and; Barraclough (1986), p.201.

⁹¹ As late as September 1985, the Trade and Industry Minister, Razaleigh Hamzah, had expressed confidence that the restructuring objectives of the NEP would still be met by its 1990 end date. By 1986, however, the government had officially acknowledged that this would not be the case. See: James (1986), pp.221-222 and Government of Malaysia (1986).

sense of injustice felt by many non-Malays after two decades of policies designed to accelerate Malay economic and education progress.⁹² Serious concerns about the true nature of the authority-defined ‘nation-of-intent’ began to surface and were expressed tangibly in both the MCA’s loss of three by-elections in a row between 1982 and 1984 as well as in the pattern of non-Malay emigration. However, rather than express concern at the significant loss of educated professionals and domestic investment, Musa Hitam stated he was glad that these, mostly Chinese, Malaysians had left, describing them as “thorns in the flesh when they were still in this country...[t]heir departure is no loss.”⁹³ This discursive and material privileging of a certain set of identities by the government undermined any ostensible commitment to national unity that its ‘nation-of-intent’ may have professed (Figure 16).

Figure 16: Postcolonial ‘Nations-of-intent’ 1981-1996 (Step 2)



The growing complexity of Malaysian politics tested the political skills of the national leadership and saw the Malaysian state drift far from its foundational framework. Internal discord within many of the non-Malay component parties of the BN further underscored the weakened political position of non-Malays and the dominant role of UMNO in directing the coalition’s internal affairs and in setting the parameters of the authority-defined ‘nation-of-intent’.⁹⁴ Given the anemic performance of its coalition partners and a political atmosphere “charged with the forces of Islamization and resentment over conspicuous economic disparities among sections of the Malay community” it was highly unlikely that the UMNO

⁹² Barraclough (1986), p.189.

⁹³ Musa Hitam in, Means (1991), p.135.

⁹⁴ Chronic instability had characterized the MCA since 1983 as separate factions vied for the party’s leadership. Throughout the early 1980s defections to and from the MCA were a regular occurrence for *Gerakan*. By mid-1980s there was also evidence that non-Chinese *Gerakan* members were dissatisfied with the party leadership for ignoring their interests. The MIC, too, suffered from factionalism and saw a number of members expelled in 1985 forming their own rival Indian-based party. See: Barraclough (1986), pp.192-194 and Rachagan (1987), p.225.

leadership would be prepared to make the kinds of concessions that had previously characterized coalition politics. A discernable shift in the political strategy of its principal Malay rival further underscored this reality. Returning to an earlier theme, 1985 saw PAS's leadership begin to stress once more the universalism of Islam as a challenge to the narrow ethnic chauvinism (*assabiyah*) of the government. Reversing its traditional political image as a staunch defender of Malay rights, the party increasingly adopted an ethnically neutral stance and explicitly reassured the Chinese community that an Islamic regime would protect their rights and privileges.⁹⁵ UMNO's reaction was to accuse PAS of betraying the Malay cause and to simultaneously restrict its rival's efforts to transcend ethnic boundaries while vigorously promoting itself as the primary political party of Muslims in Malaysia.

The government's reliance on a repressive-responsive strategy to maintain regime stability was also evident with respect to demands arising from a rapidly growing urban middle class for greater participation in the political process.⁹⁶ To combat mounting resentment for its lack of public accountability and its hostility to civil society groups, state actors increasingly turned to a range of repressive pieces of legislation to prevent dissent and narrow the space available to rival 'nations-of-intent'.⁹⁷ Nevertheless, state actors were cognizant of the need to engage with the multicultural reality of Malaysia if they were to

⁹⁵ To convey this message, party officials entered into dialogues with Chinese guilds and societies. In 1985, a number of Chinese converts were appointed or elected to senior positions within PAS and at the party's General Assembly that year a stinging attack on ethnocentrism was launched by President Haji Yusof Rawa. Later, as part of its campaign in the 1986 general election, the party formed a Chinese Consultative Committee (CCC) to widen its appeal beyond its traditionally rural Malay base and force an opposition front with non-Malay parties. See: Barraclough (1986), p.196 and Means (1991), p.184.

⁹⁶ Means (1991), pp.136-137. For more on this strategy which became a hallmark of successive UMNO-led governments see: Harold Crouch (1993). "Malaysia: Neither Authoritarian nor Democratic", in, K. Hewison, R. Robison, and G. Rodan (eds.), *Southeast Asia in the 1990s: Authoritarian Democracy and Capitalism*. St. Leonards, NSW: Allen & Unwin; pp.133-157. As already noted above, my use of the middle-class concept here remains a cautious one. I do not seek to determine whether it is described best by its relationship to the means of production or its patterns of consumption, whether it is rural, as well as urban, or whether it is internally differentiated.

⁹⁷ For instance, the government further increased its already tight control of the media with the introduction of the Official Secrets Act of 1984 and Printing Presses and Publications Act (1984). The former was so defined as to effectively restrict the public release of information about any government activity whereas the latter gave the Home Minister the power to censor or ban any publication for publishing 'biased articles' or materials 'prejudiced to the national interest'. In addition, government officials frequently threatened organizations and individuals critical of its policies and/or actions with a score of similarly repressive legislative instruments such as: the Sedition Act; the Internal Security Act, the Prevention of Crime Ordinance, 1959; the Public Order (Preservation) Ordinance, 1958; Essential (Security Cases) (Amendment) Regulations, 1975 and; Civil Law (Amendment) Act, 1984. See: Simon Tan (1990). "The Rise of State Authoritarianism in Malaysia", *Bulletin of Concerned Asian Scholars*, 22(3), pp.33-35 and Means (1991), pp.137-145.

more fully legitimate the authority-defined 'nation-of-intent' and this saw the government selectively allow input from the *rakyat* with regard to the processes of interest articulation.⁹⁸ More strategically, state actors moved to establish a significant overlap between the interests of the BN government and those of substantial socio-political groups so as to ensure that key constituencies had a stake in the prevailing order. Creating such a clientelist consciousness and providing the incentive for groups and individuals to engage with the government, even though their influence might be seriously curbed, was designed to limit opposition to the authority-defined 'nation-of-intent' and render the exercise of political authority more efficient. Harmonizing the range of different voices would present a challenge, however; conflicting notions of leadership and political participation, particularly within UMNO, soon would have powerful repercussions for the political management of a relatively unified and non-contentious body politic and, therefore, for the maintenance of a stable political system.

5.5 One Step Backwards...

By 1986, circumstances in Malaysia had reached the point where it seemed that an early general election would once again be called by Mahathir. Government figures revealed that per capita GNP had fallen since 1984, real economic growth had actually been negative in 1985 and the level of public debt had risen to the point where it was now equal to 86 per cent of Malaysia's GNP.⁹⁹ In this recessionary setting, the government had responded with policies designed to "cut government expenditures, attract greater foreign investment, and to manage at the same time escalating ethnic demands with few resources and benefits to distribute."¹⁰⁰ To counter foreign criticism of the economic costs of the NEP, Mahathir had famously announced on a trip to Australia in May 1986 that the NEP would "be held in abeyance, more or less, except in areas where there is growth."¹⁰¹ Despite the political explosiveness of this statement, in practical terms it hardly challenged the overall structure

⁹⁸ For example, in 1985 a parliamentary Special Select Committee held public hearings all over Malaysia into proposed amendments to the Dangerous Drugs Act. See: Barraclough (1986), p.199.

⁹⁹ Per capita GNP in 1984 had been RM4,937 whereas in 1986 it was only RM4,327. See: Ariff (1987), pp.204-209; Mauzy (1987), p.238 and Means (1991), p.173.

¹⁰⁰ Means (1991), p.173.

¹⁰¹ *Far Eastern Economic Review*, 17 April 1986, p.127. This could be seen as another example of a 'sovereignty bargain' in action. In the same year, Mahathir was reported as saying, "The government will slow the redistribution of wealth whether we like it or not, now that there is no growth at all." See: *Asian Wall Street Journal*, 22 September 1986.

of Malay special privileges and quotas. Not only did this reveal how state actors sought to separately manage Malaysia's internal and external relations but, more importantly, it demonstrated the primacy of domestic political factors and their capacity to inhibit efforts to pull Malaysia out of recession.¹⁰² Nevertheless, the harsh economic realities of the times meant that policy-makers could no longer be complacent as even nominal policy shifts intensified domestic and international speculation on the future direction of restructuring policies after 1990. By calling an election a year ahead of schedule, Mahathir could more easily side-step this contentious issue and defuse the danger posed by rising ethnic tensions.¹⁰³

Despite a series of potentially disruptive issues in the first few months of 1986, in particular, the resignation of Musa Hitam as Mahathir's Deputy Prime Minister, the government felt that it could chance an August election.¹⁰⁴ The BN's campaign manifesto was deliberately general so as to avoid major controversy and allow each of the coalition's component parties to interpret and present the BN's election platform as they saw fit. As Gordon Means notes, "rather than asking for a mandate for clearly defined future policy options" the BN was asking voters to support the past performances of the incumbent team; in effect, "the BN was presenting to the voters a choice, not of policy, but of personnel and of process."¹⁰⁵ Defying conjecture that its apparently waning popularity would see the BN suffer a substantial setback the ruling coalition, instead, registered a resounding victory,

¹⁰² Beyond the limited changes to the ICA and minimal concessions to foreign investors the equity and participation provisions of the NEP remained intact. What is more, such compromises were scarcely novel as the government had already once relaxed the conditions of the ICA in the late 1970s. Nevertheless, Mahathir's Australian speech was not widely reported in Malaysia and appeared only in the Chinese press. See: Mauzy (1987), p.240 and Jesudason (1989), p.199.

¹⁰³ Means (1991), p.183.

¹⁰⁴ Musa's resignation on 26 February gave substance to long-standing speculation within UMNO that he and Mahathir disagreed on several prominent government policies such as the 'Look East' policy, Islamization and heavy industrialization. Musa also expressed disquiet over the problem of 'money politics' and the abuse of power within UMNO and the government. Musa's decision not to relinquish his post as UMNO's Deputy President meant that he remained active in party politics and pointed to a growing factional schism within the party over the centralization of power around Mahathir and foreshadowed UMNO's split the following year. Among other problems delaying the election were: financial and leadership crises within the MCA; continuing fallout from the BMF scandal; heavy government losses with the suspension of the International Tin Agreement; widespread rumours of rampant government corruption; an escalation of political tensions in Sabah and; controversy over Finance Minister, Daim Zainuddin's, activities in the stock market. See: Mauzy (1987), pp.232-236; Rachagan (1987), p.219 and; Ariff (1987), pp.197-199.

¹⁰⁵ Means (1991), p.185. With respect to the NEP the BN manifesto pledged that "Whatever is worked out for the post-1990 year will be with the fullest consultation of all segments of society." See: Rachagan (1987), p.229.

winning 148 of the 177 parliamentary seats on offer and control of all state assemblies.¹⁰⁶ UMNO, in particular, emerged victorious winning 83 seats and further enhancing its already dominant position within the BN. On the surface, this was yet another significant endorsement of the government and its authority-defined 'nation-of-intent' and fortified Mahathir's status within both his party and the governing coalition.

Upon closer inspection, however, the results indicated a growing ethnic political divide in Malaysia and highlighted the degree to which the authority-defined 'nation-of-intent' continued to be contested by rival notions of the 'national' (Figure 17). Following its dismal electoral performance in 1982, PAS had attempted to morph into an ethnically neutral Islamic organization but, despite an increase in its share of the popular vote, the party won only one parliamentary seat in 1986.¹⁰⁷ On the other hand, the DAP enjoyed a remarkable boost in its parliamentary presence, winning 24 seats compared to just 9 in 1982. That many of these victories came at the expense of the MCA and *Gerakan* further underscored the DAP's contention that it was the major representative of the Chinese community and demonstrated the impact of the government's policies on inter-ethnic relations. The dismal performance of the non-Malay components of the BN also significantly altered power equations within the coalition, encouraging some Malays to (re)assert the idea of Malay dominance with renewed vigour.¹⁰⁸

Practical political considerations, both instrumental and ideological, precluded any rash moves by responsible politicians. But the 1986 election did serve to highlight two continually evolving phenomena, each of which had lasting implications for how the BN's

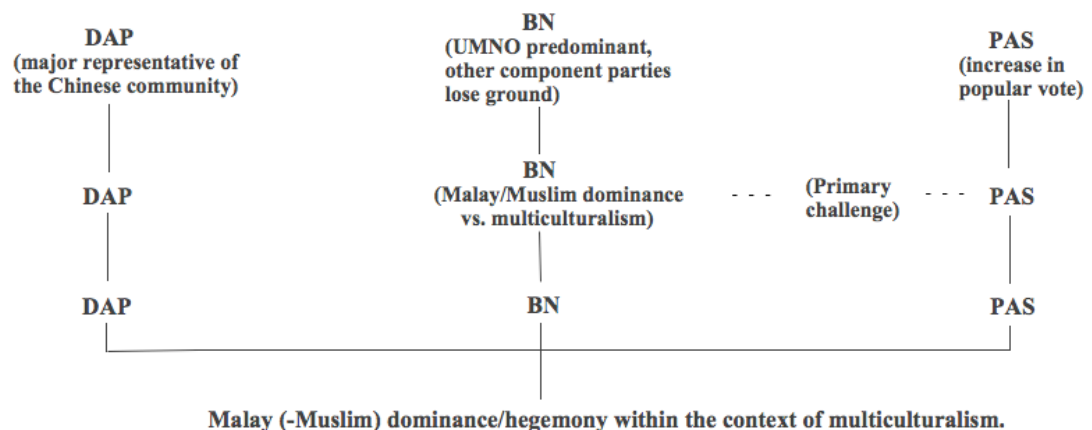
¹⁰⁶ The BN's majority in Parliament fell marginally from 85.7% in 1982 to 83.6%. In addition, it secured 56.6% of the popular vote, slightly less than it enjoyed in 1982. See: Rachagan (1987), p.231 and Ariff (1987), p.199.

¹⁰⁷ Efforts to appeal to non-Malays while still insisting on an Islamic state probably confused and alienated both its traditional, largely rural, Malay-Muslim base as well as a skeptical Chinese electorate. The fact that many of the seats it lost were by razor-thin margins further disappointed PAS's more militant supporters. See: Rachagan (1987), pp.232-233 and Mauzy (1987), p.236.

¹⁰⁸ A few weeks after the election, an MP and former deputy minister in the Tun Razak administration, Abdullah Ahmad, delivered a inflammatory speech in Singapore in which he forcefully reiterated the notion that the Malays must remain politically dominant and warned the Chinese not to 'play with fire' by attacking this idea of Malay dominance and the NEP. At the UMNO General Assembly in September, these broad sentiments continued with calls to extend the NEP beyond 1990 and to renege on a campaign promise to amend the Education Act so that vernacular education would be protected. Finally, a Malay parliamentarian referred to non-Malays as '*orang pendatang*' (immigrants). See: Ariff (1987), pp.200-201; Means (1991), pp.188-189 and; Mauzy (1987), pp.237-238.

authority-defined ‘nation-of-intent’ could be interpreted and operationalized so as to legitimate the political authority of state actors.¹⁰⁹ First, key issues on the public agenda had not been addressed in the election and would now have to be worked out in a context of dramatic socio-economic transformation and hardening ethnic positions. For instance, Malay politicians seemed determined to extend the NEP and the system of Malay special privileges beyond 1990 whereas non-Malays argued that these policies should be phased out and replaced by more equitable, ethnically-neutral socio-political arrangements. Second, UMNO’s spectacular electoral performance relied on Mahathir’s confident image of himself as the sole legitimate leader of a unified party, a unified ethnic community and a unified Islamic congregation.¹¹⁰ However, the unity of each of these three emotive symbolic communities and, therefore, Mahathir’s basic strategy of legitimation, was increasingly under threat.¹¹¹ Spurred by a severe economic crisis, these two interrelated phenomena soon led to a legitimacy strain and a rearticulation of the authority-defined ‘nation-of-intent’.¹¹²

Figure 17: Postcolonial ‘Nations-of-intent’ 1981-1996 (Step 3)



¹⁰⁹ A deeper analysis of the election results demonstrates the degree to which UMNO relied on non-Malay support for its victory. See: Rachagan (1987), p.234. In addition, UMNO’s commitment to the multiethnic structure of the BN as an expression of its authority-defined ‘nation-of-intent’ ruled out the formation of a completely Malay-controlled government.

¹¹⁰ Means (1991), p.188.

¹¹¹ Means (1991), p.193.

¹¹² A ‘legitimacy strain’ differs from a ‘legitimacy crisis’ in that the former occurs when “the bases on which authority has been claimed or acknowledged is under such severe stress that there is a strong possibility of its destruction and transformation.” In the case of a legitimacy strain, the “commitment to underlying norms may be weak to begin with, or perhaps the commitment has eroded for whatever reason, but the erosion has not reach crisis proportions.” See: Muthiah Alagappa (1995d). “Contestation and Crisis”, in, Muthiah Alagappa (ed.), *Political Legitimacy in Southeast Asia: The Quest for Moral Authority*, Stanford: Stanford University Press; p.59.

5.6 Factional Fallout: UMNO Splits and Operation Lalang.

Cracks in the first of the Malay symbolic communities soon appeared as a prolonged economic recession and the inability of the state to accommodate all competing interests and aspirations fueled a power struggle in the lead up to UMNO's General Assembly in April 1987. UMNO's control over the political and, increasingly, economic levers of government meant that the battle for leadership and management of the party was a high-stakes affair which encouraged a more confrontational style of politics in contrast to UMNO's traditionally accommodative model. On the surface, UMNO delegates faced a choice between two ideologically indistinct leadership 'teams' – Mahathir and Ghafar Baba ('Team A') vs. Tengku Razaleigh Hamzah and Musa Hitam ('Team B') and most accounts have focused largely on personal rivalries, policy disagreements and power struggles as the underlying causes of the dispute. Some scholars, however, have sought to add an ideological dimension to existing analyses.¹¹³ Such accounts point to Mahathir's reorientation of the NEP's emphasis away from pro-Malay ethnic redistribution and toward economic growth as an indication of his civic nationalist vision for Malaysia. Opposing this vision, Razaleigh argued that relatively few Malays had actually benefitted from the NEP and that pro-Malay policies thus needed to be strengthened and extended.¹¹⁴ Ideologically, then, Team B advanced a 'nation-of-intent' more narrowly focused on ethnocultural considerations and a concrete commitment to *Malay* rather than *Malaysian* nationalism. In the end, party members narrowly chose Team A to continue heading UMNO and, therefore, the government.¹¹⁵ Mahathir then proceeded to reward disloyalty

¹¹³ Jae Hyon Lee (2005). *UMNO Factionalism and The Politics of Malaysian National Identity*. Ph.D. Thesis. Murdoch University, Australia; especially, pp.110-141.

¹¹⁴ While non-Malays were very much bystanders in this factional dispute, the common view was that Team A was somewhat more open to ideas of interethnic cooperation and accommodation. This perception stemmed from the fact that leading figures in the Team A camp, such as Anwar Ibrahim and Mahathir, were willing to stress their commitment to symbolic Islamic issues whereas Razaleigh and Musa generally avoided following suit. See: Gordon P. Means (1991). *Malaysian Politics: The Second Generation*. Singapore: Oxford University Press, p.203.

¹¹⁵ Ghafar had been appointed by Mahathir as Deputy Prime Minister upon Musa's resignation. Razaleigh and Musa made for somewhat strange bedfellows given they had engaged in two bitter and close-fought contests for the Vice President's post in 1981 and again in 1984. In both cases, Musa had emerged as the victor, largely due to Mahathir's endorsement. Despite his resignation, Musa continued to enjoy widespread grassroots support with UMNO, particularly in his home state of Johor. Razaleigh, a member of the Kelantanese aristocracy, was equally popular in his home state. See: Gordon P. Means (1991). *Malaysian Politics: The Second Generation*. Singapore: Oxford University Press, p.203. Mahathir beat Tengku Razaleigh by only 43 votes while Ghafar defeated Musa by an even smaller margin of 40 votes. As for the other key posts, two of the vice-presidents elected were from Team A (Wan Mokhtar Ahmad and Anwar

by purging first the Cabinet, then the lower levels of government and finally the party as a whole of all Team B supporters.¹¹⁶ Enraged by this and questioning the validity of the close contest, the defeated faction immediately filed suit in the High Court to obtain a court order declaring the result void.¹¹⁷

UMNO's internal turmoil was symptomatic of a more general shift away from 'the Malay way' of consensual politics that had been a hallmark of Malay and, consequently, Malaysian politics previously.¹¹⁸ Not simply were questions raised over the country's political and economic leadership but many of the traditional pillars of Malaysian society faced unprecedented challenges.¹¹⁹ A decline in the customary practices of tolerance in the handling of 'sensitive' issues saw rising intra-ethnic tensions mirrored by a series of politically contentious inter-ethnic issues.¹²⁰ Traditional political methods of compromise and consensus reached through *in camera* discussions had broken down in an atmosphere now characterized by sharply-defined ethnic positions where extreme voices could more easily magnify relatively minor developments into a major communal conflagration.¹²¹ Inter-ethnic frictions were further amplified in mid-1987 when the government seemingly

Ibrahim) and one from Team B (Abdullah Ahmad Badawi) while sixteen of the seats on the twenty-five strong Supreme Council were won by Team A members. See: Shamsul (1988), p.181.

¹¹⁶ In a sense, this is entirely consistent with the underlying corporate logic of 'Malaysia Inc.' whereby the majority shareholders run the enterprise, even if they only enjoy a 2.9% majority. See: Shamsul (1988), p.186.

¹¹⁷ At the core of this challenge, was the claim that UMNO party management had deliberately and negligently allowed delegates from 53 unregistered branches to participate in the party elections. See: Shamsul (1988), p.186

¹¹⁸ Mauzy identifies 'the Malay way' as "a method of problem-solving and conflict avoidance that has helped to sooth political tempers. It emphasizes traditional courtesy and good manners, wide consultation, compromise, avoidance of direct confrontation when possible (but leaving a role for innuendo), and a striving for consensus rather than imposing the will of a (sometimes narrow) majority. If possible, critics are wooed rather than repressed and defeated opponents are not pounded into complete submission, but openings are left for future reconciliation." Diane K. Mauzy (1988). "Decline of the 'Malay Way'", *Asian Survey*, 28(2), p.213. See also: Kenneth James (1988). "Malaysia in 1987: Challenges to the System", *Southeast Asian Affairs*, 15, p.161 and Means (1991), .208-209.

¹¹⁹ In addition to the examples listed there was a very public call for the Constitution to be re-evaluated. See: Mauzy (1988), p.217.

¹²⁰ 1986 saw the collapse of several large MCA-linked financial institutions due to a combination of mismanagement and the poor economic environment. The MCA insisted that the government provide a BMF-style bail-out but Malay hardliners within the government rejected any such use of public funds. A compromise was eventually reached but not before political tensions within the BN and the broader public had been intensified. Other, more minor, incidences added to general feelings of ethnic/cultural insecurity. First-year students in the Chinese, Indian and English Studies Departments at the University of Malaya were informed that all elective subjects would now be taught in Malay rather than in their own language. In addition, another university (Technology University of Malaysia) announced that all graduating male students would be required to don the traditional Malay cap (*songkok*) and all female students a scarf for the convocation ceremony. See: James (1988), p.158 & p.162.

¹²¹ See: James (1988), p.161 and Means (1991), pp.208-209.

reneged on an election pledge to repeal Section 21(2) of the Education Act of 1961, which gave the Minister of Education the power to convert any vernacular school into a Malay-medium school by decree. When the Education Ministry began assigning non-Mandarin-speaking Chinese teachers to administrative positions within several Chinese schools, Chinese community leaders were incensed.¹²² Fifteen Chinese guilds, along with the DAP, MCA and *Gerakan* joined together to form a joint action committee (JCA), which on October 11 presented the Education Ministry with its demands that the promotions be reversed.¹²³ The authority-defined 'nation-of-intent' was now under fire from both Malays and non-Malays.

For many UMNO leaders, the presence of their Chinese BN partners in the JCA was an unacceptable betrayal and a mammoth rally was organized by UMNO Youth in counter-protest.¹²⁴ On October 17, 15,000 Malays packed a stadium in central Kuala Lumpur in a clear display of Malay political supremacy and militancy designed to intimidate those that opposed the UMNO-led government.¹²⁵ Plans were soon made for an even larger rally to be held in early November in Merdeka Stadium to mark UMNO's 41st anniversary with expectations that 150,000 party members would attend in an unmistakable show of political strength.¹²⁶ More than just an exhibition of Malay unity and strength, Mahathir hoped that this second rally would act as an overwhelming demonstration of popular support for himself and Team A.¹²⁷ However, as reports began to filter through that anti-Mahathir elements would feature prominently, the Prime Minister found himself in a political bind due to his precarious position within UMNO. If he called off the rally this would be interpreted as a sign of weakness. If it went ahead but numbers were less than expected, he

¹²² Mauzy (1988), pp.218-219.

¹²³ James (1988), p.162.

¹²⁴ Traditionally, UMNO Youth is the most militant section of UMNO. In addition, its head was Anwar Ibrahim, the Education Minister, and this meant that the organization was also keen to defend his honour against the perceived insults of the JCA. See: Mauzy (1988), p.219.

¹²⁵ This was probably most clearly demonstrated by the acting head of UMNO Youth, Najib Razak, when he unsheathed a *kris*, the traditional Malay weapon, and allegedly promised to 'soak it with Chinese blood'. See: Asia Sentinel (2009). "Najib Firmly in Malaysia's Saddle", 19 October; accessed at: http://www.asiasentinel.com/index.php?option=com_content&task=view&id=2105&Itemid=178 (accessed on 10 July 2011).

¹²⁶ James (1988), p.163. Gordon Means and Diane Mauzy both estimated that, in fact, half a million UMNO members were expected to show up for the November rally. The capacity of Merdeka Stadium is only 40,000. See: Means (1991), p.211 and Mauzy (1988), p.219.

¹²⁷ Mauzy (1988), p.219.

would lose face. And if violence erupted – as was increasingly likely – he would be condemned by history.

To blunt the more militant voices within UMNO and reaffirm his position, Mahathir could not move against just his internal critics but had to cast a wider net. On October 27, the government implemented Operation *Lalang* and detained 63 people under the ISA, a number that would ultimately grow to 106.¹²⁸ Opposition politicians figured prominently among those detained but members of the MCA, *Gerakan* and even UMNO were also included as were several prominent civil society figures.¹²⁹ Public gatherings were banned as were three newspapers perceived as being especially critical of the government.¹³⁰ Despite the crackdown, the general reaction was one of relief on the part of the Malaysian public particularly as UMNO could now no longer proceed with its November rally. Mahathir's "unequivocal reiteration of the rights of all Malaysians, Malay and non-Malay, to citizenship, and to freedom of worship and language" was similarly applauded.¹³¹ Operation *Lalang* not only allowed Mahathir to preempt an internal challenge to his leadership within UMNO but through it both the DAP and PAS were emasculated as their leadership was arrested and political meetings were banned.¹³² In this way, Mahathir was able to reinforce the status of the authority-defined 'nation-of-intent' by subjugating alternative, rival 'nations-of-intent' that had recently begun to resonate more broadly within Malaysian society (Figure 18).

¹²⁸ *Lalang* is a type of tall grass or weed.

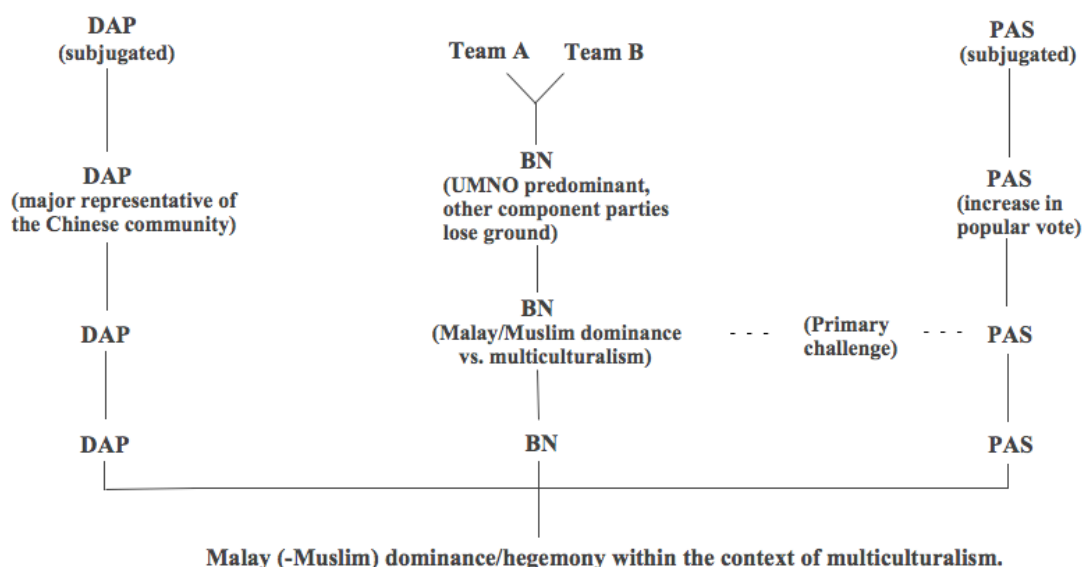
¹²⁹ These arrests were a useful means of defusing a range of challenges facing Mahathir, UMNO and the government. For instance, Lim Kit Siang the DAP leader, had successfully obtained a High Court injunction preventing the government from signing a contract with an UMNO-owned and controlled company to privatize the North-South highway due to a conflict of interest. In addition, Dr. Chandra Muzaffar, the President of *Aliran*, a prominent civil society organization, had recently suggested that the Constitution be amended to suit the changing socio-political environment in Malaysia, a view that was supported by Tunku Abdul Rahman and two former Lord Presidents of the Federal Court. See: James (1988), p.161 & p.163; Means (1991), p.212-213; Shamsul (1988), p.187 and; Mauzy (1988), pp.219-220. Non-Malays made up the bulk of those detained. The three UMNO members held under the ISA were all members of Team B.

¹³⁰ The press crackdown in 1987 would be cemented in amendments made in November 1987 to the Printing Press and Publications Act 1984 that required publishing licenses to be applied for on an annual basis. Furthermore, any rejected application would be at the discretion of the Home Minister and not subject to any judicial review. See: James (1988), p.164 and Mauzy (1988), p.222.

¹³¹ James (1988), p.164. By the end of the year, all but 38 'hardcore' ISA detainees (including Lim Kit Siang, the DAP leader) had been released.

¹³² Means (1991), p.214.

Figure 18: Postcolonial ‘Nations-of-intent’ 1981-1996 (Step 4)



Nevertheless, the Team B court challenge remained a very real threat to Mahathir's political position. In the end, the presiding justice ruled in favour of the government but the discovery of 30 unregistered party branches meant that, in a strictly legal sense, UMNO was an unlawful society.¹³³ The political and economic uncertainty this ruling engendered triggered, in turn, a furious scramble between the rival Malay camps as each sought to present themselves as the rightful heir and successor of the now moribund UMNO. Outmaneuvering his opponents, Mahathir was able to register a new party, UMNO *Baru* ('New UMNO'), and began to recruit its defunct predecessor's members and retrieve the old party's considerable assets. To counter any repeat challenges to his authority, Mahathir introduced a new party constitution that greatly increased the president's powers.¹³⁴

Of greater concern, however, was the need for the 'new' UMNO and Mahathir to regain the confidence of the Malay constituency as a whole. With both the Tunku and Hussein Onn lining up in the rival camp, Mahathir was unable to dismiss the challenge to his authority out of hand. Although Mahathir was eventually able to lay claim to control of the old party's financial assets and confidently declare that the 'new' UMNO was the legitimate

¹³³ This was in line with amendments made in 1983 to The Societies Act of 1966.

¹³⁴ The UMNO President now possessed the power to directly appoint the heads of UMNO Youth and Wanita UMNO (the women's wing). In addition, changes to the process involved in electing the top leadership now gave the incumbents a huge advantage. See: K. S. Nathan (1989). "Malaysia in 1988: The Politics of Survival", *Asian Survey*, 29(2), p.131 and Means (1991), pp.226-227.

representative of the Malay community's interests and aspirations, the factional split among the Malay political elite persisted with both sides offering themselves as the rightful representative of the Malay community and the only ones capable of restoring communal solidarity.¹³⁵ While the internal party conflict had been resolved in favour of Mahathir, the narrowness of his victory had tarnished his political legitimacy in the eyes of the broader Malay community. As A.B. Shamsul observed, "[Team B] had not lost the 'moral battle'. Razaleigh received 48.55 per cent of the total votes cast, a more-than-respectable figure...Mahathir received only a half mandate to run UMNO and the country, hardly a confidence boosting prospect."¹³⁶

Under pressure from this rival faction and determined to ensure his political survival, Mahathir was compelled to re-legitimize his position within UMNO's core constituency by underscoring his credentials as a Malay nationalist leader. Utilizing highly emotive language, Mahathir first accused Razaleigh and the rest of Team B of debasing UMNO's reputation as the embodiment of Malay nationalism and, therefore, of betraying the Malay community as a whole. Mahathir then solicited public endorsements for his government from the leaders of all BN component parties as well as from all Chief Ministers and BN state party leaders. To generate grassroots support the government organized the *Semarak* Movement, which staged public rallies throughout the country.¹³⁷ Mahathir crisscrossed the peninsula, appearing at each rally to meet ordinary Malays, in order to reiterate the overall theme of the campaign – the importance of 'Malay unity' in the preservation of Malay political hegemony.¹³⁸

Two by-election victories in 1988 demonstrated that the challenge presented by the opposition faction, which now referred to itself as 'Semangat '46' (The Spirit of '46, S46) was a very real one and hinted at the genuine possibility of a Malay opposition to UMNO

¹³⁵ Means (1991), pp.232-234. Perhaps the clearest indication of the new party's confidence was its insistence that the term '*Baru*' was superfluous and that the party would now simply be referred to as UMNO.

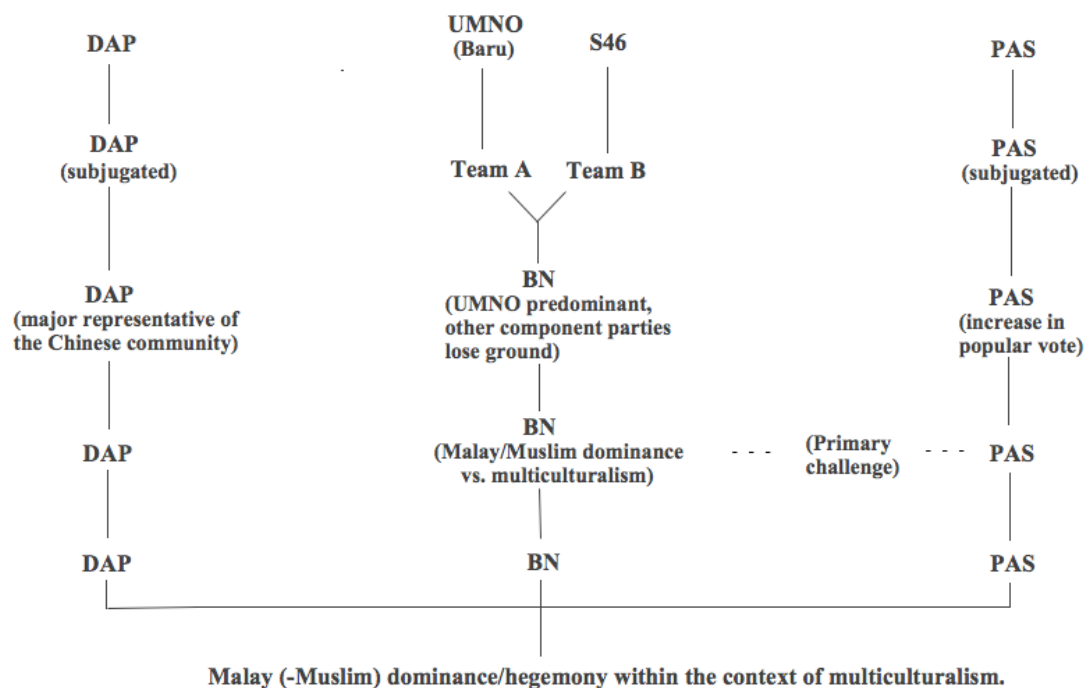
¹³⁶ A.B. Shamsul (1988), p.181.

¹³⁷ *Semarak* is a Malay acronym and was officially translated as 'Loyalty with the People Movement'. Closely coordinated with the *Semarak* movement was a well-organized recruitment drive for UMNO Baru and its membership steadily increased throughout 1988.

¹³⁸ Stephen Chee (1989). "Malaysia in 1988: A Fractured Polity", *Southeast Asian Affairs*, 16, p.214 and Means (1991), p.229.

and, thus, of another rival ‘nation-of-intent’ (Figure 19).¹³⁹ Any euphoria was short-lived, however, as a stinging by-election loss on the outskirts of Kuala Lumpur the following year demonstrated the continuing salience of UMNO as a political force. The effect of intra-Malay factionalism on interethnic politics was more pronounced. Although the initial stages of the struggle between the rival Malay factions precluded any focus on non-Malay concerns, as the political struggle unfolded within the Malay community, non-Malay support and votes became more crucial if either side wished to overcome the political challenge of the other. Malay disunity offered non-Malay organizations the opportunity to press their demands and to have greater input in re-shaping the authority-defined ‘nation-of-intent’. The effects of the Malay split was soon evident as the UMNO-led government reiterated its commitment to multiethnic unity and development as a means of discrediting its opposition and legitimating its authority amongst the broader Malaysian population.

Figure 19: Postcolonial ‘Nations-of-intent’ 1981-1996 (Step 5)



¹³⁹ One by-election was for a state assembly seat in Musa’s home state of Johor while the other was a for a federal seat in the same state. Although the opposition’s victory in the latter did not change the overall distribution of seats in Parliament (the by-election was forced by the resignation of an opposition MP), the victory “represented a devastating psychological and symbolic defeat for the government and greatly buoyed the hopes of the opposition.” Means (1991), p.246 and Chee (1989), pp.216-217.

5.7 Mapping Post-NEP Malaysia.

In a statistical sense the NEP had been relatively successful. The First Outline Perspective Plan (OPP1), 1971-1990 introduced as part of the Mid-Term Review of the Second Malaysia Plan, had set clear quantifiable objectives against which the policy could be assessed. With respect to the first prong of the NEP, only 15% of peninsular Malaysian households were classified as 'poor' by 1990.¹⁴⁰ While the interethnic and rural-urban dimensions of poverty continued to be of concern to the government, it was evident that the NEP had fulfilled its objective of poverty eradication.¹⁴¹ More controversial were evaluations of the NEP's second objective, the restructuring of interethnic economic disparities, as these provided a rationale for extending the NEP. In this regard, the achievements, while still impressive, fell short of the OPP1's targets. In particular, at 20.3% the *bumiputra* share of corporate equity was still well below the 30% outlined in the OPP1.¹⁴² Despite bickering over the veracity of official statistics, it was difficult to deny that most Malaysians, regardless of ethnicity, had experienced a tangible increase in their overall standard of living in spite of / because of the NEP.¹⁴³

Yet it was equally evident that ethnic relations had worsened under the NEP with the events of 1987 the clearest indication of the continuing fragility of the authority-defined 'nation-of-intent'. The overall goal of national unity had to do with more than statistical achievements and the implementation of the NEP was criticized for a number of reasons: for expanding the public sector's economic footprint; for fostering a 'subsidy and quota mentality' among the *bumiputra* community; for creating an inefficient but politically-connected 'rentier entrepreneurial class' and; for the institutionalization of mediocrity

¹⁴⁰ The OPP1 target for 1990 was 16.7%. The incidence of absolute poverty in 1970 had been 49.4%. See: Government of Malaysia (1991). *The Second Outline Perspective Plan 1991-2000*. Kuala Lumpur: National Printing Department; p.46.

¹⁴¹ Government of Malaysia (1991), p.47. The relative income differential between *bumiputra* and non-*bumiputra* had closed between 1970 and 1987. However, the absolute income gap between the two had widened over the same period. See: H. Osman-Rani (1990). "Malaysia's New Economic Policy: After 1990", *Southeast Asian Affairs*, 17, p.217.

¹⁴² Government of Malaysia (1991), pp.48-49. Employment shares according to ethnicity also did not meet the targets set in the OPP1, with *bumiputra* still over-represented in the agricultural sector and under-represented in administrative or managerial positions. See: Government of Malaysia (1991), p.47 & p.49 and Osman-Rani (1990), pp.217-220.

¹⁴³ H. Osman-Rani (1992). "Towards a Fully Developed Malaysia: Vision and Challenges", *Southeast Asian Affairs*, 19, p. 207.

rather than meritocracy in education and the professional occupations.¹⁴⁴ By privileging an ethnic distribution of resources and raising *bumiputra* expectations of economic progress the NEP had produced greater ethnic polarization rather than enhancing national unity.¹⁴⁵ Rapid economic growth had been able to mask many of the inherent flaws of the NEP but Malaysia's heavy reliance on the world economy meant that these flaws were horribly exposed once the economy was impacted by the global recession of the mid-1980s. When the economy performed poorly, economic restructuring faltered and ethnic tensions rose.

By 1988, however, it was a different story as the Malaysian economy, driven by the resurgence in commodity prices and the impressive performance of the manufacturing sector, emerged from deep recession. Renewed levels of private sector investment also played a tangible role in the recovery although there was evidence that local investors were still unwilling to commit fully to the domestic economy with foreign equity representing the most important source of financing.¹⁴⁶ Structural adjustments at the global level as a result of the Plaza Accords of 1985 contributed to this influx of foreign investment. With the Yen appreciating against the US dollar, Japanese industries began to concentrate more and more of their production overseas in order to reduce costs and explore new overseas markets. At the domestic level, the influx of foreign manufacturing investment was the result of the substantial change in industrialization policy and the liberalization in investment policies which had occurred in 1986.¹⁴⁷ As we have seen, this drastic shift towards a strategy of export-oriented industrialization and a reduced role for public enterprises was a response to the dire economic straits the government had found itself in during the mid-1980s, partly as a result of its unwillingness or inability to mobilize private domestic (i.e., Chinese) capital.¹⁴⁸ Although such moves implied at least a suspension of

¹⁴⁴ Osman-Rani (1990), p.221. In a speech delivered in August 1989 to the Malaysian Economic Association, Mahathir himself acknowledged the 'partial failure' of the NEP. However, he attributed this not to the policy as a whole but rather to widespread practice of regarding the NEP 'not as an instrument of social and economic engineering but as a means to get rich quick.' See: Osman-Rani (1990), pp.224-225.

¹⁴⁵ Without denying this proposition, there is the valid counter-claim that without the NEP, the *bumiputra* community would have been worse off, a condition also unlikely to encourage national unity. In fact, under this scenario, the possibility of ethnic conflict may have even been greater. See: Osman-Rani (1990), p.222.

¹⁴⁶ Political uncertainty generated by the UMNO crisis as well as the likelihood of NEP-like policies continuing beyond 1990 likely played a significant role in patterns of local (i.e., predominantly Chinese) investment. See: Chee (1989), p.228 and Mohd. Ismail Ahmad (1989). "The Economic Upturn in Malaysia", *Southeast Asian Affairs*, 16, pp.237-238.

¹⁴⁷ Kimura (1992), p.185.

¹⁴⁸ Kimura (1992), pp.185-186.

the NEP, these liberalization policies were never directly challenged, in part, because there was “a nationwide consensus that there were no other alternatives to deregulation in order to regain the momentum of economic growth.”¹⁴⁹

As noted above, the economic benefit of foreign investment was undoubtedly appreciated for both short-run economic and political reasons but there was now a growing sense of urgency among state actors to find a more appropriate balance between foreign and domestic investments so as to reduce Malaysia’s reliance on forces beyond the more immediate control of the state. Domestic investment had to increase if aspirations for a fair share in equity ownership were to be adequately realized and the dangers of an over-reliance on foreign investment to be avoided.¹⁵⁰ Nevertheless, the overwhelmingly ethnic institutional structure of the Malaysian state and political system continued to retard any meaningful shift towards greater interethnic integration via a reconceptualization of the authority-defined ‘nation-of-intent’. In the end, the government was satisfied to introduce a range of tax reforms and other incentives to attract further foreign direct investment while simultaneously encouraging small and medium-scale domestic industries to expand their economic activities.¹⁵¹

What should have been clear by this point, however, was the inability of economic prosperity alone to provide an enduring basis for socio-political stability. Here, then, was an opportunity for state actors to revise the authority-defined ‘nation-of-intent’ to better account for the transformation of the socio-economic and socio-political environment as a consequence of Malaysia’s society-state-global interrelationship. In particular, there was

¹⁴⁹ Kimura (1992), p.186.

¹⁵⁰ Some of the inherent weaknesses in export-oriented industrialization led by FDI lie in the nature of the (heavy) imports required as well as the possibility that profit repatriation rather than reinvestment might dominate. Finally, to ensure a stable balance of payments and sustained economic growth, a continuous flow of FDI is indispensable. If this flow were to dry up for whatever reason, Malaysia’s economic development would be imperiled. See: Kimura (1992), pp.192-193.

¹⁵¹ Notably, concerns over Malaysia’s future status as a preferred trading partner under the U.S.A.’s Generalized System of Preferences (the US was a key export market for the Malaysian electronics sector) compelled the government to not only release labour leaders detained under the ISA since Operation Lalang but also to allow workers in the electronics industry to unionize.. Mahathir also released DAP leader Lim Kit Siang and his son from detention. The Prime Minister himself appeared in both the US and the UK to address a range of investors and opinion makers and reassure them of his country’s ‘democratic’ credentials and to secure further investment. See: Means (1991), pp.256-257 & p. 261; Gordon P. Means (1990). “Malaysia: Forging a Plan for the Future”, *Southeast Asian Affairs*, 17, p.197; Ahmad (1989), p.245 and; Chee (1989), p.193.

an opportunity here, as there had been in the late 1970s, for the state to take advantage of favourable external conditions to create a more lasting basis for its internal relations with society. At that time, state actors took advantage of relatively high rates of economic growth to meet their ethnic and political goals instead of maximizing national accumulation. However, once these economic growth rates proved to be unsustainable, the inherent weaknesses within Malaysia's productive base became apparent. The overt focus of the NEP, in which policies were interpreted as being ethnically inspired and where gains and losses were proportioned between different ethnic communities, had steered Malaysia towards increasing ethnicism. While efforts to overcome economic ethnic disparities and concomitant structural imbalances must be lauded as part of the overall objective of ensuring the societal stability necessary for national unity, what was absent was a proper balance between economic progress and stability. Increasing material wealth alone was not enough and if the overriding goal was in fact national unity then it could not be assumed "that economics [would] provide the solution and statistics the measurement. Political stability with a strong and caring leadership [was] vital."¹⁵²

With the NEP now soon set to expire, the government hinted that it had learned from its past experiences in acknowledging that the formulation of a new social ethnic compact would be a central plank in any future policy; it recognized the need to convince the populace that it catered to the legitimate interests of all Malaysians.¹⁵³ In late 1988, Mahathir realized that to forestall growing investor unease and public discontent, clarification on Malaysia's post-NEP policies was urgently required.¹⁵⁴ In January the following year, the National Economic Consultative Council (NECC) was launched and charged with reviewing the NEP and drafting a fresh development policy for the post-1990

¹⁵² Osman-Rani (1990), p.225. Writing at the end of the 1980s, Jesudason concludes his classic text by lamenting how state actors had strained the financial and administrative resources of the state during favourable times in pursuit their political and ethnic goals to the neglect of building greater resilience in the economy. This effort "had short-run political pay-offs but it imposed significant costs on the economy. A state that had been more responsive to the views of the Chinese and foreign groups might have served the economy and the society better in the long run." Jesudason (1989), p.200.

¹⁵³ The non-Malay component parties of the BN, in particular, had devoted great attention to the post-NEP policy environment, in both public and private forums. The MCA was the most prominent actor in this regard and an MCA-sponsored publication, *The Future of the Malaysian Chinese*, included papers from a range of commentators on the major issues and concerns of the Chinese community, some of which actually questioned whether the party might be better off outside of the BN. See: Chee (1989), p.222 and Means (1991), p.265.

¹⁵⁴ Chee (1989), p.230.

period. Comprised of 150 members drawn from all sections of society it included an equal number of *bumiputra* and non-*bumiputra* representatives.¹⁵⁵ Preliminary reports on the NEP's progress were completed by May at which point participants began to consider the government's future policy direction. Two decades of the NEP had sharpened political, social and critical consciousness and state actors were understandably anxious that these discussions not spill over into the public eye and potentially fuel ethnic dissent.¹⁵⁶ With the BN firmly in control, however there was little cause for concern and the council's lengthy final report, published in February 1991, saw a system of ethnic preferences retained as the future basis for national socio-economic planning.¹⁵⁷ The operationalization of Malay dominance as imagined by the authority-defined 'nation-of-intent' would remain largely intact; another chance to reconceptualize the authority-defined 'nation-of-intent' had apparently been missed.

But this was not so say that the other side of the governing principal – Malaysia's multicultural context – was to be completely ignored for, although nothing truly substantive emerged from the NECC exercise, the fact that an UMNO-led government decided to pursue a path of inter-ethnic dialogue at all is worth considering for a moment. A cynical account would claim that Mahathir's underlying rationale was simply the superficial placation of non-Malays by providing an illusion of participation in order to ensure a broader acceptance of the BN's 'nation-of-intent' and the legitimacy of its rule. Certainly, some of Mahathir's comments at the time support such a view as did the sense that any deviation from the widespread belief that ethnic unity ultimately depended on economic

¹⁵⁵ Semangat '46 was unrepresented, however. In addition, although the DAP was given 5 seats on the NECC, the party initially decided to boycott sessions as Lim Kit Siang and Guan Eng Lim were still being held under the ISA. Once they were released on April 19, 1989 the DAP participated in proceedings. Nevertheless, of the 50 seats given to political parties only 12 were reserved for members of the official opposition in Parliament. See: Means (1990), p.195.

¹⁵⁶ All debate within the NECC was conducted *in camera* and all documentation was covered by the Official Secrets Act. Given that even before the formation of the NECC both the MCA and *Gerakan* had already challenged the government's statistical analyses on the ethnic distribution of economic benefits under the NEP this was perhaps predictable. These officially published figures were a crucial component in any determination of the NEP's success/failure. For those advocating a continuation of the NEP, statistical evidence that the restructuring (and poverty) objectives of the NEP had not yet been met was a key element in their argument. See: Gordon P. Means (1991). See: Means (1990), p.196 & p.268 and Osman-Rani (1990), p.218 (fn.44).

¹⁵⁷ Means (1990), p.196. Not that consensus was always reached. Representatives of both Chinese schools and the DAP walked out of NECC sessions in August/September in protest that their views not being considered and by year's end there were only 100 members left. See: K. S. Nathan (1990). "Malaysia in 1989: Communists End Armed Struggle", *Asian Survey*, 30(2), p.218; Kimura (1992), p.194 and; Osman-Rani (1992), p. 203 & p.216 (fn.5).

development was beyond consideration given the shape of the authority-defined 'nation-of-intent'.¹⁵⁸ But while the NEP's successor would be consistent with the authority-defined 'nation-of-intent', it could be argued that the NECC process contained the seed of what would become the Vision 2020 project and the promise of much more inclusive Malaysian 'nation-of-intent'.

5.8 *The 1990 General Elections: Confounding Expectations.*

With the economic recovery boosting support for his government, there were growing signs that Mahathir would call an early general election to ratify his administration's legitimacy as well as to eliminate his S46 opponents and the embryonic opposition coalition forming around them.¹⁵⁹ In late 1988, PAS and S46 had entered into discussions that eventually led to a formal political pact known as *Angkatan Perpaduan Ummah* (Muslim Unity Movement, APU). PAS's involvement in this political alliance signaled the rise of a younger cadre of more politically pragmatic leaders within the party that crystallized in the election of Fadzil Noor as the new party President in April 1989. Although stung by the defection back to UMNO of Musa Hitam and four close associates so as 'to restore unity', APU threatened the ability of UMNO to "amalgamate the separable issues of Malay racial unity, Malay political unity and Malay political power that had made the party such a formidable vehicle for Malay nationalism" in the past.¹⁶⁰ Despite the ideological gulf separating PAS from the DAP, the latter was able to work out some informal agreements for limited political cooperation with APU although PAS's commitment to the formation of an Islamic state precluded any possibility of the DAP formally joining the new opposition coalition. The initial performance of the opposition coalition in a series of by-elections throughout 1989 was patchy to say the least but nevertheless revealed "a multi-ethnic alliance that commanded sufficient support to pose a credible opposition, particularly in

¹⁵⁸ Mahathir stated that the NEP had not constrained economic growth and certainly had not restricted the ability of non-Malays to enjoy their share of the country's economic development. Furthermore, he explicitly argued that the problems, which had led to the creation of the NEP in the first place, had not yet been resolved satisfactorily. See: Khong Kim Hoong (1991b). "Malaysia 1990: The Election Show-Down", *Southeast Asian Affairs*, 18, p.176.

¹⁵⁹ Probably the clearest indication of an early election was the generosity shown to strategic constituencies (civil service, Malay peasants, non-Malay educationalists, etc.) in the 1989 Budget. See: Chee (1989), pp.234-235.

¹⁶⁰ Chee (1989), p.233 and Means (1990), pp.190-191.

constituencies having large Malay majorities.”¹⁶¹ That Mahathir viewed APU as a sufficient political threat was evident in the overtures he now made to his Malay critics and rivals within S46.¹⁶²

As expected, Mahathir called an early election in late October 1990. For the first time since Independence, Malaysians were presented with a credible alternative to the BN. Not only had S46 and PAS joined forces in APU but S46 had formed a similar but separate arrangement with the DAP and three smaller parties to create the *Gagasan Rakyat Malaysia* party (Malaysian People’s Might). This meant that the opposition parties, as a whole, were for the first time able to mount a coordinated campaign against the incumbent BN coalition. Concerns over the governing coalition’s internal stability given the effects of three years of intense internecine conflict within UMNO, perennial MCA factionalism and a long-simmering MCA-*Gerakan* rivalry led many to believe that the government would face a stern test.¹⁶³ Confronted by this challenge, the BN highlighted its record of moderation, stability and consensual style of governance and argued that for Malaysia to continue to develop rapidly continuity of rule was required.¹⁶⁴ Although vulnerable, the ruling coalition still commanded an impressive election machine with a huge war chest and was further buttressed by preferential access to the media.¹⁶⁵ With the result apparently in the

¹⁶¹ Means (1990), p.191. In the only Chinese majority constituency (Bentong in Pahang) the election results indicated that the DAP had lost 9% of its popular support since the 1986 general election. Speculation on the cause of this dip centered on lingering Chinese suspicions of PAS and the effects of the DAP’s affiliation with APU.

¹⁶² To be fair, there was little doubt that BN rule would be challenged but there was the distinct possibility that APU (together with the DAP and other opposition parties) could deny the BN its two-thirds majority in parliament, a crucial indicator of legitimacy. A zero-sum paradigm of interethnic relations meant that the potential for intra-ethnic political divisions to undermine the exercise of Malay political dominance, particularly at a time when the NECC was meeting to determine the post-NEP direction of the country was an additional concern to the UMNO-led government. See: Means (1990), p.192.

¹⁶³ Fred R. von der Mehden (1991). “Malaysia in 1990: Another Electoral Victory”, *Asian Survey*, 31(2), pp.164-165 and Khong Kim Hoong (1991a). *Malaysia’s General Election 1990: Continuity, Change, and Ethnic Politics*. Singapore: ISEAS; pp.29-32.

¹⁶⁴ Khong (1991a), p.20. BN leaders were also not averse to playing on the politics of fear and warning voters that support for the opposition could easily lead to a repeat of May 13, 1969.

¹⁶⁵ As television, radio and most major newspapers were either run by the state or controlled by BN component parties this was unsurprising. Key groups were showered with state money to ensure their support for the BN and development projects announced as part of the campaign process. As in the previous two elections, an extremely short campaigning period (nine days) and a ban on public rallies provided a further boost to the BN. See: Khong (1991a), pp.20-22.

balance many observers predicted that this would be ‘the most closely fought election in Malaysian history.’¹⁶⁶

Given the multiethnic composition of the competing coalitions it was perhaps predictable that initial stages of the short campaign period would be notably devoid of ethnic issues. BN attacks on the opposition coalition centered largely on it being nothing more than a marriage of convenience and an election vehicle rather than the natural product of common ideological perspectives. To use the language of this thesis, the fundamental incompatibility between PAS’s ‘nation-of-intent’ and that of the DAP – along with the fact that S46 never presented a clear articulation of their ‘nation-of-intent’ as a point of difference from UMNO – only highlighted the inherent fragility of the opposition coalition.¹⁶⁷ With this in mind, it is relatively unsurprising then that the BN campaign would eventually adopt a more ethnic and religious slant in order to highlight the basic contradiction that lay at the heart of opposition arrangement. UMNO leaders began to play upon the potent argument that support for the opposition represented a clear and present danger to the Malay (Muslim) community. The close cooperation of S46 leaders with other ethno-religious groups was constantly stressed in the press and presented as proof that Malay socio-political supremacy was under threat.¹⁶⁸ While it may have been surprising to some that the opposition election campaign remained silent on many controversial ethnic issues, such as the post-NEP policy direction of the country, this was likely a calculated move.¹⁶⁹ The looseness of the alliance meant that it could hardly afford to air its seemingly intractable ideological differences in public if it were to maintain its common front against the government. At the same time, its silence on such crucial issues likely accentuated Malay anxieties vis-à-vis their political and economic position while also raising suspicion

¹⁶⁶ Khong (1991b), p.163. Lim Kit Siang, the DAP leader, similarly commented that the 1990 election was “an unprecedented historic opportunity to effect far-reaching meaningful changes to the political order in the country.” In, Khong (1991b), p.166.

¹⁶⁷ In particular, the historic differences between PAS and DAP over the creation of an Islamic state featured prominently in BN attacks. As it was unclear whether or not each party’s constituents would vote for candidates of other parties in the opposition coalition only lent credence to such criticism. See: von der Mehden (1991), p.166.

¹⁶⁸ A classic example of this phenomenon was a picture of Razaleigh wearing a Kadazan native headgear featuring a design that resembled the Christian cross. This picture featured prominently in the Malay print press and was subsequently shown repeatedly on television as evidence of his ‘betrayal’ to his people. See: Khong (1991b), p.162.

¹⁶⁹ Khong (1991b), p.163.

among non-Malays as to how the disparate elements of the opposition coalition could actually cooperate if they were, in fact, to win government.

Although there were widespread expectations that a genuine two-coalition party system might materialize these were always going to be fanciful given the lack of common ground between the rival opposition 'nations-of-intent'. Despite recording a slight dip in its share of the popular vote and the loss of two state legislatures, the BN nevertheless emerged as the clear victor and the results can be seen as an endorsement of its authority-defined 'nation-of-intent'.¹⁷⁰ Especially pleasing in this regard for the UMNO leadership was the party's continued dominance of the Malay vote.¹⁷¹ In particular, UMNO had successfully defended the challenge from S46 and restricted its influence to Razaleigh's Kelantan stronghold. In the main, the other BN component parties held their own, with the MCA gaining an additional seat in Parliament and the other minor parties (*Gerakan*, MIC, etc.) maintaining their relative positions.¹⁷² Opposition results, however, were mixed with S46 dropping four seats and seeing its parliamentary presence reduced to just eight MPs although it did secure a respectable 14.4% of the popular vote.¹⁷³ The DAP also lost four seats but still won twenty to remain the preeminent opposition party.¹⁷⁴ The big winner in 1990 was PAS, which rebounded from its disastrous performance in 1986 to capture seven seats.¹⁷⁵

The opposition results demonstrated two interrelated phenomenon. In the first place, the results pointed to the continuing divide within Malaysia's socio-political terrain; that for a

¹⁷⁰ The BN captured 127 out of the 180 federal seats on offer, thus retaining its crucial two-thirds majority in Parliament. An electoral delineation process had seen the addition of three parliamentary seats since the previous election in 1986. In 1990 the BN won 51.95% of the vote, 5.45% less than in 1986. See: Khong (1991b), pp.163-164.

¹⁷¹ UMNO lost only 15 out of 86 head-on contests with other Malay-based parties. Khong (1991b), p.165.

¹⁷² von der Mehden (1991), pp.167-168. The BN also did quite well in Sarawak, winning 21 parliamentary seats there.

¹⁷³ Khong (1991b), p.169.

¹⁷⁴ The loss of these four seats was highly unusual as the DAP lost them in a 'friendly' contest against the PBS, another component party within the Gagasan Rakyat Malaysia. Prior to the latter's defection, it was part of the BN coalition and so the DAP had been the primary recipient of anti-establishment votes in Sabah in previous elections. Now that the PBS had joined the opposition, the two parties were competitors for this vote. See: Khong (1991a), pp.36-37.

¹⁷⁵ Simultaneous state elections displayed a similar pattern with opposition parties enjoying a significant increase in the number of seats they held. In 1990, opposition parties won 98 seats in eleven state elections (compared to the BN's 253 seats) whereas in 1986 they won only 62 seats. See: von der Mehden (1991), pp.167-168.

sizeable minority of Malaysians the authority-defined 'nation-of-intent' simply did not ring true. The BN had clearly lost ground to its main rivals in two key but separate constituencies: to PAS in the northeast Malay heartland and to the DAP in predominantly urban centers.¹⁷⁶ Although there had always been alternative conceptualizations of 'Malaysia' operating beneath or beside the authority-defined 'nation-of-intent', 1990 served as a much more patent indication that the project of national integration was still incomplete with at least three different 'Malaysias' now clearly discernible.¹⁷⁷ Equally significant, however, was that despite the very real challenges posed by these rival 'nations-of-intent', their discontinuity with one another meant that the UMNO-led BN could easily engage in a strategy of playing one flank off against the other in order to prop up the legitimacy of its 'nation-of-intent' as well as its political authority.

Needless to say, such a zero-sum approach to politics risked further ethnic polarization. If UMNO chose to play the ethno-religious card in order to deal with the challenge from PAS this would likely aggravate non-Malay fears concerning their future place in Malaysian society.¹⁷⁸ The real fear here is that this would eventually see a largely Malay-supported government facing off against a predominantly Chinese-dominated opposition. In such a

¹⁷⁶ In Kelantan, UMNO failed to win a single seat and its share of the popular vote in the state fell precipitously from 54.1% to just 32% while in Terengganu two of its eight candidates also lost. These losses were all the more traumatic considering that the party had enjoyed a clean sweep in Terengganu in 1986 and had also won 11 out of 12 seats in Kelantan. In both states PAS made substantial gains winning not only seven federal seats but also thirty-three state seats, wresting control of Kelantan back from the BN. In the predominantly Chinese urban centers, the legitimacy of the claim of the BN Chinese parties as representatives of the Chinese community was severely undermined by their inability to recoup their previous electoral losses. The sense of alienation within the Chinese community over the inability of the MCA and *Gerakan* to articulate their concerns and protect their interests with respect to an array of education, cultural, economic and religious issues saw many of their candidates rejected by Chinese voters in favour of the opposition. The DAP was the prime beneficiary of this anti-BN atmosphere and even though it won four less seats than in 1986 the party still managed to capture more of the popular vote than its two ethnic rivals in government (18.87% vs. only 14.49% for the MCA and *Gerakan* combined) and also made significant inroads at the state level. See: Khong (1991a), pp.29-32 and Khong (1991b), pp.166-167.

¹⁷⁷ This is something that would again become evident in the general election of 2008. See Section 6.7 below.

¹⁷⁸ In states such as Kelantan and Terengganu, which had been largely isolated from the modernization project, religion remained a critical defining element of social life and the reassertion of PAS as a political force in 1990 should be seen as a consequence of this. Given PAS's greater presence on the political stage, it now had an opportunity to "put into practice what it [had] so long struggled for, namely, Islam as the guiding principle of government policy." PAS's electoral gains meant that Islamization was likely to gain greater prominence in the political discourse. The question now was, would PAS be able to articulate a viable alternative to the authority-defined 'nation-of-intent'? What complicated this picture a little was the fact that PAS had played down its traditional Islamic state theme in its 1990 election campaign, instead emphasizing the theme of Islamic development and stressing that the political, economic, religious and cultural rights of non-Malays would be protected under a PAS government. See: Khong (1991a), p.40 and Khong (1991b), p.171.

scenario, the perception that non-Malays had ‘rejected’ the BN could empower Malay chauvinists to insist that government policies need not take their views into consideration.¹⁷⁹ The effects of such a development on the nation-building project would be disastrous and would threaten the ability of state actors to adequately manage their relations with both domestic society and the global.

5.9 *Wawasan 2020: A (Forced) Step Forwards?*

Undaunted by, of perhaps as a result of, the somewhat ambivalent results of the general election, Mahathir pressed on. Despite an atmosphere of apprehension as the NEP period drew to a close without the NECC arriving at a consensus, the Prime Minister’s apparently unassailable political position and a booming economy allowed him the space to pursue his grand nationalist vision by actively managing the society-state-global interrelationship in ways that had previously been unfeasible, if not unimaginable, given the traditionally ethnic structures of the Malaysian state.¹⁸⁰ The challenge for Mahathir and his UMNO-led government was to negotiate a path between “wholly giving into the demands of neoliberal economic restructuring and subsequent political reforms (hence risking destabilizing the [internal] social order), or emphasizing the particularities of state-led development (hence risking alienating transnational capital required for development).”¹⁸¹ In a speech to the Malaysian Business Council (MBC) in February 1991 aptly titled “The Way Forward”, Mahathir presented the first indication of the path he intended to take with the announcement of *Wawasan 2020*, or Vision 2020, his plan for transforming Malaysia into a developed country within thirty years.¹⁸² This grand vision was further articulated with the

¹⁷⁹ Khong (1991a), p.47.

¹⁸⁰ After two years of deliberation the NECC merely submitted a summary of its work to the government. See: Shafruddin Hashim (1992). “Malaysia 1991: Consolidation, Challenges and New Directions”, *Southeast Asian Affairs*, 19, p.195. In the 1990 UMNO General Assembly, Mahathir had been returned unopposed to the Presidency. Of the three Vice President’s positions, Anwar topped the list although the other two slots were filled by his closest rivals for eventual succession to the top job – Abdullah Badawi and Sanusi Junid. In 1990, the Malaysian economy recorded a startling growth rate of 9.8% See: Khong (1991b), p.172; Kimura (1992), p.194 and; Fred R. von der Mehden (1992). “Malaysia in 1991: Economic Growth and Political Consolidation”, *Asian Survey*, 32(2), p.111.

¹⁸¹ Christine B. N. Chin (2000). “The State of the ‘State’ in Globalization: Social Order and Economic Restructuring in Malaysia”, *Third World Quarterly*, 21(6), pp.1045-1046.

¹⁸² According to the Vision, by 2020 Malaysia would be “a united nation, with a confident Malaysian society, infused by strong moral and ethical values, living in a society that is democratic, liberal and tolerant, caring, economically just and equitable, progressive and prosperous, and in full possession of an economy that is

introduction of the NEP's successor, the National Development Policy 1991-2000 (NDP), in June, upon which both the Second Outline Perspective Plan (OPP2) for 1991-2000, which set the guidelines for overall economic development for the first decade of Vision 2020, and the Sixth Malaysia Plan 1991-1995 (6MP), which contained the spending and development programs for the first five-year period, were subsequently based.¹⁸³

With the goals of eradicating poverty and restructuring society retained within an overall framework of rapid economic growth it appeared on the surface that Vision 2020 and its accompanying policies offered little sense of departure from the NEP years. However, each of the above documents signaled a distinct change in focus, one that promised a more ethnically-neutral approach to policy-making. The NDP (and, therefore, the OPP2 and 6MP), while recognizing that the overall objectives of the NEP were yet to be fully realized, de-emphasized the NEP's overt reliance on ethnic targets vis-à-vis the restructuring of society in order to better promote economic growth. The 30% target for *bumiputra* corporate ownership and participation remained a cornerstone of government policy but under the OPP2 "no quantitative targets and no specific time frame [was] set for achieving a quantitative objective."¹⁸⁴ Furthermore, *bumiputras* now were expected to assume greater responsibility for their own progress rather than simply relying on the government.¹⁸⁵ Long concerned about a traditional Malay value system which discounted the value of hard work and the material aspects of life, Mahathir was determined to effect 'a mental revolution' by implementing qualitative measures designed to improve the capability of *bumiputras* to respond effectively to market incentives and increase their participation in the modern sectors of the economy.¹⁸⁶

competitive, dynamic, robust and resilient." Mahathir bin Mohamad (1991). *Malaysia: The Way Forward (Vision 2020)*. <http://www.pmo.gov.my/?menu=page&page=1904> (accessed 18 July 2011).

¹⁸³ Hashim (1992), pp.195-196.

¹⁸⁴ Mahathir bin Mohamad (1993a). "The Second Outline Perspective Plan, 1991-2000", in, Ahmad Sarji Abdul Hamid (ed.), *Malaysia's Vision 2020: Understanding the Concept, Implications and Challenges*. Petaling Jaya: Pelanduk Publications Sdn. Bhd.; p.437. At the end of the OPP2, however, a review of the policy to support *bumiputra* participation in the economy would occur.

¹⁸⁵ Mahathir was particularly critical of the 'Ali-Baba' practice in which a Malay would sell a business license to a non-Malay and then become a 'silent' or even non-existent partner. See: Mahathir (1993a), pp.435-437; Government of Malaysia (1991), p.18; Osman-Rani (1992), pp.208-209; Chandran Jeshurun (1993). "Malaysia: The Mahathir Supremacy and Vision 2020", *Southeast Asian Affairs*, 20, p.206 and; Hashim (1992), p.196.

¹⁸⁶ For example, by creating the Bumiputra Commercial and Industrial Community (BCIC), the government hoped to develop genuine *bumiputra* entrepreneurs who could operate successfully on their own two feet. See: Mahathir bin Mohamad (1993b). "Views and Thoughts of Dr Mahathir Mohamad, the Prime Minister of

Efforts to instill a greater sense of economic self-reliance among the *bumiputra* community were just one example of the government's new direction under Vision 2020. To ensure balanced economic development, the NDP encompassed a range of economic, political, social, cultural, psychological and even spiritual aspects all of which were intended to attain the overall goal of national unity.¹⁸⁷ In particular, an increased reliance on the private sector and market mechanisms to drive the rapid economic growth required to achieve the socio-political objectives of Vision 2020 had specific implications for the legitimization of political authority and the BN's authority-defined 'nation-of-intent'. To reach developed country status the Vision envisaged that economic growth rates would have to average 7% per annum over thirty years.¹⁸⁸ Given the need for such high rates of economic growth and unable to immediately reduce Malaysian economy's reliance on exports and foreign investment, the success of both the OPP2 and 6MP depended on favourable external factors. This, in turn, compelled the government to consistently adopt measures to reassure investors and the business community at large.¹⁸⁹ Mahathir's 'Malaysia Incorporated' model of public-private cooperation, first proposed almost a decade earlier, was revitalized and given institutional form with the launch of the MBC. In addition, the processes of public administration were streamlined to make the bureaucracy more responsive to the needs of a modern economy.¹⁹⁰

Nevertheless, the fact that such government strategies continued to assume that an almost tautological relationship between economic growth and socio-political stability existed meant that the project of national integration remained highly contingent. Without high rates of economic growth the government would be unable to meet the twin goals of eradicating hardcore poverty and correcting socio-economic imbalances in order to promote

Malaysia", in, Ahmad Sarji Abdul Hamid (ed.), *Malaysia's Vision 2020: Understanding the Concept, Implications and Challenges*. Petaling Jaya: Pelanduk Publications Sdn. Bhd.; pp.34-39; Mahathir (2008) [1970]; Mahathir (1993a), pp.437-438 and Hashim (1992), p.196.

¹⁸⁷ Government of Malaysia (1991), p.5.

¹⁸⁸ While high, this was not necessarily an unrealistic assumption given the fact that over the period 1971-1990 the Malaysian economy had grown at an average rate of 6.7% in spite of the deep recessions of the 1980s. See: Government of Malaysia (1991), p.21.

¹⁸⁹ For example, in the face of sagging FDI as a consequence of reduced capital outflows from Japan and Taiwan, a rise in the value of the ringgit and doubts over the capacity of the Malaysian economy to overcome new growth-related problems, Anwar, now Finance Minister, used his budget speech in October to reassure investors by further reducing public spending and cutting taxes. See: William Case (1993). "Malaysia in 1992: Sharp Politics, Fast Growth, and a New Regional Role", *Asian Survey*, 33(2), p.192 and Hashim (1992), pp.196-197.

¹⁹⁰ Hashim (1992), p.197 and Osman-Rani (1992), pp.210-211.

sustained development and socio-political stability.¹⁹¹ Without this level of economic growth the authority-defined ‘nation-of-intent’ would thus be undermined. Yet, ironically, with Malaysia’s increasing reliance on foreign investment to fund the required levels of economic growth, socio-political stability had become an increasingly critical factor vis-à-vis investor confidence.¹⁹² Economic progress relied on a capitalist rationale which now required “a socio-cultural structure unhampered by restrictions that were previously necessary” in order to satisfy the demands of Mahathir’s nationalist vision for Malaysia and the Malays.¹⁹³

Mahathir’s speech to the Malaysian Business Council in 1991, in which he identified nine strategic challenges facing Malaysia as it sought to achieve developed country status, seemed to acknowledge as much. The first challenge he discerned was to establish “a united Malaysian nation with a sense of common and shared destiny...a nation at peace with itself, territorially, and ethnically integrated, living in harmony and full and fair partnership, made up of one ‘*Bangsa Malaysia*’ with political loyalty and dedication to the nation.”¹⁹⁴ The centrality of this challenge was underlined when, in the very next breath, and after denying that any hierarchy of priority existed among the different challenges, Mahathir admitted he would be surprised if this first challenge was not regarded as “the most fundamental, the most basic.”¹⁹⁵

Mahathir’s reference to a *Bangsa Malaysia* was truly revolutionary and seemed to hold out, finally, the promise that the pervasive race-based logic of politics generated by the NEP had to be abandoned if Malaysia was to develop further.¹⁹⁶ As such, it implied a radical re-

¹⁹¹ For instance, see: Government of Malaysia (1991), p.3.

¹⁹² Mahathir (1993b), p.19.

¹⁹³ Ooi (2006), p.56.

¹⁹⁴ Mahathir (1991). The remaining eight challenges confronting Malaysia dealt with the creation of a mature, democratic, technically adept and ethical Malaysian society in possession of a just and prosperous economy. Some have argued that Mahathir’s speech, delivered so soon after securing the support of the Malay community in the 1990 general election, was proof that his championing of Malay nationalism following the 1987 UMNO split was largely tactical and always intended to be temporary. See, for example: Lee (2005), p.149.

¹⁹⁵ Mahathir (1991).

¹⁹⁶ The term itself has been subject to a range of translations. For example: “Malaysian Nationality”; ‘Malaysian nation’ or; ‘Malaysian people’. See: Khoo Boo Teik (2003). *Beyond Mahathir. Malaysian Politics and its Discontents*. London: Zed Books; p.5; Goh Beng-Lan (2002). *Modern Dreams. An Inquiry Into Power, Cultural Production, and the Cityscape in Contemporary Urban Penang, Malaysia*. New York: Cornell Southeast Asia Program; p.42 and; Abdul Rahman Embong (2001), p.77.

reading of the authority-defined ‘nation-of-intent’. On the surface, it seemed to subtly discard the principle of indigeneity, expressed in terms of *ketuanan Melayu*, which had long underpinned discursive notions of national identity and legitimate political authority in Malaysia. Whereas the traditional conceptualization of the Malay term *bangsa* demanded a unity of political and cultural identity, the realization of a *Bangsa Malaysia* according to Mahathir would not require one to abandon their culture, religion or language.¹⁹⁷ With persistent and widespread apprehension over the post-NEP shape of the country and the propensity for any public discussion of interethnic relations to degenerate into acrimony the “use of the alluring term of *Bangsa Malaysia*...offered badly-needed discursive space for renewed debates outside the Malay community on ‘nations-of-intent’, which furthermore may include issues beyond Malay hegemony and political Islam.”¹⁹⁸ While the overarching goals of the NEP continued to inform the reasoning of Vision 2020, the NDP and the OPP2, the replacement of the ethnically exclusive *Bumiputra* with the more inclusive *Bangsa Malaysia* seemed to emphasize a more accommodative style of government, one that was more attuned to hegemonic rather than dominating forms of authority and of the need to better balance the ratio of consent/coercion.¹⁹⁹ In short, Mahathir’s nationalist vision implied that a more inclusive authority-defined ‘nation-of-intent’ was needed if sustainable economic development was to occur. In this way, it could be seen that Mahathir was both responding to changes in the society-state and state-global interrelationships while simultaneously seeking to shape the terms of the state’s engagement with domestic society and global economic forces.

Needless to say, Mahathir’s apparently non-ethnic use of a term so strongly associated with ethnicity has been scrutinized closely. Amongst the sweep of possible interpretations, the most probable explanation is that it may have been an inadvertent slip of the tongue.²⁰⁰ Rather than *Bangsa Malaysia*, Mahathir, instead, meant to use the term *Kebangsaan Malaysia* (Malaysian nationality), which does not carry the same emotive connotations.²⁰¹

¹⁹⁷ *The Star*, 11 September 1995. For more on the concept of *bangsa* please refer to Section 2.2 above.

¹⁹⁸ Ooi (2006), p.52.

¹⁹⁹ In *The Way Forward*, for example, Mahathir repeatedly stresses the need for interethnic disparities to be redressed via ‘legitimate means’. See also: John Hilley (2001). *Malaysia: Mahathirism, Hegemony and the New Opposition*. London: Zed Books; p.7 & p.254 and Ooi (2006), p.53.

²⁰⁰ For a summary of these interpretations see: Ooi (2006), pp.53-56.

²⁰¹ There are clear echoes here with Burhanuddin Al-Helmy and Ibrahim Yaakob who both stressed the distinction between *bangsa* and *kebangsaan*, to advance a conceptualization of nationality that was separate

The suspicion that Mahathir's reference to the former was a rhetorical flourish designed to stress a relatively uncontroversial point – the need for national unity in the development of an advanced economy – was reinforced later that year. In a retort to a question asked at a conference on Vision 2020, the Prime Minister apparently dismissed the significance of his use of *bangsa* and any integrationist connotations that it may have carried. In his mind there was no need to “append the word *bangsa* or race” as national unity would arise naturally as a consequence of economic advancement in a globalizing world:

If [Malaysia] achieves its target of becoming a developed nation by the year 2020, then people will say they are Malaysians...just Malaysians...it is far more important to focus on the development of this country rather than to be sidetracked with controversial issues...[t]hen...national unity...will also come about without having to [be forced].²⁰²

In the absence of positive institutional measures to support this potentially reading of the authority-defined ‘nation-of-intent’, the notion of *Bangsa Malaysia* was widely viewed as simply a re-articulation of a long-standing aspiration in Malaysian history: that economic growth would defuse interethnic tensions as more and more Malays(ians) were imbued with ‘middle-class values’.²⁰³

Regardless of the ensuing ‘fuzziness’ of the concept, its discursive significance was undeniable especially for non-Malays given its “coy challenge to the terminology of Malay nationalism...the institutional structure of race-based parties, and to the sustaining of

from the issue of descent. See Section 2.3 above. In fact, by the early 1990s it was no longer evident that even the term *bangsa* carried the same emotive significance as it had four decades earlier when Datuk Onn was branded a traitor to his *bangsa* for suggesting that non-Malays be allowed to join UMNO as full members and that the ‘M’ in the party’s name be changed from ‘Malays’ to ‘Malaya’. The 1991 UMNO General Assembly saw a psychological and geographical barrier breached as, for the first time, non-Malay Christian *bumiputera* delegates from Sabah participated. This necessitated a significant discursive shift of sorts as the more general term *rumpun Melayu* (Malay stock) rather than *bangsa Melayu* (Malay race) was first used in the party’s anthem.

²⁰² Mahathir (1993b), pp.13-14. The content of *The Way Forward* further supports this supposition as it is primarily concerned with ‘economic infrastructure’ and the government’s intention to develop Malaysia’s human resources as part of its larger commitment to helping the private sector in line with the Malaysia Inc. concept. The fact that the Malay version of Mahathir’s speech to the MBC includes a second reference to *Bangsa Malaysia*, which is translated as ‘united Malaysian nation’ in the English version, similarly lends further credence to the view that Mahathir meant to use *kebangsaan* rather than *bangsa*. See: Ooi (2006), p.50 & p.62.

²⁰³ The expectation that development of ‘common values’ are a natural result of the common absorption into the capitalist economy of production, savings, investment and consumption is normal in most modern states. In this way, divergent cultural and religious values can be de-politicized, or in Geertz’s terminology, domesticated.

preferential treatment.”²⁰⁴ Set against an atmosphere in which the socio-economic and cultural policies of the UMNO-led government betrayed a clear Malay bias, *Bangsa Malaysia* instead “suggested a non-essentialistic and pragmatic notion of nationhood that would result from global and domestic economic expedience” and the early 1990’s did, indeed, provide signs of a new Spring in the relationship between non-Malays and the BN government.²⁰⁵ Regardless of what Mahathir may have intended when he referred to the need for a *Bangsa Malaysia* and the concept’s subsequent lack of real substance, the fact remains that it opened a space for all Malaysians, particularly non-Malays, to imagine a scenario in which their cultural and/or religious uniqueness would be secure under a more inclusive ‘nation-of-intent’. However, given the legitimizing terminology of ethnicity within Malaysian politics it was unclear just how Malaysian parties, particularly those within the BN, could transcend their intrinsic structures. The limited but politically sufficient success of the NEP allowed the UMNO-led government to adopt a more accommodative policy framework as evidenced by Vision 2020, the NDP and the OPP2. But despite such encouraging socio-economic changes, the overriding political challenge for UMNO remained: how to redefine the authority-defined ‘nation-of-intent’ in practical terms so that the government it led could be perceived to represent all Malaysians without, at the same time, sacrificing its grassroots support within the Malay community.²⁰⁶

5.10 The Rise of ‘Developmentalism’.

Given the economic and political turmoil of the late 1980s, the early to mid-1990s witnessed a remarkable degree of regime stability in Malaysia. Rather than veer towards the responsive side of the repressive-responsive spectrum in the aftermath of 1987, Mahathir, instead, pursued a policy of ‘de-politicization’ both within UMNO as well as within civil society so as to eliminate any further potential challenges to his leadership. The modern Malaysian political system has historically favoured the notion of a strong

²⁰⁴ Ooi (2006), p.56.

²⁰⁵ Ooi (2006), p.59. In particular, there was a marked increase in state funding for Chinese Primary Schools as well for the MCA-sponsored Tunku Abdul Rahman College.

²⁰⁶ Signs of Malay disquiet over the implications of Mahathir’s Vision 2020 were soon evident as the so-called ‘Malay lobby’ best represented by linguistic and cultural associations aligned to UMNO warned against ‘excessive’ economic liberalization and its cultural ramifications. They were particularly critical of ‘creeping Westernization’, the quantity and frequency of Chinese and Western programs on television and the growing emphasis accorded to English as a second language. See: Hashim (1992), p.194.

executive authority but after 1990 many of the remaining key democratic features of Malaysian politics were increasingly eroded as Mahathir moved to concentrate the processes of power within his personal domain.²⁰⁷ Somewhat paradoxically these years also saw greater cultural liberalization as the discourse of Vision 2020 gave rise to new myths and symbols that were Malaysian rather than predominantly Malay in nature. Here, then, was an indication that state actors were now more prepared than they had been previously to engage in a subtle shift away from a system premised on Malay domination towards one based on Malay hegemony. However, the juxtaposition of social liberalization with an increasing illiberal political environment did not represent a complete departure from the traditional modes of regime legitimation based on meeting the twin goals of the authority-defined 'nation-of-intent': Malay control and social pluralism. As such, any change in the apparent hue of the Malaysian national political model during this period may best be seen as a reflection of the growing confidence of the ruling elites in their economic and political positions rather than necessarily stemming from any ideological commitment on their part to multiethnic nation-building.

This is not to say that Mahathir's apparently tireless quest for a national consensus on the Vision 2020 project proceeded smoothly. The perception of a creeping westernization along with the excessive liberalization of the economy associated with Vision 2020 generated unease and dissension among Malay cultural elites in particular.²⁰⁸ The Prime Minister's clear message to the *bumiputera* community that one could continue to hold on strongly to one's traditional and religious values without having to forgo one's opportunities in the reality of a booming economy did little to assuage concerns over perennial political issues such as the role of *Bahasa Malaysia* and the place of Islam in a rapidly modernizing Malay(sian) society.²⁰⁹ In each case, one could discern the changes that were impending in the relations between traditionally-determined and Western/'modern' political norms, a contestation which continues to have a critical bearing

²⁰⁷ In-Won Hwang (2003). *Personalized Politics: The Malaysian State Under Mahathir*. Singapore: ISEAS; p.345.

²⁰⁸ Hashim (1992), p.194.

²⁰⁹ Furthermore, Mahathir's efforts to check royal excesses in the early years of the decade were seen as a convenient means of undermining the institution of the constitutional monarchy as a competing basis of Malay legitimation in order to further centralize power/authority in the executive. See: Jeshurun (1993).

on (re)conceptualizations of the dominant 'nation-of-intent' and legitimate authority in contemporary Malaysia.

Despite these very real obstacles to unity, both party and national, the casual observer could be forgiven for believing that Mahathir's Vision 2020 was, indeed, forging a genuine sense of nationhood and oneness. With the economy booming and the opposition in disarray following its strategic miscalculation in the 1990 general election, it seemed that Mahathir now had a free hand to restructure the authority-defined 'nation-of-intent' and the Malaysian polity, some would say in his own image.²¹⁰ Instead of adhering to the more leisurely, and unpredictable, pace of nation-building preferred by the country's founding fathers, he sought to implement a bold, unprecedented and clearly defined program of fundamental social and political change based on a course of economic reform. In doing so, he sought nothing else than the restructuring of the very idea of the Malaysian state.²¹¹

However, while sustained economic growth and the notion of a *bangsa Malaysia* undoubtedly mitigated some of the inter-ethnic tensions that had characterized recent decades, the same could not be said for their impact on intra-ethnic, specifically intra-Malay, relations. While the S46-UMNO political conflict largely resolved, this only served once more to redirect passions inwards within UMNO.²¹² Radical changes in investment incentives had seen significant increases in FDI and had boosted economic growth, presenting the UMNO leadership with new complexities in the management of the party as a much younger and more business-oriented group began to vie for ascendancy.²¹³ Analyses of this development pointed to how the NEP had produced a new generation of more assertive and confident Malay leaders while simultaneously cultivating patronage networks and the growing prevalence of 'money politics' within UMNO.²¹⁴ UMNO's active role in expanding the Malay middle and capitalist classes now saw a range of divergent orientations within the party with competing business groups jockeying for

²¹⁰ Jeshurun (1993), p.203.

²¹¹ Jeshurun (1993), pp.220-222.

²¹² Hashim (1992), p.185 and Jeshurun (1993), pp.204-207.

²¹³ Jeshurun (1993), pp.206-207 and James Jesudason (1995). "Malaysia: A Year Full of Sound and Fury, Signifying...Something?", *Southeast Asian Affairs*, 22, p.200.

²¹⁴ Ho Khai Leong (1994). "Malaysia: The Emergence of a New Generation of UMNO Leadership", *Southeast Asian Affairs*, 21, pp.182-183. (whole things 179-193)

influence. Maintaining party unity, which in the eyes of the leadership equated to 'Malay unity', now became the overwhelming focus.

The less than obvious lack of consensus among the vast ranks of UMNO supporters about the party's leadership was apparent in the November 1993 party elections when Anwar maneuvered himself into the deputy presidency.²¹⁵ In their campaigning, Anwar's 'Vision Team' explicitly sought the support of the new, NEP generation of Malays by unequivocally linking themselves to Vision 2020 and even co-opting Mahathir's '*Melayu Baru*' ('New/Modern Malay') slogan.²¹⁶ Although there was speculation that Mahathir may have underestimated the power of factional forces within his party, he quickly sought to emphasize his authority by referring to the need for UMNO to eliminate its 'Brutus elements'.²¹⁷ Mahathir's situation was further complicated by a renewed challenge to UMNO's legitimacy as the guardian of Islam. Despite rapid economic development, the attraction of more fundamentalist religious visions continued to resonate by offering Malays alternative (Islamic) 'nations-of-intent'.²¹⁸ Mahathir's response to this challenge spoke volumes of the confidence that now permeated throughout the ruling party - UMNO would no longer seek to outbid PAS but, instead, would more forcefully advance its own conception of state and religion in society.²¹⁹ Central to this endeavour was UMNO's ability to project a non-corrupt, moral image of itself. A special general assembly held in June 1994 saw the party's constitution amended to check the rise of 'money politics' and, additionally, the BN, cognizant of the fact that non-Malays felt increasingly marginalized in political discourse and decision-making, actively began courting non-Malay support in order to widen the coalition's claims to legitimate authority.²²⁰

²¹⁵ In addition, key Anwar allies Najib Razak, Muhyiddin Yassin and Muhammad Taib were all elected as Vice-Presidents while another member of Anwar's 'Vision Team', Thamby Chik, was elected head of UMNO Youth.

²¹⁶ Ho (1994), p. 182.

²¹⁷ See: Jesudason (1995), p. 207.

²¹⁸ James Jesudason (1995). "Malaysia: A Year Full of Sound and Fury, Signifying...Something?", *Southeast Asian Affairs*, 22, pp. 202-204. This combination of internal dispute and external challenge was seen as reasons for Mahathir choosing not to call a general election in 1994.

²¹⁹ Jesudason (1995), p. 204.

²²⁰ Jesudason (1995), pp. 207-208. In addition to the constitutional amendments several high fliers within UMNO, including Thamby Chik, Najib Razak and Rafidah Aziz, were investigated for corruption.

Broader changes in ethnic attitudes, aided by persistently high economic growth rates, lubricated ethnic relationships and gave new shape to the authority-defined 'nation-of-intent'. The rise of a consumerist/materialist culture among the emerging or new middle classes saw individuals across a range of ethnicities preoccupied more with notions of freedom within the private sphere than in pursuing political equity and justice in the public sphere.²²¹ The new consumption, evident in the proliferation of global retail brands, did not come in ethnic packages. The divisive 'politics of ethnicism', which had marked the NEP years, had now been largely replaced by a more inclusive 'politics of developmentalism' under the Vision 2020, which seemingly cross-cut previously intractable ethnic divides.²²² Domestic political and largely global economic forces combined in the 1990s to produce a distinctly pragmatic political culture that reached its zenith in the general election of 1995.

As in previous elections the BN went to the polls stressing its traditional commitments to economic progress and social harmony. The demise of S46 obviated any need for UMNO to accentuate its 'Malay-ness' in order to protect its place in the community, as had been the case in 1990. In turn, there was a quiet but palpable shift away from a national cultural policy that was largely Malay-centric towards one that was more multicultural in flavour.²²³ With S46 a party still in search of an ideology and the DAP's 'nation-of-intent' deprived of its critical stance in the more liberal post-1990 regime, the result of the election was practically a forgone conclusion. In the end, the opposition was decimated.²²⁴ The overwhelming victory of the BN in 1995 lent unprecedented credibility to its claim to be the party of all Malaysians and seemingly affirmed the shift from domination to hegemony vis-à-vis the ruling coalition's authority-defined 'nation-of-intent'. Still, a closer examination of the results hinted at issues postponed rather than resolved. Despite its abject

²²¹ Halim Salleh (1999). "Development and the Politics of Social Stability in Malaysia", *Southeast Asian Affairs*, 26, pp.189-190.

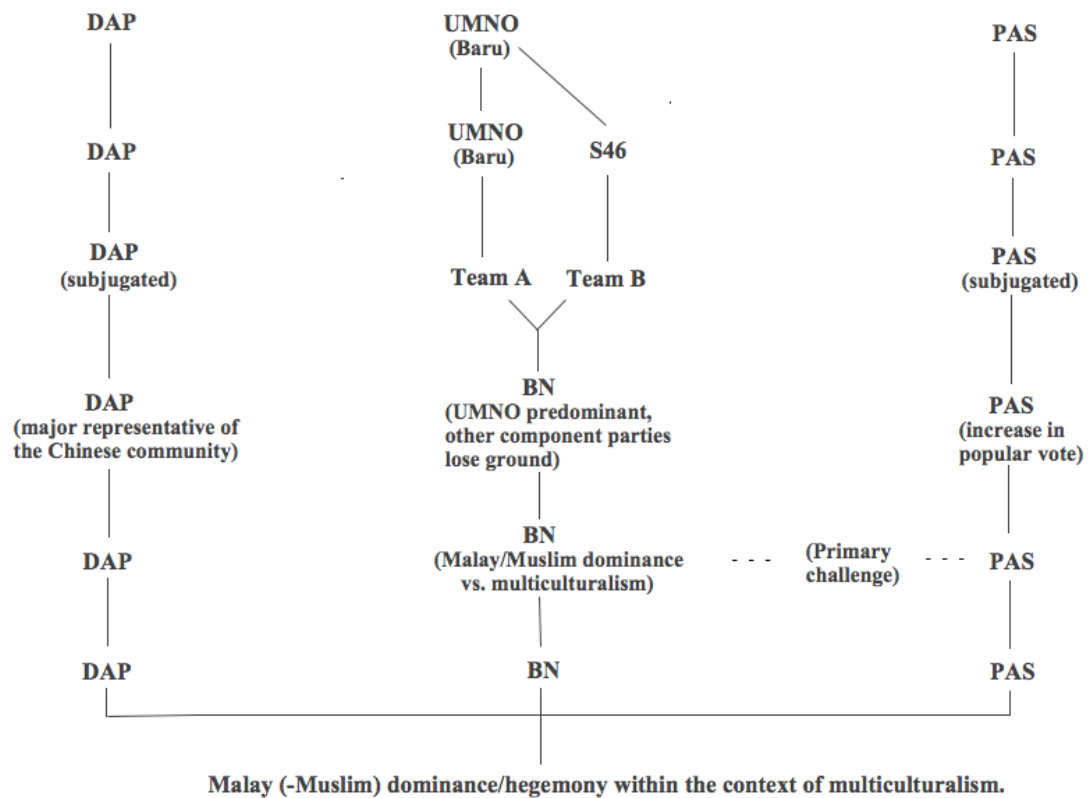
²²² Wah (2002), pp.28-38.

²²³ For instance, in March 1995, Anwar presided over an international dialogue between Islam and Confucianism. In addition, the UMNO-led government began to show signs of adopting a more positive official attitude on Chinese education and language. See: Liak Teng Kiat (1996). "Malaysia: Mahathir's Last Hurrah?", *Southeast Asian Affairs*, 23, p.219.

²²⁴ The opposition presence in Parliament was cut from 53 seats to just 30. 162 seats (out of 192) in Federal Parliament were now filled by the BN as it captured 65% of the popular vote, almost 25% more than it had claimed five years earlier and even better its previous best of 60.7% in 1974. The opposition's performance at the state level was similarly dire with its presence in state legislatures falling from 98 seats to just 45. These falls are made even sharper by the fact that 13 new federal and 43 new state seats were added between 1990 and 1995. In terms of the popular vote, the opposition share fell from 48% in 1990 to just 35% in 1995. See: Liak (1996), pp.223-226.

performance, lingering support for the DAP suggested that some Chinese dissatisfaction with Malay political dominance persisted.²²⁵ On the other side of the ledger, PAS enjoyed much higher levels of voter support in the Malay heartland states even though the party was unable to translate this into greater parliamentary representation. So while UMNO remained the dominant party of the Malays, PAS's continuing appeal was clear evidence of disaffection among the rural Malays with the 'modern'/industrial operationalization of the BN's authority-defined 'nation-of-intent', which had little appeal or meaning for their traditional way of life (Figure 20).²²⁶

Figure 20: Postcolonial 'Nations-of-intent' 1981-1996 (Step 6)



²²⁵ In its worst showing in decades, the DAP lost 11 federal seats and 34 state seats, attracting only 12.1% of the national popular vote.

²²⁶ Liak (1996), p.226.

Conclusion

The central purpose of this thesis is to demonstrate how a state's interrelationship with the global is constructed and reconstructed by the shape of its state-society relations, which are, themselves, forged and re-forged by the state's interrelationship with global processes and to account for any asymmetry present in this mutually constitutive dynamic. Viewed through a strategic-relational lens, the era 1980-1996 can be split crudely into two periods as far as conceptualizations of the Malaysian state are concerned. The first, which lasted from 1980 until the general election of 1990 saw a relatively 'messy' dynamic as the Malaysian state under Mahathir attempted to manage its underlying social relations by realigning its internal and external relations as part of a broader project of modernization and industrialization. To meet the goals of the NEP without unduly upsetting Malay/non-Malay relations, rapid economic growth was required. However, in the context of unfavourable global economic conditions, state actors were compelled to rely more and more on private investment, predominantly foreign, which, in turn forced a re-evaluation of the terms of the NEP and its implementation. Thus, the state was faced with the ironic situation in which to meet the restructuring goal of the NEP it had to compromise on some of these equity provisions and engage in sovereignty bargains.

Again, a strategic-relational analysis emphasizes how the effective authority of political elites is contingent upon a changing balance of domestic and global political forces. But while the authority-defined 'nation-of-intent' might be (re)imagined in order to register positively on the screens of global financial actors or to appeal to domestic religious sensitivities, state re-scriptings of the 'national' are more than mere window dressing; they also "relate to more fundamental (and contested) questions of who belongs to the nation, and who can(not) call it 'home'."²²⁷ On top of this, the institutionalization of Malay special privileges under the NEP had not only worsened inter-ethnic relations between Malays and non-Malays but by cultivating patronage networks and fostering the rise of 'money politics' within UMNO, the NEP had also complicated intra-Malay relations. Taken together, these interrelated external and internal phenomena revealed the contingent nature of the authority-defined 'nation-of-intent' as it was articulated at the time.

²²⁷ Bunnell (2002), p.109.

But while inevitable tensions may arise between “international imagining for economic success and domestic imaginings upon which state legitimacy rests”, these are not insurmountable.²²⁸ In his second book, *The Challenge*, published in 1976, Mahathir had already foreshadowed as much when he argued for the need to “reorientate Malay nationalism...outwards; away from the divided state of Malaysia to the divided states of the world.”²²⁹ In his mind, the adoption of misguided Western values was corrupting traditional Malay social norms. His redefinition of the problems and challenges facing the Malays “turned him *inward* on to the Islamic core of the Malay community, and, simultaneously *outward* on to the West.”²³⁰ To prosper, the Malays needed to become modern without necessarily losing the essence of what it meant to be ‘a Malay’. With respect to the former, Mahathir seemed to go even further in his ‘Look East’ rhetoric, when he articulated his desire for Malays to stand on their own two feet and compete with non-Malays on a level playing field. In this sense, greater engagement with ‘the global’, particularly in terms of economic and financial flows, which had truly gathered pace under Mahathir, could be seen as both a result and a cause of a palpable shift in the balance within the society-state-global interrelationship. Although, state actors had initially turned to global economic forces in order to maintain the communal *status quo* in a zero-sum fashion, this engagement had fed back into the society-state interrelationship in such a way that it offered the prospect of a “genuine, Malaysian, interethnic cooperation.”²³¹ It now seemed as if development might not only promote interethnic cooperation and collaboration, it could very well depend on it.

The strategic-relational approach to conceptualizations of the state implies that as a social environment becomes more stable, so too will the structure(s) of the state. After the nadir of 1986-1987, we see the Malaysian state in a position where it now was able to satisfactorily negotiate a path between potentially destabilizing the domestic social order by giving into neoliberal demands for economic and political reform and alienating transnational capital by subverting market forces in order to privilege a particular ethnic community. What this chapter has demonstrated is that the articulation after 1969 of a

²²⁸ Bunnell (2002), p.109.

²²⁹ Mahathir, quoted in Tarling, p.186.

²³⁰ Khoo (1995), pp.47-48. (Emphasis in the original.)

²³¹ Khoo (1995), pp.73-74.

progressively ethno-religious vision of ‘national’ identity centered on Muslim Malays reflected a clear disjuncture between the realm of political action and the community in which political elites sought legitimacy. However, the need to adopt a grand strategy of internationalizing, itself a consequence of the need to meet the objectives of the NEP in a non-zero sum fashion, meant that political elites increasingly had to appeal to a much wider social audience of *Malaysians* for legitimation. This change was subtly reflected in Mahathir’s apparent re-articulation of his government’s authority-defined ‘nation-of-intent’ as evident in his speech to the MBC in 1991 and in other instances of social liberalization throughout the early to mid-1990s.

As the realm of political action and its social constituency of legitimation began to approximate one another, Malaysian political elites were able to obtain a comprehensive legitimacy dividend. Despite social and economic liberalization occurring within an increasingly illiberal political environment, the ringing endorsement the BN received in 1995 supported the belief that the coalition’s authority-defined ‘nation-of-intent’ had now broadly achieved hegemony as opposed to domination. However, as Antonio Gramsci reminds us, perhaps the main challenge that any hegemonic strategy faces is that the consent it requires to maintain its hegemony is inherently unstable. There is nothing automatic about any period of hegemonic ‘settlement’; such moments have to be actively constructed and positively maintained within a context of shifting relations, in this case between society, state and the global.²³² Moreover, Gramsci urges us to take note of the multi-dimensional and multi-arena character of hegemonic concepts – that they represent “the installation of a profound measure of social and moral authority, not simply over [their] immediate supporters but across society *as a whole*.”²³³ By the late 1990s, Mahathir’s developmental program had become heavily reliant on two structural factors: “a tripartite balance of power – among the state, foreign capital and domestic capital – that maintained a relative stability in Malaysian political economy...[and] a managed interface

²³² Stuart Hall (1996). “Gramsci’s Relevance for the Study of Race and Ethnicity”, in, David Morely and Chen Kuan-Hsing (eds.), *Stuart Hall: Critical Dialogues in Cultural Studies*, London: Routledge; p.423.

²³³ Stuart Hall (1996). “Gramsci’s Relevance for the Study of Race and Ethnicity”, in, David Morely and Chen Kuan-Hsing (eds.), *Stuart Hall: Critical Dialogues in Cultural Studies*, London: Routledge; p.424. (Emphasis added.)

of national priorities with changes in the structure of the global economy...”²³⁴ In other words, the legitimacy of state actors and the resources required for their legitimation increasingly originated in the global arena. With this in mind and considering the degree to which the more inclusive ‘politics of developmentalism’ still relied on consistently high economic growth rates, it should have been evident just how contingent the hegemonic status of the authority-defined ‘nation-of-intent’ remained and, therefore, how potentially unstable the society-state-global dynamic continued to be in Malaysia.

²³⁴Khoo (2003), p.39. Admittedly, the genesis of this phenomenon lies in the time period following the 1969 ethnic riots. However, it is not really until the 1980s, with the introduction of policies explicitly designed to foster export-oriented industrialization and attract FDI, that the global sources of domestic legitimation gain prominence. See the Introduction to Chapter 4 as well as sections 4.6, 5.3 and 5.7 above.

Chapter Six – Malaysia 1997-2011: The More Things Stay The Same, The More They Change?

“People are awake now, they realize that they do have a voice, that its being listened to and that change is possible. People are still getting used to this idea – that we can do something and make things better.”

- Zalfian Fuzi¹

Introduction

The prosperity of the 1990s had yielded, therefore, not only a steady source of performance legitimacy for the BN regime but also had supplied the material base required to fuel the Mahathirist agenda. It was this explosive economic growth that authenticated the Vision 2020 project, allowing Malaysians to shed much of their typically glum ethnic preoccupations over the previous two decades in favour of a more inclusive and populist nationalism.² In short, the ability of the state to ‘govern the market’ permitted an apparent realignment of the interrelationship between the state and domestic society and the means by which the state might seek to legitimate itself, particularly in terms of a national identity.³ However, despite the optimism engendered by the apparent emergence of a more multiethnic Malaysian consciousness, the fact that this new ideology of inter-ethnic cooperation relied heavily on the continuation of high economic growth rates meant that, ultimately, it rested on superficial, if not highly fluid, foundations.⁴ In the terminology of a strategic-relational approach, the fundamental social relations underlying the structure of the Malaysian state remained relatively unchanged.

To a large extent, then, the legitimacy of Mahathir’s BN regime rested on its ability to negotiate with global capital in order to drive the prime minister’s developmental project. So long as it could maintain a smooth relationship with foreign capital, the state could tap into various sorts of global economic flows in order to protect highly regulated domestic

¹ Interview held in Kuala Lumpur, Malaysia, 1 June 2009.

² This was perhaps best represented by the emerging ideology of ‘Malaysia Boleh!’ (‘Malaysia Can!’) as well as a string of prestige projects and achievements, e.g., the construction of the Petronas Twin Towers (then the tallest buildings in the world) and the first Malaysian to climb Mt. Everest, all of which are dutifully recorded in an annual Guinness-Book-of-Records-style publication

³ In terms of Figure 1, the Malaysian state used the resources that flowed from its management of the interface between it and global economic forces (right-hand side) and the socio-political security this afforded to recalibrate domestic state-society relations (left-hand side).

⁴ Salleh (2000), pp.164-166.

markets and consolidate its domestic power. On the one hand, the socio-political stability afforded by the BN regime's performance legitimacy allowed ruling elites to promote policies of social liberalization safe in the knowledge that their political authority was assured. On the other hand, the new consumerism that characterized an increasingly globalized Malaysia rejected ethnic packaging, acting as a potent force for 'Malaysianization'.⁵ The flipside of such highly contingent bases of legitimation meant though that if the state's capacity to manage this interrelationship diminished in any way a critical source of legitimation would be lost thereby endangering the Mahathirist developmental vision along with the ostensible emphasis it placed on an inclusive Malaysian national identity.

The staggering economic growth rates of the 1990s provided the BN regime the means with which to not only fund its developmental vision and thus generate performance legitimacy, but also to ensure elite compliance by enriching crony enterprises. However, despite decades of redistributive and affirmative action policies under the aegis of the NEP, the country's indigenous *bumiputera* (primarily Malay) majority remained relatively disempowered with respect to the non-*bumiputera* (primarily Chinese) minority. With Malay hegemony, or barring that Malay domination, regarded as one of the historical cornerstones for UMNO's (and thus the BN's) legitimation, Malaysia's political elites were compelled to distribute the fruits of economic growth among the indigenous masses in order to ensure their support. This requirement, in turn, encouraged greater Malay participation in the equities market, which saw domestic savings intermediated from households to firms. The government also sought to nurture the nascent Malay entrepreneurial class, a policy that ensured a further flourishing of the already deep connections between political and business elites established during the NEP era. By implementing such favourable policies the BN regime was able to generate broad support among its key constituencies of legitimation. In short, while the political legitimation of the BN may have rested on highly contingent bases, the fact remains that the structures of governance were highly stable.⁶ At first glance, this may seem counter-intuitive but a strategic-relational approach reminds us that such a 'stable tension' may persist despite the presence of socio-political contradictions, so long as the wider political system and

⁵ Salleh (1999), pp.189-190.

⁶ Weiss (2006), p.37.

enviroming societal relations allow for it.⁷ What a strategic-relational framework also reminds us, however, is that no matter how stable a socio-political system might appear to be it is nevertheless prone to collapse or failure if it proves unable to adequately accommodate shifts in the wider socio-political structure.

What this chapter seeks to chart and explore is how the events of 1997-1999 saw a psychological threshold of sorts crossed, thereby triggering the start of a process that continues to affect contemporary Malaysia. By helping undermine so many of the widespread assumptions underpinning notions of political legitimacy in Malaysia, the Asian Financial Crisis (AFC) forced political leaders to rethink and remould existing structures of domination and/or hegemony so as to better suit changing socio-political realities. Prior to this time period there was an almost automatic conflation of *negara* (state) and *kerajaan* (government); to be critical of the BN was thus regarded as an unpatriotic act. But beginning with the 1999 general election and especially since the 2008 election, the idea that the *negara* exists independently from the BN has gained widespread prominence within Malaysian society.⁸ The question then becomes whether or not the BN government's actions since 1999 can be considered part of a more progressive idiom in which government appeals for legitimacy are reframed as a consequence of such transformations. While the BN's resounding electoral victory in 2004 might be seen as an indication that the ruling coalition had appreciated and embraced the need for socio-economic and political reform, the electoral backlash against the BN only four years later suggests the electorate recognized that the government had taken no meaningful steps towards reform.

Once again, a strategic-relational framework encourages us to regard the effective authority of any state actor as contingent upon a changing balance of political forces located both

⁷ The term is A.B. Shamsul's. (Interview held in Kuala Lumpur, Malaysia, 8 June 2009.) As noted above (Section 5.3), one critical component in the management of this 'stable tension' was the symbiotic relationship between globalized enclaves and protected local markets, which Case has identified as having contributed broadly to economic growth and political stability in Malaysia over the preceding two decades. This point is taken up further below in Section 6.5.

⁸ Amir Muhammad, interview held in Kuala Lumpur, Malaysia, 2 June 2009 and Tricia Yeoh, interview held in Shah Alam, Malaysia, 11 June 2009. Zaid Ibrahim disagrees, however, at least with respect to UMNO leaders who he claims still see themselves as synonymous with the Malaysian state. He notes that BN government MPs receive federal funds to manage their constituencies, something which is denied to opposition MPs. (Interview held in Kuala Lumpur, Malaysia, 18 June 2009.)

within and beyond the state. Moreover, the general concept of sovereignty bargains suggests that if postcolonial, developing states are to remain relevant within a globalizing world, they will need to adapt their conceptualizations of sovereignty and national identity as necessary. This is just what we progressively see over the time period 1997-2011: how a range of economic, social and political forces, both internal and external, pressed Malaysian state actors to be more flexible in their articulation of an authority-defined 'nation-of-intent'. The *Reformasi* (Reform) movement that emerged at the end of the 20th century in Malaysia was a consequence of the interplay between global and domestic forces and the discourses of *reformasi* that the movement advanced presented a formidable challenge to the prevailing moral and political authority of the Malaysian state.⁹ As this chapter indicates, the socio-political implications of this critical juncture in Malaysian history cannot be underestimated; the evolution of the Malaysian national model and the authority-defined 'nation-of-intent' since the AFC has been largely shaped by the Malaysian state's on-going negotiations with those actors and forces that fall under the, admittedly broad, umbrella of *Reformasi*.

The overall argument presented in this chapter is that meaningful socio-economic and political liberalization is now required if state actors wish to fulfill the objectives of Vision 2020 and legitimate their political power and position vis-à-vis a broad cross-section of Malaysian society. Without such a move it is unlikely that Malaysian political elites will find their realm of political action and their social constituency of legitimation approximating one another. This is not to say that other, less liberal, forms of governance are possible in Malaysia, especially given the fact that the basic structure of the BN remains a communal one, but that any (in)action on the part of state actors that ignores the changing balance of political forces located within and beyond the state runs the risk of fatally undermining their effective political and moral authority.

⁹ When capitalized *Reformasi* will refer to the broad socio-political movement. When the term is written in lower-case letters it will instead refer to more abstract, discursive notions of 'reform'.

6.1 *The Asian Financial Crisis of 1997-1998 – An Accident Waiting to Happen?*

The story of the AFC has been well told and there is no intention of presenting a complete history here.¹⁰ However, in order to account for the socio-political developments that followed it is necessary to highlight a number of its crucial aspects. In the first place, the crisis fundamentally transformed the parameters for future economic growth. This not only challenged the developmental vision of the Malaysian state as expressed by Vision 2020, but it further recast the means by which socio-political authority could be legitimated. By confronting the BN regime with stark policy dilemmas vis-à-vis its choice(s) of adjustment strategy, the AFC exposed the highly contingent nature of state legitimation in Malaysia and, in turn, of the emerging notion of an inclusive Malaysian national identity. What has become increasingly apparent since the late 1990s is that the ‘old’ strategies of legitimation would no longer work as well as they once might have.¹¹

Economic growth in the 1990s was further powered by an influx of foreign capital attracted to Malaysia’s growing economy and stable political environment.¹² Like many other Asian countries, radical financial deregulation and capital account liberalization in the late 1980s had resulted in the easing of restrictions on the inflow and outflow of mobile capital in Malaysia as well as the relaxation of government oversight on foreign borrowing activities. International investors responded by channeling excess liquidity from Japan and Europe in search of higher returns. This liberalization and deregulation also allowed Malaysian firms to tap into international capital markets where financial institutions were willing to lend at “even lower nominal rates than domestic borrowers could borrow from domestic

¹⁰ See, for example: R. Robinson *et al* (eds.) (2000). *Politics and Markets in the Wake of the Asian Crisis*. London: Routledge and Helen Nesadurai (2000). “In Defence of National Economic Autonomy? Malaysia’s Response to the Financial Crisis”, *The Pacific Review*, 13(1), pp.73-113.

¹¹ As this chapter unfolds we shall see that, in many respects, the Malaysian state is still dealing with these issues. The underlying logic of the ‘new politics’ is that domestic structural barriers continue to block attempts to achieve the economic growth rates Malaysia requires in order to meet the state’s development goals. See, Case (2005), pp.284-309. Also: Thomas Pepinsky (2010). “99 Problems (But a Crisis Ain’t One): Political Business and External Vulnerability in Island Southeast Asia”, n.d., <https://courses.cit.cornell.edu/tp253/docs/JICA.pdf>, accessed on 2 June, 2012 and O’Shannassy (2011), pp.173-185.

¹² The global economic resurgence of the 1990s saw Malaysian GDP growth average 9.47% between 1990 and 1996. Even in 1997, the year the AFC began, Malaysia’s GDP growth was still 7.3% while the average for the decade (1990-1999) was 7.23% despite the Malaysia economy contracting by 7.5% in 1998. See: The World Bank (2010). World Development Indicators. Available online at www.worldbank.org/data, accessed December 15, 2010.

sources.”¹³ As a consequence, foreign debt as a proportion of GDP increased from 36% to 40% in Malaysia for the period 1990-1996 while domestic debt had reached 160% of GDP by the time of the crisis.¹⁴ More specifically, levels of short-term debt as a proportion of total debt grew from 12% to 28%, reaching 39% by the middle of 1997.¹⁵

Over the same period, inflows of foreign direct investment (FDI) and foreign portfolio investment (FPI) climbed substantially with yearly net inflows averaging 6.65% and 5.18% of GDP, respectively.¹⁶ By 1996, 43% of total capital inflows were in the form of private short-term capital.¹⁷ As liberalization and deregulation occurred without a compensating system of regulatory control most of these foreign capital inflows bypassed productive sectors of the economy, like manufacturing and agriculture, and, instead, fueled asset-inflation in the stock market and in the property sector as investors sought rapid, high yield returns.¹⁸ While this saw Malaysian banks dangerously exposed in terms of their property loans, the arguably more damaging consequence of these inflows lay in the explosive expansion of the Kuala Lumpur Stock Exchange (KLSE).¹⁹ On the eve of the AFC the KLSE’s market capitalization exceeded 200% of GDP, as individuals and corporations

¹³ Wade (1998), p.1541.

¹⁴ Nesadurai (2000), pp.77-78.

¹⁵ Prakash (2001), p.122 and Gregory W. Noble and John Ravenhill (2000). “Causes and Consequences of the Asian Financial Crisis.” In, John Ravenhill and Gregory W. Noble (eds.), *The Asian Financial Crisis and the Architecture of Global Finance*. Cambridge: Cambridge University Press; p.5.

¹⁶ See, Asian Development Bank (2000). *Key Indicators of Developing Asian and Pacific Countries 2000, Volume 31*. Hong Kong: Oxford University Press and International Monetary Fund (2010a). *International Financial Statistics*. Available online at www.imfstatistics.org/imf/, accessed December 15, 2010. Eul-Soo Pang notes that between 1995 and 1997 FPI had become a ‘major player’ in covering growing current account deficits as profit repatriation on FDI and steadily increasing debt (re)payments had increased cash outflows. As shown below, this reliance on short-term inflows was soon to have dire consequences. See, Eul-Soo Pang (2000). “The Financial Crisis of 1997-98 and the End of the Asian Developmental State”, *Contemporary Southeast Asia*, 22(3), p.573.

¹⁷ Marie-Aimée Tourres (2003). *The Tragedy That Didn’t Happen: Malaysia’s Crisis Management Strategy and Capital Controls*. Kuala Lumpur: ISIS Malaysia; p.24.

¹⁸ Noble and Ravenhill (2000), p.5.

¹⁹ One estimate put property or real-estate-related loans as a proportion of commercial banks’ total exposure at 20%-25% in the case of Malaysia. The Malaysian banking system, however, was less vulnerable than in most other Southeast Asian countries as the severe banking crisis of the late 1980s had seen the implementation of reforms that limited foreign borrowing and ensured greater banking prudence. See, Walden Bello (1999). “The Asian Financial Crisis: Causes, Dynamics, Prospects”, *Journal of the Asia Pacific Economy*, 4(1), p.39 and Jomo Kwame Sundaram (2006). “Pathways Through Financial Crisis: Malaysia”, *Global Governance*, 12, pp.489-490.

alike responded to the BN regime's encouragement and sought to secure their share of the country's remarkable growth.²⁰

Finally, exchange rates played a key role in this economic environment. With the Malaysian ringgit (RM) pegged to the US dollar, the widespread perception was that there was little risk involved in moving funds from one market to another as it was assumed that future exchange rate trajectories had been underwritten by implicit government guarantees. The moral hazard created by this apparent governmental commitment to a pegged exchange rate meant that borrowers had little incentive to hedge their loans against potential exchange rate fluctuations.²¹ Although unhedged foreign currency borrowing was not as rampant in Malaysia as it was in some of its neighbours, the practice nevertheless posed a real threat. A depreciation or devaluing of the RM would not only see domestic financial institutions struggle to service their foreign loans but would also likely see foreign sources of capital dry up as "repayments increased in domestic currency and foreign lenders faced higher risks of nonrepayment."²²

The vulnerability of the Malaysian economy to sudden external shocks became painfully evident following the collapse and subsequent floating of the Thai baht in mid-1997. As currency speculators cast their eye over the region, other currencies were perceived to have maintained similarly unsustainable pegs with the US dollar. As Robert Wade remarks, "all the Southeast Asian currencies suddenly looked vulnerable, since all the economies had a significant overhang of short-term dollar debt whose repayment looked problematic if exchange rates were to collapse."²³ Following the baht float on 2 July, the ringgit soon came under strong pressure as investors and domestic firms began to sell RM in order to hedge their dollar liabilities and although Bank Negara Malaysia (the Malaysian Reserve Bank, BNM) initially defended the ringgit this action ultimately proved futile.²⁴ In mid-July the policy was abandoned and the ringgit was allowed to float. Broadly speaking, the collapse

²⁰ Thomas Pepinsky (2008). "Capital Mobility and Coalitional Politics: Authoritarian Regimes and Economic Adjustment in Southeast Asia." *World Politics*, 60(3), p.442.

²¹ Several commentators noted that foreign lending and investment in countries such as Malaysia was premised on this assumption that the exchange rate for the ringgit would hold. See, for example: Bello (1999), p.37 and Noble and Ravenhill (2000), p.6.

²² Wade (1998), p.1539

²³ Wade (1998), p.1542.

²⁴ The defense of the ringgit allegedly cost BNM approximately RM9 billion (then over US\$3.5 billion). See: Sundaram (2006), p.490.

of exchange rate pegs throughout Southeast Asia prompted both domestic and international investors to question the fundamental viability of an economic system fed by capital inflows. Anxious about the trajectory of future economic growth patterns, they became reluctant to continue catering to the region's appetite for foreign capital. Together, these two phenomena sparked a self-reinforcing vicious cycle as concerns about further exchange rate movements saw investors either baulk at additional investment or divest altogether, revealing how susceptible economies were to changes in investor sentiment, which only served to further damage investor confidence. As foreign capital continued to exit the RM plummeted, resulting in rocketing import bills and a massive rise in the cost of servicing private sector foreign debt.²⁵ As a consequence, the domestic financial sector saw an alarming growth in non-performing loans while the main KLSE Composite Index (KLCI) fell approximately 61.5% by early 1998.²⁶ As was the case in much of the region, the very factors that had driven Malaysia's rapid economic expansion throughout the 1990s were now responsible for the severity of the crisis it was experiencing.

6.2 *He Said, He Said: Socio-political Reactions to the Crisis.*

The economic crisis soon precipitated a domestic political crisis that eventually led to Anwar being sacked from his official government positions in early September 1998 and formally expelled from UMNO soon after. Many accounts of the lead up to Anwar's demise have highlighted the struggles that took place between Mahathir and his deputy as a result of economic factors.²⁷ Certainly, the poisoning of their relationship was closely related to issues surrounding the destabilization of economic management and the approach each favoured to best meet the challenges posed by the AFC.²⁸ Mahathir's initial response was to blame external actors for the crisis, which only exacerbated the situation.²⁹ Early policy responses to the crisis, especially state funded bailouts of politically connected

²⁵ The ringgit fell to its lowest level of RM4.88 to the dollar in January 1998 and was eventually fixed at RM3.8 against the US dollar on 2 September 1998.

²⁶ By August 1998, the KLSE, once the best performing bourse in the region, was regarded as the worst performing stock exchange in 1998 with nearly half of the 471 stocks listed on its main board now penny stocks, trading below RM1. By 2 September 1998, just prior to the imposition of capital controls, the KLCI had fallen almost 80% since the first quarter of 1997. See: Sundaram (2006), p.490 and Nesadurai (2000), pp.78-79.

²⁷ For example, see: Hwang (2003), pp.276-311.

²⁸ Funston, J. (1999). "Malaysia: A Fateful September", *Southeast Asian Affairs* 1999, 26, p.167.

²⁹ Mahathir infamously railed against George Soros for being behind the crisis and hinted at an underlying 'Jewish agenda', both of which only hastened the decline of the KLCI and the ringgit. Khoo (2003), p.50.

corporations and individuals, “gravely undermined public confidence in the Malaysian investment environment.”³⁰ Embarrassed, Anwar began to pursue pro-cyclical measures similar to those being recommended by the International Monetary Fund (IMF).³¹ Where Mahathir railed against global economic forces and angrily sought to discipline the market, Anwar sought to soothe market sentiments. Confusion abounded and numerous examples of high-level policy debates and policy reversals led many foreign observers to describe the Malaysian situation in terms of ‘policy gridlock’.³²

Despite this, it seems as if any differences between the two on such economic matters were, in fact, relatively minor and we should be wary of Mahathir’s post-September 1998 assertions that Anwar’s responses to the crisis threatened to undermine the Malaysian economy.³³ Instead, the political culture of UMNO that had evolved over the preceding decade dictated not only that Anwar had to go but also that his fall would be absolute in magnitude and scope.³⁴ Rather than eliminating factionalism within UMNO, the ‘de-politicization’ of competition for the party’s top posts since 1988 had simply shifted factional rivalries to the lower tiers. By the end of the 1990s, then, party unity was undeniably fragile; all that was needed was something to break the cracks wide open. In this light, the AFC magnified pre-existing lines of fracture and deepened the underlying political struggle between Anwar and Mahathir.

Despite many opportunities for the pair to cross swords, it was not until around early June 1998 that a real chasm opened up between the Prime Minister and his deputy over the issue of *korupsi, kolusi dan nepotisme* (usually translated in Malaysia as ‘corruption, cronyism

³⁰ Jomo (2006), p.492 and Khoo (2003), p.48.

³¹ In late 1997, Anwar announced that government spending was to be cut by 18% in the next budget and a range of tighter fiscal and monetary policies in line with market expectations and the IMF’s recommendations were to be implemented. Apparently, these were approved by the entire cabinet, as well as senior government officials. Jomo (2006), p.493. Also: Khoo (2003), p.49.

³² Khoo (2003), p.61. Khoo provides the example of Mahathir ordering changes to the KLSE rules to protect local interests and punish foreign speculators, only to have Anwar reinstate the original rules. Undeterred, Mahathir then overturned Anwar’s reinstatement of the rules.

³³ Khoo (2003), p.61. Also, see: Jomo (2006), p.490.

³⁴ In 2000, Musa Hitam, speaking at the annual general meeting of UMNO branches in the Johor Baru division, commented that contests within UMNO “are so intense and finally divisive. Hatred continues, animosity continues and purging continues. Under such conditions, contest within UMNO has truly become a matter of life and death.” In, Hwang (2003), p.282.

and nepotism', KKN).³⁵ Although Mahathir initially was not opposed to the need for reform – one need only remember his tears at UMNO's 1996 general assembly over the state of corruption and 'money politics' within both the party and the polity – Anwar's public pronouncements stressing the need to refashion the Malaysian version of KKN so as to avert an Indonesian-style political crisis were understandably interpreted by Mahathir as a direct challenge to his leadership and authority.³⁶ As the June UMNO general assembly approached and with informal surveys showing clear support for both Anwar's leadership and the need for political reform, Anwar and his allies ramped up their pressure on Mahathir to step aside in favour of his heir apparent.³⁷

However, Mahathir refused to lie down without a fight. First of all, he sought to rein in some of Anwar's more vocal supporters by issuing a series of open warnings to those making 'unsubstantiated' claims concerning KKN within UMNO so close to the party's general assembly. At the assembly itself, he deftly outmaneuvered his opponents and then went on the offensive. In a brilliant move, he took the wind from Anwar's sails by releasing a list of those individuals who had benefited financially from government contracts and privatization; needless to say, several of Anwar's relatives and close associates figured prominently on this list. Finally, Mahathir undermined Anwar's authority as Finance Minister by appointing his long time confidant and a former Finance Minister, Daim Zainuddin, as Special Functions Minister with executive powers for coordinating efforts to oversee economic development in the wake of the AFC.³⁸ Mahathir even sought to put a positive spin on the notion of KKN by tying the much-maligned idea

³⁵ The term stemmed from Indonesia where the *reformasi* movement formed in the wake of the AFC had forced the resignation of the once mighty President Suharto on 21 May. Soon after Suharto's fall, various groups both in and outside of Malaysia began making overt comparisons between the two political leaders, a development that openly alarmed Mahathir. See: Hwang (2003), p.300. In mid-1997, Mahathir took a two-month overseas trip to promote one of his pet mega-projects, leaving Anwar in charge. Despite this and subsequent measures of Mahathir's faith in his deputy's position within the political hierarchy, Anwar's forceful intervention on corruption issues alarmed his opponents with UMNO and they began to discredit him. Most notably, Anwar faced a vicious poison-pen letter campaign in the run-up to the September 1997 UMNO general assembly that questioned his moral status. See: Weiss (2006), p.129; Funston (1999), pp.169-171 and; Hwang (2003), pp.283-288.

³⁶ Funston (1999), p.169 and Hwang (2003), p.301.

³⁷ Hwang (2003), pp.300-301. In 1995, Mahathir had said that he was prepared to step aside if and when UMNO members sent him a 'message' to do so. See: Funston (1999), p.169.

³⁸ In addition, several key Anwar allies in the state-run media were forced to resign their position further weakening Anwar's political position.

of cronyism to the constitutionally defined ‘special position’ of the *bumiputra*; as all Malays had benefited from this provision they must all then be regarded as ‘cronies’.³⁹

Daim immediately repaid Mahathir’s faith in him by replacing the tight fiscal and monetary policies Anwar had introduced in the wake of the AFC with a looser set favoured by the Prime Minister. The forced resignations of the Bank Negara chief and his deputy, both closely aligned with Anwar, in late August opened the space for Mahathir to introduce a package of capital controls on 1 September, “the main elements of which pegged the Malaysian currency to the U.S. dollar at a moderately low rate, banned the currency’s trade offshore, and prohibited foreign investors from repatriating capital gains that had been made on the sale of local equities.”⁴⁰ The very next day, Anwar was dismissed from office and then formally expelled from UMNO the following day. It would seem that Mahathir had learned from his experiences with Razaleigh a decade earlier; there would be no opportunity for his rival to continue to challenge him from within mainstream Malaysian politics.⁴¹ Anwar retaliated by issuing a declaration on 8 September that defiantly called for *Reformasi* to oppose Mahathir’s ‘cronyistic’ responses to the financial crisis and took his message to the masses in a series of nation-wide public rallies. Convinced that his sacking and expulsion would not be enough to deter a political comeback, Mahathir deployed the full force of the judiciary against his erstwhile deputy by having Anwar arrested on 20 September on corruption and sodomy charges. While many political observers saw Anwar’s purge and arrest as the denouement of a long political battle between Mahathir and his anointed successor it soon became evident that these rude measures, rather than resolving a political confrontation, actually served to anger a key constituency of legitimation for UMNO, in turn, fueling widespread popular resentment against the BN’s strategies and practices of legitimation.

6.3 *The Challenge of Reformasi.*

Given the traditionally communal nature of Malaysian politics and the concomitant difficulties associated with achieving a broad popular consensus, most BN component

³⁹Funston (1999), p.170.

⁴⁰Case (2005), p.292. See also: Khoo (2003), pp.52-53.

⁴¹Hwang (2003), p.306.

parties have generally sought legitimacy among various mass audiences, i.e. ‘Malays’, ‘Chinese’ and ‘Indians’. For its part, UMNO, cognizant of the central significance of the Malay community in the validation of political control, has repeatedly proclaimed its role as the defender of Malay prerogatives.⁴² Contrasting the indigene status of the Malays against other communities in Malaysia, UMNO has long stressed Malay dominance (*ketuanan Melayu*) over ‘the land of the Malays’ (*tanah Melayu*) as a central element of the authority-defined ‘nation-of-intent’ and of the party’s right to rule.⁴³ To further legitimate its rule and attract mass support, Malay notions of birthright were augmented by the promise of material rewards, a practice that was vastly expanded under the auspices of the NEP. While relying on its image as the guardian of Malay interests, UMNO also attempted to justify its primacy before non-Malay audiences by accommodating some of their political, economic and cultural aspirations.⁴⁴ With few viable alternatives, many non-Malays accepted the principles contained within the authority-defined ‘nation-of-intent’ but, given the lack of ideological unity between UMNO and non-Malay communities, such acceptance was largely pragmatic and closely allied with the performance of the Malaysian economy.⁴⁵ Elections results, while a key element in the projection of legitimacy, nevertheless remained largely supplementary to performance legitimacy.⁴⁶

The historic stability of Malaysian politics on the whole, particularly when compared with many of its regional neighbours, would seem to indicate that successive BN governments were successful in articulating the authority-defined ‘nation-of-intent’ by supplementing “Malay perceptions of legitimacy with cross-ethnic support...[that is,] redressing Malay grievances while at some level respecting non-Malay identities and property rights.”⁴⁷ However, a socio-political system based on relational ethnic perceptions must be flexible enough to accommodate shifts in such perceptions as social audiences adjust their identities over time. In particular, it has been argued that the successes of the NEP have reduced the

⁴² C. Muzaffar (1979). *Protector?: An Analysis of the Concept and Practice of Loyalty in Leader-Led Relationships within Malay Society*. Pulau Pinang: Aliran.

⁴³ Case (1995), p.72.

⁴⁴ Case (1995), pp.73-75.

⁴⁵ Muthiah Alagappa (1995e). “Seeking a More Durable Basis of Authority”, in, Muthiah Alagappa (ed.), *Political Legitimacy in Southeast Asia: The Quest for Moral Authority*. Stanford: Stanford University Press; pp.313-316 and William Case (2010). “Political Legitimacy in Malaysia: Historical Roots and Contemporary Deficits”, *Politics & Policy*, 38(3), p.498. (whole thing is 497-522)

⁴⁶ Alagappa (1995e), p.316 and Case (2010), p.498.

⁴⁷ Case (1995), p.104.

salience of goal-rational legitimacy claims based on ethnic protection in contemporary Malaysia.⁴⁸ By giving many Malays new socio-economic positions and confidence the NEP lightened UMNO's patrimonialist weight, implying a shift in the social relations underpinning state form and notions of legitimate authority. As long ago as 1995, William Case recognized that an UMNO-led government might, as a consequence of the NEP, "have to find new ways to address Malay attitudes and the larger, changing patterns of identity in which they are embedded."⁴⁹ Again, a recurring motif of this chapter is whether or not the BN's strategies of legitimation since 1999 can be considered part of a 'looser', more responsive political style.

After his arrest in late September, Anwar's call for *Reformasi* resonated beyond most expectations, blossoming into a social movement broadly opposed to Mahathir, UMNO and the BN. A strategic-relational analysis suggests that the significance of *Reformasi* lay in the changing nature of processes of legitimation in Malaysia during the 1990s, which had seen social control become organized around a more nuanced mix of state coercion *and* civil persuasion, indicating the growing importance of civil society as a contested space. As the previous chapter demonstrated, Mahathir had begun to subtly rearticulate the authority-defined 'nation of intent' so that it began to emphasize more a sense of Malay hegemony, based on ideological leadership rather than simply relying on Malay political domination.⁵⁰ However, hegemony is often a managed affair and legitimacy involves being able to persuade people, more generally, of the 'moral authority' of the prevailing system. It was this 'moral authority' of the BN regime, and of UMNO, in particular, which *Reformasi*, challenged. On one level, then, *Reformasi* denoted a site of social criticism. At yet another level, it signified a massive erosion of the regime's legitimacy based as it was on "rapid economic growth and continued prosperity, nationalist vision and popular

⁴⁸ For example, see: Maznah Mohamad (2003). 'The Contest for Malay Votes in 1999: UMNO's Most Historic Challenge?', in Francis K.W. Loh and Johan Saravanamuttu (eds.) *New Politics in Malaysia*, Singapore: ISEAS; p.75; Johan Saravanamuttu (2003). 'The Eve of the 1999 General Election: From the NEP to *Reformasi*', in, Francis K.W. Loh and Johan Saravanamuttu (eds.) *New Politics in Malaysia*, Singapore: ISEAS; p.5; Francis K.W. Loh (2003). 'Towards a New Politics of Fragmentation and Contestation', in, Francis K.W. Loh and Johan Saravanamuttu (eds.) *New Politics in Malaysia*, Singapore: ISEAS; p.277 and; Weiss (2006), p.165.

⁴⁹ Case (1995), p.105.

⁵⁰ See Sections 1.3 and 5.10 above.

support, and strong leadership and managed succession” all of which had been battered by the crises of July 1997 and September 1998.⁵¹

In publically humiliating Anwar, Mahathir transgressed closely held Malay norms on how subordinates and rivals should be treated. This, along with the bailouts given to business elites – in stark contrast to the uncertainties endured by the general population – tarnished UMNO’s image as the ‘protector’ of the Malay race.⁵² Material inequalities once broadly accepted by the Malay masses on the grounds that they were seen as a measure of group worth as well as a predictor of their future situation now fuelled mass-level resentment of the party.⁵³ Although *Reformasi* was a predominantly Malay phenomenon in its initial stages, at its height the movement “achieved a cross-cultural breakthrough that created novel possibilities of multi-ethnic alliance.”⁵⁴ Anwar’s downfall acted as the catalyst for “a transition from ‘de-politicization’ to ‘re-politicization’ not only in the Malay community but also in Malaysian society as a whole” as reactions to the Anwar affair cut across social, class and regional divides.⁵⁵ Unlike the political crisis in 1987 which saw a bitter factional dispute split UMNO into two rival camps, this was not simply an intra-elite schism; the presence of widespread anti-Mahathir sentiments among the Malay grassroots signaled a fracturing of UMNO’s hegemony vis-à-vis the Malay community and, therefore, of its primary claim to political legitimacy. By failing to adequately recognize just how the ‘environing societal relations’ within which the Malaysian state was embedded had been transformed, in part due to the interrelationship between domestic society, the state and the global, the UMNO-led government invited *Reformasi*’s challenge to its political authority.

While Anwar’s true motivations for launching *Reformasi* could be questioned as nothing but more than a desperate desire to remain politically relevant, what is less debatable is how the discourse of *reformasi* became deeply entrenched in the everyday social and political reality of Malaysia. On one level, the concept’s effectiveness as a tool for political and ideological confrontation may have lain in its ambiguity and unfixity, with one

⁵¹ Khoo (2003), p.107.

⁵² Case (2005), p.293. See also: Jesudason (1989), pp.11-12.

⁵³ Jesudason (1989), pp.11-12.

⁵⁴ Khoo (2003), p.112.

⁵⁵ Hwang (2003), p.311.

commentator initially classifying it as an ‘empty signifier’.⁵⁶ Rather than regard this as a weakness, however, Farish Noor, claims that it was the “overdetermined and open nature of the term *reformasi*” which acted as a source of strength by “lend[ing] itself to a wide range of possible articulations and manoeuvres” thus incorporating a diverse array of active and passive supporters.⁵⁷ By providing a common ground for those social groups opposed to the political dominance of the ruling BN coalition and its authority-defined ‘nation-of-intent’, the *Reformasi* movement played a catalytic role in the discursive institutionalization of a pluralist, multiethnic consciousness.⁵⁸ In this sense, the emergence of *Reformasi* ultimately represented a transformation of social relations and a clear departure from the hierarchal norms of Malaysian political culture up until that point, which saw Malay political dominance prioritized over broader notions of multiculturalism.

6.4 *Reformasi Stalled? The 1999 General Election.*

What was apparent by mid-1999 was that a large number of Malaysians seemed to believe that at least some measure of socio-political change was warranted.⁵⁹ As the political crisis matured and with a general election on the horizon, the *Reformasi* movement and its leaders were thus slowly forced to “specify precisely what they meant by ‘reform’ and to articulate concrete, pragmatic objectives.”⁶⁰ *Reformasi*’s transformation from social movement to electoral force had begun with the formation of the multi-racial NGO *Adil*, which was superseded in April 1999 by the Malay-based but similarly multi-racial political party (*Parti Keadilan Rakyat* or People’s Justice Party, PKR), led by Anwar’s wife, Wan

⁵⁶ Noor, F. (1999). “Looking for *Reformasi*: The Discursive Dynamics of the *Reformasi* Movement and its Prospects as a Political Project”, *Indonesia and the Malay World*, 27(77), p.6.

⁵⁷ Noor (1999), p.13.

⁵⁸ In late September 1998, two major multi-racial coalitions were formed: *Gagasan Demokrasi Rakyat* (Coalition for People’s Democracy, *Gagasan*) and *Majlis Gerakan Keadilan Rakyat Malaysia* (Council of Malaysian People’s Justice Movement, *Gerak*). Both coalitions included all the main opposition parties (PAS, DAP, PRM) as well as a significant number of NGO’s although the PAS-led *Gerak* had a rather distinct Malay-Muslim slant when compared to the DAP-led *Gagasan*. Both, however, were united in their calls for political, social and economic reform in the wake of Anwar’s demise. In early December, a third multi-racial coalition emerged, *Pergerakan Keadilan Sosial* (Movement for Social Justice, *Adil*), led by Anwar’s wife, Wan Azizah Wan Ismail. *Adil* was designed to transform the *reformasi* agenda from a narrowly pro-Anwar one to one that championed broader social, political and economic reform. See: Weiss (2006), pp.139-140 and Hwang (2003), pp.314-315.

⁵⁹ A 1999 survey found that 85% of respondents agreed with the statement “Malaysia needs a political, economic and social re-assessment.” See: Weiss (2006), p.134.

⁶⁰ Weiss (2006), p.134.

Azizah Wan Ismail.⁶¹ The next step was the announcement in June that, after great deliberation, PAS, the DAP, the PRM and *Keadilan* would join forces to contest the next general election as the *Barisan Alternatif* (Alternative Front, BA). While no summary account of the path from inchoate movement to electoral coalition can adequately canvass the internal problems which paved the way, particularly in terms of the alternative ‘nations-of-intent’ advanced by the overtly Islamic PAS and the explicitly secular DAP respectively, by November 1999 the BA had become sufficiently unified that it was prepared to offer itself as a viable alternative to the BN in a general election.⁶²

Immediate analysis of the election results ranged from those who viewed them as “a watershed in Malaysian politics” to those who cynically observed that they were “much ado about nothing”.⁶³ While on the surface the BN’s victory at the polls and the coalition’s retention of its two-thirds majority in Parliament apparently confirmed the status quo, such a raw interpretation conceals important features, many of which pointed to the emergence of new political realities. Most significantly, the election results were the worst electoral setback UMNO had ever experienced.⁶⁴ Tellingly, perhaps half of the Malay vote went to the opposition as it became apparent that UMNO had lost credibility as the hegemonic Malay party and could not “expect 100 per cent support from a rapidly changing Malay population based simply on its ‘Malay credentials’...[leaving it to] ponder how it will strategically engage in the contest for the Malay vote.”⁶⁵ The Anwar affair suggested that

⁶¹ Despite its claim to be a non-communal party, Weiss (2006, pp.141-142) notes that the primary constituency for *Keadilan* was “middle-class, middle-of-the-road Malays particularly from UMNO – people who supported the Reformasi movement and the call for justice, democracy, and an end to BN dominance but did not feel comfortable voting for PAS.”

⁶² In order to somehow encapsulate the overall objectives of *Reformasi* and present them as part of a broadly appealing electoral platform, the leaders of the BA’s component parties formulated a list of ten common issues in June 1999: constitutional monarchy; parliamentary democracy; human rights; rule of law; independence of the judiciary; the rights and responsibilities of citizens; Islam as the official religion, and freedom of religion; Malay as the national language, and the right to use other languages; the special position of *bumiputera*, and the rights of other groups and; federalism. See, Weiss (2006), p.142. For an overview of the difference between PAS’ and the DAP’s ‘nations-of-intent’ see Figure 20 in Section 5.10 above.

⁶³ For an example of the former opinion, see Hari Singh (2000). “Opposition Politics and the 1999 Malaysian Election”, in, *Trends in Malaysia: Election Assessment*. Singapore: ISEAS; p.33. For the latter opinion, see: Zakaria Haji Ahmad (2000). “The 1999 General Elections: A Preliminary Overview”, in *Trends in Malaysia: Election Assessment*. Singapore: ISEAS; p.1.

⁶⁴ The party’s number of parliamentary seats declined from 94 to 72 and for the first time its total number of seats was less than that of its coalition partners in the BN; four ministers and five deputy ministers lost their seats. See, John Funston (2000). “Malaysia’s Elections: Malay Winds of Change?”, in, *Trends in Malaysia: Election Assessment*. Singapore: ISEAS; p.51. Also, Khoo (2003), pp.112-21; Hwang (2003), pp.321-330; Weiss (2006), pp.143-149 and; Hilley (2001), pp.262-267.

⁶⁵ Ahmad (2000), p.5. See also, Funston (2000), p.51.

UMNO's factionalism, a feature of the party since its inception, was "not only chronic but had become systemic" and could now be considered the chief source of political instability in the country.⁶⁶ Such features indicated the failure of state actors to legitimate their political authority.

Some analysts, taking the results at face value, interpreted them as an instance of domestic society registering a protest vote against the BN coalition, rather than truly seeking to replace it with an alternative.⁶⁷ However, a deeper perspective suggests that while the 1999 general election did indeed fail to produce a viable multi-ethnic opposition that could institute a meaningful two-coalition system, a key shift in popular consciousness as a result of *Reformasi* meant that the situation could not "return to 'square one': the Anwar affair and the response of (Malay) voters in 1999 had exposed the fragility of UMNO's claim to be the principle source of stability in the political system."⁶⁸ As political stability was prerequisite for the foreign investment that fueled the economic growth upon which the BN government relied upon for legitimation the 1999 general election marked a sea change in Malaysian politics and society. Thus, while this election was not exactly the watershed moment hoped for by those involved in the *Reformasi* movement, there were clear signs that the search for an alternative system of governance, one outside of the long-standing UMNO/BN communal framework and one which sought to realign, or even redefine, the long-standing authority-defined 'nation-of-intent' - Malay domination/hegemony within the context of multiculturalism – had begun in earnest.⁶⁹

The steady evolution of a Malay bourgeoisie over the preceding two decades and the emergence of a new strand of middle-class Malay politics meant that Malay-based political parties were no longer dealing with a homogenous community. More specifically, this new urbanized Malay middle-class relied less on traditional communal authority structures and patronage flows to steer notions of social mobility and define a sense of purpose.⁷⁰ Increasingly, the members of this critical constituency were "driven more by forces which

⁶⁶ Khoo (2003), p.122.

⁶⁷ Ahmad (2000), p.7.

⁶⁸ Khoo (2003), p.121. Also see: Saravanamuttu (2003), pp.12-14.

⁶⁹ Mohamad (2003), p.68. See also: Khoo Boo Teik (2000). "Unfinished Crises: Malaysian Politics in 1999", *Southeast Asian Affairs*, 27, pp.170-175.

⁷⁰ Maznah (2003), p.69.

transcended ethnicity rather than those which valorize[d] it”.⁷¹ By undermining UMNO’s hegemonic position within the Malay community, the events of 1998-1999 activated a reassessment of the party’s leadership by the Malay middle-class, forcing UMNO to reaffirm its relevance to this core Malay constituency in order to (re)legitmate its authority.⁷² Herein, lay the seeds for a potential transformation of Malay and, consequently, Malaysian political culture. In this respect, the gains made by the opposition in 1999 were proof of UMNO’s failure to build a new consensus among Malay voters and, in the end, the BN’s overall electoral victory depended more on the performance of UMNO’s non-Malay coalition partners.⁷³

The significance of the possible erosion of ethnicity as a key determinant of political behavior cannot be understated.⁷⁴ Unlike 1987, 1999 saw no serious outbreaks of ethnic tension despite fears among non-Malays, in particular, of an Indonesia-like eruption of violence. On the contrary, *Reformasi* seemed to lower ethnic barriers between the Malay and non-Malay communities, partly as a consequence of the movement being more issue-based than ethnicity-based but also, ironically, because the impact of the NEP and the BN government’s politics of ‘developmentalism’ had removed many of the points of collision between Malays and non-Malays.⁷⁵ Several authors have compellingly argued that the conformist Malay unity of the past was now unobtainable; UMNO’s messages no longer resonated with either the younger *Melayu Baru* – accustomed to cross-ethnic acculturation in cities and more and more confident in their ability to compete based on merit – or with the rural Malays who had been largely bypassed in the process of economic development.⁷⁶ A strategic-relational to the state and the processes of legitimation emphasizes that the effective authority of political elites is fundamentally embedded in environing societal relations so that such actors are compelled to engage in ‘strategic-context’ analysis when choosing a course of action. The emergence of a more multi-ethnic awareness in Malaysian civil society, especially among the young Malaysian middle-classes, now meant that all political parties, including UMNO, would increasingly be “judged on their

⁷¹ Saravanamuttu (2003), p.6. See also: Loh (2003), p.277.

⁷² Maznah (2003), p.78.

⁷³ Loh (2003), p.263.

⁷⁴ Hwang (2003), p.331 and Weiss (2006), p.150.

⁷⁵ Hwang (2003), pp.315-319 and Funston (1999), p.180.

⁷⁶ Hari Singh and Clive Kessler in, Weiss (2006), pp.150-151.

performance, rather than just on their ideological stances as communal champions”; a revolutionary development in the historical context of Malaysia.⁷⁷ Although the BA was ultimately unsuccessful at the polls, its true significance perhaps lay elsewhere, in the institutionalization of an ‘opposition’ option among Malays and non-Malays alike as well as in the potential for a reconceptualization of the authority-defined ‘nation-of-intent’ that would see ethno-religious forms of identification de-emphasized.

This increasing fragmentation of ethnic communities was one of the central themes of the only full-length book written on the subject of ‘new politics’ in Malaysia.⁷⁸ Several of this edited volume’s contributors highlighted how splits within the Malay community, in particular, had fueled wider debates on the whole question of Malay identity and the transformation of a socio-political system based on ethnic differentiation.⁷⁹ Overlapping contemporary intra-ethnic divisions were the competing discourses and practices of ethnicism, developmentalism and participatory democracy.⁸⁰ Francis Loh defines ‘ethnicism’ as “a discourse and practice of politics which privileges exclusive rather than inclusive notions of identity and consciousness, social relations, and interests, and political representation along ethnic lines.”⁸¹ Elsewhere, he describes ‘developmentalism’ as “a political culture [which] valorizes rapid growth, rising living standards and the resultant consumerist habits, and the political stability offered by Barisan Nasional rule, even when authoritarian means are resorted to.”⁸² With Malaysia’s extraordinary economic growth in the late 1980s and for most of the 1990s, Loh argues that it was this discourse of developmentalism which superseded that of ethnicism to set the limits to the discourse of democracy in the early 1990s and beyond. The cultural liberalization that accompanied economic liberalization effectively ‘privatised’ questions of ethnicity. Political liberalization, however, did not follow and, hence, the eventual emergence of the competing discourse of participatory democracy.

⁷⁷ Weiss (2006), p.150. See also: Teik (2000), p.181.

⁷⁸ Francis K.W. Loh and Johan Saravanamuttu (eds.) (2003). *New Politics in Malaysia*, Singapore: ISEAS.

⁷⁹ See, for instance: Maznah (2003), pp.68-69; Saravanamuttu (2003), pp.14-15 and Loh, F. (2003), p.277.

⁸⁰ Loh (2003), pp.276-277.

⁸¹ Loh (2003), p.281.

⁸² Loh (2002), p.21.

Looking back to the general election results of 1999, Loh argued that although the culture of ethnicism had eventually prevailed, it “no longer overwhelm[ed] the other discourses of Malaysian politics as it used to, at least not to the same predictable extent.”⁸³ The rise of *Reformasi* had placed a greater emphasis on discourses and practices associated with participatory democracy, again largely as a consequence of the considerable involvement of urban middle-class Malays.⁸⁴ For Loh, the term ‘new politics’ referred exclusively to this confused dynamic of ethnic fragmentation and contesting political cultures.⁸⁵ However, despite the political ferment generated by *Reformasi*, a lack of operational organization, the very real fear of government repression and the apparent requirement of ‘political stability’ to ensure economic growth and development meant that any democratic impulses that may have existed in 1999 were unable to overcome the deep-seated cultures of ethnicism and developmentalism.⁸⁶

6.5 *Crisis, Reformasi and Legitimation: (Un)Changing Structures of Domination?*

The AFC brought into sharp relief “the tensions between domestic and external dynamics that governments must increasingly contend with in a globalizing world”, neatly reflecting the logic behind the concept of sovereignty bargains and the ways in which postcolonial states would have to be flexible with their conceptions of sovereignty and national identity.⁸⁷ However, we must remember that this is not always an ‘outside-in’ phenomenon and that internal considerations may have a significant role to play in determining just how flexible state actors can be in their management of sovereignty for unlike Indonesia, Thailand and South Korea, there would be no IMF intervention in Malaysia as a consequence of the AFC; Mahathir’s nationalism forbade any such abnegation of sovereignty.⁸⁸ As Helen Nesadurai notes, the absence of IMF involvement in Malaysia “allowed the reform process to unfold in a manner that fully reflected domestic political priorities and constraints.”⁸⁹ Although global capital mobility imposed an external

⁸³ Loh (2003), p.277.

⁸⁴ Loh (2003), p.278.

⁸⁵ Loh (2003), p.279.

⁸⁶ Loh (2003), pp.278-280. Also: Weiss (2006), p.151.

⁸⁷ Nesadurai (2000), p.74.

⁸⁸ Nesadurai (2000), p. 105. A further mitigating factor was that Malaysia’s external borrowings were relatively low compared to its IMF-assisted neighbours in Southeast Asia (Thailand and Indonesia).

⁸⁹ Nesadurai (2000), p.74.

constraint on how state actors such as government officials, state ministries and central banks could feasibly respond to the AFC, domestic considerations exerted an even greater constraint on the political capacity of the state to institute adjustment. While state actors were compelled to accommodate global market forces and further liberalize some aspects of economic policy in order to encourage economic growth and restore their performance legitimacy among Malaysians in general, they were unwilling and/or unable to dismantle the pro-Malay distributive policies that lay at the heart of the national politico-economic framework. With the political legitimacy of the UMNO-led government based on maintaining Malay ascendancy in economics and politics any strategy of adjustment had to proceed in such a way so as to “protect the interests and future of an essentially Malay corporate elite group with close links to the political leadership.”⁹⁰ The extent to which domestic socio-political considerations trumped attempts by global financial markets and other external forces to discipline the behaviour of state actors in Malaysia was probably most evident in the government’s choice to introduce capital controls in September 1998.

Although an explicitly political agenda underpinned Malaysia’s decision to implement a backlash strategy and reject the broad slate of neo-liberal reforms that the money market and international agencies such as the IMF demanded of the crisis-stricken regimes in Asia, there is little doubt that the ‘economic shield’ supplied by capital controls allowed the Malaysian economy to avert collapse.⁹¹ However, the government’s actions in this regard were unevenly applied with the banking system revived and reformed but with comparatively little done to undertake equivalent reforms in the corporate sector. Instead, the government resorted to “[selectively offered] bailouts...that perpetuated key networks of UMNO politicians and local business elites.”⁹² An export-led, region-wide economic recovery in 1999-2000 provided the economic stability required for the Malaysian state and the global economy to negotiate a new compromise; one that reinvigorated the intricate interrelationship between foreign direct investors in globalized enclaves and local business elites in protected domestic markets. As noted above, that relationship was based on insulating foreign direct investors operating in FTZ’s from domestic socio-political

⁹⁰ Nesadurai (2000), p.75.

⁹¹ Case (2005), p.292 and Khoo (2003), pp.54-55.

⁹² Case (2005), pp.292-293. For a more detailed rationale of why and how the government was unable to embrace of more orthodox or neoliberal adjustment, see: Nesadurai (2000), pp.105-106.

pressures (i.e., *bumiputera* equity and employment quotas) so that they could compete effectively in global markets while simultaneously attracting foreign portfolio investors and lenders to Malaysia by limiting competition in domestic markets.⁹³

Malaysia's 'dual' economy, based on this mix of globalized enclaves and protected local markets, could not be fully resuscitated, however, as pressures emanating from both above and below the state demanded that the government embark upon a more internationalizing strategy by embracing neo-liberal reforms such as the relaxation of capital controls as well as ethnically-based quotas and subsidies.⁹⁴ While foreign direct investors operating in globalized enclaves saw the situation as a return to business as normal, foreign portfolio investors had been "made wary by the crisis of local business elites and of what they perceived as the government's capricious interventions."⁹⁵ In this context, Malaysia's equity markets were unable to recover their pre-AFC vigour. Resonating with these economic concerns was the social ferment generated by the *Reformasi* movement. Anwar's punishment, broader patterns of corruption and the public bailout of politically connected Malay business elites all generated mass-level resentment and a sentiment that market liberalization was preferable to any scenario where politically connected business elites received unfaltering support during times of economic hardship.

Together with an overall weakening of foreign investment and stagnating export markets, these developments finally forced the Malaysian government to relent and, in 2000, a rash of neo-liberal reforms and good governance agendas were implemented. Much of the capital controls package was allowed to lapse, business elites who had benefitted from bailouts were now stripped of their positions and assets and the BN government began to refurbish its regulatory apparatus with a particular focus on improving corporate

⁹³ See Section 5.3 above for more detail.

⁹⁴ In addition, there were calls for the government to strengthen its regulatory oversights on corporate governance and provide greater transparency so as to reduce chronic levels of corruption. All of this, however, is not to imply that 'progress' to neoliberal forms of economic organization was ever perceived as a straightforward process. The close ties between political and economic actors in a country like Malaysia suggested that, "full neoliberal convergence, if [it happens] at all, [was] likely to be a long-drawn and often tense affair." As we shall see below, this remains an on-going process in contemporary Malaysia. See: Nesadurai (2000), pp.106-107.

⁹⁵ Case (2005), p.298. For the distinction between FDI and FPI see Section 5.3 above.

governance.⁹⁶ Rating agencies and the international business press generally applauded these moves but, despite an appreciable increase in the valuation of the KLSE by the end of 2001, foreign portfolio investors remained skeptical of the government's sincerity in pursuing genuine reform.⁹⁷ Rising wage rates and a slumping export market for electronics meant that foreign direct investors were similarly phlegmatic and although they did not entirely abandon Malaysia's globalized enclaves, they considerably reduced their stake in the country.

Even before it became evident that neo-liberal reforms had failed to rekindle foreign investment, Mahathir found his authority coming under pressure from UMNO politicians alienated by the reformist slant of his government.⁹⁸ By 2002, the strain had become too great and the government began to "assert the futility of regulatory improvements, especially amid the inequalities posed by globalisation."⁹⁹ The swing back to a broadly backlash strategy was confirmed in the national budget that year, which reflected the government's uncertainty over foreign investment and de-emphasized Malaysia's role in the global economy. In tandem with such moves, Mahathir's government began to relax or reverse many of the regulatory reforms it had recently implemented. On the one hand, these processes resuscitated the fortunes of local business elites operating with protected local markets whose patronage then placated top politicians. On the other hand, however, there was now the renewed risk of social grievances being reignited as the reluctance of foreign investors and the persistence of economic uncertainties threatened to exacerbate intra-communal tensions. With the next general election scheduled for 2004 the government could ill afford to alienate its mass-level constituencies again.

⁹⁶ Case (2005), pp.294-296. For example, the Securities Commission was strengthened by the provisions of the new Capital Market Masterplan, which by "emphasising executive professionalism over entrepreneurial acquisitiveness...began to impose firewalls between managerial roles and corporate ownership." Case (2005), p.296.

⁹⁷ Case (2005), pp.297-298.

⁹⁸ For instance, at the UMNO party elections in 2000, Mahathir banned the campaigning for posts in an effort to stem the phenomenon of 'money politics'. The party rank-and-file responded unequivocally by unceremoniously rejecting the vice-presidential candidates he preferred in favour of those more plainly identified with patronage. See: J. Chin (2000). "Mahathir's Black Eye", *New Zealand International Review*, 25 (Sept/Oct), pp.19-23.

⁹⁹ Case (2005), p.299. The then Deputy Prime Minister, Abdullah Badawi, was highly critical of the way in which global institutions sought to punish developing economies on the brink of economic collapse for 'cronyistic' and corrupt practices by bailing out companies when rich states were guilty of doing exactly the same. See: *The Star* (2002), 7 October, p.2.

Arguably, the most important development in this regard was the ascension of Abdullah Badawi to the office of Prime Minister in October 2003 following Mahathir's resignation. Badawi immediately proceeded to carve out his own identity and began 2004 by "articulating a broad reform agenda including improved governance, stronger political institutions, and a softer approach to human rights."¹⁰⁰ In other words, Badawi tapped into the prevailing 'common sense', reconstructing the political hegemony of the BN's authority-defined 'nation-of-intent' by successfully co-opting the *Reformasi* momentum of the opposition. Although the government resorted to some old tricks to restrict the competitiveness of elections, primarily through district re-delineation, a combination of these neo-liberal reforms and Badawi's pronounced, though moderate, Islamic religiosity meant that the 2004 election was over before it began.¹⁰¹ Still, the final election results took most observers by surprise with the ruling BN coalition enjoying its best showing since its formation in 1974, bouncing back with 90.4% of parliamentary seats and capturing 63.37% of the total vote (up from 56.5% in 1999).¹⁰² Equally significant was that UMNO reversed the losses it had experienced in 1999 winning 92% of the seats it contested, a clear indication of the party's renewed credibility among the Malay population. Other component parties within the BN coalition also performed well. By contrast, PAS and *Keadilan* suffered crushing defeats.

Not only were the mass-level constituencies upon which UMNO and the BN relied for their legitimacy re-energized by Badawi's reformist leanings, so too were foreign direct and portfolio investors with "fund managers...venturing again to Malaysia to visit companies they have not looked at in years."¹⁰³ Needless to say, analysts at the time were quick to speculate that the powerful vested interests within UMNO, although momentarily stayed by Badawi's electoral mandate, would inevitably provoke a backlash.¹⁰⁴ Writing in 2005,

¹⁰⁰ Bridget Welsh (2005). "Malaysia in 2004: Out of Mahathir's Shadow?", *Asian Survey*, 45(1), p.154. To combat renewed grievances over patronage and corrupt practices Badawi put several of Mahathir's 'mega-projects' on ice and allowed the Anti-Corruption Agency to pursue corruption investigations against key figures within Malaysia's business and political establishment. Finally, the new Prime Minister sought to restore the country's fiscal balance, which had seen deficit spending reach 5.5% of GDP during Mahathir's last year in charge. See: Case (2005), pp.302-303.

¹⁰¹ In addition, there were the considerable perks that accompany incumbency as well as the performance legitimacy afforded to the government by an upturn in the Malaysia economy in 2004.

¹⁰² See: Joseph Liow (2005). "The Politics Behind Malaysia's Eleventh General Election", *Asian Survey*, 45(6), p.907 and Welsh (2005), p.154.

¹⁰³ *New York Times* in, Case (2005), p.303.

¹⁰⁴ For a succinct summary see: Case (2005), p.303.

William Case hypothesized, however, that “some of the compatibilities between globalised enclaves and protected local markets [were] being reconstituted” and that Badawi was already showing signs of “shrewdly navigating a middle course between statist interventions and market forces.”¹⁰⁵ Although there could be no return to the pre-AFC configuration and foreign portfolio investors remained wary as they continued to call for neo-liberal reforms to persist at some level, Case believed that the Prime Minister had so far deftly introduced an ‘intermediate’ course of reform, “enabling him to bridge the post-crisis contradictions between globalised enclaves and protected local markets in ways that recall[ed] some pre-crisis compatibilities.”¹⁰⁶

How then from this seemingly secure position in 2004 did the ruling BN coalition fall so far only four years later? If one casts a crucial eye over the period 1999-2008 some clues become visible. In many ways, the actual, grounded terrain of practices, representations, languages and customs in Malaysia changed over this period and the BN coalition was unable or unwilling to adapt to these changes in ‘culture’ by rearticulating its authority-defined ‘nation-of-intent’. As Khoo argues, the *reformasi* ferment of 1998 and the elections of 1999 indicated that UMNO was “fast approaching a state of systemic failure. As it were the ‘party of the Malays’ was trapped.”¹⁰⁷ UMNO’s dilemma after 1999 was thus “whether to develop a broader ethnic base [as indicated by the *Reformasi* movement] or seek to reclaim its lost Malay support through a more pronounced religious agenda.”¹⁰⁸ That is, should it return to a ‘harder’ ethno-religious notion of *ketuanan Melayu* or should it deepen its commitment to the multicultural reality of Malaysia? As I argue below, the electoral backlash against the BN in 2008 at least in part indicated that it had failed to satisfactorily resolve this dilemma. Furthermore, despite UMNO leaders and pro-government analysts acknowledging the need for UMNO to reform and listen to the voice of the electorate after the 1999 general election, Mahathir took no meaningful steps towards reform. I suggest that even those efforts made by Badawi to rejuvenate or reinvent UMNO after his ascension were unable to overcome the systemic deficiencies of the party and, therefore, rather than being interpreted as an unequivocal mandate for his government, its

¹⁰⁵ Case (2005), p.303.

¹⁰⁶ Case (2005), p.304.

¹⁰⁷ Khoo (2003), p.123.

¹⁰⁸ Hilley (2001), p.263.

authority-defined 'nation-of-intent' and its hegemony, the 2004 election results would be better considered as an aberration in a direct line between 1999 and 2008.

6.6 'Political Tsunami': The 2008 General Election.

While the BN knew that the 2008 elections posed a real challenge to its authority, the extent of the ruling coalition's losses took many observers by surprise.¹⁰⁹ The final results were approximately double the predicted swing of less than 15%, or 30 to 40 seats in Parliament. The BN coalition won just 140 of the 222 parliamentary seats on offer and only 51.2% of the valid popular vote.¹¹⁰ All of the main component parties of the BN suffered and the coalition's majority in parliament hinged upon its support in Sabah and Sarawak where it captured 55 of the 57 seats on offer. In contrast, all of the opposition parties posted remarkable gains with the PKR increasing its presence in Parliament from a solitary seat in 2004 to 31 seats in 2008, PAS secured 23 seats compared to just 7 in 2004 and the DAP more than doubled its representation from 12 seats to 28 seats. These gains increased the total opposition presence in Parliament to 82 seats from a mere 21 only four years previous.¹¹¹ Perhaps most significantly, the BN coalition lost its two-thirds majority in Parliament and, therefore, its ability to amend the constitution unimpeded, a critical indicator of political legitimacy within the Malaysian context.

Any attempt to make sense of the 2008 general election results centers on accounting for the swing against the BN coalition. The BN lost support across all ethnic communities although this loss was more apparent among non-Malays whose resentment at the coalition and UMNO in particular had been stirred by religious controversies as well as the

¹⁰⁹ Although both rural and urban Malays had returned to UMNO in large numbers at the 2004 election, by 2008 both sections of Malay society had once again become disgruntled with their leadership, as they had been in 1999. Malays and non-Malays alike were disappointed that despite his promises Badawi had largely failed to deliver a more open and inclusive form of governance. In this respect, the huge swing against the BN can be interpreted as "Malaysians standing cohesively in opposition to Abdullah [Badawi] for failing to deliver on his pledges." Edmund Terrence Gomez (2008a). "UMNO Still Strong in Malay Heartland", *Malaysiakini*, 4 June, 2008, <<http://www.malaysiakini.com>>, accessed 15 July, 2008.

¹¹⁰ In fact, the BN coalition garnered just 49.8% of the votes cast on the peninsula and just over half of the parliamentary seats on offer there (85 out of 164). See: Edmund Gomez (2008b). "Jockeying for Power in the New Malaysia", *Far Eastern Economic Review*, July/August, pp.30-34 and Ong (2008).

¹¹¹ In addition, control of four more state governments (in addition to Kelantan, which was already in opposition hands) fell to opposition parties.

incendiary pro-Malay and pro-Muslim rhetoric of leading figures within UMNO.¹¹² It has been estimated that between the 2004 and 2008 general elections Indian support for the BN plummeted from an estimated 82% to 48% while Chinese support dropped from an estimated 65% to a mere 35%. Malay support, on the other hand, held relatively steady, with only a 5% swing against the government.¹¹³

As always, a number of points need to be highlighted, however, when interpreting such results. In the first place, the vote swings were not uniformly distributed, with the northern states of Malaysia (Penang, Kedah and Kelantan) and major cities of the peninsula bearing the brunt of the ‘tsunami’ whereas the rest of the country saw many of the old patterns of voting remain intact.¹¹⁴ That is, the groundswell for change that the 2008 elections seemed to demonstrate did not touch all parts of Malaysia, implying the presence of at least two broad, if crude, groupings within the country – one richer, urban, better educated and predominantly non-*bumiputera*; the other, poorer, rural, less well educated, and predominantly *bumiputera* – each with their own ‘nation-of-intent’. Secondly, with regard to the non-Malay swing against the BN, it apparently had occurred “almost regardless of the opposition party in question or the race of that candidate.”¹¹⁵ Not only did the election results point to a genuine disconnect between state actors and the people whose consent they ultimately relied upon but they also indicated how the terrain of Malaysian society and politics was moving to a middle ground of sorts, one less communal in nature. Any hegemony that the authority-defined ‘nation-of-intent’ may have enjoyed after 2004 was gone. In many ways this was a return to the promise of 1999, the main difference being that the BN was no longer able to lay sole claim to the broad middle ground with reference to its ‘nation-of-intent’.

¹¹² Dozens of Indian temples had been destroyed by the government between 2004 and 2008 exacerbated communal/religious tensions. In addition, a series of challenges to non-Muslim’s legal rights and the government’s willingness to defer to the Islamic shari’ah court system, particularly with regard to family law, further excited such frictions.

¹¹³ Ong (2008).

¹¹⁴ “Making Sense of the 2008 General Election Results”, *Malaysia Votes*, 9 March 2008, <http://malaysiavotes.com/wp/>; accessed 25 April 2008. See also: Bridget Welsh (2008). “Election Post-mortem: Top 10 Factors”, *Malaysiakini*, www.malaysiakini.com, 12 March 2008; accessed 25 April 2008.

¹¹⁵ Ong (2008). Political commentators drew upon these points to argue in that the Malaysian electorate had matured politically.

In the immediate aftermath of the 2008 general election questions were raised over the continuing viability of BN coalition rule and the future socio-political direction of the country. On 1 April 2008, the PKR, PAS and the DAP officially joined forces to form the *Pakatan Rakyat* (People's Alliance, PR). While the PR did not officially have the numbers in Parliament to gain control of the government, the discursive significance of this move should not be underestimated; the PR was presenting itself as a potential government rather than simply as a foil to the ruling coalition.¹¹⁶ This development and the BN's loss of its two-thirds majority naturally led to debates over the evolving nature of national identity and, in particular, the need for all parties to more seriously consider the concept of *bangsa Malaysia* and its conceptualization of a Malaysian nation that transcended narrow ethnic identities. Such concerns had been clearly reflected in the 2008 results, which pointed to a pluralization of the political system and a popular desire for a more inclusive, ethnically-neutral authority-defined 'nation-of-intent'.

If it was true that Malaysians of all ethnic hues had begun to share a common political discourse and engage more openly in the same public sphere, it was thought that they might then become "distract[ed] from the animosities of the traditional core communities."¹¹⁷ The explosive growth of the Malaysian middle classes, in particular, had seen the recent emergence of "a new set of voters...who [were] very exposed to global developments, and the use of new technology...[and who] demand[ed] more than development."¹¹⁸ The potential for political elites to render themselves legitimate, therefore, now apparently depended more upon their ability to represent an identifiable presence, i.e., 'a people', than it necessarily did on performance and goal-rational strategies of ethnic protection. In short, state actors in Malaysia increasingly needed to justify their authority via a normative or symbolic order within which they and the broader citizenry interacted.¹¹⁹ In the context of a 'politics from below' and with multiple, heterogeneous social audiences more politically significant, legitimate political authority now had to transcend mere compliance or participation on the part of the people. To legitimate their political authority state actors

¹¹⁶ Anwar, as the *de facto* leader of the PR did publically claim that a number of disgruntled UMNO politicians were prepared to jump ship and join the PR, which would then give the fledgling coalition the numbers necessary to form government. In the end, though, nothing came of this threat.

¹¹⁷ Case (1995), p.107.

¹¹⁸ Francis Loh in, M.A.M. Sani (2009). "The Emergence of New Politics in Malaysia from Consociational to Deliberative Democracy", *Taiwan Journal of Democracy*, 5(2), p.109.

¹¹⁹ Doty (1996), pp.121-147.

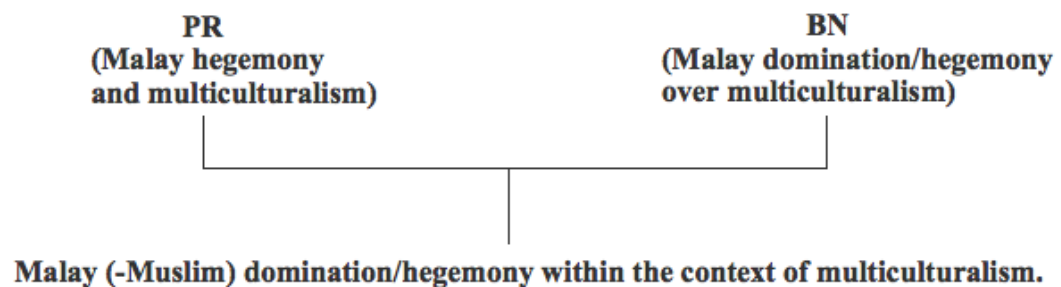
now increasingly relied on the popular acceptance of symbolic configurations within which they packaged rewards and sanctions. In short, the authority-defined ‘nation-of-intent’ needed to be reshaped so as to better reflect the reality of state-society relations and provide a more sturdy foundation for the legitimization of political authority.

6.7 *The More Things Change, The More They Stay The Same?*

What 2008 demonstrated was that the ‘old’ system of politics – communally based, imbued with a top-down leadership style, and centered on patronage flows – no longer necessarily guaranteed a clear electoral majority and/or the legitimization of political authority and, in many respects, political actors in Malaysia continue to grapple with the sociopolitical challenges thrown up by the results of this most recent general election. UMNO’s unwillingness or inability to genuinely transform the Malaysian socio-political environment as required by the logic of *Reformasi* meant that it failed to substantively address popular disillusionment with conventional political processes.¹²⁰ By neglecting to reorganize the fundamental structure of politics in line with changing social relations, the UMNO-led BN government, however, merely postponed the promise of *Reformasi* and its vision of a different kind of politics based on an alternative ‘nation-of-intent’. In this regard, both the governing BN coalition, as well as the opposition PR coalition, were forced to continually adapt to an evolving political structure discursively dominated by issues of socio-political reform and what this might entail for each of these two groups. Moreover, arguments for socio-political reform were increasingly intertwined with Malaysia’s long-standing attempts to achieve developed-country status by 2020, best exemplified by the BN’s Vision 2020 plan. Steps in this direction, however, have been hampered by the degree to which the old politics of communalism and patronage continue to exert an influence, particularly within UMNO and, by extension, the BN. Malaysia since 2008 has been, therefore, best characterized by this struggle between the old and the new politics – each represented by an alternative ‘nation-of-intent’ – and how best to navigate a steady course between the two (Figure 21).

¹²⁰ Weiss (2006), pp.162-191.

Figure 21: Postcolonial ‘Nations-of-intent’ 1997-2011.



One issue that gained renewed prominence after 2008 was the concept of *bangsa Malaysia*, first mooted by Mahathir in 1991 as an integral part of Vision 2020.¹²¹ In the aftermath of the general election, opinion polls indicated that this image of an inclusive national identity continued to resonate among the Malaysian population who were attracted by its suggestion of new forms of identification beyond relatively narrow ethno-religious divisions.¹²² In fact, the opposition gains could be interpreted as a robust public endorsement of multiracial aspirations after years of inaction on the part of the BN government. In particular, the stunning revival of the now truly multi-ethnic PKR from its near oblivion in 2004 to becoming the single largest opposition party indicated a real change in the terrain of Malaysian society. Even elements within UMNO belatedly recognized the need for deeper reform with senior leaders blaming the party’s abysmal electoral performance on its failure to develop policies that transcended race and ethnicity.¹²³ This widespread concern with the notion of a more inclusive conceptualization of a *bangsa Malaysia* reflected distinct changes in Malaysian society since the ethnic riots of 1969. To put it succinctly, it had become increasingly apparent that the changing nature of wealth and income inequality in Malaysia suggested the need for universal-type policies rather than those that targeted a specific ethnic community. This, in turn, implied the pluralization of the Malaysian political system, demanding not only a meaningful dialogue on the concept of a truly

¹²¹ See Section 5.9 above.

¹²² Merdeka Center for Opinion Research (2008). “Public Opinion Poll on Ethnic Relations – Ethnic Relations: Experience, Perception and Expectations”, www.merdeka.org/pages/02_research.html, accessed 25 April 2011.

¹²³ C. Murphy (2008). “Anwar Liberates Malaysian Politics”, *Far Eastern Economic Review*. September, p.10. It should be noted that after the 1999 elections Musa Hitam similarly warned party members that UMNO had to rejuvenate itself. See: Khoo (2003), pp.129-130. In the end, such calls fell on deaf ears as a more authoritarian UMNO instead sought to superficially woo voters while simultaneously repressing any challengers. See: Loh (2003), p.280 and Maznah (2003), p.78.

inclusive *bangsa Malaysia* but also pointing to some possible avenues for such transformation.

One such potential area concerned the NEP, which in recent years had been slammed as an inefficient system that not only unfairly discriminated against non-Malays but also had failed to adequately redistribute wealth to most *bumiputera*. In both instances, the NEP had been criticized for not dealing directly with issue of economic inequality; rather than helping the poor, as a class irrespective of ethnicity, it had become an institutionalized system of government handouts for the majority ethnic community in Malaysia, which benefitted some politically connected individuals but left many needy *bumiputera* economically marginalized.¹²⁴ A central campaign pledge of the opposition during the 2008 elections was a promise to scrap the NEP and, in its place, implement a needs-based system irrespective of one's ethnicity. Despite being poorly articulated there were indications that a clear majority of Malaysians agreed with the opposition on this point and such sentiments were even recognized by the then Deputy Prime Minister (and Prime Minister-designate), Najib Razak's, preparedness to end special privileges for the *bumiputera*, commenting that "if we do not change, the people will change us."¹²⁵ Later, in his maiden speech to Parliament as Prime Minister on 3 April 2009, Najib promised that his administration would adopt "new approaches for new times...[and become] a government that places a priority on performance, because the people must come first."¹²⁶ In vowing to embrace a far more consultative approach he asserted that those in

¹²⁴ Elina Noor, interview held in Kuala Lumpur, Malaysia, 23 May 2009. Among the main races within Malaysia, the Malays suffered the greatest income disparity with the Gini coefficient within the Malay community increasing from 0.428 in 1990 to 0.4495 by 1997. Hence, the income gap between the upper and lower strata of the *bumiputera* had become more pronounced over time. Criticism here centered on the economic advantages that political connections offered with some commentators even referring to 'UMNO-puteras' rather than 'bumiputeras'. To be fair, Badawi raised this very issue during his maiden speech as UMNO President in 2004 but his views were not universally shared and no substantive action was taken to address such concerns. See: K.J. Ratnam (2011) "Forging a New National Consensus – Towards a Malaysian Development Agenda", *Centre for Public Policy Studies*, www.cpps.org.my, accessed 25 April 2011.

¹²⁵ "Najib Ready to End Special Privileges for the Malays", *Malaysian Insider*, 24 October 2008, www.themalaysianinsider.com, accessed 1 November 2008. A poll by the independent Merdeka Center for Opinion Research conducted between 18 June – 29 July 2008 found that 71% of respondents agreed with the statement that the BN's "race-based affirmative action policy is obsolete and must be replaced with a merit-based policy." (The ethnic breakdown was 65% of Malays, 83% of Chinese and 89% of Indians agreed with the statement.) See: S. Teoh (2008). "Poll Shows Most Malaysians Want the NEP to End", *Malaysian Insider*, 9 October 2008, www.themalaysianinsider.com, accessed 1 November 2008.

¹²⁶ Bernama (2009). "Najib Vows One Malaysia, People First, Performance Now", *Bernama*, 3 April 2009, www.bernama.com/bernama/v5/newsindex.php?id=401583, accessed 22 May 2010. Najib's focus on 'performance' in the legitimization of his administration is particularly instructive as one of the main elements of the *reformasi* was an emphasis on the need for good governance.

government had to “reach out to all parts of Malaysia...to all our diverse communities. In our national discourse and in pursuing our national agenda, we must never leave anyone behind.”¹²⁷ Najib here was clearly attempting to tap into the aspirations of a broad majority of peninsular Malaysians for a more inclusive brand of politics.¹²⁸

When he became Prime Minister in April 2009, Najib once again explicitly recognized the need for his government to engage with the new political environment if the BN wished to re-legitimize its authority and recoup its 2008 electoral losses. This realization was epitomized in his concept of *1Malaysia*, which was formally unveiled on September 16, 2009. While there is nothing terribly novel about a new Malaysian Prime Minister marking his ascension to the top political post with a catchy slogan or concept through which they express their notions of governance and collective national identity, *1Malaysia* appeared to be qualitatively different than past iterations of the authority-defined ‘nation-of-intent’. In the first place, it clearly sought to address contemporary social realities and the aspirations of many ordinary Malaysians for substantive political change by stressing the importance of public governance and the need for an ethnically-neutral approach to governing.¹²⁹ Having said that, the design of *1Malaysia* revealed, however, Najib’s intention to determine the trajectory of any ensuing ‘mindset change’ and to channel its effects in a direction that maintained UMNO’s/BN’s political hegemony. It may be possible to view the concept as both a reactive and proactive measure on Najib’s part; as both an articulation of new political realities *and* an attempt to ride the prevailing political currents in order to re-legitimize UMNO and the BN following its electoral setback in 2008.

Despite Najib’s assertion that *1Malaysia* would form the thrust of his new administration the fluidness of the concept clearly left much room for interpretation. Such ambiguity was most likely calculated by Najib to allow the breathing room to deflect the threats that a potential (dis)engagement with a more inclusive basis for politics might pose for him and

¹²⁷ Bernama (2009).

¹²⁸ By no means do I mean to overlook the increased significance of the electoral role played by Sabah and Sarawak after 2008. For the sake of analytical parsimony, however, I am focusing largely on the situation in West Malaysia.

¹²⁹ As part of a Merdeka Center survey on the first 100 days of the Najib administration people were asked their opinion on what the most pressing reform was for Malaysia today. 25% responded that reviving / improving the economy was the most urgent need for the country while 20% thought that it was critical to improve ethnic relations and harmony. The concept of *1Malaysia* seeks to address both of these broad categories of concern. See The Merdeka Center’s website for further details at www.merdeka.org.

his party. By avoiding a strict definition of what *IMalaysia* entailed in practical policy terms and allowing the concept to be all things or no-thing, Najib was initially able to preempt any real challenge to this re-reading of the authority-defined 'nation-of-intent' or to his own authority. The haziness of the concept meant that Najib could appear to engage with the progressive promises of the new politics while simultaneously easing Malay disquiet, particularly from the hawks within his own party, over some of the potential ramifications implied by the reformist, inclusive slant of *IMalaysia*. The discord that has evolved within UMNO surrounding the concept thus offers itself as a microcosm of a more fundamental clash that is occurring between those wedded to an authority-defined 'nation-of-intent' associated with 'old' goal-rational strategies of legitimation and those who embrace the need to practice a more deliberative style of democracy in order to legitimate the political authority of state actors.

Although Najib moved slowly in navigating this tricky course, he did make some significant inroads that pointed to a more nuanced understanding of governance and the conceptualization of national identity; one that was qualitatively different than that of his immediate predecessors. For instance, on a discursive level *IMalaysia* eschews any mention of *bangsa*, which can mean both 'race' and 'nation', instead preferring to talk in more ethnically neutral terms of the *rakyat*, or people. While this may appear to be a minor semantic point, the true significance of such a move cannot be underestimated and certainly not if one of the stated purposes of *IMalaysia* is to generate 'mindset change'.¹³⁰ Such a discursive strategy both reflects and propels a popular shift towards a political and policymaking structure that is needs-based and meritocratic in form, a stark contrast to the historic focus of the authority-defined 'nation-of-intent' on communally-based concerns, issues and identification. This, however, involved walking a political tightrope and while Najib frequently acknowledged that meritocracy must be a core principle of his administration he also repeatedly stressed that it was not a value which necessarily conflicted with those affirmative action policies that favoured the Malay community. Moreover, he and his supporters continually underscored the point that *IMalaysia* remained firmly aligned to the Federal Constitution and, therefore, respected those 'entrenched' articles which protect the standing of the Malay royalty, the status of Islam as the official

¹³⁰ D. Jayasooriya (2009). "Realising *IMalaysia*", *The Nut Graph*, 6 April, www.thenutgraph.com, accessed 31 December 2010.

religion and the ‘special position’ of the Malays.¹³¹ It would seem that the image of Malaysia projected by the *1Malaysia* campaign had yet to overcome ingrained political practices and conceptualizations of the ‘national’.

By 2010, such haziness over the shape of Najib’s vision for how his administration would engage with the new political framework was no longer tenable.¹³² What had become apparent was that without urgent and radical economic, social and governmental transformation, Malaysia faced the very real prospect of falling short of the economic and social aspirations outlined in Vision 2020. As in previous years, racial and religious controversies played a role in this process.¹³³ Without underestimating their impact, however, it was, arguably, economic imperatives that compelled Najib to present a more definitive declaration of his government’s stance vis-à-vis the new political environment.¹³⁴

The global financial crisis of 2008-2009 had seen the United States economy contract sharply, which then sent ripples across the export-dependent economies of Southeast Asia. Malaysia’s overall exports fell by 7.5% in the last quarter of 2008 and 20% in the first quarter of 2009, with manufacturing exports hit particularly hard.¹³⁵ This reduction in export demand cast serious doubt on the BN’s plans to achieve its Vision 2020 objectives. Compounding matters was a concurrent contraction in FDI inflows which, combined with

¹³¹ The executive-director of the NGO *Tabung Amanah Muhibah* (Goodwill Trust Fund, Tamu) engaged by the government to help spread the meaning of *1Malaysia* noted as much a July 2009 interview when he noted that these constitutional articles “remain as fundamentals of the country and as core policies of the government.” See: C. Brownell and D. Loh (2009). “*1Malaysia* According to Tamu”, 10 July, www.thenutgraph.com, accessed 4 January 2010.

¹³² In fact, the disjuncture between the image and practices of Najib’s government became conspicuous only a few months after the official launch of *1Malaysia* when a political maelstrom erupted concerning the structure of, and instruction within, courses run for government scholarship students and civil servants by the *Biro Tata Negara* (National Civics Bureau, BTN). This controversy eventually brought to light factional contestation within UMNO over where exactly the source(s) of political legitimacy lay in contemporary Malaysia. See: Michael O’Shannassy (forthcoming), “More Talk Than Walk? UMNO, ‘New Politics’ and Legitimation in Contemporary Malaysia”, *Journal of Contemporary Asia*.

¹³³ Most notably, several churches and places of worship had become the target of arson and vandalism early in 2010 after a Catholic newspaper used the word ‘Allah’ as a Malay translation of the word ‘God’. In addition, several (Malay) government officials had directed racial remarks towards Malaysian citizens of Indian or Chinese descent.

¹³⁴ Despite the focus on economic matters that follows, it should be remembered that with the traditionally communal sociopolitical structure in Malaysia, economic, political and social (ethnic/religious) issues are generally intertwined.

¹³⁵ Mahani Zainal Abidin and Rajah Rasiah (2009). *The Global Financial Crisis and the Malaysian Economy: Impact and Responses*. Kuala Lumpur: UNDP; p.12. For example, electronic exports, which account for a large proportion of manufactured exports, declined by 44% and 34.6% in the first two quarters of 2009, respectively, of 2009.

rising outward domestic investment from Malaysia, was expected to further worsen the pattern of negative net foreign investment experienced since 2006-2007.¹³⁶ After slowing considerably in the fourth quarter of 2008, Malaysia's overall GDP growth rate contracted by 6.2% in the first quarter of 2009 before falling a further 3.9% in the second quarter of the year.¹³⁷ At the core of its response to this global financial crisis, the Malaysian government introduced two stimulus packages to combat the worst effects of a global economic downturn.¹³⁸ In addition to these stimulus packages, however, the BN government recognized that in order to turn around its net foreign investment figures it would have to restructure the economy and improve its competitiveness.¹³⁹

To this end, Najib launched both the Government Transformation Program (GTP) and the New Economic Model (NEM) – upon which the Economic Transformation Program (ETP) would be build – in the first half of the 2010. Together with the Tenth Malaysia Plan (10MP) and *1Malaysia*, the GTP and ETP were envisioned as the key pillars that would “propel Malaysia to being an advanced nation with inclusiveness and sustainability in line with the goals set forth in *Vision 2020*.”¹⁴⁰ Both programs began with a frank assessment of Malaysia's current situation. They acknowledged the efficacy of race-based redistributive economic policies such as the NEP in eradicating poverty and restructuring economic participation and wealth ownership but, nevertheless, questioned the continued relevance of such policies. As an open economy, Malaysia was heavily dependent for development on the global economy but program officials pointed to recent data that suggested that the old policies had created significant structural barriers to growth. The old growth model, driven by government rather than private entrepreneurship and characterized by rent-seeking, patronage, and often opaque government procurement, had increased the

¹³⁶ Abidin and Rasiah (2009), p.14, p.17& pp.65-66.

¹³⁷ Abidin and Rasiah (2009), p.10.

¹³⁸ The first package was launched in November 2008 and amounted to RM7 billion (US\$1.9 billion) or 1.04% of GDP. The second package was launched in March 2009 and amounted to RM60 billion (US\$16.2 billion) or 9% of GDP.

¹³⁹ For example, in 2009 Najib announced that 27 service sub-sectors would be liberalized and that the 30% *bumiputera* participation in certain businesses would be relaxed. There was also a policy announcement that the Foreign Investment Committee guidelines would be de-regulated. See: Abidin and Rasiah (2009), pp.42-43

¹⁴⁰ National Economic Advisory Council (NEAC) (2010a). *New Economic Model for Malaysia: Part 1*. Putrajaya: NEAC.

cost of doing business in Malaysia.¹⁴¹ This, in turn, had spurred pervasive corruption,¹⁴² falling foreign and domestic investment,¹⁴³ insufficient levels of human capital, and an ever-increasing brain drain,¹⁴⁴ as well as fostering discontent within the Malay community as a consequence of widening income inequality. Finally, there was broad acknowledgement that government price controls and the subsidization of certain essential goods and services had distorted the domestic market, further disadvantaging Malaysia competitively.¹⁴⁵ These phenomena, along with a bloated (largely Malay) civil service, had seen both government debt and the budget deficit reach unsustainable levels by 2010.¹⁴⁶

For its part, the NEM advanced a number of initiatives clearly designed to please international and domestic investors. At its core was the introduction of a more-inclusive, merit-based system where transparency, accountability, and integrity would become part of normal business practice.¹⁴⁷ A common thread running through all of these programs was a clear sense of inclusivity, a deliberate strategy on Najib's part as he endeavored to reach out to those non-Malay voters who had abandoned the BN in 2008. For instance, in his preface to the GTP, the Prime Minister explicitly stated that it was necessary for all Malaysians to see themselves as "Malaysian first, and by race, religion, geographical region or socio-

¹⁴¹ Government consumption grew by 107% between 2000 and 2009, while private consumption grew only 78% over the same time period. On the production side, government services expanded by 77% in that period, second only to the financial industry as an engine of growth (83%). See: "Malaysia's Growth Muddle", *Asian Wall Street Journal*, October 20 2010, p.17.

¹⁴² Malaysia slid from being 43rd (out of 179 countries) in 2008 to 56th (out of 180 countries) in 2009 in the Corruption Perception Index. See: *Transparency*, 15 and 16:2/2 (July-December 2009), Transparency International – Malaysia, p.1.

¹⁴³ According to the U.N.'s World Investment Report 2010, FDI for Malaysia recorded its biggest drop (and the largest decline in Southeast Asia) of 81% from US\$7.32 billion to US\$1.38 billion in 2008. While Malaysia accounted for 15.5% of FDI flows into Southeast Asia by 2008, by 2009 this was down to just 3.7%. In addition, Malaysia recorded an outflow of local funds amounting to US\$8.04 billion in 2009, suggesting that there was also a loss of domestic confidence. See: Lim, T.G. (2010d). "10th Malaysia Plan: Going Forwards or Backwards?", July 27 2010, <http://english.cpiasia.net>, accessed October 1, 2010.

¹⁴⁴ It has been estimated that up to 785,000 Malaysians, largely professional non-Malays, work abroad. To counter this brain drain, the government set up a Talent Corps in early 2011 in the hope of attracting these Malaysians back and to also nurture talent already in country.

¹⁴⁵ In 2009, the figure spent on subsidies had already ballooned to US\$25.51 billion (from US\$12.95 billion in 2007) with the national subsidy bill on petrol and essential goods amounting to some 22% of government expenditure and equal to 2%-3% of GDP. See: Lim, T.G. (2010a). "Economic Tsunami Heading Our Way", May 27 2010, <http://english.cpiasia.net>, accessed October 3 2010.

¹⁴⁶ In 2010, government debt was projected to hit 54.4% of GDP by the end of the year, up from 41.4% by end-2008, while the budget deficit reach a 22-year high of 7.4% of GDP in 2009. See: Lim, T.G. (2010c). "How to Scare Away Investors – The Perkasa Way", May 27 2010, <http://english.cpiasia.net>, accessed October 4 2010.

¹⁴⁷ NEAC (2010a).

economic background second.”¹⁴⁸ Najib’s commitment to such a vision was incomplete, however. Despite the core ideals of inclusivity and transparency promised by the GTP and NEM, Najib was still mindful of antagonizing conservative elements within UMNO and their supporters within the Malay community. To avoid political suicide, Najib ensured that some old political realities held fast, such as the constitutional provisions concerning the special position of the Malays (i.e., *bumiputera* policies). Najib’s attempts to transition from the old to the new politics in a balanced fashion were most apparent with respect to the government’s affirmative action programs. Under the NEM these would continue but with a crucial modification. Taking another leaf from the PR’s 2008 election manifesto, the NEM proposed implementing a needs-based system of affirmative action, irrespective of one’s ethnicity.¹⁴⁹ By targeting assistance to the poorest 40% of households, the BN government could thus reclaim popular legitimacy without alienating its core constituency (77.2% of the poorest households are *bumiputera*).

These bold reforms and the political will required to see them through were soon tested. The first challenge came in April 2010 in the shape of a federal by-election for the seat of Hulu Selangor, north of Kuala Lumpur, which the BN had narrowly lost in 2008. With an ethnic composition closely mirroring that of the peninsula, Najib saw this by-election as a referendum on his premiership thus far. Although the BN candidate was victorious, the election results in Hulu Selangor carried a caution against any naïve or overly idealistic interpretation of the 2008 general election and the apparent advent of a ‘new politics’ since then. With most Malay-Malaysians in the electorate generally voting for the BN and most Chinese-Malaysians voting for the PR, Hulu Selangor highlighted the fact that the contest between the ‘old’ essentially communal politics and the ‘new’ more inclusive and ethnically-neutral political idiom was far from resolved. Although the BN candidate was victorious, BN politicians were left to wonder how Chinese-Malaysians could be convinced to return to the Barisan fold.¹⁵⁰

¹⁴⁸ Performance Management and Delivery Unit (Pemandu) (2010). *Government Transformation Programme: The Roadmap, Executive Summary*. Putrajaya: Pemandu.

¹⁴⁹ NEAC (2010a).

¹⁵⁰ L. Yeoh (2010a). “Voting and Race”, *The Nut Graph*, May 6, www.thenutgraph.com, accessed 28 September 2010. There was a further federal by-election in May for the seat of Sibuluan in Sarawak, won by the PR, that further demonstrated how Chinese-Malaysian voters were increasingly immune to the ‘old’ methods of campaigning characterised by promises of financial assistance and bread-and-butter issues and were instead more interested in national issues such as corruption, equal opportunity and democracy.

At the same time, Najib came under intense pressure from right-wing Malay groups such as *Perkasa* to preserve ethnic quotas favouring the Malays.¹⁵¹ In late May 2010, the Malay Consultative Council (MPM), an umbrella body representing 76 Malay non-governmental organizations (NGOs), organized a one-day Bumiputera Economic Congress, where it warned Najib to revamp his proposed policies or face the consequences. In closing the congress, Najib seemed to heed this warning, noting that the NEM was a still only “trial balloon” and had yet to be finalized.¹⁵² He ended his address by inviting the MPM to contribute to the fine-tuning of the NEM. Taken together, these two seemingly disparate events, a by-election and a Malay congress, are emblematic of the situation faced by all who would seek to navigate between the old and new political paradigms and emphasize the difficulty of achieving hegemony vis-à-vis the authority-defined ‘nation-of-intent.’¹⁵³

Polling conducted soon after the MPM congress showed that peninsular Malaysians had only average levels of confidence in the Najib administration’s initiatives.¹⁵⁴ This left Najib confronting a stark choice in the run-up to the launch of both the 10MP and the 2011 budget: whether to concentrate on winning back the BN’s lost support, or to focus on shoring up UMNO’s core Malay vote. The 10MP, in particular, was highly anticipated as it came only three months after Najib’s unveiling of the NEM. However, rather than translating the NEM’s principles of social, economic, and government transformation into concrete measures, the 10MP showed scant evidence of these principles. Instead, the key strategies of this latest iteration followed the well-worn path of state-dominated development and ethnic preference that had driven previous plans, leading to criticism that it in fact contradicted the NEM.¹⁵⁵ In particular, by maintaining the 30% *bumiputera*

¹⁵¹ Although widely referred to as simply *Perkasa* (‘Strong’ or ‘Powerful’) the full name of this group is *Pertubuhan Pribumi Perkasa Malaysia* (roughly, Organization in Support of the Supremacy of Malaysia’s Native Sons. In recent years, *Perkasa* has been extremely vocal in its opposition to any perceived slight against the paramount position of the Malay community within Malaysia. Many observers see it as an extension of UMNO’s conservative or ‘ethnacist’ wing.

¹⁵² “NEM Not Finalised Yet, Says Najib”, *Malaysiakini*, May 29 2010, <http://www.malaysiakini.com>, accessed 27 September 2010.

¹⁵³ Again, Gramsci urges us to take note of the multi-dimensional and multi-arena characterization of hegemony – that it “represents the installation of a profound measure of social and moral authority, not simply over its immediate supporters but across society *as a whole*.” Hall, p.424. (Emphasis added.)

¹⁵⁴ Merdeka Center for Opinion Research (2010). *Peninsular Malaysia Voter Opinion Poll Quarter 2/2010*, Bandar Baru Bangi, Selangor: Merdeka Center for Opinion Research.

¹⁵⁵ Teck Ghee Lim (2010b). “Where is the NEM in the 10th Plan?”, June 18, <http://english.cpiasia.net>, accessed 4 October 2010.

corporate equity ownership target, a cornerstone of the NEP and centerpiece of eight previous Malaysia Plans, it was apparent that Najib had succumbed to political pressure exerted by groups such as Perkasa.¹⁵⁶ This impression was only reinforced with the release of second and final part of the NEM in early December in which the 30 per cent *bumiputera* equity was described as part of ‘government policy’.¹⁵⁷ Given how divisive the elimination of race-based quotas would be this was undoubtedly a pragmatic move but it also indicated the extent to which Najib had retreated from the paradigm shift both the GTP and Part 1 of the NEM had promised.

Domestic critics complained that the government, by neglecting to deal with the serious structural problems identified by both programs, had set unrealistic targets for the 10MP. For example, the Malaysian economy was required to grow by 6% annually, a projection based in part on the assumption that private investment would continue to grow at an annual rate of 12.8%. However, from 2006-2009, the annual private growth rate was only 2%, and in the absence of meaningful reform it seemed unlikely that private investment would reach this target.¹⁵⁸ The government was also subject to implicit international criticism in the form of an IMF Article IV consultation released in mid-August 2010. Despite the tendency for IMF documents to be highly nuanced and delivered in measured tones, this report was remarkable in that it questioned past policies. Furthermore, it took a critical and skeptical view of many current government policies, casting doubt on the commitment of state actors to follow through on the NEM’s policy agenda.¹⁵⁹ By tying Malaysia’s medium-term outlook to the scope and speed of the government’s own economic transformation programs, the IMF sent Putrajaya a clear message. The need was

¹⁵⁶ Ibrahim Ali, the head of *Perkasa*, told reporters after the unveiling of the 10MP that “it was really worth our effort [in the form of the memorandum highlighting the economic plight of the Malays, handed to Najib at the Bumiputera Economic Congress] and it shows that Prime Minister Najib...paid heed to the needs of the *bumiputera*.” See: Lim (2010b).

¹⁵⁷ National Economic Advisory Council (NEAC) (2010b). *New Economic Model for Malaysia – Concluding Part*. Putrajaya: NEAC. See also A. Razak (2010). “No Change to 30 Percent Bumi Equity”, *Malaysiakini*, 3 December, www.malaysiakini.com, accessed 31 December 2010 and H. Zakaria and L.W. Loon (2010). “NEM-2 Forgettable, Hopeless and Meaningless”, *Malaysiakini*, 9 December, www.malaysiakini.com, accessed 31 December 2010.

¹⁵⁸ L. Yeoh (2010b). “Malaysia’s Economic Outlook: Will We Make It?” *The Nut Graph*, 28 June, www.thenutgraph.com, accessed 17 September 2010.

¹⁵⁹ International Monetary Fund (2010b). “Malaysia: 2010 Article IV Consultation” August, www.imf.org, accessed 17 September 2010.

for bold action in introducing reform measures already announced but yet to be implemented because of opposition from groups such as *Perkasa*.

However, with the presentation of the 2011 budget in mid-October 2010 and the launch of the ETP roadmap later that month, many analysts were left wondering where all the reforms had gone.¹⁶⁰ Instead of the government addressing long-term structural economic reforms in order to improve its fiscal health, it opted for massive spending in the budget to spur domestic economic growth, most notably in the form of new public works projects.¹⁶¹ For 2011, the government's operating expenditures would consume a record-high 76.2% of the budget, with development making up a mere 23.8%. Such a move was incongruent with the emphasis placed on private-sector-led growth advanced by Najib in his budget speech to Parliament, as well as in the NEM and the 10MP. Analysts began to point to the watering down of the reforms promised in the NEM as a major reason for the country's underperforming economy and decline in international competitiveness with one NEAC member bemoaning *Perkasa*'s 'hijacking' of the government's promises.¹⁶² By distorting the market economy through ethnically determined government handouts, the continuation of affirmative-action preferences for Malays was also identified as a further deterrent to private investment.¹⁶³ Economic performance, traditionally the bedrock of legitimacy for Malaysian governments, was now seemingly intertwined with notions of inclusive governance and participatory democracy as a stalled program of socio-economic and political reform was blamed for scaring off foreign investors and driving almost one million Malaysians to live and work outside of the country.¹⁶⁴

¹⁶⁰ J. Ng (2010b). "Analysts: Malaysia's Fiscal Health Check Takes a Break", *The Malaysian Reserve*, October 28, p.4.

¹⁶¹ While this included some much-needed additions to infrastructure, it also included some controversial 'mega-projects' such as the RM5 billion (USD\$1.61 billion) plan to build a 100-story structure in the middle of Kuala Lumpur.

¹⁶² See: Institute of Management Development (2011). *The World Competitiveness Scoreboard 2011*, www.imd.org, accessed 28 May 2011 and A. Razak (2011a). "Perkasa Hijacked NEM, Says NEAC Man", *Malaysiakini*, 8 February, www.malaysiakini.com, accessed 5 June 2011. Although Malaysia's economy grew at an impressive 7.2% in 2010, economic growth began to dramatically slow in the last quarter of 2010 and by the end of the second quarter of 2011 had slowed to a two-year low of just 4%. See: "Growth Slows to 4%, Lowest in Nearly 2yrs", *Malaysiakini*, 17 June 2011, www.malaysiakini.com, accessed 2 November 2011.

¹⁶³ Lim (2010b). Furthermore, the highly politicized trial of Anwar on new sodomy charges raised rule of law concerns. See: "Malaysia's Growth Muddle", *Asian Wall Street Journal*, 20 October 2010, p.17.

¹⁶⁴ John Malott (2011). "The Price of Malaysia's Racism", *The Wall Street Journal*, 8 February, 2011, <http://online.wsj.com>, accessed 10 June, 2011 and Joe Sipalan (2011a). "More Skilled Malaysians Leaving, Says World Bank", *Malaysiakini*, 28 April 2011, www.malaysiakini.com, accessed 28 May, 2011.

Both the 2011 budget and the ETP roadmap did show Najib inching forward by proposing some minor reforms. Nevertheless, the broad and deep socio-political liberalization that must occur if the social, political and economic goals of Vision 2020 are to be realized remained absent. Despite the stated need for increased investment to spur growth, the budget contained few incentives to stimulate FDI. As such incentives would most likely stem from increased liberalization, their absence in Budget 2011 pointed to a lack of political will on the part of Najib's administration to make politically difficult but necessary reforms.¹⁶⁵ Furthermore, analysts noted, by refraining from other tough measures such as implementing a goods and services tax, and from further reductions in subsidies, the government had failed to show the political resolve needed to address its burgeoning deficit.¹⁶⁶ Nor was this inaction likely to improve the competitiveness of the Malaysian economy in order to meet the goals of the NEM, the 10 MP, or Vision 2020.

The results of the April 2011 state election in Sarawak gave rise to further speculation that Najib would likely continue to put key economic reforms on hold. Despite a comfortable victory in this traditional BN stronghold, the BN's relatively poor performance compared to previous elections led to conjecture that Sarawak was no longer a 'fixed deposit' for the coalition.¹⁶⁷ The notable fall in popular support for the government was interpreted as a significant blow to the Prime Minister and an indication of the problems his administration might face in the next general election.¹⁶⁸ Nevertheless, the failure of the PR to match its expectations in Sarawak and, at least, deny the BN a two-thirds majority was also a reality check for the opposition and indicated that they would have move beyond a heavy reliance on an ill-defined notions of 'change' if they too were to perform better at the next general election.

¹⁶⁵ The lack of such incentives to address declining FDI figures probably explains why specific high-impact projects had to be earmarked to drive economic growth in the short-term.

¹⁶⁶ 2011 would mark the fifteenth year that Malaysia's budget deficit had been the red since 1996. See: J. Ng (2010a). "Banking on the 'Grandiose' to Secure Strong Mandate", *The Malaysian Reserve*, 20 October, p.4.

¹⁶⁷ Sarawak accounts for 20 per cent of the BN's seats in Parliament and is generally viewed as a bellwether for how other Malaysian states (in particular, the neighbouring state of Sabah) might vote in a general election. See: Jo-Ann Ding (2011). "Uncommon Sense With Wong Chin Huat: The Meaning of Sarawak", *The Nut Graph*, 25 April, www.thenutgraph.com, accessed 30 April 2011 and A. Ong (2011). "Sarawak No Longer BN 'Fixed Deposit'", *Malaysiakini*, 17 April, www.malaysiakini.com, accessed 20 April 2011.

¹⁶⁸ M. Jegathesan (2011). "Poll Results a Blow for PM, Says Analysts", *Malaysiakini*, 18 April, www.malaysiakini.com, accessed 20 April 2011 and Ding (2011).

No sooner had the dust settled in Sarawak, Najib found himself facing a new challenge to his government's political authority. Denied observer status for the Sarawak elections, the Coalition for Clean and Fair Elections (*Bersih*) decided to organize a mass public rally in Kuala Lumpur to press for a range of democratic reforms.¹⁶⁹ With the threat of potentially violent counter-rallies from *Perkasa* and UMNO Youth, tensions soon ran high and the government eventually declared the rally illegal, going so far as to make the wearing of *Bersih*'s distinctive yellow t-shirt an offence.¹⁷⁰ Despite these restrictions, at least 20,000 Malaysians of all ethnic groups met at various points in the capital on July 9 and attempted to make their way to the iconic Stadium Merdeka in the heart of the city. Riot police, armed with tear gas and chemical-laced water, soon dispersed the peaceful crowd, arresting around 1700 protestors. International reaction to the government's crackdown was unanimously critical of the BN government with many reports openly questioning the reality of Malaysia's image as a moderate, stable and democratic state.¹⁷¹

For the Malaysian government, the potential effect of such incidents on investor sentiment was of critical concern. In the aftermath of the *Bersih* crackdown and with a global economic downturn threatening his government's traditional reliance on performance legitimacy, Najib renewed his efforts to re-engage with the middle ground. In mid-August 2011, the Prime Minister announced that a parliamentary select committee (PSC), comprising both government and opposition parliamentarians, would soon be formed to examine the electoral system and recommend changes. However, it was on Merdeka Day in mid-September¹⁷² that Najib dropped the real bombshell by announcing his intention to

¹⁶⁹ *Bersih* is the Malay word for 'clean'. In November 2007, *Bersih* held a similar rally that saw approximately 40,000 people march to the Royal Place in Kuala Lumpur in support of free and fair elections. It is widely held that this rally and the government's heavy-handed response contributed to the popular groundswell against the BN in the general election of the following year. The organizers of the 2011 rally (termed '*Bersih 2.0*') advanced eight demands: cleaning up of electoral rolls and the removal of 'ghost' voters; reform of postal voting; the use of indelible ink to prevent voter fraud; all candidates to have free and equal media access; a minimum period of three weeks for campaigning; strengthening of public institutions in order to ensure their independence; curbing corruption and; an end to 'dirty politics'.

¹⁷⁰ "Crackdown 2.0 in Malaysia", *The Wall Street Journal*, 12 July 2011, <http://online.wsj.com>, accessed 2 November 2011.

¹⁷¹ For example, see: S. Tisdall (2011). "Malaysia's Najib Must Abandon the Mubarak Model", *The Guardian*, 13 July, www.guardian.co.uk, accessed 2 November 2011; W. Pesek (2011). "Investing 101 Means Looking Out the Windows More", *Bloomberg*, 13 July, <http://bloomberg.com>, accessed 2 November 2011; "Bersih 2.0, Malaysia 0.0", *Asia Sentinel*, 10 July 2011, www.asiasentinel.com, accessed 2 November 2011 and; "Crackdown 2.0 in Malaysia".

¹⁷² In 2011, the end of the Muslim fasting month of Ramadan fell around the end of August; to avoid a clash, the government decided to formally observe Merdeka Day (ordinarily, August 31) on September 16, marking

enact a slew of legislative reforms that would allow greater space for civil liberties, including repeal of the controversial ISA.¹⁷³ At the same time, Najib apparently reiterated the government's desire to eliminate race-based equity quotas in a bid to create a new class of resilient *bumiputera* entrepreneurs less dependent on government handouts.

Despite these promises of political and economic liberalization, doubts lingered. The threat of rising inflation and the potential for a Malay backlash meant that the government's promises to overhaul the economy and revise policies that discriminate in favour of *bumiputeras* were increasingly tempered by the need to keep Malaysian voters happy ahead of the next general election, which must be called by 2013. In addition, although three minor pieces of restrictive legislation were repealed in late November 2011, steps to repeal or amend more significant laws, such as the ISA, were not scheduled for debate until March 2012. In any event, it was unclear what legislation would replace these laws, and there were concerns that any new legislation might be modeled on U.S. or U.K. anti-terrorism laws, neither of which were necessarily liberal. There also appeared to be little movement on abandoning or amending other laws that restrict freedom of expression. The charge that Najib was engaging in nothing more than political theatre was further reinforced by assertions from Nazri Aziz, the *de facto* Law Minister, that despite the creation of the PSC and the risk of a Bersih 3.0 event, electoral reforms could wait until after the next general election.¹⁷⁴

Conclusion

This is the tightrope that Najib and his administration must traverse as it seeks to legitimate its political authority given an increasingly fluid balance of internal and external political forces. The Malaysian government believes that greater inflows of FDI have the potential to drive economic growth in the mid- to long-term, but investors have become increasingly

the day in 1963 that the British protectorates of Sarawak and Sabah joined Peninsular Malaya to form Malaysia. In this fashion, Najib's government was able to appeal to both the Muslim constituency as well as voters in the increasingly significant east Malaysian states who have long argued that September 16 should be recognized as Malaysia's true Independence Day.

¹⁷³ There was further indication at the time that similarly restrictive pieces of legislation such as the Printing Presses and Publications Act 1984, the Emergency Ordinance, and several other bills related to freedom of assembly laws would also be abolished or amended.

¹⁷⁴ Joe Sipalan (2011b). "Reforms, Then Polls or Face Backlash, Warns Bersih", *Malaysiakini*, 4 October, www.malaysiakini.com, accessed 28 October 2011.

disillusioned with the slow pace of promised reforms and the mixed signals coming from government officials. However, with some Malay NGOs clamouring for an even greater share of the economic pie, the UMNO-led BN is unlikely to alienate its Malay support base and risk a short-run political and electoral backlash by dismantling affirmative-action policies and cutting government subsidies.¹⁷⁵ Here then we see the society-state-global interrelationship in action. On the one hand, political elites need to ensure that critical domestic constituencies of legitimation remain content but, at the same time, ensuring this relies on a deep engagement with 'the global'. Global forces, in turn, demand effective national management if Malaysia is to ensure its competitiveness with other countries. Globalization thus arguably obscures the previously hard edges of critical constituencies, in that the more Malaysia becomes:

...locked into transnational modes of production and exchange, and subscribe[s] to international conventions governing such exchanges, the less significant its particular boundaries become. To some extent civic or territorial nationalism becomes an essential pragmatic underpinning of global integration, rather than the focus of passionate identity.¹⁷⁶

It is not simply the case that the historical structure of the Malaysian state mediates the ways in which 'the global' reverberates domestically, but that in reverberating, the global has increasingly come to (re)shape the nature of the relationship between the Malaysian state and its society.¹⁷⁷ The degree to which the authority-defined 'nation-of-intent' has been contested in recent years bears testament to this.

What both the 1999 and 2008 election results pointed to was a disconnect between political elites and the audience(s) whose consent they relied upon for legitimation. Further, they indicated how the terrain of Malaysian society and politics had moved to a middle ground of sorts, one less communal in nature, which, I argue, was a consequence of the changing nature of the society-state-global dynamic. If this is actually the case, then what a strategic-relational analysis of the state would suggest is that state institutions in Malaysia, if they are to be able to exercise effective authority, must be reshaped and new ideologies

¹⁷⁵ The Economist Intelligence Unit (2011). "Country Report: Malaysia June 2011", www.eiu.com, accessed 18 August 2011, p.6.

¹⁷⁶ Reid, p.216.

¹⁷⁷ In 1997, the Indonesian opposition leader

formulated and implemented for the emergence of a new expansive hegemony based on the socio-political transformations wrought by the events of 1997-98.¹⁷⁸ Whether it is the UMNO-led BN or the PR, the power bloc that best reads the continually shifting political and social terrain as a consequence of the society-state-global dynamic, and thereby is able to give voice to the aspirations of those in whose name it purports to rule, will be better positioned to advance its hegemonic project.

To be fair, Najib has shown that he appreciates the need for UMNO and the BN to change if they are to remain relevant given the state of social relations in contemporary Malaysia. He appears aware that the old ways of conducting politics are unlikely to work in the long-term as the electorate continues to change. Without political, social, and economic transformation, any electoral success the BN enjoys in the near future is likely to be only temporary. That is, if the BN wishes to reclaim its two-thirds majority in Parliament, a crucial indicator of legitimacy in Malaysia, it must appeal to a broader cross-section of society. In short, the social audience within which legitimacy is sought and/or ordained has been transformed (and will likely continue to mutate) as a result of the society-state-global interrelationship. In his speech as president to the UMNO General Assembly in late October 2010, Najib argued that racial polemics, including the questioning of Malay rights, were academic, given existing constitutional guarantees. Malays, he indicated, should not be consumed by insecurity or overly obsessed with rights. Instead, he said that the Malays of the 21st century must show greater agency. Rather than relying on some misplaced notion of an inherent ‘right to succeed’, Najib urged Malays to empower themselves by taking advantage of their existing rights, stressing that regardless of whether they liked it or not they had to face the reality of the times if they were to achieve success.¹⁷⁹ In saying this, Najib recognized that Malaysians, both Malay and non-Malay, were increasingly less swayed by the old quasi-feudal political system and its reliance on patronage flows.

¹⁷⁸ Which, themselves, could be seen as a consequence of prior events such as Operation *Lalang*, the NEP, May 13, 1969, and so on. Recognition of the historical variability of the ‘state idea’ and the contingency present in any state structure or official metanarrative (authority-defined ‘nation-of-intent’) is another advantage of employing a strategic-relational approach.

¹⁷⁹ Najib Tun Razak (2010). “Empowering People to Achieve Prosperity”, *New Straits Times*, 22 October, p.19.

A worsening economic outlook in 2011, however, further muddled the waters vis-à-vis Najib's engagement with the new politics. Despite speculation that Najib would call a general election in order to win a popular mandate and consolidate his own position within UMNO and the ruling BN coalition, the need to introduce economically positive but politically unpopular moves meant that this was postponed. In late May 2011, the government announced an increase in power tariffs, which was seen as a trial balloon to gauge levels of voter displeasure ahead of any possible cut to the fuel subsidy.¹⁸⁰ Cognizant of the pressure being exerted on middle- and low-income groups by steady increases in the rate of inflation, Najib now appeared wary of risking his government's popularity by tackling the politically sensitive issue of subsidies head on. However, if nothing is done then Malaysia's budget deficit will continue to grow further damaging the country's economic credentials. It is the same muddled story when it came to race-based affirmative action policies. For instance, in late September 2011, it was widely reported that Najib had again voiced his government's intention to eliminate *bumiputera* quotas. Almost immediately, however, the Prime Minister claimed that his statement had been misinterpreted and that he had simply urged *bumiputera* entrepreneurs to be more self-sufficient.¹⁸¹ The question thus remains, whether Najib is willing to sacrifice the reforms he himself has identified as crucial for Malaysia's long-term success in a bid to hold on to power or whether the political will exists to follow through with the philosophy of the NEM and realize the goals of Vision 2020.

I contend that Malaysia cannot completely regress to 'the way it was before' – too much has changed, particularly in terms of increased urbanization, modernization and access to information. However, this does not mean that politics in Malaysia will necessarily advance in a progressive sense. Recent evidence suggests that Malaysia's potential socio-political trajectory remains highly fluid. At the end of the day, much of this will be determined by the direction that UMNO decides upon, whether to remain a race-based party that safeguards the interests of just one group within society or to become a party that can speak up for and protect all Malaysians. This is the central promise of *1Malaysia* – the

¹⁸⁰ A. Razak (2011b). "Early Polls Unlikely as PM Tackles Subsidy Cuts", *Malaysiakini*, 31 May, www.malaysiakini.com, accessed 5 June 2011.

¹⁸¹ L.H. Lee (2011). "Najib Denies Saying the Bumi Quotas Will Go", *Malaysiakini*, 30 September, www.malaysiakini.com, accessed 2 November 2011.

creation of a legitimate socio-political community in which all Malaysians can feel that they are one with Malaysia. The question is whether Najib can convince his party of this fact and whether the Malaysian public will keep faith in him.

Conclusion

This thesis had three purposes. First, to explore the under-investigated interrelationship between domestic social forces, the state and global process, particularly with respect to postcolonial, multiethnic states like Malaysia. Second, in exploring this interrelationship, to trace how social boundaries in Malaysia have come into existence over the course of the country's history. Third, to examine the influence this interrelationship between domestic society, the state and the global has had over time on the foundations of political authority. That is, to analyse not only how social boundaries have come into existence in Malaysia and how they have been constructed and maintained by political elites but also to appreciate how these boundaries are subject to change despite the efforts of political elites.

From its start the underlying puzzle this thesis has sought to unravel is just how domestic reverberations of 'the global' have been mediated by the specific historical structure of the Malaysian state. To do so, I employed Bob Jessop's strategic-relational approach to the state so as to allow for a more differentiated consideration of Weber's somewhat elusive reference to 'a human community'. With its emphasis on the state as a fundamentally social entity, the value added of this approach is its emphasis on the ways in which effective political authority is contingent upon a shifting balance of domestic *and* global socio-political and economic forces. To establish or maintain such authority, political elites thus must be able to manage this balance, which itself is conditioned by the way(s) in which the state remains socially embedded in the wider socio-political system. In this sense, a strategic-relational approach has offered two distinct advantages in this thesis. First, it has helped provide an account of how and why certain actors, strategies and practices have been privileged over others within the historical context of Malaysia. Second, it has contributed to a more sophisticated understanding of the ways in which state structures not only have varied over the course of Malaysian history but, also, of the ways in which they *can* vary given the mix of domestic socio-political systems and external global pressures present at any one point in time.

Furthermore, by viewing the relationship between the international and domestic realms and the Malaysian state as a mutually constitutive dynamic, this thesis has demonstrated how the Malaysian state's interrelationship with 'the global' has been and continues to

be constructed and reconstructed by the shape of its state-society relations, which themselves are forged and re-forged by the Malaysian state's interrelationship with global forces. Furthermore, this thesis sought to account for manifestations of asymmetry in the terms of this society-state-global interrelationship. For instance, the first two empirical chapters illustrated that while global forces certainly played a part in shaping conceptualizations of national identity and political authority in Malaysia, the years leading up to and immediately following independence saw state actors overwhelmingly preoccupied with domestic affairs as they sought to consolidate their position and legitimate their rule. In this sense, the society-state and state-global components were largely distinct from one another and political elites were able to maintain a clear separation. So while global forces affected the form of the Malaysian state, particularly in terms of decolonization, the historically ethnic nature of politics and society remained largely untouched as political elites overwhelmingly preferred to maintain a primarily communal *status quo*. In short, it was the historic contours of the Malaysian state which largely determined not only how 'the global' reverberated domestically but also what aspects of 'the global' would be allowed to do so without upsetting the ethnic bargain achieved at independence.

However, the remaining empirical chapters progressively tell a different story; that as successive BN governments were either unable or unwilling to synthesize vertical, i.e., ethnic and/or religious, cleavages into an inclusive Malaysian national identity, ruling elites came to rely more and more on the legitimating potential offered by rapid economic growth. It was now possible to clearly discern the ways in which the society-state-global dynamic had become 'messier' now that political elites were no longer able to control the domestic impact of 'the global' to the same degree as they had once been able to do. Political authority became explicitly linked to the international economy as steady rates of economic growth allowed BN governments to engage in non-zero sum socio-economic redistribution and development. In doing so, however, the state-global relationship increasingly fed back into the society-state relationship by fueling a more multiethnic and inclusive Malaysian consciousness and, thereby, destabilizing pre-existing social constituencies of legitimation. By 2011, it had become evident that due to the transformation of the Malaysian electorate, largely as a consequence of the changing nature of the society-state-global interrelationship over the past two decades, the old ways of conducting politics would simply no longer work in the same fashion as they previously had.

With this in mind, this thesis has focused upon two key questions. First, how are conceptions of national identity in Malaysia being shaped by the interrelationship between domestic society, the state and the global? Second, and closely related, what are the bases of political authority in postcolonial, developing states such as Malaysia given the interrelationship between domestic social forces, the state and the global? To address these questions the thesis has employed a ‘nations-of-intent’ conceptual framework to better understand the interrelationship between global processes, the state and domestic social forces and has presented an in-depth historical case study to show how this dynamic not only has been reflected in discourses on national identity in Malaysia but has also helped shape such discourses. On the one hand, the concept of ‘nations-of-intent’ has helped illuminate the nature of the historical struggles and accommodations between political elites, domestic social influences and global forces in Malaysia. In this sense, the use of such a conceptual approach has allowed me to chart the historical *imaginings* of ‘the national’ as a critical part of the processes by which Malaysian political elites have legitimated their power and position given the constant potential for the contours of both the realm of political action and the social constituency (or constituencies) of legitimation to shift. At the same time, the value of identifying the presence of separate and distinct ‘nations-of-intent’ over time similarly sheds light on what is both (im)possible and (im)plausible within the Malaysian context as far as socio-political transformation and change is concerned. What the findings in this study suggest is that it is not enough to simply explain how legitimation has occurred and continues to occur in Malaysia; we must also be able to account for the way(s) in which it *can* occur.

An initial expectation at the beginning of this thesis was that the electoral results of the 2008 Malaysian general election had revealed that those practices of elite deliberation, or ‘politics from above’, which had underpinned Malaysia’s consociational democracy since Independence, had now given way to more of a ‘politics from below’, with an unequivocal emphasis on greater public participation and deliberation vis-à-vis political processes.¹ This evolving framework, unsurprisingly, has provided the basis for a qualitatively different and seemingly far more inclusive discourse on a range of subjects than that practiced in the past by explicitly communal parties, such as UMNO. This, in

¹ M.A.M. Sani (2009). “The Emergence of New Politics in Malaysia from Consociational to Deliberative Democracy”, *Taiwan Journal of Democracy*, 5(2), p.97-98.

turn, has led to increased speculation that a more distinctly *Malaysian* national identity is now feasible. The apparent transformation of the socio-political terrain in Malaysia since March 8, 2008 has generated intense debate over the evolving nature of state-society relations and notions of legitimate political power within contemporary Malaysia.² In particular, it appears as if there has been a shift in the source(s) of legitimate authority and the means by which state actors can legitimize their power and position.³

To an extent, such a perspective would seem to confirm the broad hypothesis that underpinned this research project from the onset: that the maintenance of power and authority in Malaysia has become progressively more difficult as political elites have either chosen to or have been forced to engage more and more with ‘the global’. With external socio-political and economic pressures increasingly challenging established notions of ‘national’ identity based on the idea of Malay primacy and, thus, undermining some of the core assumptions about what is ‘given’ in Malaysian politics and society, long-standing political frameworks and cultures have become increasingly destabilized. As the respected jurist, Datuk P.G. Lim observed: “If we [Malaysians] were to refer to ourselves as citizens or *rakyat* of Malaysia, this would remove much of the obfuscations that cloud our vision to establish a sense of belonging and nationhood among all citizens on a national level irrespective of race or ethnicity.”⁴ This is exactly what the results of the 2008 general election seemed to promise – the emergence of a ‘new’ politics to challenge traditional notions of politics by explicitly focusing on notions of greater sociopolitical inclusivity and public governance.

At the same time, the findings of this research study caution against a simplistic and overly optimistic reading of the current situation in Malaysia. At a broader level, analyses of political legitimacy in postcolonial states are often complicated by the relationship between the ‘nation-state’, ‘regime’ and ‘government’ as referent objects of

² See, for example: Francis Loh Kok Wah (ed.) (2009). *Old vs. New Politics in Malaysia: State and Society in Transition*. Petaling Jaya: SIRD; Meredith Weiss (2008). “Edging Towards a New Politics in Malaysia: Civil Society at the Gate”, *Asian Survey*, 49(5), pp.741-758 and; Loh and Saravanamuttu (eds.) (2003).

³ Many of my interview subjects emphasized this point. For example: Zawawi Ibrahim, interview in Kuala Lumpur, Malaysia, 10 July 2009; Malik Imtiaz Sarwar, interview in Kuala Lumpur, Malaysia, 2 September, 2009; Dzulkefly Ahmad, interview in Kuala Lumpur, Malaysia, 29 July 2009; Khairy Jamaluddin, interview in Kuala Lumpur, Malaysia, 10 August 2009 and; Anwar Ibrahim, interview in Kuala Lumpur, Malaysia, 19 October 2010.

⁴ In, Dato’ Dr. Ismail Noor (2005). “Building a Bangsa Malaysia – Challenges & Issues”, Centre for Public Policy Studies, <http://www.cpps.org.my>, accessed 10 October 2009.

legitimation.⁵ The contested nature of political legitimacy is often thus accentuated by the novelty of each of these political institutions and, with low levels of institutionalization prevalent, regime and government are frequently viewed as one and the same by most citizens. Historically in Malaysia, there has been a close identification of the ruling BN government with the “principles, institutions and procedures that constitute the political system” which helps determine who has access to power. Despite the apparent weakening of this bond in the post-2008 period, the situation remains problematic as many Malaysians are concerned that a change in government would most likely also result in a “substantial change in the relationship between ruler and ruled.”⁶

More narrowly, two potential pitfalls still loom large. First, although the opposition coalition has taken some necessary steps to allay criticism that it is unprepared to take the reins of power at the federal level, fears remain that largely incompatible party interests, particularly with respect to the role and place of ethno-religious factors in public policymaking, would undermine the stability of any future PR government.⁷ In this respect, the PR must struggle to overcome what John Hilley has referred to as ‘insiderism’, the features of which still permeate much of the social order in Malaysia. The subtle filtering of dominant BN/UMNO-prescribed national values still largely informs the context within which opposition parties (and NGOs) operate, encouraging them to address socio-political issues from “within a ‘*problem-solving*’ mode of analysis.”⁸ So while the structure of the PR, despite the occasional hiccough, has held fast since its inception in 2008, chapter six has demonstrated some of the obstacles faced by any challenger to the BN’s position. If the opposition coalition is unable to escape the culture of insiderism as defined by the ‘BN system’ and create new shapes of

⁵ Alagappa (1995c, pp.26-27) defines each in turn. ‘Nation-state’ refers to “a political community whose territorial boundaries coincide with the boundaries of a nation.” ‘Regime’ (or ‘political system’) refers to “the formal and informal organization of the center of political power, and of its relations with the broader society.” Finally, ‘government’ refers to “the actual exercise of political power within the framework of the regime and, more specifically, to those organizations and people charged with the duty of governing.”

⁶ Alagappa (1995c), p.27.

⁷ In July 2009, the PR announced a list of its MPs who would shadow individual government ministers, although, to date, the opposition has not announced a Shadow Cabinet, ostensibly because the Malaysian Parliament does not recognize any such institution but conceivably also because this allows the PR to avoid any embarrassing intra-coalition squabbles over the composition of any Shadow Cabinet. In addition, late 2010 saw the PR release a 10-point resolution highlighting what people could expect from the first 100 days of a PR administration if the coalition were to win the next general election. See: Susan Loone (2010). “Pakatan 100-Day Reformasi Taster on the Plate, *Malaysiakini*, December 19, <http://www.malaysiakini.com>, accessed December 31, 2010.

⁸ Hilley, p.13 (Emphasis in the original.)

political representation that lie outside hitherto conventional, i.e., ethno-religious, structures, the PR, like the BA before it, runs the risk of disintegration.⁹

Second, while Malaysia's dependence on the global economy for economic development acts as a powerful prompt for change, the economic and political reforms required to maintain economic growth levels necessary to meet the aspirations of Vision 2020 threaten the position of powerful constituencies within the BN that benefit from the 'old' government-driven growth model characterized by rent-seeking and race-based patronage flows. In its current incarnation the BN coalition remains communal in nature so although it must contend with demands for non-communal politics from both the urban middle-classes and non-*bumiputera* poor, pressures from both within and without UMNO to resolve intra-*bumiputera* class cleavages and mobilize rural Malay support have seen the government water down or renege on promised reforms. It is likely that many UMNO elites look to the relatively small Malay swing against the BN in 2008 as an indication that UMNO could well regain control of the Malay heartland states and an increased majority in Parliament if it addressed such communal economic needs.¹⁰ Such a move would only "serve to foreclose other forms of political identification, such as *ketuanan rakyat* (people supremacy) that the opposition is trying to promote."¹¹

Herein lies the basic contention of this thesis: that we must not only account for how the interplay between global forces and domestic social forces impacts upon the state and conceptualizations of national identity and legitimacy by helping construct notions of 'the people' but also that the relationship between the internal and external domains vis-à-vis the state should be represented as a mutually constitutive dynamic. Furthermore, this thesis contends that such processes of mutual constitution may be asymmetrical over time, with either the international or the domestic exerting greater pressure on state actors and their strategies for legitimation. By exploring how political elites in Malaysia have sought to legitimate their power and position via reference to an authority-defined notion of national identity ('nation-of-intent') and how such

⁹ Zawawi Ibrahim, interview held in Kuala Lumpur, 10 July 2009.

¹⁰ Gomez (2008a). Despite both UMNO and the BN winning a reduced number of seats in 2008 when compared to the previous general election, UMNO still fared relatively better than its fellow BN member parties. The fact that UMNO is even more dominant within the BN coalition since 2008 has only heightened the concerns expressed here.

¹¹ Gomez (2008a). This does not mean that the meaning and composition of the 'rakyat' (people) remains uncontested. However, the use of the term does at least imply a more ethnically-neutral and inclusive basis for legitimate power in Malaysia.

conceptualizations have been contested by alternative visions of ‘the national’, this thesis has illuminated an under-analyzed aspect of the processes associated with this mutual constitution. By better understanding how such a dynamic has operated historically in Malaysia, we are now in a better position to appreciate the (im)possibilities and (im)probabilities for social, political and economic transformation and change in the future.

The implications of this thesis are three-fold. First, it suggests that a more comprehensive model of political legitimation in Malaysia is required as a combination of global pressures and domestic state-society relations together help shape (re)conceptualizations of political authority and national identity. Second, at the theoretical level, it demonstrates that while any division between the state and its domestic society on the one hand and the state and the global on the other is largely artificial, the exact nature of any interrelationship between society, state and the global may be asymmetrical. Furthermore, this thesis has shown how shifts in the balance within this mutually constitutive dynamic can be traced through concomitant shifts in the discourse(s) on national identity. Finally, from a policy perspective, it highlights the impermanence of political authority in Malaysia, particularly as the country has become more and more enmeshed in the global. That is, while political elites in the past have been able to legitimate their power largely via top-down processes that reflected but also reinforced an overtly ethnic conceptualization of Malaysia, they now must appreciate that bottom-up shifts in the socio-political terrain necessitate a realignment, or even reconstruction, of existing political structures.

The Shifting Grounds of Political Legitimacy and Legitimation in Malaysia

The research in this thesis conveys an impression of how the bases of political legitimacy and the associated processes of legitimation in Malaysia have been moulded by the country’s interrelationship between domestic social forces, the state and global processes. As the empirical chapters of this thesis have demonstrated, what has become apparent is that as the balance between the Malaysian state, its domestic society and the global has shifted over time, Malaysian state actors have been compelled to be more flexible in their articulation of an authority-defined ‘nation-of-intent’ in order to legitimate their power vis-à-vis a broad cross-section of Malaysian society. What we are seeing now in Malaysia is the distinct possibility of meaningful socio-economic and

political liberalization as part of a more inclusive conceptualization of Malaysian national identity.

With this in mind, numerous commentators have pointed to the significance of demographic shifts in Malaysia ahead of the next general election, which as I write this conclusion, must be held within the next six months. With the latest Malaysian census (2010) reporting that the median age of Malaysians was 26.2 years, younger voters have become a critical constituency for any state actor seeking to legitimate their power.¹² With 70% of Malaysia's population below 40 years old and 48% below 25 years old, a large majority of Malaysians simply have no direct experience of two of UMNO's primary historical referents for the legitimization of its power: the tragedy that was May 13 and the struggle for Independence. As a consequence, Malaysian youth are, on the average, more demanding of their political representatives than previous generations; they want "to be shown what a government can and will do for them."¹³ The easy access to alternative sources of information afforded by Malaysia's high internet penetration rate, itself a result of Mahathir's positioning of Malaysia as a global information technology hub as part of Vision 2020, has undermined the efficacy of the government's control over the mainstream media.¹⁴ What is more, some observers have noted that younger Malaysians are less inclined to identify themselves according to their ethnicity (in a political sense at least) and so are less swayed by notions of party affiliation when it comes to casting their vote.¹⁵ Less concerned with historical legacies and ethnic loyalties, Malaysian youth seem to be more attentive to broader issues of governance, such as greater economic equality and transparency.

To be fair, UMNO and the BN have recognized the need to engage with these demographic realities and the widespread calls for change from young Malaysians. On one level, this is evident in the BN's 2013 budget which was the first to explicitly target

¹² Department of Statistics, Malaysia (2011). *Population and Housing Census, Malaysia 2010 (2010 Census)*. www.statistics.gov.my, accessed 18 April, 2012. A record number of first-time voters have registered ahead of the next general election and now account for roughly 22% of the electorate. While not all of these newly registered voters are younger voters, it has been reported that many first-time young voters are "eager to use their new voting power in upcoming elections to induce change and improve the nation." Razak Ahmad, Chloe L. Yeoh and Nicholas Cheng (2012). "Record Number of New Voters to Impact Next M'sia Polls", *The Star*, www.asianewsnet.net, accessed 21 September, 2012.

¹³ Zawawi Ibrahim, interview held in Kuala Lumpur, Malaysia, 10 July 2009.

¹⁴ Liew Chin Tong (2012). "International Community Take Note – Regime Change Looms", *CETRI*, www.cetri.be, accessed 21 September, 2012.

¹⁵ Mahani Zainal Abidin, interview held in Kuala Lumpur, Malaysia, 7 July 2009 and Khairy Jamaluddin, interview held in Kuala Lumpur, Malaysia, 10 August 2009.

young voters by providing RM250 for unmarried individuals aged 21 and above who are earning no more than RM2000 per month.¹⁶ In addition, by repealing or amending a range of restrictive laws, including the ISA, UMNO has attempted to articulate a new, more inclusive and transparent narrative, one that is substantively different from that promoted by the government in the past. Certain individuals within UMNO, such as Dato Saifuddin Abdullah, the Deputy Minister for Higher Education, have gone so far as to repeatedly voice their support for a more bipartisan approach to nation building as a necessary step if a more mature Malaysian democracy is to emerge.¹⁷

Nevertheless, doubts linger about the ability of the UMNO tiger to change its stripes. Critics point to the mixed messages emanating from the BN government and UMNO, which serve to undermine claims that UMNO can adapt to the new politics and act as a progressive force in Malaysian politics.¹⁸ While UMNO has talked of empowering the people, in practice such empowerment seems absent. Looking at the case of Malaysian youth in particular, Saifuddin notes that the political elite in Malaysia must genuinely understand that delegation is not the same thing as empowerment; that it is not about simply lecturing to people from on high, it is about actually listening to the *rakyat*. While the 2008 general election highlighted the need for political elites to pay attention to a broader cross-section of the Malaysian population Saifuddin cautions against a simple instrumental reading of the emergence of a new politics in Malaysia. In his view, if UMNO's strategy is to act only because it makes sense in terms of electoral politics instead of actually internalizing the political sentiments of the people, the party will not succeed in recapturing the support it lost in 2008.¹⁹

The most recent evidence suggests that the UMNO-led BN government remains unsure of how it should proceed and to what extent and in what ways it should engage with the

¹⁶ *The Star*, "It's an Election Budget, Says Pakatan Rakyat", 29 September 2012, www.thestar.com.my, accessed 10 October 2012. Other populist measures designed to shore up the BN's (and UMNO's) support include: the establishment of a Young Entrepreneurs Fund to provide soft loans aimed at youths aged 30 years and below; a Youth Communication Package, which will provide a one-off rebate for youths aged between 21-30 years with a monthly income of below RM3000 so that they can purchase a 3G smartphone and; an unprecedented one-and-a-half-month bonus for civil servants, the vast majority of whom are Malays.

¹⁷ See the Radio Australia interview given by Saifuddin: "Malaysia's UMNO Party Reaches Out to New Voters", *Australia Network News*, 20 September 2012, www.abc.net.au, accessed 21 September 2012.

¹⁸ In his interview with Radio Australia, Saifuddin stated that the question was not whether UMNO could change (it could) but, rather, how quickly any change could occur. For his part, he believed that UMNO needed to move beyond its current stance and engage even more deeply with the new politics by substantively addressing a host of emerging issues concerning the electoral system, local government elections and the reform of Parliament. See: www.abc.net.au

¹⁹ Saifuddin Abdullah, interview held in Kuala Lumpur, Malaysia, 29 June 2009.

rakyat, if at all. For instance, while the widely unpopular ISA is to be repealed, it will be superseded by the Security Offences (Special Measures) Act 2012, which at first glance seems eerily similar to the bill it is supposed to replace. Almost immediately, this new bill attracted the ire of the Malaysian Bar, which criticized it for giving the government extraordinary and wide-ranging powers to arrest and detain individuals suspected of committing ‘security offences’ with little judicial oversight while also lowering the admissibility threshold for evidence in any such trial.²⁰ The impression that the new bill was nothing more than a instrumental exercise in semantics was only reinforced when the BN government confessed to having used the ISA for ‘wrongful reasons’ in the past, an admission that followed on the heels of Najib stating that the ISA had been repealed because it “no longer provided a political edge to the government of the day.”²¹ Such crude political tactics only weaken the core principle of ‘people first, performance now’ that ostensibly underpins Najib’s *IMalaysia*.²²

Employing the metaphor of the *Titanic*, Marina Mahathir notes that while UMNO can see the iceberg they are about to hit, stopping and altering course is no easy matter for a party with over 65 years of momentum behind it.²³ Nevertheless, everyone is in the same boat and the legitimization of power increasingly relies on the abilities of political elites to adapt to the challenges that face them as they are compelled to manage the effects wrought by an increasingly fluid and complex society-state-global interrelationship. Some commentators have noted that while official articulations of the authority-defined ‘nation-of-intent’ have not changed much despite the results of the

²⁰ Lim Chee Wee (2012). “Repeal of ISA is Commendable, But Provisions in New Law That Depart From Ordinary Principles Must be Reviewed”, *The Malaysian Bar*, 10 April, www.malaysianbar.org, accessed 21 September 2012. The Security Offences (Special Measures) Act 2012 was passed and given the royal assent on 18 June 2012 but is not yet in force as of September 2012 as it is still waiting for the date of commencement to be announced by the Minister of Home Affairs.

²¹ Lisa J. Ariffin (2012). “PM: ISA Scrapped as it gave no Political Benefit”, *The Malaysian Insider*, 9 July, www.themalaysianinsider.com, accessed 21 September 2012.

²² The introduction of an amendment to the Evidence Act 1950 in May 2012 is a further example of the confused signals being broadcast by the government. Despite denials from government officials that the law was designed to silence political opponents or critics of the government ahead of the next general election, it soon attracted a barrage of domestic and international criticism for the ways in which it severely infringed upon the freedom of online expression in Malaysia by undermining the civil liberties of internet users there. In particular, Section 114(A) of the amendment contained a sentence that placed the burden of proof on the defendant, a provision that runs counter to the principle of law where a defendant is innocent until proven guilty. Both the Centre for Independent Journalism and the Malaysian Bar organized online protests against the amendment and by mid-August several prominent UMNO figures, including the Prime Minister, had expressed their desire for the Cabinet to discuss and review the amendment. See: Regina Lee (2012). “MPs Pushing for Section 114(A) to be Amended at September Meeting”, *The Star*, August 16, www.thestar.com.my, accessed 21 September 2012 and “Review Promised After Malaysia Internet Law Protest”, *BBC*, 15 August 2012, www.bbc.co.uk, accessed 21 September 2012.

²³ Interview held in Kuala Lumpur, Malaysia, 25 June 2009.

last general election, there is growing evidence that everyday-defined expressions of multiculturalism reflect the relevance of a growing cultural hybridity as more and more young Malaysians, largely as a result of global processes and the spread of popular culture, interact in the same public spaces.²⁴

In spite of this politics in contemporary Malaysia remains a very top-down affair. As such, there is still a central role to be played by political elites in shaping the terms of reference for political legitimacy and legitimation in contemporary Malaysia. What we see then in Malaysia is a nation that is still very much in the process of being negotiated and, as Malaysia and Malaysians become more enmeshed in the global, this process increasingly sees the authority-defined 'nation-of-intent' buffeted by a range of forces, both local, global and even 'glocal' in nature. The question remains, however, just how political elites can and are willing to engage with a host of pressures emanating from both within and without of Malaysia. With rising levels of political consciousness in Malaysia and with most Malaysians apparently now willing to accept Malay leadership (*kepipinan Melayu*) but not Malay dominance (*ketuanan Melayu*), the bases of political legitimation in Malaysia are clearly shifting, a phenomenon that is, to an extent, being reflected in various explorations of what a genuinely *Malaysian* national identity might look like.²⁵ At the moment, it seems as if the political opposition in Malaysia understands this dynamic better than the UMNO-led BN, as is evident from the emphasis it is placing on public interest education and in the attempts of PR component parties to articulate their public policies in a way that will appeal to a broad cross-section of Malaysian society.²⁶

In the end, like many of my interview subjects, I do not believe that Malaysian political elites can revert to 'square one' vis-à-vis the legitimation of their power; too much has changed both in terms of Malaysia's state-society and state-global interrelationships.²⁷

²⁴ Zawawi Ibrahim, interview held in Kuala Lumpur, Malaysia, 10 July 2009.

²⁵ Two such examples are The Nut Graph's series 'Found in Malaysia', which explores the genealogy of prominent Malaysians, and the *Saya Anak Bangsa Malaysia* (I am a Child of Malaysia) project. Both of these efforts aim to highlight the diversity and cross-cultural relations that characterize, and historically have characterized, Malaysia as a counter to more mono-cultural/mono-ethnic conceptualizations of identity. See: www.thenutgraph.com and www.sayaanakbangsamalaysia.net.

²⁶ The PAS Member of Parliament, Dzulkefly Ahmad, has noted that opposition politicians of all ethnic and religious hues must be capable of engaging with what he referred to as the '60/40' demographic split in Malaysia (between Malays/Muslims and non-Malays/non-Muslims) if they are to be effective representatives. Interview held in Kuala Lumpur, Malaysia, 27 July 2009.

²⁷ For example, Said Zahari, interview held in Shah Alam, Malaysia, 27 July 2009 and Mohamad Abu Bakar, interview held in Kuala Lumpur, 15 July 2009.

Certainly, there are still remnants of social and historical memories that must be considered but perhaps even here one can take an optimistic view and point to the rich cosmopolitan history of pre-colonial Malaysia as a guide for where the country may be heading in the future.

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