

Authoritarian Populism in Malaysia

Anne Munro-Kua



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Dedicated to all victims of detention without trial

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ANNE MUNRO-KUA

List of Abbreviations

ABIM	Angkatan Belia Islam Malaysia (Islamic Youth Movement of Malaysia)
AI	Amnesty International
ALIRAN	Aliran Kesedaran Negara (National Consciousness Movement)
APU	Angkatan Perpaduan Ummah (Organization for the Unity of the Muslim Community, made up of PAS, Semangat 46, Hamim, Berjasa)
ASEAN	Association of Southeast Asian Nations
ASN	Amanah Saham Nasional (National Trust Fund for Bumiputras)
AWSJ	<i>Asian Wall Street Journal</i>
BERJASA	Barisan Jemaah Islamiah Se-Malaysia (Malaysian Islamic Assembly Front)
BERJAYA	Bersatu Rakyat Jelata Sabah (Sabah United Peoples Party)
BMA	British Military Administration
BMF	Bumiputra Malaysia Finance
BN	Barisan Nasional (National Front)
BT	<i>Business Times</i>
CAP	Consumers' Association of Penang
CHOGM	Commonwealth Heads of Government Meeting
CIC	Capital Issues Committee
CLC	Communities Liaison Committee
CO	Colonial Office
CPM	Communist Party of Malaya (also MCP)
CRC	Civil Rights Committee of the Chinese Associations
CT	Communist Terrorist
CUEPACS	Congress of Unions of Employees in the Public and Civil Service
DAP	Democratic Action Party
DTC	Deposit Taking Co-operative
EPF	Employees Provident Fund
EPSM	Environment Protection Society of Malaysia
EPU	Economic Planning Unit
ESCAR	Essential (Security Cases) (Amendment) Regulations 1975

FAMA	Federal Agricultural Marketing Authority
FEER	<i>Far Eastern Economic Review</i>
FELDA	Federal Land Development Authority
FFYP	First Five-Year Plan (1956-60)
FIC	Foreign Investment Committee
FIDA	Federal Industrial Development Authority, now MIDA
FIMA	Food Industries of Malaysia
FifthMP/5MP	Fifth Malaysia Plan
FirstMP/1MP	First Malaysia Plan
FMM	Federation of Malaysia Manufacturers
FMS	Federated Malay States (Perak, Pahang, Negeri Sembilan and Selangor)
FO	Foreign Office
FoMP/4MP	Fourth Malaysia Plan
FTZ	Free Trade Zone
GDP	Gross Domestic Product
GERAKAN	Gerakan Rakyat Malaysia (Malaysian Peoples Movement, a party in the ruling BN coalition)
GLU	General Labour Union
GSP	Generalized System of Preferences
HAMIM	Hisbul Muslimin, member of APU
HICOM	Heavy Industries Corporation of Malaysia
HYV	High Yielding Variety (re-crops)
IADP	Integrated Agricultural Development Programme
ICA	Industrial Coordination Act
ICU	Implementation and Coordinating Unit
IMP	Industrial Master Plan
ISA	Internal Security Act
ISEAS	Institute of Southeast Asian Studies
JCA	<i>Journal of Contemporary Asia</i>
JMBRAS	<i>Journal of Malayan Branch of Royal Asiatic Society</i>
KL	Kuala Lumpur
KLSE	Kuala Lumpur Stock Exchange
KMM	Kesatuan Melayu Muda (Union of Malay Youth)
KRIS	Kesatuan Rakyat Indonesia Semenanjung-Union of Indonesia & Malayan People (<i>Kris</i> = Malay dagger)
KSM	Malaysian Multi-Purpose Cooperative Society
LPN	Lembaga Padi Negara (National Rice Authority)
LUTH	Lembaga Urusan Tabung Haji (Islamic Pilgrims Fund Management Board)

MARA	Majlis Amanah Rakyat (Council of Trust for the People, in reality only for Bumiputras)
MARDI	Malaysian Agricultural Research and Development Institute
MB	Mentri Besar (Chief Minister of state)
MB	Malaysian Business (Periodical)
MCA	Malaysian Chinese Association, the 'Chinese' component of the ruling BN coalition
MDU	Malayan Democratic Union
MIC	Malaysian Indian Congress, 'Indian' component of the ruling BN coalition
MIDA	Malaysian Industrial Development Authority
MIDF	Malaysian Industrial Development Finance
MISC	Malaysian International Shipping Corporation
MNC	Multinational Corporation
MNLA	Malayan National Liberation Army
MNP	Malay Nationalist Party
MPAJA	Malayan Peoples Anti-Japanese Army
MPAJU	Malayan Peoples Anti-Japanese Union
MPHB	Multi-Purpose Holdings Berhad
MTR	Mid-Term Review
MTUC	Malaysian Trades Union Congress
OPP 1 & 2	Outline Perspective Plan 1 (1971-90) Outline Perspective Plan 2 (1991-2000)
NASMA	Parti Nasionalis Malaysia
NCC	National Consultative Council
NECC	National Economic Consultative Council
NEP	New Economic Policy, 1971-90
NFPE	Non-Financial Public Enterprise
NGO	Non-Governmental Organization
NIC	Newly Industrializing Country
<i>NLR</i>	<i>New Left Review</i>
NOC	National Operations Council
<i>NST</i>	<i>New Straits Times</i>
NUJ	National Union of Journalists
NUPW	National Union of Plantation Workers
OPP	Outline Perspective Plan
PAP	Peoples Action Party (Singapore)
PARC	Perak Anti-Radioactive Committee
PAS	Parti Islam Se-Malaysia (formerly PMIP)

PBB	Partai Pesaka Bumiputera Bersatu
PBDS	Parti Bangsa Dayak Sarawak (Sarawak Dayak Peoples Party)
PBS	Parti Bersatu Sabah (United Sabah Party)
PEKEMAS	Parti Keadilan Masyarakat Malaysia (Social Justice Party of Malaysia)
PERNAS	Perbadanan Nasional Berhad (National Trading Corporation)
PESAKA	Parti Pesaka Anak Sarawak
PETRONAS	National Petroleum Corporation
PM	Prime Minister
PMCJA	Pan-Malayan Council of Joint Action
PMFTU	Pan-Malayan Federation of Trade Unions
PMIP	Pan-Malayan Islamic Party (precursor of PAS)
PNB	Permodalan Nasional Berhad, a State Agency
PPP	Peoples Progressive Party
PRM	Parti Rakyat Malaysia (formerly PSRM)
PROTON	Perusahaan Otomobil Nasional (National Automobile Industry)
PSRM	Parti Sosialis Rakyat Malaysia (now PRM)
PUTERA	Pusat Tenaga Rakyat (Centre of Peoples Action)
RIDA	Rural and Industrial Development Authority
RISDA	Rubber Industry Smallholders Development Authority
SAM	Sahabat Alam Malaysia (Friends of the Earth)
SCCP	Sabah Chinese Consolidated Party
SDP	Social Democratic Party
SEDC	State Economic Development Corporation
SEMANGAT 46	Spirit of 46, the breakaway party from UMNO
SERU	Social and Economic Research Unit
SFYP	Second Five-Year Plan (1961-65)
Sixth MP/6MP	Sixth Malaysia Plan
SGS	Selangor Graduates Society
SMP/2MP	Second Malaysia Plan
SNAP	Sarawak National Party
SS	Straits Settlements (Penang, Malacca and Singapore)
ST	<i>Straits Times</i> (Singapore)
SUPP	Sarawak United Peoples Party
TMP/3MP	Third Malaysia Plan
UCSCAM	United Chinese School Committees Association
UCSTAM	United Chinese School Teachers Association
UDA	Urban Development Authority

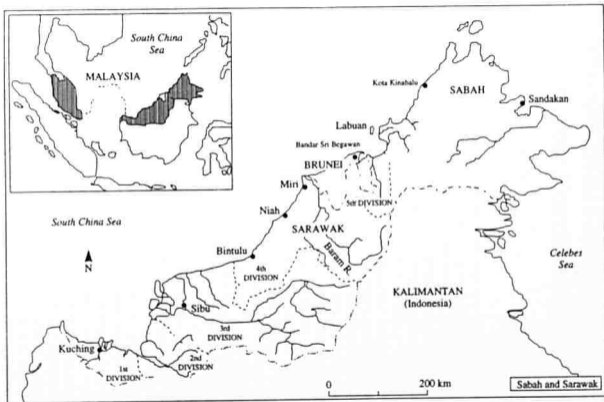
UDP	United Democratic Party
UEM	United Engineers (Malaysia)
UMBC	United Malayan Banking Corporation
UMEWU	United Malayan Estate Workers Union
UMNO	United Malays National Organization
UMS	Unfederated Malay States (Kelantan, Trengganu, Johore, Kedah & Perlis)
UMSU	University of Malaya Students Union
USNO	United Sabah National Organization
WCC	World Council of Churches
ZOPFAN	Zone of Peace, Freedom and Neutrality (principle declared by the ASEAN countries)

Glossary

Agong	Yang di-Pertuan Agong, Sovereign King of the Federation elected from among the Malay Rulers
Al Arqam	Muslim organization banned by the Malaysian government as deviationist in 1994
Baba	Straits-born Chinese
Barisan	Front
Bumiputra	Indigenous person (literally 'prince of the soil')
Ceramah	Political meeting in a non-public place: the only permitted form of electioneering, as rallies are banned
Chettiar	Indian moneylender
Coolie	Derogatory term for labourer
Dakwah	Islamic revivalist movement
Daerah	District
Fatwa	A ruling by an Islamic authority
Haji	Status accorded pilgrims who have been to Mecca
Halal	Legitimate, permissible for Muslims
Hartal	Economic boycott
Hokkien	Chinese/dialect from the Fukien province of China
Hui Guan	Chinese association
Imam	Islamic religious teacher
Jihad	Holy war
Kadi	Judge in Muslim matters
Kafir	Infidel
Kampong	Village
Kangany	System of labour recruitment from India by company foreman who was paid his passage and a commission
Kangchu	Contract system to employ Chinese migrant labour
Kapitan	Overseers in the Chinese community
Masjid	Mosque
Mentri Besar	Chief Minister of state
Merdeka	Freedom or Independence
Mukim	Islamic parish
Nanyang	The South Seas or Southeast Asia
Orang Asli	The aborigines
Pendatang	Immigrant/foreigner
Penghulu	Village headman
Parang	A machete

Pikul	Weight measure equal to 133 1/3 pounds
Pondok	Hut, usually refers to village school
Pribumi	Indigenous
Rakyat	The people
Ringgit	The Malaysian dollar
Rukunegara	The National Ideology promulgated during the NOC
Semenanjung	Peninsula Malaysia
Surat layang	'Flying letter', photocopied leaflets often containing allegations against political leaders
Surau	Islamic prayer house
Teochew	Another Chinese dialect in the Guangdong province
Towkay	Tycoon, usually refers to Chinese business man
Tun	Honorific title conferred by the Yang di-Pertuan Agung, equivalent to 'Sir'
Ulama	Muslim scholar and theologian
Ummah	The Islamic community of believers
Zakat	Islamic tith





1 Introduction: Capitalist Economic Success and Democracy

Capitalist development in Malaysia originated from its role as a colonial outpost, strategically located at the confluence of Far Eastern trading routes, from which emerged a highly successful primary commodities and plantation economy. At independence, in 1957, Malaya stood second only to Japan in terms of economic development although it can be argued that it had the resources capability to be ahead of the other NICs.

In 1969 contradictions erupted between the Malay feudal oligarchy and the emerging Malay bourgeoisie, with the latter gaining ascendancy. This became a decisive factor in shaping the direction of subsequent political and economic development. While political independence saw the start of a series of economic plans, these were especially significant from 1970 onwards, intended to restructure society, eradicate poverty and ensure economic development. Planning in the eighties was directed towards intensifying the pace of industrialisation, chiefly in manufacturing.

Current economic success indicators have surpassed all expectations with Malaysia now ranked 17th among the top 41 international performers.¹ Despite the economic recession of the early eighties, GDP growth revived to a record annual high of 9.1 per cent between 1988 and 1990, sustained at 8.1% until 1993, with predictions for the immediate future equally good.² The nation appears to be in top gear for the transition from 'developing' to 'developed' status, which it is claimed can be reached by the year 2020 (see Table 1.1).

This remarkable macro achievement has resulted from a combination of factors. First of all the fact that Malaysia is well endowed with natural resources, especially oil, provides an economic cushion in periods of economic recession, for example when the GDP fell to - 1.1 per cent in 1985, improving only to 1.2 per cent in 1986.³ At the same time the recession stimulated policies liberalising trade and investment in order to foster investment confidence in the context of a more favourable external environment. While measures were also taken to trim overburdened branches of public sector operation and expenditure, public investment was stepped up to remedy the shortcomings in infra-

Table 1.1 Gross domestic product by industry of origin, 1970-1990
(RM\$ million in 1978 prices)

<i>Sector</i>	<i>1970</i>	<i>1990</i>	<i>Average growth rate (%)</i>
Agriculture, forestry	6 254	14 829	4.4
Mining, quarrying	2 962	7 688	4.9
Manufacturing	2 995	21 381	10.3
Construction	811	2 788	6.4
Electricity, gas, water	238	1 511	9.7
Transport, communications	785	5 489	10.2
Wholesale, retail trade, hotels & restaurants	2 469	8 700	6.5
Finance, real estate & business	1 854	7 650	7.3
Government services	2 005	8 459	7.5
Other service	445	1 656	6.8
(-) Imputed bank service charges	225	4,020	15.5
(+) Import duties	955	2 972	5.8
GDP at purchasers' value	21 548	79 103	6.7

Source: OPP2, 1991: Table 3-1, p. 71

structure, seen as a necessity in order to foster expanded industrial development.

Under these circumstances, private investments, predominantly foreign, rose rapidly, reaching an annual peak of 27.5 per cent in 1991. Much of this has been in export oriented manufacturing, which by 1993 contributed 71 per cent of total gross exports and 42 per cent to economic growth between 1991 and 1993.⁴

THE SEMBLANCE OF POLITICAL STABILITY

The country is attractive to foreign investors, not least because of the image of 'political stability' and 'racial harmony' among its 18 million citizens. Of those resident in Peninsular Malaysia, more than half are ethnically defined as Malays while, largely as a result of colonial labour policy, roughly a third are Chinese and around 10 per cent are of Indian descent.⁵

The ruling coalition incorporates monoethnic political parties, United Malay Nationalist Party (UMNO), Malaysian Chinese Association (MCA) and the Malaysian Indian Congress (MIC), said to represent these major racial groups. However, they arguably represent the class interests of the bourgeoisie of the respective ethnic communities, dominated by the Malay party, UMNO.

Although Malaysia's high profile Prime Minister, Dr Mahathir Mohamad, has been at pains to demonstrate his Third World solidarity, for example with Nelson Mandela, this glosses over the fact that Malaysia actively retains three laws allowing detention without trial, an important factor in maintaining 'stability'.

The Malaysian State was actually described as a 'Police State' by none other than the former Prime Minister of Malaysia, the 'Father of Malaysia' Tunku Abdul Rahman, in 1988.⁶ Certainly in its range of oppressive laws, the term 'authoritarian' is applicable. And yet, formally, the Malaysian State has a 'Parliamentary Democratic' political system based on that of its former coloniser, Britain. Through the ballot box, the current regime has enjoyed 37 years of political dominance and has taken on the appearance of unshakeable hegemony.

Two central questions arise in this study:

- (i) How has it been possible for the Malaysian State to maintain electoral support (see Table 1.2) while simultaneously strengthening authoritarian institutions?
- (ii) Given that authoritarian states are not necessarily the best for economic growth, what are the mechanisms by which this particular authoritarian regime has been able to achieve economic success and with what consequences for the future of democracy?

A central concern of this book is the fact that the Malaysian political system is essentially authoritarian, with extensive restrictions on civil liberties, despite the fact that the formal institutions of democracy remain in place. International observers have questioned the degree to which elections can be considered free and fair in the face of acknowledged voter registration interference and tight media control.⁷

This book attempts to explain how this system works and how it evolved historically into a form we find best analysed as 'authoritarian populist', a concept which transcends both the traditional pluralist mould and also economic analyses.

Table 1.2 Parliamentary elections, 1974-90

Parties	1974	1978	1982	1986	1990
UMNO	61	69	70	83	73
MCA	19	17	24	17	18
MIC	4	3	4	6	6
Gerakan	5	4	5	5	5
BN Others	-	-	20	27	27
PBS	-	-	4	10	14
PAS	14	5	5	1	7
DAP	9	15	6	25	20
S46	-	-	-	-	6
Others	1	-	-	4	4
Total	113	113	138	178	180

Notes: 1. PAS joined the BN from 1974 to 1977

2. PBS left the BN just before the 1990 elections

3. Figures for 1974 and 1978 are for Peninsula Malaysia only

Source: Milne and Mauzy, 1978: Tables A, B, E; *Asiaweek*, 17-8-86; *NST*, 22-10-90

WEAKNESSES OF TRADITIONAL ACADEMIC ANALYSES

A more substantive critique of pluralism and economism is provided in the theoretical appendix. Reflecting the ethnic composition of Malaysia, a pluralist analysis has often been applied, suggesting that vertically integrated communities find their political expression through elite bargaining.⁸ This approach may seem superficially appropriate as it descriptively conforms to the arrangement of Malaysian political parties and their proclaimed defence of ethnically defined constituencies.

None the less, pluralism fails to explain the tensions of 1945, 1969, 1974 and 1987, crises which were characterised by power struggles within the dominant ruling party, United Malay Nasional Organisation (UMNO), and accompanied by mass arrests under the Internal Security Act. Such struggles, and attempts at their resolution through repression, reveal the class basis of domination and the extent to which class interests prevail. More recent pluralist analysis has attempted to incorporate class interests into its paradigm but remains restricted to the sphere of economic efficacy, thus ignoring non-economic factors such as repression and populist ideology.⁹

Nor does an economic appraisal suffice, for it suggests that economic class distinctions will inevitably gain ascendancy over communal cleavages as industrialization proceeds. Despite considerable economic class differentiation to date, this has yet to consciously transcend communal association and thus far does not support such a supposition. Such economic determinism fails to deal adequately with the demands for social, civil and democratic rights arising from communally experienced discrimination.

An interpretation is needed to address the dynamic complexities of both class and ethnicity, just as one is needed to explain the interplay of class and gender. However, these concepts are meaningless without an understanding of the nature of the capitalist state of which they are a part, a state which is arguably necessarily coercive, yet through its institutional form operates towards consensus.

THE AUTHORITARIAN POPULIST STATE

Authoritarian-populism is seen as a more adequate analytical concept, for it incorporates an explanation of apparent consensus and apparent support for the status quo, through the use of selective populist policies.

'Successful' positive discrimination in favour of 'Bumiputras' (literally, 'princes of the soil', the official epithet for Malays and other indigenous peoples) has been the cornerstone of development plans since 1969. However, the accompanying ideological and policy agenda represent, in concrete terms, the interests of the Malay capitalist class. At the same time the demands of the working class and those for minority rights are suppressed through authoritarian means. 'Stability' of the system is also maintained through class collaboration between the ruling Malay bourgeoisie in UMNO and their Indian and Chinese counterparts in their respective Barisan Nasional coalition parties the MCA, MIC and so on.

The term authoritarian-populism appears at first glance contradictory, yet it may be argued that populism is inherently authoritarian, in that it is a strategy rather than a fully developed ideology. Contradictions are indeed evident in the Malaysian State, on the one hand exhibited through those institutions that promote populist appeal, while on the other through the retention of those which are distinctly authoritarian, particularly detention without trial.

In the course of this book we will attempt to show that these contradictions are more apparent than real, for together these institutions operate to maintain a sophisticated and yet tight rein on the forces which might challenge political, and increasingly economic, dominance.

CAN MALAYSIA BE DESCRIBED AS DEMOCRATIC?

Here, it is important to examine the issues in the current international debate on the question of democracy. It has been suggested that since democracy is a concept which is essentially First World-centric it is thus inappropriate to the needs of developing countries which have to redefine the term themselves. Interestingly however, those who propound this argument most vociferously are the same leaders who attempt to demonstrate their ability to uphold conventional notions of 'democracy' through their proclaimed use of the ballot box, the institution of parliament, parliamentary debate and independence of the judiciary.

While we would not disagree with the validity of Third World countries attempting to determine their own development model, albeit in a context constrained by global forces, the question arises as to who should decide on the model pursued and in whose interests. Of significance here is the degree to which the citizens of the country may be able to participate in this process, a point of particular concern in this work and which centres on the concept of democracy, both in form and substance.

Our classification of the Malaysian state as authoritarian-populist is perhaps best conceptualised by being measured on a spectrum of state forms identified by their degree of democracy, ranging from the highly egalitarian to the totalitarian.¹⁰

The political definition of 'democracy' is internationally understood to include the existence of universal suffrage, direct popular elections, a responsible government, the freedom of expression and association, together with protection from arbitrary arrest.¹¹ Using these criteria as a baseline, it soon becomes clear that Malaysia at best can be described as a 'restricted democracy'.¹²

In Malaysia, independence was accompanied by the recognition of universal suffrage for all citizens above the age of twenty-one. The extent to which Malaysian elections are free and fair is limited by the grossly uneven delineation of electoral boundaries and acknowledged voter registration interference.¹³ The most evident distortion however, lies in the complete control of the electronic and printed media by the ruling coalition, to the exclusion of opposition parties, even during general elections.¹⁴ Respect for electoral results is sustained along with the maintenance of a parliamentary two-thirds majority for the ruling coalition, but not always evident otherwise.¹⁵

The question of the responsibility of the State to the elected representatives is largely a formality in Malaysia as the ruling coalition has maintained parliamentary and executive dominance ever since independence in

1957. Increasing centralization of power vested in the executive, notably in the office of the Prime Minister, has diminished the importance of the elected Legislature. At the same time the State and the elected representatives display limited responsibility to the electorate, largely expressed in what has been described as a form of 'patronage'.¹⁶

As for the third criteria, important freedoms cited in the constitution have been overruled by legislative restrictions in the name of stability and national security. Effectively, the freedoms of expression and association are without substance, as are the rights to form autonomous trades and students unions. In addition there is little protection from arbitrary acts of state interference in the private lives of citizens. An extensive and active secret police force is maintained and detention without trial is still practised. Measured in these terms the Malaysian institutions are deprived of such substantive meaning that they depend for their support on a populism which is distinctly repressive.

CLASS AND COMMUNALISM

In this book we trace the class origins of authoritarian-populism in Malaysia to the emergence of a bourgeoisie who were able to obtain political power, but with only a weak economic base. It was in order to correct this imbalance that the Malaysian civilian-led authoritarian variant (but not without military support) developed a dynamic and ambitious programme of socio-economic restructuring. Here we must emphasize the class basis of our analysis, but one which is sensitive to ethnic issues.

The Malaysian State broadly conforms to a generalized classification of authoritarian populism in most important respects. However, the specific form and role of the economy differs from other comparable states (for example, South Korea and Taiwan) where indigenous technology has been the basis for industrialization. Instead, Malaysia has expanded the role of foreign capital in its attempts to build 'domestic industry', a reflection of its reluctance to develop the small and medium scale industries because of its predominantly ethnic Chinese composition. Malaysia has introduced re-distributive policies, but although the state explicitly espouses the rights of the poor and subordinate classes, the property rights of the urban and rural elite remain untouched.

An important aspect of the authoritarian populist regime is the development of the capacity of the state to, firstly, encourage co-optation as a means of debilitating organized protest, and secondly, by selective repression where the first strategy fails or is deemed inappropriate. The distin-

guishing feature of the Malaysian State through which all these facets of the state are expressed, is 'communalism', the central means utilized by the state to deal with the subordinate classes.

By 'communalism' we identify an appeal to primordial sentiments and differences involving ethnicity, religion and culture. While such differences in themselves need not constitute the basis for communalism, our thesis is that through the political formula, the political, social, and economic institutions established in Malaysia, community becomes a social construct defined as congruent with communalism. Thus 'community' has taken on a particular meaning which grants supercedence to ethnicity as an 'ideological' concept around which a political analysis of 'rights' has been built and which is expressed and institutionalized through the arms of the state apparatus and State policies.

In this respect our definition of authoritarian-populism as applied in Malaysia includes a particular dimension which may be absent elsewhere, that is, 'communalism'. Its inclusion centre-stage has tremendous implications for the ability of the state to actively repress, yet maintain a popular appeal. This is focussed on two very different communities of Malaysian citizens, namely 'Bumiputera/non-Bumiputera', identified according to their ethnic cultural, religious differences.

In this book we also try to identify a number of features of authoritarian-populism and their correspondence to the Malaysian State and ultimately the question of reform. The final question is to what extent the scope for democracy can be widened and what indications there are of how this might come about.

THE LIMITS OF MALAYSIAN DEMOCRACY

Authoritarian-populism has been associated elsewhere with a charismatic leader within an ostensibly democratic system. It will be important to examine the role of Dr Mahathir, Prime Minister since 1981, in this light. His rule has seen an extensive expansion of executive power and consequent blocking of various mediations while strengthening his own direct link to the popular base.

While nationalism has been an important strand of populism, this is essentially a 'Malay' nationalism, which seeks to mobilize support for the Malay bourgeoisie class project through communal appeal. The success of this appeal has rested on programmes which arise from popular demands. In this way the State has selectively co-opted demands relating to democracy, for example environmental issues, human rights issues

through child-abuse legislation, the Domestic Violence Act, and so on. However, substantive popular demands which threaten the class project and 'bumiputraist' policies, and that cannot be co-opted, have been met with fierce repression. This too has been legitimated on the basis of nationalism/national security ideology.

After political hegemony had been established in the 1970s, the instruments of the State were used to control and direct the activity of foreign capital while managing to confine confrontations within limits imposed by the class objective of developing Malay national capital. Under Dr Mahathir's leadership however, further measures have been introduced affecting the scope of mediation. One has been institutional, for example the centralization and strengthening of executive power, much of which now resides in his office, and the erosion of Parliamentary democracy. His personal charisma has played an important role in redefining mediations with the people. He has established a direct link to the popular base largely through the extensive control and use of the electronic media. In this book it will become clear that this process has considerably narrowed the scope of democracy.

That populist regimes tend to move towards authoritarianism¹⁷ is confirmed in Malaysia when populist avenues have failed and physical coercion has been utilized. Thus when UMNO faced a major internal crisis in 1987 the crisis was turned outward, leading to the mass arrests of leading politicians, intellectuals and grass roots activists from a wide range of organisations under the Internal Security Act, which allows detention without trial. At the same time, the institutions of parliamentary democracy remain in form and to some extent in function.

2 The Colonial Roots of Authoritarian Populism

A number of important features of the contemporary Malaysian State find their origins in specific historical experiences. This chapter is necessarily selective, in the attempt to identify the factors which have shaped the present authoritarian populist State in which communalism plays a central ideological role in mediations with the 'Rakyat' (the People).

The first task is to inquire into the origins of the communities involved and why it is that 'communal' concepts were able to gain ascendancy over other important socio-political cleavages, such as class. A critically important economic and ideological institution of the contemporary State is 'Bumiputrahism' (that is, based on the 'sons of the soil') which in essence conceptually encompasses all ethnic groups of indigenous status. However, as a basis for positive discrimination, the term 'Bumiputra' has gained currency as synonymous with the Malay community instead of including all indigenous groups.

In order to trace the roots of this key institution of the contemporary Malaysian State we must turn to the pattern of colonial domination and its impact.

The imposition of colonialism was greeted by two very different reactions from feudal Malay society. On the one hand the colonial state was faced with strong resistance from the Malay peasantry and on the other, co-operation from the traditional Malay rulers, allowing them to 'preserve' the Malay feudal social structure. However, this approach was only viable because of the availability of alternative sources of labour from elsewhere in the colonies, specifically India and China.

The colonial drive to accumulate capital through the extraction and production of the two crucial commodities, tin and rubber, led to the massive importation of labour from China and India. As a result, workers became sectorally fragmented along explicitly communal lines. In this process the question of the exclusion of the Malay peasantry was to be as significant as was the importation of the Chinese and Indian working class in the early industrial sector. At the same time the colonial state granted the largely non-Malay working class little status and few rights.

With the economic success of these primary industries, the workers and the non-Malay residents began framing basic demands for better condi-

tions and civil rights. Despite analysis within the Legislative Council which suggested the state should not be seen to be biased in favour of capital, the situation was allowed to deteriorate.¹ Labour had been politically championed by the Communist Party of Malaya (CPM), but neglect of labour issues had arguably strengthened their grass roots labour support. The end result was a shift by the CPM to non-constitutional means, to which the Colonial State responded in 1948 with military force and spent 12 years quelling the ensuing insurrection.

The 'Emergency' was to have a profound impact on the shape of the post-colonial State. Its legacy included:

- A nationalism founded on a 'national security' ideology in which communalism became a central element, and 'anti-communism' a rationale for rejecting debate on democratic rights;
- A communal perspective on uneven economic development, seeing its cause in the immigrant communities rather than colonial policy;
- A set of coercive institutions, including extensive surveillance, policing of civilian life and detention without trial;
- Demographic change in the relocation of 1.5 million rural people into 'New Villages'.

In this chapter we see that explicitly communal colonial strategies laid the groundwork for the development of the post-colonial political formula and the public policies which followed, specifically on 'economic restructuring' and education on ethnic grounds. As for the repressive apparatus, that remains an important ingredient of the modern Malaysian system of socio-political control.

COMMUNAL STRATEGY OF BRITISH COLONIALISM

Malaysia today is inhabited by a wide diversity of peoples, reflecting a long history of multicultural contact, largely with those in the region. Here we briefly trace the pattern which evolved and the socio-economic consequences arising from its formation.

Of the earliest indigenous peoples, forest hunters and gatherers known collectively as the Orang Asli comprised a small but significant population, who were generally regarded as slaves (*sakai*) by the Malays.² Malays comprised the majority population but whose socioeconomic differentiation reflected their diverse origins, chiefly between local born and those from the Indonesian Archipelago.³

The Sultans and chiefs in their feudal economy obtained surplus from produce tax and *corvée* labour, providing little incentive to increase production. As a result, the mainly local-born peasantry were relatively undifferentiated as a class.⁴ Despite their objective position of economic domination over the peasantry, the Sultans also provided an ideological symbolism arising in part from their common religious faith in Islam and enabling them to maintain political dominance.

Western influence began in 1511 with the capture of Malacca, a strategically important port, by the Portugese. This signalled the start of the mercantilist phase of colonialism, with European presence limited to the coastal towns. There, western traders became dependent on local intermediaries, increasingly the Chinese, for goods from the hinterland. This was the beginning of the antagonism which was to grow between the local Malays and the 'middle men'. But generally speaking, relations between the Malays and the Chinese and other Asian traders did not appear to take an antagonistic form prior to colonialism. Evidence suggests that inter-ethnic relations displayed cultural and communal tolerance, and that even a fair degree of assimilation had taken place.⁵

During the colonial period the possibilities for multicultural contact were accelerated, with the importation of migrant labour from other colonies. However, since the pattern of settlement was largely synonymous with economic function, communities were segregated by their geographical location.⁶ With the 'founding' of Penang and Singapore to protect British trading interests the Chinese and Indian immigrant population rapidly increased and were soon differentiated by socio-economic class. A comprador class emerged to serve the British Agency Houses in their trade in Indian cloth, opium, China tea and porcelain. Revenue was obtained from opium and gambling taxation. However, Malay resistance to any further intervention delayed the imposition of direct rule until 1874.⁷

Chinese tin mining 'Kapitans' were the suppliers of labour from China, through the clans and secret societies. The Kapitans were also entrepreneurs, often powerful enough to influence the periodic inter-factional conflicts between the Malay chiefs. By 1871, the mining population was equal in size to that of the Malays in the Straits Settlements, Penang, Malacca and Singapore.⁸ The 1874 Pangkor Treaty signalled the start of the subordination of the Sultanate to British Colonialism. Nonetheless, the Malay peasantry refused to accept British intervention, or the new tax and revenue laws. Resistance included killing the Perak British Resident in 1875, and a campaign of civil disobedience in Pahang. The colonialists responded with force, razing villages and rounding up the inhabitants into strategic hamlets', often with the help of foreign troops.⁹

Faced with such difficulties, in addition to high administrative costs, the British resorted to indirect rule. Thenceforth law and order was maintained through the chiefs and 'penghulus' (village headmen), rather than an alien army and police force. They were thus able to protect the British against the rebellious peasantry while the sultans gained strength from state backing.

Members of the feudal aristocracy were employed at various levels to utilize traditional channels to introduce colonial laws on land, mining and timber to the peasantry. This new formality actually enhanced the rulers' jurisdiction over Malay matters, especially religion, and co-opted the penghulus into the 'mukim' administration (parish). However, the chiefs were reduced to being 'native magistrates' and assistants to the District Officer. Such an approach was intended to give the Malays a psychological assurance that their way of life was not under threat. At the same time political power remained in the hands of the British Residents.¹⁰

By the early 20th century, attempts were made to further enhance the co-option of the rulers by establishing elite schools to 'groom' their sons for senior employment opportunities in the rapidly expanding civil service, hitherto a European preserve. Other schools were later built to educate a middle level of civil servants, but for the rural Malay peasantry education was considered a low priority.¹¹

In a clearly divisive strategy, the Chinese and Indians were excluded from administrative and political office. In agriculture too, communal criteria prevailed in policy making with, for example, the Malay peasantry being encouraged to cultivate padi while the Chinese were impeded from doing so.¹² This strategy was consistent with the 'pro-Malay' policy of the British and their objective of persuading the remaining Unfederated Malay States (UMS) into the federation.

Despite efforts to cultivate the Malay petty commodity peasant sector, the process of differentiation continued, especially among rice cultivators. As in the traditional kampong (village) subsistence economy, the ability to diversify economic activities was important and could cushion the effects of low market prices. However, these endeavours remained largely within the sphere of agriculture and thus reinforced segregation from the non-Malay working class.

CAPITALIST DEVELOPMENT AND ETHNIC DIVISIONS

Conditions for later industrialization were established in the colonial development of primary commodities, notably tin and rubber. This

involved British capital investment and the importation of indentured overseas labour, from China and India respectively.

British investments led to the rapid growth of the tin industry under the dominance of European mining agencies which, by 1940, produced 80 per cent of Malaya's tin.¹³ The early labour-intensive methods, dependent on Chinese labour, were soon replaced by mechanized dredging as the scale of production increased. Alongside the growth of the US car industry, Malayan rubber production rocketed to make up 50 per cent of the world's supply by 1914. Combined, rubber and tin revenues were so good that they were almost sufficient to completely finance an extensive Malayan infrastructure, thus paving the way for later industrial development.¹⁴

Indian plantation labour was sought both for their colonial experience and as an ethnic counterbalance to the Chinese in the urban sector.¹⁵ Within the plantations feudal relations prevailed, imitating those in the Indian village but in the service of a new master, the planter. Conditions were harsh and indebtedness the norm, extending the workers' tenure indefinitely.¹⁶

For the colonial government, indentured migrant labour provided a flexibility suited to the uncertainties of the market. A boom led to an increase in the supply of workers but this was not reflected in improved pay or conditions. Conversely, a depression in rubber prices led to reduced wages and the repatriation of thousands of workers, without any citizenship rights having been granted.¹⁷

By the 1930s, the social structure of Malaya had been dramatically altered by the influx of Chinese and Indian workers. Their predominance in the West Coast States and the Straits Settlements was clearly related to the pattern of foreign economic penetration, and ensured their economic and cultural isolation from the peasantry. Non-Malay community needs were dependent on self-help and philanthropy, which was to lay the basis for the system of patronage evident in the non-Malay ruling coalition component parties today (for example, MCA, MIC and Gerakan).

The subjugation of Indian estate workers was exacerbated by the occupational segregation practised, in which North Indians were managers, South Indians, labourers and Sikhs were brought into the public and private security forces. Estate education was at the discretion of the employer, resulting in little, if any, provision. But from the 1930s, the attitude and unity of the Indian masses in Malaya was heavily influenced by the growth of the independence movement in India.

As these communities became settled, a more balanced sex-ratio was established along with a rising birth rate. The bargaining position of labour improved as workers became increasingly mobile and unionized,

and by the 1930s they had developed into a powerful working class challenge.¹⁸ As we have emphasized, the extent of the geographical and sectoral separation was to be significant as a foundation for future communal strategy, both between the different non-Malay communities but more importantly also between the Malay peasantry and the workers.

The impact of the colonial economy on the various levels of the predominantly non-Malay bourgeoisie was specific to each community as well as to class. The English-educated comprador Chinese bourgeoisie were able to extend their merchant capital activities to the export of raw materials and import of British manufactured goods. However, for the vernacular-educated commercial bourgeoisie, their role in the importation of foodstuffs from China was taken over by the European freetraders. In other respects the colonial power and the non-Malay commercial bourgeoisie enjoyed a special relationship over monopoly rights on opium, drinking and gambling. They were also regarded as unofficial community administrators, as 'Kapitans' or authorized as Justices of the Peace.¹⁹ Second-level merchants, mainly rice retailers, were now reduced to being 'middlemen' whose visibility to the rural Malays reinforced the communalist view that the apparent Chinese domination of the economy was responsible for the poverty of the Malays. The third level consisted of a variety of craftsmen dependent on the expanding entrepôt port and urban sector, and below them was the informal sector of casual labourers and rickshaw drivers.

The growth of the service sector saw the concentration of capital in the founding of Chinese banks, and in 1906 the Chinese Chamber of Commerce. By 1937 the holdings of the large domestic industrial capitalists amounted to nearly half of those of foreign investors, which was to provide an important impetus in the growth of national capital.²⁰ While the rich Chinese comprador bourgeoisie remained entangled with the British State, the lower strata of the Chinese bourgeoisie were less dependent and later became involved with the workers in the anti-colonial struggle.

As for the Indian commercial bourgeoisie, comprising merchants, bankers, moneylenders, shopkeepers and so on, they came to provide services to the labourers. Differentiated by caste and culture, they too were organized into a Chamber of Commerce.²¹ Their capital investments were in rubber. Indian Associations included large numbers in State employment, thus patronage of government officials was sought and leading community members rewarded with appointments to Boards or Councils.

In the absence of colonial policy on vernacular education and with the growth in nationalist sentiments and philanthropy, the Chinese commu-

nity took the initiative to set up their own schools, which by 1938 catered for nearly 50 000 pupils. In comparison there were 26 974 Chinese pupils in government-aided English Schools. The socialization process in the two institutions was very different, with English colonial values of competition and liberalism perpetuated in one and Chinese nationalist values in the other.²²

For the Tamil Indian labourers, such philanthropy was not forthcoming from a community divided by class, caste and place of origin. With the labour shortage of 1900, the first Tamil schools were set up as an incentive to retain workers. The 1912 Labour Code stipulated that employers must provide estate schools but no mention was made of the need for teacher training. In 1901, 548 schools served, between them, 23 350 pupils.²³ The lack of any clear-cut colonial educational policy and the dearth of provision reflected the lack of social provision in general to the ordinary people. The effort was made to further segregate them into their respective communities. The sectoral segregation of Malaysians was thus reinforced by the development of sectional self-help. Meanwhile the government English schools served to socialize the middle class of each community into the colonial ideology. The state had clearly defined its sphere of rights and obligations to the 'Rakyat' along both communal and class lines.

THE RADICAL NATIONALIST MOVEMENT

From as early as the 1920s, the workers in Malaya had begun to organize to improve their working conditions. Initially unions were formed secretly, by workers in primary product processing, notably the pineapple cutters. Protests over indentured labour had eventually seen its abolition in 1913 and in 1928 there was partial recognition of workers' rights with the introduction of compulsory registration for trade guilds. Labour unrest continued, however, with the rising cost of living and with the formation of the General Labour Union (GLU). Strikes in Batu Arang Coal Mine, Singapore Traction Company and Penang waterfront forced employers to make concessions. The impact of nationalist fever in India was heightened by Nehru's visit in 1937, followed in 1941 by an 'uplift' campaign, involving 'kanganys' (foremen who recruited labour from 'home' based village networks in India) and teachers, and there was unrest in the Klang estates led by radical labour leaders.

However, the Trade Union legislation of 1939 was extremely restrictive, making for example picketing illegal. The groundswell of discontent continued as workers turned their support to the CPM, a factor leading to

the declaration of a State of Emergency, by which time clerical and administrative workers in the government services were also unionized.²⁴

Within the Malay community, there is also evidence of a radical Malay anti-colonial organization known as the *Kesatuan Melayu Muda* (KMM). Essentially petty bourgeoisie in composition, KMM comprised vernacular trained intelligensia (from the Tanjong Malim Training College) the most radical section of which took the lead in the anti-colonial struggle. However, the KMM faced difficulty in mobilizing the support of a peasantry dominated by feudal socioeconomic relations. Another factor was the intimidation of KMM by colonial surveillance forces, which included the imprisonment of KMM leaders, such as its founder Ibrahim Yaacob.²⁵

The Second World War was decisive in two related respects. Clearly, the defeat of the British by the Japanese laid to rest the myth of white supremacy. Consequently, in the struggle against Japanese domination, the Allies were forced to forge links with the CPM-led Malayan Peoples Anti-Japanese Army (MPAJA) as they were the main organization able to provide an effective challenge. From the beginning the Japanese occupation was characterized by communal brutality in which all Chinese were seen as anti-Japanese and therefore potential victims of the large-scale massacres which took place. Evidence suggests such atrocities claimed between 10 000 and 40 000 lives in the first week of the occupation alone.²⁶

The Japanese were no more humane towards the Indian masses, sending thousands to the 'Death Railway' in Burma. At the same time, local disaffection became channelled into the Indian National Army (INA) which had emerged to oppose the British War effort in India. However, in Malaya the INA did not wholeheartedly support the Japanese and sections were sympathetic to the resistance. From 1943, the INA was to have a profound and lasting influence on the attitude of the estate workers.²⁷

Although the Japanese presented an initially hostile attitude toward Malays, they, like the British, saw the advantage of maintaining the Malay rulers as part of a communalist strategy. Malay was adopted as the common language by the Japanese Command and the Malay police force proved useful in the divide-and-rule strategy. The Japanese also sponsored Malay nationalism through organizations such as KRIS (*Kesatuan Rakyat Indonesia Semenanjung: Union of Indonesian and Peninsular Peoples*).²⁸

Under the occupation, the economy was directed to serve the Japanese war effort. Trade unions were prohibited and workers were organized into labour service corps, to be sent where needed. Chinese squatters who had fled to rural areas, became important providers of food for the guerrillas

through their horticultural activities, a link that was to prove crucial during the 'Emergency'.

It was during the anti-Japanese war that communal tension was to reach new heights. Fostered through years of colonial domination and exacerbated by Japanese provocation, the first serious communal riots in the nation's history were sparked off just after the war ended. These began as retaliation by the resistance against collaborators (quite a few of whom were Malays) and the (primarily Malay) police, but soon spread through the country. Such conflict was to become part of the subliminal consciousness of the various communities and therefore a major obstacle to post-war harmonious inter-communal relations.

After the war, the MPU (Malayan Planning Unit) was set up by the British Colonial Office to determine the course of post-war colonial strategy. While it was clear in 1945 that self-government would have to be granted to Malaya in the near future, Britain's economy was bankrupt. It was thus considered vital to maintain the security of rubber, tin and other western investments to ensure economic recovery at home.²⁹

From the Japanese surrender to the reoccupation of Malaya a few months later in September 1945, the MPAJA was the sole force in control of the country. After the British returned, the CPM was legalized and put forward their proposals for a democratic Malaya where communal divisions would be transcended through district-based unions and multiracial peoples' committees.³⁰

In 1946, the powerful workers' organizations called widespread strikes in support of these demands. The response of the British Military Administration (BMA) was to break the strikes through a variety of means, including Japanese POWs, British troops and the use of Malays as replacement workers. Opposition newspapers were closed down and their editors charged with sedition. However, the colonial administration was unable to ban unions because of the 1940 Ordinance and the risk of international condemnation.

THE EMERGENCY: PRECEDENT FOR AUTHORITARIANISM

On the political front and with an eye to the future, the British were faced with the problem of how to ensure a viable and stable post-colonial political arrangement. The first attempt, the Malayan Union of 1946, involved the formation of a unitary State in which the jurisdiction of the Sultans would pass to the British. However, Malay antagonism forced a reappraisal. The following proposal, that for a Federation of Malaya, was

drawn up solely by British and Malay leaders. This, combined with the fact that much of the discussion was held in secret, drew loud protests from the excluded non-Malays.³¹

By 1945 the Malayan Democratic Union (MDU), a largely English-educated united front for self-government, had drawn up an eight-point programme for a democratic Malaya asking for self-determination by the Malayan peoples based on equality. The programme was drafted to win the broadest support and presented to the colonial powers in July 1947, but the government chose to ignore their proposals.³²

Mass protests and a general strike in October that year revealed the level of opposition to the Federation Proposals. The colonial government's attitude provoked an escalation of protest which they met with newly initiated legislative controls, namely the Societies Ordinance and the Banishment Ordinance. Despite recognition of the attempt by the PMCJA-PUTERA (Pan-Malayan Council for Joint Action and the Pusat Tenaga Rakyat) coalition to develop a 'bridge' between the non-Malay and Malay communities, the organization found itself outmanoeuvred in the constitutional battle.³³ Under the Constitution which was to come into force, the non-Malays were only able to demand citizenship rights, but within the historically determined communalist framework.

Under these circumstances the anti-colonial movement turned to add fuel to the labour movement. Between 1946 and 1948 industrial unrest reached unprecedented levels. There were frequent clashes between police and workers, but the colonial government's most effective tactic was to demand the registration of unions under the 1940 Ordinance and thus proscribe links with the non-registered militant Pan-Malayan Singapore GLUS.³⁴

The government introduced a policy of 'responsible trade unionism', a catchphrase of the British Labour Government, as a strategy to break organized labour. But in 1947, strikes continued relentlessly in the face of further repression and mass dismissals in the estates. Organized labour faced many difficulties, including banishment and disaffection. None the less, a new wave of labour unrest in 1948 resulted in the amendment of the Trade Union Ordinance and the banning of the PMFTU (Pan Malayan Federation of Trade Unions) and all union federations. The end result was open revolt.³⁵ (See Table 2.1.)

On 4 June 1948, Gurkha troops were despatched to Johore and police leave cancelled. Three days later, after three European planters had been killed, a State of Emergency was declared. It is worth noting, that there appears to have been some reluctance on the part of both the CPM and the government to declare war on each other. It has been argued that in fact the Emergency may have been a 'miscalculation, if not an outright

Table 2.1 Number of strikes and days lost, 1947-85

<i>Year</i>	<i>Number of strikes</i>	<i>Days lost</i>
1947	291	696 000
1950	48	37 000
1954	78	51 000
1957	113	219 000
1960	37	42 000
1962	95	458 720
1964	85	508 439
1967	45	157 980
1968	103*	208 417
1970	17	1 867
1971	45	20 265
1973	66	40 866
1974	85	103 884
1977	40	73 729
1980	28	19 600
1982	26	9 600
1984	17	9 800
1985	22	34 700

Notes: *90 in rubber plantations alone

Sources: *Malayan Yearbook*, various years; MIDA, *Modern Malaysia*, 1984

mistake'.³⁶ Under the Emergency, the CPM was banned and the police given wide powers of arrest and detention, allowing them to raid union premises and arrest hundreds of political activists. By July, the number of strikes had fallen dramatically (see Table 2.1) and employers were in a position to revoke any concessions workers had gained, as well as to impose wage cuts and redundancies.

It has been suggested that the Emergency regulations were brought in to represent a balance between 'an incipient police State and a determination to preserve the rule of law'. Thus while detention for 12 months (later two years) was imposed, at least trial procedures were maintained.³⁷

The Essential Regulations Proclamations extending over the whole of Malaya and enacted in July 1948, gave the police extraordinary powers of search, detention, curfew, the control of movement and traffic, and reintroduced the death penalty for the unlawful carrying of arms. The Printing Presses Bill stipulated the need for a printing permit from the Chief Secretary. What was deemed to be a security measure was to thus provide the means for censorship.³⁸ Detention and registration proved to be the

most important enactments. By the end of 1948, 5000 were held under detention orders, classified according to their estimated degree of security risk, and largely based on suspicion. National registration was introduced to distinguish the law-breaker from the law-abiding on the basis of whether they carried an identity card, a measure resisted in a number of areas.³⁹

A second prong of Emergency strategy was the Resettlement Policy introduced in 1948 to break the link between the civilian rural Chinese population and the insurgents. The policy targetted the Chinese who had settled on the jungle fringes to escape the terror of the Japanese Occupation and who by 1948 numbered about 300 000. Seen as providing vital material and moral support for the insurgents, these communities became a focus for a 'crusade' by the British. The initial strategy was to sever this supply link, but one which was considered ill-conceived, involving:

... repressive legislation, the uprooting of thousands of squatters and the destruction of their crops and homes, their transfer hither and thither and their confinement to repatriation camps prior to their deportation.⁴⁰

But the comprehensive Briggs Plan which followed made resettlement the centre of counter-insurgency strategy. Between 1950 and 1958, a total of 558 new villages were created, mostly made up of Chinese inhabitants but 29 per cent of which were predominantly Malay.⁴¹

While resettlement often involved a move of only few miles this resulted in considerable hardship, malnutrition and poverty. Although two-thirds of the settlers depended for their survival on agricultural activities new sites invariably had poor or waterlogged soils. After dark, residents were confined within the barbed wire perimeter fence of their village, subject to periodic curfews, raids and interrogations.⁴² The 'New Village' resettlement of approximately 1 200 000 rural settlers was to remould the population pattern of Malaya. One implication has been their transformation from rural to urban status, with the consequence that the rural development agency, RIDA, regarded them as urban and therefore not entitled to any aid schemes.⁴³

Measured in terms of counter-insurgency, the Briggs Plan was deemed a great success, but the social and human cost is difficult to measure. The demographic change in itself was to enhance the already high urban concentration of Chinese and no doubt influenced their occupation patterns. The resettlement pattern also compounded the effect of other policies aimed at preventing the emergence of a rural Chinese peasantry, thereby further reducing the possibility of identification with their Malay counterparts.

A British Malayan official at the time, V. Purcell charged that the Templer regime cut at the very roots of civil organization:

...There was no human activity from the cradle to the grave that the police did not superintend The real rulers of Malaya were not Gerald Templer or his troops but the Special Branch of the Malayan Police What Gerald Templer had ordered was virtually a levy en masse, in which there were no longer any civilians and the entire population were either soldiers or bandits ... the means had become superior to the end.⁴⁴

He concluded that this policy was counterproductive in that executive power had overridden the rights of the individual to such an extent that potential leaders had been either detained or exiled.

Specific legal features of the Emergency were criticized by the Press, particularly long detentions and the death penalty. For example, the case of Lee Meng, known as the 'grenade girl' invoked national and international attention, a protest which eventually saw her sentence commuted to life imprisonment by the Sultan of Perak. Although charged with the possession of a grenade, she had been unarmed at the time of her arrest.⁴⁵

It is claimed that the success of the Emergency rested on the twin institutions of an efficient police force and the creation of 'New Villages', both of which have endured to the present day. The 'New Villages' remain a neglected backwater retaining the divisive stigma of their origins. The police force, particularly the Special Branch, renowned for their expertise in 'intelligence' gathering were critical in obtaining military success.⁴⁶

Communist policies continued to be used to isolate the guerillas. For the Government the 'New Village' policy had the added advantage of ensuring the isolation of the rural Chinese from the Malay peasantry. At the same time, the Malay rulers emphasized the incompatibility of Islam and communism and Malay security forces were used to fight the mainly Chinese 'communist terrorists', a tactic previously employed by the Japanese to enhance communalist perceptions.

THE ALLIANCE FORMULA AND POPULISM

The atmosphere of repression during the Emergency gave the British colonial power the opportunity to deflect the forces of revolt and to effect a post-colonial formula of political accommodation. They were convinced by then that the traditional Malay rulers would be their custodians of an independent Malaya. Simultaneously, the new arrangement had to take

into account the upper strata of the non-Malay bourgeoisie, as they also had a sizeable stake in the economy. With these considerations in mind, the tripartite 'Alliance Formula' was devised.

The upper stratum of the non-Malay communities were appointed to legal and advisory bodies. In 1949, the MCA was formed by pro-British Chinese businessmen. Through a system of patronage, it appealed for support as the representative of the Chinese community within the government. In addition, the Communities Liason Committee (CLC) was promoted as a multi-racial neo-colonial alternative to the CPM. It was from the secret communal bargaining within the CLC that the basis for the Alliance emerged.⁴⁷

The central question for the non-Malays at the time was that of citizenship. Despite the fact that by 1947, three-fifths of the Chinese and half the Indians in Malaya had been born in the country (see Table 2.2); only one-fifth of the Chinese population (that is, 500 000) had citizenship. From 1950, the British Colonial State gradually introduced reforms to counter anti-colonial sentiments: an array of Malayan ministers were appointed (largely from the CLC and UMNO [The United Malays National Organisation]); amendments to citizenship rights were introduced and some of the previous restrictions for non-Malays were lifted.⁴⁸

A third reform was the introduction of elections at Local Council and Municipal level. However, the extent of democracy at this level was limited as the Chief Minister (Menteri Besar) of each state could appoint one-third of the members; there was no fixed tenure of office; the Ruler-in-Council could dissolve the Council and the British High Commissioner

Table 2.2 Population growth by ethnic group, 1911-84 (in millions)

Year	Malays	Chinese	Indians
1911	1.37	0.69	0.24
1921	1.57	0.86	0.44
1931	1.86	1.28	0.57
1947	2.43	1.88	0.53
1957	3.13	2.33	0.70
1970	4.67	3.13	0.94
1980	6.32	3.87	1.17
1984	7.11	4.17	1.28

Source: Saw Swee Hock, *The Population of Peninsular Malaysia* (1988 Singapore: Singapore University Press), p. 50

could even revoke the elections. Besides, all decisions required further ratification by the High Commissioner or the State Government.

When the Malayan Indian Congress (MIC), representing the Indian bourgeoisie, joined the Alliance, the communal formula was complete. In the 1955 elections, the Alliance won 51 out of 52 seats. But only when the British were assured of the security of foreign investments in post-colonial Malaya was the Independence Agreement of 1956 reached. Meanwhile, the Emergency continued and remained in the hands of the British, who retained the right to maintain a military presence. The agreement guaranteed Western economic interests against nationalization and any obstacles to the free repatriation of capital and profits.

There was little disagreement over the content of the Independence Agreement in the 1956 London talks. Malay Rulers would remain as Constitutional heads of state and the special position of the Malays would be safeguarded. The Reid Constitution Commission's attempt to limit this to 15 years was quashed by UMNO while Chinese opposition was from outside MCA and therefore carried no weight.⁴⁹ Islam was declared the official state religion on 31 August 1957. But when the Razak Report of 1957 recommended that English and Malay were to be taught in all schools, nationwide strikes and riots occurred in Chinese schools throughout the country.⁵⁰

The 'Merdeka' (Independence) Constitution in effect institutionalized communalism as the state ideology, apparently reflecting the balance of forces within the Alliance. However, despite the persistence of interfacational struggle within the Alliance it was clear from the start that UMNO would be the dominant partner in the ruling coalition. The basic provision of juridical equality had been compromised mainly because of opposition from the Malay rulers and UMNO, whose feudal relations ensured their dominant influence on the Malay peasantry.

The fact the country was still in a state of Emergency when Independence was declared is of particular significance to our discussion of authoritarian-populism. For it meant that the freedoms enshrined in the Constitution were overridden by Article 149, giving Parliament special powers to deal with subversion and also Article 150, giving the Executive special powers to deal with an Emergency. Socioeconomic divisions remained between the three main ethnic groups in Malaya although this was slightly minimized in the white-collar occupations. UMNO has continued to have the upper hand in State policy on citizenship and education. The Federal Constitution guarantees the use and study of the languages of all the communities, but this has been progressively eroded in subsequent Acts and policies.

In this brief historical background, we see how in the defence of their vital interests, the British colonial power used communalism as a means to divide the masses, utilized authoritarian measures to squash working class and nationalist demands and acceded to the wishes of the Malay elite who maintained a semi-feudal hold on the peasantry. In the independence package, the Alliance Formula was contrived to co-opt elites from the non-Malay communities. This became the basis for the institutionalization of communalism in the post-colonial state and the maintenance of neo-colonial links.

The Alliance government at Independence provided a smooth transition for western capital. It is noteworthy that the democratic apparatus of the post-colonial state was installed while the whole country was still under a state of 'Emergency'. This dependence on authoritarian mechanisms only became apparent when the Emergency was officially declared over three years later in 1960.

3 The Post-Colonial State

Colonialism had established the institutions out of which a smooth transition to formal independence could be made. In terms of macro-economic growth this proved to be successful, but therein lay a number of contradictions which had implications for the shape of the political economy of Independent Malaya. In the following two chapters we will examine these tensions, the basis for their emergence, and the way the State sought to resolve them.

First of all, there was the national-international question. The State in its role as protector and guarantor of its class interests and through its *laissez-faire* policy was engaged in a pattern of private capitalist development by both foreign and local, largely Chinese, capital. The tension which this produced took a nationalist form but this was not against foreign capital *per se*, rather, it expressed the desire of a nascent Malay bourgeoisie for a greater capital share. Thus in their search for an economic base to complement their ascendant political position in the Alliance arrangement, the object of their antagonism was Chinese capital.

Analysis of the Malayan State reveals a pact of domination based on a consideration of capital accumulation and political power. In this sense, it can be argued that the Malay leaders were the guardians of foreign capital accumulation. On the other hand, this basis of the State was obscured by the installation of a multiple ethnic-party ruling coalition which defined their constituencies by ethnicity.¹

This institutional arrangement was thus erected on the contradiction between the interests of capital in general and the specific interests of the leading class fraction in each coalition party. In the case of the dominant party, UMNO, it was a matter of creating an economic base from their position of political power. We will argue that constraints on this development were embedded in the accommodation of the Alliance itself. Tensions within UMNO developed as the aristocratic class fraction began to be challenged from within the party by the nascent Malay bourgeoisie.

A number of characteristics emerged from the colonial pattern of development and the state which succeeded it. A key legacy of uneven development was a broad ethnic correlation with economic sector. In this, the most polarized group was the Malays. At one end of the scale, aristocrats had been groomed for administration and political power and at the other, the Malay peasantry grew increasingly impoverished in the rural sector.

Feudal social relations between the two were thus harnessed onto a modern parliamentary system and operated as an important ideological basis for obtaining political consensus along communal lines.

The coercive underpinning of the State had become particularly well developed during the twelve-year 'Emergency'. The repressive apparatus then included an extensive police force, a well-trained army and as we have noted, an intelligence unit which was considered one of the best in the world.

We will first examine the political economy of the post-colonial state and then turn to the question of state power and coercion. While the newly independent state contained institutions of parliamentary democracy, a number of Emergency laws and institutions were retained. Even though the country became formally independent in 1957, the Emergency officially ended only in 1960.

An examination of the development of ideological apparatuses is also important, for it sheds light on the application of the security laws. National Security was given top priority and was to form a central tenet of the State ideology during the Sixties. At the same time communalism became a major component of ruling class control, arising from the tensions between the traditional oligarchy and the emergent bourgeoisie.

THE POST-COLONIAL ECONOMY

The Malayan economy reflected an entrenched colonial economic pattern. Britain was dependent on Malaya to balance its trade and international payments to the extent that it was 'the principal dollar earner for the Commonwealth'.² In 1950, rubber and tin accounted for 73 per cent of the value of all exports and even in 1957, 70 per cent of tin production, 66 per cent rubber and 90 per cent of palm oil were in European hands. The drain on the economy was so great that it amounted to 15 per cent of the national income between 1957 and 1961.³

The nationalist agenda of the Alliance did not include any programme for seriously challenging the domination by foreign capital. However, the legitimacy of the Government rested on consensus, and while they had an apparently hegemonic position based on the 1955 elections, the Alliance was faced in 1957 with a number of problems which threatened that position. These included population increase at 3.3 per cent per annum, serious underemployment and the likelihood of increasing unemployment from the low 6 per cent prevailing.⁴ Employment opportunities were limited by a narrow industrial base in rubber and tin. Smallholders comprised three-

quarters of the Malay electorate, who were faced with low productivity and land fragmentation.⁵

The domestic effect of having concentrated on export commodities was considerable. Having turned to rubber from rice growing, many smallholders found that in 1960, their initial advantage in rubber production had been reduced to roughly half that of estates, at 345 lbs per acre as against 676 lbs per acre respectively. This drop had been caused by the combined effect of colonial replanting restrictions (which discriminated in favour of estates against smallholders), Islamic inheritance law which operated to subdivide land among all existing relatives, and population pressure.⁶ In the Sixties, the Alliance attempt at reform included re-planting and the introduction of high yielding variety (HYV) schemes introduced to increase the productivity of small producers, but these were not size neutral, benefitting the larger landowner to the detriment of the small and tenant peasants. In addition, falling production of the national staple, rice, resulted in a drop in annual consumption per capita by approximately 120 lbs over the duration of the colonial period.⁷

Politically, signs of their disaffection were evident in the gains made by the opposition Pan-Malayan Islamic party (PMIP) and this was to be a motivating factor in the Alliance's attempt at reform.

While this period may be characterized as *laissez-faire*, the Alliance Government saw the need to increase their fiscal reserves in order to engage in the development of the country. First, they introduced a measure of control over foreign involvements by imposing tariffs and taxes on selected imports and exports.⁸ Secondly, they began utilizing deficit financing, through the use of public funds, to speed up development. One expanding source was the Employers Provident Fund (EPF) providing 50 per cent government borrowings with the rest from the banking sector.⁹

The thrust of development was initially little more than a continuation of colonial policy, with a distinctly urban bias. For example 52 per cent of the development budget in the First Plan was allocated to urban areas as against 7 per cent of the rural sector. However, the rural allocation in the Second Five Year Plan, 1961-66, rose to almost 50 per cent, reflecting increasing domestic pressure from the aspiring Malay bourgeoisie.¹⁰ From then on, efforts were made to alleviate poverty by raising rural productivity and thus rural incomes. Land development-settler schemes in rubber and oil palm, irrigation projects in rice-growing areas were launched and new institutions were created to implement these plans.¹¹

These development strategies reflected the prevailing landed aristocratic interests of the state by sidestepping the question of land reform. Green revolution technology to increase productivity and the capital intensive

method of opening up virgin land for settlement did not address the root cause of rural social inequalities, which, for the peasantry, lay in access to land. Justification for this approach was found in the portrayal of the peasantry as having a life of easy abundance¹² in which they were considered unsuited to commercial enterprise. On this basis, the Malay masses in general continued to be excluded from economic development.

Despite these reforms, tensions within UMNO intensified, resulting for the first time, through the First Malaysia Plan, in the State setting aside funds for development projects specifically on an ethnic basis, that is, for the Malays. Notable among the beneficiaries were Bank Bumiputra and MARA (Council of Trust for the Indigenous people), established to foster Malay entrepreneurship through the provision of commercial loans and various projects.¹³ Throughout the Sixties the State pursued this strategy of creating 'trusts' on behalf of the 'Bumiputera' in which the guiding principle was 'ethnic balancing'. The rationale for the setting up of MARA was to challenge the dominance of Chinese domestic capital. However, as Jesudason points out, the budget allocation of less than 4 per cent of the Plan's expenditure indicated a lack of commitment to such a project, reflecting the prevailing dominance of the aristocratic fraction within UMNO.

The Alliance was concerned to enhance economic growth through the established private sector and, following IBRD recommendations (1955) to diversify the economy, they turned to foreign capital in order to develop the manufacturing sector. Building on the existing infrastructure of British Agency Houses and other foreign investors, they added a range of incentives to enhance the investment climate for 'pioneer' companies. The stress was put on import substituting industrialization.¹⁴

An important consideration was the question of labour. Labour costs were not necessarily the lowest in the region but the Trade Union Movement had suffered a severe setback during the Emergency. In the Sixties, although trade union membership had dropped to 13 per cent, the State implemented policies to counter its potential resurgence. Measures such as 'compulsory arbitration' were introduced in service and primary industries.¹⁵ We will also see that the coercive apparatus of the State was an important means of labour control through the use of detention without trial, especially when organized labour began to openly support socialist opposition parties.

These State strategies were successful in raising the level of foreign investment from 8.5 per cent share of GDP to 13.5 per cent by 1970. Local production had increased to supply more than 60 per cent of domestic demand for rubber and chemical products, beverages, tobacco and wood.¹⁶

Job creation was, however, constrained by the capital-intensive nature of some pioneer companies. Politically, an important condition for pioneer companies had been the employment of Malays, which had risen to 42 per cent of their labour force, but still only 24 per cent of the whole manufacturing sector.¹⁷

Apart from a few exceptions, Chinese capital was not able to make inroads into the large-scale manufacturing sector, for which international capital had the decided advantages of metropolitan technology and material resources, especially in import substitution industrialization. Big Chinese capital was mainly in trading, the retail and property markets.¹⁸ The Chinese were prevalent in the small-scale family based manufacturing of foodstuffs, clay and metal products for the domestic market, industries characterized by low technology and limited capital intensive production. Except for the simple manufacturing of plastic, clothing, wood products, paper and printing, foreign investments predominated.¹⁹

None the less, the majority of non-Malays were employed by large foreign capitalist enterprises which dominated the market. In the 1959 census, the 156 biggest Malayan companies accounted for only one-third of total manufacturing employment and for half the sales, with European capital predominating.²⁰ The banking sector in the Sixties expanded from 8 local banks with 12 branches in 1959 to 16 with 177 branches respectively in 1970, all of which, except Bank Bumiputra, were largely Chinese controlled.²¹

Most Malay business ventures were in small rural industries, chiefly rattan, batik and ornaments, but a different class of businessmen were to emerge as a product of early government-established associations and institutions.²² The personnel involved in such projects as RIDA (Rural Industries Development Authority) and later MARA, emerged as a nascent bourgeoisie to demand more comprehensive planning for Malays, especially to assist Malay businessmen.²³

O. Popenoe was shown how many of these businessmen were influential because of their administrative positions and close relationship with political leaders.²⁴ Out of recognition of their problems, two Bumiputra Economic Congresses were held in 1965 and 1968. These provided the momentum for increasing the role of the State in enhancing Malay capital, through Bank Bumiputra and MARA. The end result, however, was a weak Malay entrepreneurship involved in small scale activities and in which there were quick returns, such as timber, mining, transportation and contracting. These were sectors to which the State could control access through the granting of licences and preference for Malay applicants.²⁵

Despite the preference given to Malay business, the policies of the Sixties were not generally successful. This reflected the lack of political will on behalf of the leadership to abandon its *laissez-faire* policy for a more interventionist role (see Table 3.1). But the ground had been laid for state intervention on the basis of 'communal balancing'. We will see how in other institutions of the State, notably its ideological apparatuses, communalist distinctions prevailed even further.

Thus under the Tunku, economic policies were operating to widen disparities. The nascent Malay bourgeoisie became impatient, constantly pushing for more radical reform to nurture their participation in capital expansion. This tension within UMNO over the question of capital share was expressed in communalist terms.

PREVENTIVE DETENTION

While formal independence in 1957 signalled the start of rule by parliamentary government through the electoral process, emergency laws remained in force until 1960, only to be immediately replaced by an equivalent repressive law known as the Internal Security Act (ISA).

Table 3.1 Public development spending, 1956-1970 (in RM\$ million)

Sector	FFYP (1956-60)		SFYP (1961-65)		First MP (1966-70)	
	(RM\$ mil)	(%)	(RM\$ mil)	(%)	(RM\$ mil)	(%)
Economic	759.9	75.5	1,763.7	66.5	2,210.8	61.2
Agriculture	227.5	22.6	467.9	17.3	911.2	25.2
Infrastructure	520.3	51.7	1,236.7	46.6	1,162.6	32.2
Commerce/indus	12.1	1.2	59.1	2.2	137.0	3.8
Social	138.8	13.8	413.6	15.6	644.7	17.9
Education	60.9	6.0	236.5	8.9	286.9	7.9
Health	12.7	1.3	101.9	3.8	114.2	3.2
Housing	65.2	6.5	69.4	2.6	188.0	5.2
General	108.0	10.8	474.4	17.9	754.7	20.9
Administration	65.0	6.5	167.1	6.3	109.0	3.0
Security	43.0	4.3	307.3	11.6	645.7	17.9
Total	1 006.7	(100.0)	2 651.7	(100.0)	3 610.2	(100.0)

Source: Rudner, 1980: 57-8, Table 1, cited in Jesudason, J.V. 1989:98

The dependence of the state on foreign capital, which expected a stable and controllable labour force, presupposed that 'stability' was of paramount importance. At the same time, from an Alliance perspective, discriminatory policies could be implemented and workers' rights minimized by inhibiting trade unionism. In such a situation it also became imperative to stem political challenge from any quarter in order to sustain the status quo. All this was accomplished through the use of detention without trial, initially through the use of the overriding Emergency Regulations and later the ISA.

Other constitutional clauses which guaranteed fundamental democratic rights and freedoms were negated through these repressive enactments. On the initial basis of the Emergency even basic freedoms were conditioned by Article 149 as well as Article 150, providing the Executive with special powers to deal with an Emergency. There were in the two original Articles, certain safeguards to restrict the possibility of Executive abuse, but by 1960 these had been dispensed with in the Amendments of 1959.²⁶

Demonstrating a lack of confidence in their ability to govern by means of the ballot box alone, the new government relied heavily on the use of administrative detention without trial under the Emergency Act. While this was a colonial legacy, arguably necessary under an emergency, its use as the basis of the Internal Security Act was highly questionable. In 1960, with its two-thirds majority in Parliament, the ruling Alliance was able to introduce preventive detention through the parliamentary process.²⁷ Even today, the Government rebuts criticism of the ISA by saying that the law has been 'democratically' passed through the legislature.

Thus from the inception of Independent Malaya, authoritarian measures existed as an integral, though contradictory component of this particular form of parliamentary democracy. We will see that any serious challenge which threatened the hegemony of the Alliance was neutralized by the use of administrative detention under the ISA.

The proscribed limits of the electoral process became evident when the Alliance faced a major political challenge from the working class forces, mainly Indian and Chinese but including Malays, organized into the Socialist Front coalition. The composition of the Socialist Front provided a multi-racial alternative and their analysis questioned the 'neo-colonial' direction of development which had resulted in the consequent weaknesses and failures of the Alliance.

The Socialist Front was successful at municipal level with a controlling majority on some councils, such as Penang. At national level, they provided articulate and dynamic leadership, with their ability to mobilize grass roots organizations.²⁸ The 'Alliance Formula' was thus seriously

challenged by the multi-ethnic Socialist Front, who were raising questions of race and class, workers' rights and ethnic equality. The discriminatory policies of the Alliance, especially regarding Chinese education, also drove many supporters over to the opposition camp.

How much of the authoritarian strategy was engineered by the British is difficult to determine. But although policy decisions were made by the Alliance leadership, at the level of implementation British personnel continued to feature significantly in positions of importance. The Internal Security Act, for instance, was the product of a British legal official, and the Chairman of the Political Criminal Review Committee was also British.²⁹

During the early years of Independence, the provision of citizenship became a means of patronage for the ruling Alliance Government. It was a further lever used by the Alliance on the non-Malay rakyat. Not only was citizenship difficult to obtain, it could just as easily be removed and the Alliance was not averse to depriving citizens of this right. In 1963 alone, 104 Malayan citizens lost that status and were deported from the country of their birth to China, with which they had no necessary connection. Even elected representatives could suffer this fate, a feature prevalent for ex-detainees.³⁰

A gauge of the authoritarian character of the Alliance government can be seen in the Constitutional and legislative changes which they introduced to coincide with the official conclusion of the 12-year Emergency in July 1960. Only three years after Independence and less than one year after the ratification of the Constitution, 36 amendments were enacted. Important powers were granted or transferred into the hands of the Executive, built-in safeguards against their abuse were removed and the freedoms enshrined in other Articles were effectively negated.³¹

Of these changes, one of the most significant was the introduction of preventive detention. In the original Constitution, despite the existence of armed resistance at that time, there was no provision for preventive detention and neither was there any provision for Parliament to pass such a law. But in early 1960, Article 149 was amended to reverse this ruling, paving the way for the Internal Security Act 1960. This marked the beginning of a new chapter in which the facility of preventive detention became permanently available to the Executive, in a form which was considerably more repressive than its predecessor, the Emergency Regulations.

What at first sight appears contradictory is the fact that these measures were enacted at a time when the Alliance was stressing the success of their offensive against terrorism (see Table 3.2). Political statements made in the run-up to the official end of the Emergency implied that it might signal

Table 3.2 Armed forces personnel killed and injured in security operations:
(selected years 1948–60 and 1974–82)

1948	1951	1954	1957	1960	1974	1976	1978	1979	1981	1982
360	1195	241	44	0	109	133	259	184	50	88

Note: Figures are not available for 1960–1974, but the Sixties are generally regarded as a 'quiet' period for communist insurgency

Sources:

- (1) Anthony Short (1975) Appendix for figs 1948–60
- (2) 'The Report', International Mission of Lawyers, 1982, p. 58

the start of an open and democratic society. In 1958, Tun Razak, the Deputy Prime Minister, asserted that 'final victory over the terrorists' was imminent.³²

By 1959, operations had been reduced to that of 'mopping up' in Johore and the border area, and 80 per cent of the country was considered 'white'. Again Tun Abdul Razak gave the assurance that:

I have no doubt at all that in the not very distant future we shall be able to declare the whole country white.³³

He also suggested that discontinuing the Emergency might be possible within the subsequent year, and reminded Parliament that they could advise the Yang di Pertuan Agong (the Sovereign of the Federation) to act accordingly if the situation so warranted.³⁴ By 1960, the threat had been further reduced to a mere 100 detainees as against 11 000 at the height of the Emergency in 1951, and it was acknowledged that the Emergency would end on 31 July 1960.³⁵

It was against this background that the Alliance asserted the surprising need to amend the Constitution, especially Articles 149, 150, and 151, to allow provision for preventive detention. They argued that the object of this clause was:

...to prevent anti-social and subversive elements from imperilling the welfare and the security of our country.³⁶

They further suggested that preventive detention:

...was merely to prevent a person from acting in a particular way, and from achieving his objectives. It is not punitive, merely preventive.³⁷

Such broad terms were used, it was claimed, to counter the potential threat of non-violent subversion and consequently, to pre-empt the revival of a communist insurrection. However, no evidence was provided to suggest that this was a real possibility. Instead, the Alliance justified the change on the grounds that it was commonplace elsewhere in the world. What was omitted in this comparison was the fact that preventive detention laws were not nearly as repressive elsewhere as, theoretically at least, there were still some limits and safeguards through recourse to the courts.

As the opposition argued:

The Constitutional experts had decided that whatever the danger, however grave the situation, there should be no preventive detention, there should be no power in Parliament to pass a law for preventive detention.... Besides, should there actually be another armed insurrection then the Constitution has provision in Article 150 to declare an Emergency.³⁸

The Alliance further amended Article 150 [1] so that the term Emergency was no longer:

...confined to the unlawful use of or threat of force in any of its manifestations.³⁹

We would see later how this Article served the political ends of the ruling coalition in the 'Emergencies' declared in Sarawak in 1965, nationally in 1969 and Kelantan in 1977.⁴⁰

In anticipation of the Internal Security Act, other Constitutional safeguards were removed, including that in Article 151. Here, under the Emergency Regulations, the Advisory Board had been obliged to furnish reasons for prolonging any detention beyond a statutory three months, without which the detainee would be released automatically within that time. Under the amended Article, indefinite detention was clearly possible.

The man who helped draft the Internal Security Act was later to say:

The net result of the amendments of 1960 was therefore that the executive was equipped with wider emergency powers, subject to less parliamentary control than those contemplated in 1957.⁴¹

The Alliance had stated in their 1955 election manifesto that they would withdraw the Emergency Regulations as soon as possible. Yet year after year they had continued to justify their renewal despite the arguments against 'terrorism' becoming less and less plausible.

In searching for a motive for these changes we have to look beyond the expressed rationale of the Alliance. The very fact that they should legislate

to restrict freedoms when there was an opportunity to broaden them with the ending of the Emergency, highlighted a determination to expand Executive control. Such determination revealed an underlying sense of Alliance insecurity, arising from the contradiction between their role as guarantor of international capital which required suppression of the demands of the workers and peasants, and their role as protector of the rights and obligations of the 'Rakyat'.

The use of administrative detention could clearly be viewed as an established aid to the maintenance of 'stability' and therefore the retention of political power. The Alliance suggested that the denial of civil liberties involved was merely 'a small price to pay' assuring the majority of Malaysians that they had no cause for concern providing they remained 'law-abiding and patriotic'.⁴²

THE IDEOLOGY OF 'NATIONAL SECURITY'

The ideology of national security remained a powerful legacy from the Emergency and formed the basis of frequent charges made both in and out of Parliament against the opposition. The Alliance used the convenient allegation that those who opposed the security amendments were 'fellow travellers of the CPM' and therefore, it followed, 'anti-national' elements. Indeed, it is a repeated claim by the ruling coalition even today that, if not for the democracy practised by the Government, the opposition would not be able to raise such issues. The same logic reversed was that any support for the amendment was therefore a statement against communism.⁴³

Opposition Members of Parliament argued that terrorism was a different matter, as it was not the sole prerogative of any one ideological perspective. While there may be agreement on the need for the eradication of terrorism, this had largely been accomplished. What was in question was the claim by the Government that this legislation was needed to eradicate an ideology, specifically that of communism. First of all, after 12 years of such efforts it was doubtful if this goal could be met through further suppression rather than argument. Secondly, instead of specifying this objective they had chosen the all-encompassing term 'subversion', which raised severe doubts about the government's motives.⁴⁴

The opposition challenged these motives, arguing that the term subversion was meaningless without reference to a particular context. To illustrate, Nehru and Gandhi were both detained for subversion under the British, but were ultimately seen as nationalist heroes and not, incidentally, publicly praised by Malaysia's then Prime Minister. The lack of

specificity in the use of this term in the Malaysian Amendment, implied the possibility of arbitrary interpretation.

It was not clear whether 'subversion' would apply, for example, to those who disagree with government's economic policy on the grounds that it does not benefit the Malaysian people. Under the new powers it would be up to one Minister to decide, with little assurance of an impartial judgement and no room for legal redress.⁴⁵ It was not only the content of the amendments which was questioned but the manner in which they were to be enacted. While the original Constitution had been deliberated on by Commonwealth experts in at least 118 meetings over more than a year before agreement was reached, the 1960 amendments were released only hours before the sitting, allowing only two days' debate and rushed through all stages in great haste, despite calls to put the Bill into Select Committee for six months.⁴⁶

The insistence on speed was to ensure continuity of the emergency laws, as the ISA was to be implemented from 30 July. In addition, by restricting the release of the Bill and minimizing debate the Malaysian population would not be aware of its full implications, nor have the opportunity to question it.⁴⁷

It was pointed out that the Reid Commission had suggested that any serious change to the Constitution should be put to a referendum. However, this was overruled on the grounds that the Alliance had received an electoral mandate against communism and thus, *inter-alia*, an apparently open ended mandate to legislate whatever it liked.

The Internal Security Act was similarly rushed through, assisted by a guillotine ruling of four hours on the debate. Compared with its predecessor, the Emergency Regulations, the ISA was in fact considerably wider in scope, more punitive in form and certainly more permanent.⁴⁸

Resting on the amended Article 149, the objectives of the ISA were:

Firstly, to counter subversion throughout the country and secondly, to enable the necessary measures to be taken on the border area to counter terrorism.⁴⁹

The widened scope of the ISA arose from the inclusion of a new objective, contained in Part I, of countering subversion throughout the country. Part II was broadly the same as before, allowing measures to counter terrorism and rationalized by the need for military mopping-up operations within specified 'security areas'. But as we have seen, there was no sound foundation for the sweeping scope of Part I. It was unclear whether its legitimacy was derived from a real or imagined threat and whether the protection afforded by the ISA was for the nation or the ruling party.

This ambivalence is evident in Alliance justifications of the Act. They began by implying that (to a point raised by Opposition MP Karam Singh) even minimal debate on the matter was tantamount to high treason:

Anyone who is a loyal citizen and firm supporter of democratic government would not quarrel with these provisions which are designed solely to deal with those who might wish to demonstrate either disloyalty to this country or a desire to destroy the democracy which we all cherish.⁵⁰

This has become a standard argument designed to forestall discussion of important issues and pre-empt any criticism by implying it to be subversive. However, the criticisms by the Opposition centred around the loss of democratic practices enshrined in this Bill.

A comparison between the Emergency Regulations and the ISA Bill highlights a fundamental difference. Importantly, the 'Emergency' regulations had been conceived as temporary, in order to deal with a temporary armed insurrection. Even Gerald Templar, the architect of the 'New Village' mass relocation programme, had insisted that the regulations be made annually renewable, failing which they should automatically lapse. This was quite a different premise from that of the ISA, whose permanence could only be revoked by a two-thirds majority vote in both the upper and lower houses. Since Independence this has yet to be realized.

Other major objections were over the scope of the Bill. The ISA refers to a 'substantial body of persons to cause a substantial number of citizens to fear organized violence against persons or property'.⁵¹ However, no evidence was produced to show that, other than the Communist Party, such a body existed.

In addition, the implications of the use of the broad term 'subversion' theoretically applied to all citizens of the country equally. The provisions of the Bill included any association, regardless of its objective and the use of physical force in promoting any object. The previous distinction between thought and action was abolished as under the Bill a citizen could be arrested merely for their thoughts. Even if one was not present at a particular 'subversive' event one could, under the Bill, be held responsible.⁵²

Under the Bill, freedom of expression in speech and writing was severely curtailed. One clause prohibited the use of 'communal words' with the intent of causing 'communal ill-will'. Already the Standing Orders of Parliament had been amended on this point, but this raised the question of how critical communal problems were ever to be discussed, let alone solved.

Another provision enhanced the authority of the police by widening their powers and placing their authority above that of the judiciary.⁵³ The

Alliance claimed that safeguards existed against abuse of these various powers under the ISA, but these had little substance since a detainee need not be told the reasons for his/her arrest. The power of review and release had previously resided in the Committee of Review, but under this Bill it came under Ministerial control, removing any impartiality which may have existed. Decisions would thus rest on the wisdom of the particular Minister of the day.

The post-colonial state of Malaya thus exhibited two crucial aspects of continuity with its former colonized condition. First, its economic policies remained largely geared to the needs of foreign investment with minimal attempts at reform to meet the needs of the Malayan people. Secondly, the new Government felt unable to rule without the 'security' of preventive detention laws.

4 Suppression of Political Opposition

While the electoral process had the institutional trappings of parliamentary democracy, the fact was that this system had no opportunity to function independently of the authoritarian context in which it operated.

In the early post-Independence years, it was fear of class challenge which became particularly evident when workers and peasants opted for opposition parties in the newly available political space. We will try to establish the nature and mass basis of that challenge and also see how the Alliance consistently utilized authoritarian means to disable the opposition in the electoral system.

In Chapter 1 we saw how organized the working class had been in the Forties and Fifties and how it had taken twelve years of repression in order to break this movement. Consequently, the swift mushrooming of opposition parties and the resurgence of trade unions after Independence posed a very real threat to the survival of the Alliance.

The Alliance had limited mass support, which largely came from the landowning aristocracy, sections of the middle class, civil servants and the armed forces, in which very evident benefits were gained through political patronage and where a degree of coercion could also be applied.

DISAFFECTION WITH THE ALLIANCE COALITION

However, the predominantly Malay peasantry were disaffected chiefly as a result of the concentration of land into the hands of the ruling class, royalty, and to some extent the commercial and civil service sectors.¹ Colonial neglect of the peasantry had also resulted in their marginalization, evident in the reduced scale of rice production with imports comprising half as much again as that produced. The 1970 census revealed that 342 000 Malay rural households had either no land or inadequate plots.²

While recognizing the political need to rectify this situation, the Alliance stopped short of land reform. Consequently the process of peasant differentiation continued after Independence and was enhanced by the penetration of capital-intensive agricultural methods of production. Agricultural support schemes intensified this process as they were access-

ible only to those who had the means to best utilize them, that is, the larger landholders.³

While it was claimed that a percentage of these landless peasants could be absorbed into the expanding urban work force, generated by the industrialization policy, the government also launched a land development scheme under the Federal Land Development Authority (FELDA) on World Bank advice and funding. However, this has not been entirely successful as it resulted in perpetual indebtedness arising from low productivity and low market prices of a limited variety of products.⁴

In Malaysia the land problem is not a simple question of land shortage, for roughly half (15.9 million acres) is officially considered appropriate for agricultural use. Of this only 6.1 million suitable acres and 1 million 'unsuitable' acres were under agricultural use in 1969.⁵ An explanation of land shortage can be sought through addressing the question of access to the land, which for the peasantry constitutes the means of agricultural production.

The contradiction arising from the class base of UMNO was that while the leaders espoused a populism which emphasized the cultural and religious aspects of their feudal relations with the peasantry, their landed interests and related policy decisions put them into class conflict with the poor peasantry. In this instance both economic and political power resided in the same authority. There was also however, the possibility of tensions arising between the representatives of the different powers residing in State and Federal bureaucracies, especially since land falls under State jurisdiction.

A consciousness of these class relations became more apparent with the penetration of capitalist relations of production into the Malay agricultural sphere, most evident among the dispossessed peasants forming burgeoning squatter colonies at the edge of big towns.⁶ Squatting was an act of survival but also a statement of protest, a demand for the right to the means of survival, viz. the land. Such political expression came into full conflict with the State since it challenged the legalism of capitalist property rights and resulted in State repression as seen by the struggles led by Hamid Tuah in the Sixties as well as those at Tasek Utara in the Seventies.⁷ For this class of peasants there was little material basis for supporting the Alliance government.

As for the non-Malay masses, a number of factors contributed to their support for the Opposition, including distrust of the Alliance, especially on the question of citizenship, language and education, and despite constitutional provision on these issues. While the initial elections suggested substantial non-Malay support of the MCA, this ignored the fact that a large

percentage of eligible voters did not even register, showing early distrust for the Alliance arrangement and the MCA in particular.⁸ Their history of repression under the Emergency contributed to this attitude, as did the early policies of the Alliance.

Crucially, the non-Malays wanted redress for their felt grievances arising from the communal strategy. Of those who experienced this most acutely were the vernacular educated, both Chinese and Tamil, the majority of whom were employed as labourers or in the informal sector.

Thus, the masses in both the Malay and non-Malay communities had a concrete basis for their disaffection, which led them to find alternative expression for their aspirations through opposition parties.

THE OPPOSITION CHALLENGE

An examination of opposition parties in 1960 reveals that they were a critical factor in enhancing Alliance insecurity, especially after the 1959 General Election. In terms of Parliamentary seats the Alliance retained a diminished, but nonetheless dominant position (74 out of 104 as compared to 51 out of 52 seats in 1955). However, this hid the fact that their voter support had declined from 79.6 per cent in 1955 to only 51.5 per cent of the total. The fact that half the electorate had rejected the Alliance and had opted for opposition parties was clearly cause for concern.⁹

The reasons for this decline are complex. One factor was the changed composition of constituencies. There is no doubt that there had been an increase of non-Malay participation both as eligible voters (over 21 years of age) and representation as candidates, particularly in the urban areas.¹⁰

A second factor, common to many newly independent governments, is that the mass support enjoyed by the Alliance prior to Independence was very much linked to the prospect of Independence itself. Two years of Alliance rule had revealed their sectional class interests and therefore their limitations had led to a range of unfulfilled expectations and thus expression of dissent by the masses.

A third reason was that opposition parties were a new force to be reckoned with after Independence. They were then able to provide a considerably strong, if divergent, alternative.

One apparent distinction between the six emergent opposition parties was whether or not they had a multi-racial or a communal perspective. In composition they tended to have an ethnic bias, but as we shall see, whether this stemmed from party policy or from the social consequences of colonial history depended on their ideology. The objective of these

parties included at one end of the scale the vision of an Islamic State and at the other a Socialist one, but they each in their own way challenged the Alliance at its most vulnerable points.

Among the Malays, the groundswell of peasant discontent arising from the land question found expression politically. Of the Malay-based opposition parties, the Pan-Malayan Islamic Party, (PMIP) was the most powerful, especially in their northern strongholds of Kelantan and Trengganu. In the 1959 election they dealt UMNO a decisive regional defeat, gaining control of these States by winning 13 Parliamentary seats and 21 per cent of the vote.¹¹

Like UMNO, PMIP was a mono-ethnic party but rooted in a very different socio-economic base and ideology. Similarities included their concern for Islam and a nationalist perspective, but closer analysis reveals the perspective on these issues to be widely divergent in important respects.

UMNO had emerged from a variety of conservative Malay associations which had come together in opposition to the Malayan Union proposals in 1946. Its aristocratic leadership saw their political function as the perpetuation of tradition, but within a British secular political system. Islam within UMNO was made the concern of Islamic Councils under an Islamic Affairs department but the notion of an Islamic State had been firmly rejected from the start.¹²

A staunch Malay nationalism was central to UMNO ideology, despite the organization's pragmatic collaboration with non-Malay parties. This was illustrated by the attitude of UMNO leaders on the question of citizenship. For example, Tun Razak rejected the proposition that nationality be made the basis of citizenship. And at the end of the Sixties, Tunku Abdul Rahman, often portrayed as relatively moderate on this question because of his close association with Chinese business, also asserted that 'Malaysia is a Malay country'.¹³

PAS on the other hand, had evolved from a combination of pre-war Socialist Malay groups as well as Islamic reformists. Its leaders had generally had an Islamic tertiary education in either the Middle East or Indonesia. There, they had been exposed to a radical style of politics as well as a modernist interpretation of Islam. Their policy followed the reformist Islamic teachings while their economic policy was vaguely socialist within an Islamic framework.¹⁴

Unlike UMNO, PAS leaders were strongly anti-colonial, their foreign links being with neighbouring Islamic countries rather than Europe. This different focus was reflected in their policy on language. While PAS saw Malay as a unifying force, UMNO leaders maintained a dual policy

reflecting their own English-medium background and links with western interests.

What PAS offered the electorate was an intensely ideological perspective containing both spiritual and practical economic elements, with which the disillusioned rural Malays could sympathize.

Another intra-Malay challenge emerged from the *Parti Rakyat*. This party espoused an anti-imperialist, socialist ideology in which nationalization was a central tenet and it fought for all the poor regardless of their economic means of survival. Ahmad Boestaman was the leader and inspiration of this party, which he formed in 1955 upon his release from seven years detention under the Emergency Act.¹⁵

However, *Parti Rakyat* failed to obtain a large following. Despite Boestaman's considerable personal appeal to a small group of young Malays, he was unable to attract educated Malay professionals, partly because of their civil service employment, through which they tended to have strong connections with UMNO.¹⁶ In August 1957 the *Parti Rakyat* joined forces with the Labour Party in the Socialist Front (SF) in order to jointly extend their support and influence. Together, they provided a multi-racial force and philosophy, but within the communal environment of Malaysia this was difficult to sustain.

Of the parties which were principally though not exclusively non-Malay in composition, the largest was the Labour Party. Initially the formation of the Labour Party had been promoted by the British amongst the English-educated professionals of Penang, Melaka and Selangor. Ideologically non-communal, the party was formally inaugurated on 15th May 1951 with the introduction of local elections. Its first policy statement espoused democratic socialism, which included a condemnation of communism and only after 1954 did it take an anti-imperialist direction. However, the party did badly in the first 1955 elections, chiefly because it still lacked mass support.

After Independence the Labour Party became more overtly concerned with non-Malay issues for two reasons. First of all, it had joined the *Parti Rakyat* in the Socialist Front and thus tended to assume they would take up Malay issues on behalf of the Front. Secondly there was an influx of Chinese-educated activists into the Labour Party in 1958/59 as a result of those Alliance policies perceived as discriminatory.¹⁷

The Opposition collectively obtained about half the votes in the General Elections of 1959. The SF managed to obtain eight parliamentary seats, the PMIP thirteen and the Perak based Peoples Progressive Party (PPP) four. Together with a few other opposition seats won by independents and smaller parties they presented a substantial challenge to the Alliance.

The elections were followed by a dramatic increase in the number of Labour Party members and branches. For example, Johore had 14 branches in 1959 but this had grown to 57 by 1960. Nationally, there were eight central offices and 182 branches by 1960.¹⁸ Such fast growth indicated the seriousness of the political challenge. A further indication of Socialist Front popularity was their increasing representation on local councils, so much so that the Alliance suspended local government elections in 1965.¹⁹

This trend clearly worried the Alliance for the SF was presenting the electorate with a multiracial coalition which was able to challenge the government on the grounds which the Alliance rested for its support, that is, its multi-racial communal representation. Ideologically the SF were much more nationalist than the Alliance in their anti-imperialist stand and their egalitarian socialist perspective. They were not afraid to raise the felt grievances of the non-Malay communities as well as those of the Malay community, particularly the peasantry and urban workers.

RAISING THE COMMUNIST BOGEY

In the face of this electoral challenge, the Alliance was prompted to once again raise the 'communist bogey' in order to justify preventive detention.

In dealing with workers' militancy, the Alliance used other tactics, including co-optation of union leaders. With this objective in mind, the National Union of Plantation Workers (NUPW) was created in 1954. This became apparent in 1956 when a collective agreement between planters and the NUPW tied wages to falling rubber prices. New workers' organizations emerged to question such collusion and NUPW dominance, but not without difficulty. For example, the Pan Malaysian Chinese Rubber Workers Union (PMCRWU), was initiated by the Labour Party (Seremban) but despite having a membership of 10 000 and a multi-racial policy, it was refused registration. The activism of the 1960s centred around such unions as the United Malayan Estate Workers Union (UMEWU) which took up the numerous issues ignored by the NUPW. In fact rubber estate strikes comprised 90 of the 103 held in 1968.²⁰

The reaction of the authorities to these issues is illustrated by a dispute in 1966 in which 80 per cent of the workers in Bukit Asahan rubber estate were members of UMEWU. A month long protest over mass retrenchments, supported by the Socialist Front, was subjected to police brutality, intimidation, deregistration and serial arrests. At first 58 and then 35 were arrested under the ISA, including the lawyer MP representing them,

Karam Singh. Further protests finally resulted in the intervention of the Prime Minister and the reinstatement of the retrenched workers. The authorities followed up with the ISA arrest of Opposition party activists, including the branch leader of Parti Rakyat, Lim Joo and SN Rajah, as well as UMEWU officials.²¹

The growing strength of the Socialist Front was a factor in trade union revival. Thus while it may be argued that the state of trade unions in 1960 was insufficient reason in itself for legislating the ISA, the Alliance fear of the potential threat posed by such a multi-racial class-based organization was a more likely rationale. Strong trade unions, after all, had been one of the main reasons for launching the Emergency in the first place.

As if to remind the Opposition of the forthcoming ISA legislation, an arrest was made on the very last day of the Emergency Regulations, that of a Labour Party branch secretary, Wu Ein, at Tangkak, Johore.²² As Tun Razak, the then Home Affairs Minister, had reasoned, the continuation of the Emergency Act as the ISA, meant that those detained earlier need not necessarily be released with the celebrated ending of the Emergency.²³

The government claimed that the CPM were using new tactics and that the arrest of large numbers of SF members was actually to help the opposition parties purge their organizations of communist elements. Thus by a twist of logic, the Alliance claimed they were serving democracy by such detentions.²⁴

The evidence sharply contradicts these government claims. First of all, there is great difficulty in obtaining accurate data of these arrests, which in itself reflects the secrecy with which they were (and still are) being carried out. The number of detentions cited in press reports falls far short of the official figures, figures which were released only occasionally.²⁵

The maintenance of a secret police force in 'peacetime' itself raised the question of their function in a parliamentary democracy. Their interrogation methods could not be classified as a justifiable means of inquiry, especially in the initial sixty days of solitary confinement. Without any need for public accountability, both physical and psychological means were to become standard treatment for legitimate, non-violent political opponents.²⁶

From 1960 onwards, there were frequent arrests of individuals, sometimes 10 to 20 at a time in large scale operations, for example at Brickfields, involving 300 police. The first mass arrest was in November 1960, and was followed by others in late 1961 and 1962. By the end of 1960, at least 28 detentions had been made while the first official figure in August 1961 was of 108 ISA cases, 67 detained under the Emergency Regulations and 42 releases.²⁷

The arrests involved raids on opposition party offices and included a high proportion of elected Socialist Front representatives and members. Others detained were trade unionists together with students and teachers of Chinese schools.

This mix was representative of detainees over the subsequent two years. While the majority of them were Chinese and Indian, some were Malay, starting in 1960 with the arrest of a Malay farmers' leader, Hamid Tuah. He had been rearrested and sentenced to five years' detention on a charge of leading Malay farmers in Sabak Bernam, Selangor, to occupy some land. Such a case and the severity of the sentence showed that the enemy, as perceived by the Alliance, was not communism but any democratic demands from the organization of workers or peasantry.²⁸ The majority of arrests at this time were however, characterized by their brief duration, many lasting approximately one month or less, which undermined the claim that the detainees were a national security threat. The ISA contains a two month solitary confinement and interrogation period under section 73, followed by a two-year order for 'rehabilitation' under Section 8 of the Act. Therefore, the short detention of many, especially political party representatives, implied that either the system was extremely efficient in 'rehabilitating' them or that in fact they had never been a threat to national security in the first place.

What the detentions did achieve was a steady erosion of the politically active and dynamic leadership of the Socialist Front. The charge that this was Alliance design was constantly denied by the claim that arrests were made because of individual communist or subversive activities, rather than for political party, or trade union involvement. But upon release, it was invariably the ex-detainees' party or union activities which were restricted.²⁹

The depletion of opposition party leaders was accomplished by the imposition of severe restrictions on post-detention freedoms. Typically, ex-detainees were confined to the vicinity of their homes, especially at night. They were prohibited from meeting other ex-detainees and from participating in political or trade union activities, including standing for elections. As a rider, a heavy financial constraint was added in the form of surety on the release conditions.³⁰

Short detentions also served as a threat and intimidation to the population at large. This was evident in the mass arrest of 20 Socialist Front activists in 1960 and then 25 students and teachers in November 1961. In the latter case, seven were released immediately after interrogation, and another eight in less than a month. The very fact that such a mass arrest occurred almost annually in the Sixties served to emphasize the way in

which certain individuals were harassed so as to maximize the 'ripple' effect on the community.³¹

This strategy of attrition meant that community leaders were 'neutralized' in a way which could have a more immediate negative influence on the community than by allowing them the martyrdom that might arise from long term detention. We see these techniques applied throughout the early Sixties, thus giving credence to the opposition allegation that the detentions were aimed at thwarting the opposition challenge within the electoral process.

Further support for this view was provided by the electoral boundary redelineation exercise in 1962/63 designed to optimize the electoral success of the Alliance in the 1964 elections.³²

The authoritarianism of the newly independent Malayan State can be said to have arisen as a form of protection. We have seen how the ruling Alliance coalition was not assured of mass support as it rested on an economy which was still heavily dependent on foreign, especially Western capital and required maintenance of the rate of exploitation and therefore suppression of the peasantry and working class. Authoritarian mechanisms served the dual purpose of effecting this exploitation as well as protecting the power and economic base of the Alliance.

Popular resistance to authoritarianism was displayed not only through opposition parties but also in a number of other ways, reflecting the specific focus of expression. For example, protest from the dispossessed Malay peasantry took the form of squatting, a blatant challenge to the ruling class to recognize their right to land, their sole means of production. This in turn was initially met with long term detention of squatters' leaders, such as Hamid Tuah. But this strategy was counter-productive for the Alliance, in that it revealed the class base of their political power to a group which was essential for their survival on a communal basis.

As for repressive legislation, especially the catch-all Internal Security Act (1960) itself, opposition parties continued to protest strongly both inside and outside parliament, especially in the Chinese press. They called for its abolition and the freeing of all detained under the Emergency Act.³³ The president of the Labour Party, Ishak Mohamed, alleged that without the Emergency Act, Independence would not have been granted so quickly.³⁴ It was for this reason that the Labour Party had refused to attend the Independence (Merdeka) celebrations. Nonetheless, the Alliance charged them with being unpatriotic, pro-communist and anti-national.

Other protests against the new legislation included a hunger strike for freedom and human rights in a number of detention camps.³⁵ In Singapore,

the Public Security Act was extended by five years and a number of young activists were exiled to China. There, following the approval of their own ISA, 800 to 900 had been arrested annually in order to suppress a very active and vocal working class movement.³⁶ On this point, we see that the Malayan Government developed a habit of imitating their Singapore counterpart, especially in the field of national security.

But working class resistance was not only expressed through workplace issues, repression of cultural rights by the Alliance government also met strong resistance.³⁷ Restrictions on the educational and language rights of the non-Malays on assimilationist grounds proved to be more difficult than the Alliance anticipated. In order to register their protest, Chinese-educated members swelled the ranks of the Labour Party, changing its character and providing it with a mass base. On this issue, the question of eligibility of schools for government assistance was linked to the imposition of Malay and English as the sole languages of instruction. It was not long before opposition to this perspective was described as anti-national, and a short step then to being seen as a threat to the stability of the country and hence the basis for detention without trial.

The Chinese community, in defence of mother tongue education, thus had no choice but to challenge the government on this issue because of the perceived denial of their constitutional rights to mother-tongue education. On language, what the non-Malay communities were asking for was exemplified by the Labour Party of Johore which asserted that the growth of all languages and cultures should be preserved and sustained with 'equality and impartiality'.³⁸

The stance taken by the Alliance government towards Chinese education can be seen in the 1962 amendment to the ISA. In this, two important provisions were made. The first, hitherto contained in the Education Act 1961, was the power to order the immediate closure of a school if found to be used for unlawful purposes. The second conferred a new power on the Home Minister to veto the appointment of anyone considered to be prejudicial to the security of the nation.³⁹

In both instances, assurances were given that these powers would not be used on purely political grounds. However, the Parliamentary debate itself revealed the political intent of such legislation.⁴⁰ The Opposition charged that the power of veto was a dictatorial power to victimize and that transference of the other clause from the Education Act (1961) into the ISA was highly suspect and sinister while controversy over the Rahman Talib report remained unresolved.

The Home Minister failed to give reasoned arguments to support the Bill but instead retaliated with the standard retort that the Socialist Front

was infiltrated by communists. With their two-thirds majority in the House they were always confident that any Bill would be passed.

But as with the Citizenship Act passed in that year the ill-feeling created among the non-Malay communities was considerable.⁴¹ Both Acts were divisive in effect and the speed with which they were enacted showed the deliberate intent involved.

OPPOSITION TO THE CREATION OF MALAYSIA

In 1963, when the Alliance wanted to create a greater Malaysia comprising Singapore, Sabah and Sarawak, they were faced with opposition throughout the region. To this, the State again responded by restricting civil liberties and making mass arrests. Thus, not only was the ISA employed as a strategy to weaken opposition electoral strength in the impending elections of 1964, it was also utilized to ensure that the creation of 'Malaysia' would proceed, with or without popular consent.

The proposal for a larger Federation arose in the early Sixties at a time of increasingly vocal demands for independence by Singapore and the North Bornean states of Sarawak, Brunei and Sabah. From the colonial point of view, a merger between them was seen as an attractive solution to both political and economic questions in the region. Politically it would create a communal balance between the predominantly Chinese population of Singapore and the local ethnic groups of North Borneo. Economically, such a solution would facilitate access to the huge oil and timber reserves of Borneo. The larger communal formula was more acceptable to the Malay elite, who would never have agreed to a bilateral merger with the large Chinese population in Singapore.⁴²

In Singapore the PAP was equally keen to join this larger Federation. Premier Lee Kuan Yew had, with British patronage, succeeded in claiming political leadership and out-manoeuvring the popular left-wing labour movement within the PAP. Once in power he quickly gained control over the labour movement and tightened internal security. Consequently, 70 per cent of PAP rank and file members left the party to join the Socialist Front.⁴³ Deprived of its mass base the PAP resorted to the authoritarian use of executive powers to imprison political activists opposed to the merger plan. In February 1963, 'Operation Coldstore' was launched in which more than 100 opposition leaders, including the Secretary-General of the Singapore SF, Lim Chin Siong, students and unionists were detained on the grounds that they were plotting a revolt with the Brunei

opposition leader Azahari. Fourteen of those arrested were Federal Territory citizens and were sent back to Malaya.⁴⁴

In the subsequent opposition vacuum, the PAP lost no time bringing forward the general elections to September 1963 in order to coincide with the commencement of the merger. Despite their advantage, the PAP only managed to win by a narrow margin of 10 per cent.⁴⁵ In North Borneo, equally scant regard was paid to the wishes of the people. In Sarawak, opposition to the merger from the main opposition party, The Sarawak United Peoples Party (SUPP) was expressed in large demonstrations but these were swiftly dealt with through the detention of at least 1000 people just before the proclamation of the merger and before a UN fact-finding mission had concluded its work.⁴⁶

In Brunei, Parti Rakyat, which had won 90 per cent of the 62 elective seats, called instead for a Federation of North Borneo States. When the Legislative Council disqualified this motion knowing that it would have been widely accepted, the Parti Rakyat went underground and, under the leadership of Azahari, launched an armed uprising with nearly 10 000 supporters. The revolt was brutally suppressed by British troops: 3694 people were arrested and although 1494 were subsequently released, a number of detainees were to become some of the longest serving political prisoners in the world.⁴⁷ The stated objective was to prevent unrest and regain the people's confidence.

In Malaya, five opposition parties jointly protested against the Brunei suppression. These included PMIP, Parti Negara, Socialist Front and the United Democratic Party (UDP). They charged the Alliance Government with having caused the militant uprising in Brunei and Sarawak.⁴⁸ At a public rally of opposition parties in Kuala Lumpur, a broad range of leaders questioned the formation of Malaysia. They included Abdul Aziz, ex-Agricultural Minister, Baharuddin of Parti Islam Se-Malaysia (PAS, that is, the reformed PMIP), Baba Rudek, an UMNO rebel, and Lim Chong Eu of the UDP. Ishak of the Labour Party alleged that members had been detained because of their anti-merger stand and urged the government not to detain politicians without valid reason. Warnings were also made of the danger of latent communalism inherent in the merger formula.⁴⁹

Alliance fears of debate on the issue were shown in their arrest of Ahmad Boestaman, the leader of the Parti Rakyat. He was the first Member of Parliament to be detained under the ISA. Mimicking Singapore's action, a mass arrest of opposition leaders decimated the Central Executive Committee of Parti Rakyat, leaving just two members. Labour Party offices were raided for documents. The official rationale for

such detentions was 'their communist and trade union activities', allegations which were given legitimacy by being published in detail in a Government White Paper.⁵⁰

At the same time opposition attempts to hold public rallies to condemn the detentions were thwarted by denial of the required police permits. The Socialist Front urged the government to release Boestaman, party branches expressed their objection to the arrests and launched a petition in early March 1963.⁵¹

A Parliamentary motion by SF Member of Parliament, Karam Singh, to debate the detention of Ahmad Boestaman was rejected in what had become a recurring intransigence on the part of the ruling coalition.⁵² Interestingly, one of those involved in drafting the Constitution, Pakistan Chief Justice Hamid, commented on the use of the ISA in April 1963 by saying that while parliamentary democracy in Malaysia was a good thing, detention without trial was not. It was, in his view unconstitutional and justified only in times of emergency.⁵³

But the authoritarian method of 'preventive detention' had paid off. 'Malaysia', without Brunei, was declared on 1 September 1963, enabling Western interests to maintain an economic and military foothold in the region. The particular arrangement was short-lived however, rent apart by the communalist politics of both the PAP and the Alliance. When the Alliance Formula was threatened by PAP ambitions in the peninsular, Singapore was abruptly expelled in August 1965, after less than two years in the Federation.

Throughout 1963, ISA arrests continued. Another issue which coincided with the 'Malaysia' question was Confrontation with Indonesia, which lasted from 1963 to 1965. A pro-Indonesian position became another basis for detention without trial. In December 1963, 37 people were arrested in Singapore, Johore, Selangor and Kelantan, allegedly guilty of conspiracy with Indonesia.⁵⁴

In early 1964, an example of the lengths to which the government would go to silence elected representatives was provided by the case of Labour Party MP, Lim Chook Tong. He was deprived of his citizenship by the High Court and then banished from the country. Born and raised in Malaya, he had been detained for two previous years. The Socialist Front appealed to the Government to retract their decision, but to no avail.⁵⁵

As the next general election drew closer, the net was cast wider in an attempt to minimize the opposition electoral challenge. On 5 February 1964, five PAS members were arrested. Zulkifly of PAS protested at the

underhand tactics of the Alliance in arresting two potential candidates of the opposition among four party members detained. A public rally was held which appealed to the Government to abolish the ISA and release the detainees or else charge them in court.⁵⁶ With the approaching general elections, it was announced in early March 1964 that four detained opposition leaders were to be nominated as contestants, Boestaman, Sophie Atis, Nik Abdullah and Haji Hassan.

Further limits were imposed by the need for police permission to hold any form of meeting, in the rejection of publication rights for opposition parties (for example, the SF newsletter) and in the political authority effected to control the mass media. Through the media the Alliance was able to criticize the opposition without any opportunity for redress. On 9 April 1964, four Socialist Front members were arrested in Penang. That a flimsy basis was sufficient rationale for an ISA detention was seen when two SF branch secretaries were arrested, one of whom, Liew Kok Seng, had accused the MCA of being corrupt and inefficient.⁵⁷ The other secretary from Salak South was an influential campaigner. Her detention was therefore a blow to the SF's election chances. While Tunku Abdul Rahman said that every arrest was scrutinized by the Cabinet before it was made, Opposition MP, Tan Chee Koon said it was evident that the arrests were to deter the Socialist Front election campaign.⁵⁸

Another victim was Socialist Front president of Ulu Belenglong, Negri Sembilan, Mr Lee Yew Lai, a longstanding active member. Once again the SF alleged that the purpose of such an arrest was to discourage supporters and called on the Alliance to charge all ISA detainees in open court.⁵⁹ It was clear by then that the Tunku's claim to scrutinize all ISA cases in the cabinet was difficult to sustain since, over that period of arrests, the numbers were considerable. Even more unjustified was the deportation of Lim Chok Tong after his release from detention under the ISA.⁶⁰

Not surprisingly, the Socialist Front performed very poorly compared to the 1959 general elections. Seven State seats were won out of 167 contested, whereas in 1959 they had won 16 out of 124. At Parliamentary level, they only obtained 2 seats out of 63 in 1964 compared to 8 out of 38 in 1959. In terms of the total vote, the SF polled 16.2 per cent as against 9.7 per cent in 1959 (see Table 4.1).

As the post-colonial state became more established, the pattern of political detentions was repeated and the process of repression fine-tuned. If the ISA had proven valuable to the State in the initial stages of Independence, it was to form part of a highly sophisticated apparatus of controlled parliamentary democracy.

Table 4.1 General election results, Peninsula Malaysia, 1959-1969

Parties	1959			1964			1969		
	(P)	(S)	(%)	(P)	(S)	(%)	(P)	(S)	(%)
Alliance Total	74	206	55.5	89	241	57.6	66	162	47.9
UMNO	52	140	37.0	59	164	37.7	51	133	33.5
MCA	19	59	16.3	27	67	17.4	13	26	12.7
MIC	3	7	2.3	3	10	2.5	2	3	1.7
Opposition	30	76	44.5	15	41	42.4	37	115	52.1
PAS	13	43	20.8	9	25	15.3	12	40	22.8
DAP	-	-	-	1	-	0.9	13	31	11.8
Gerakan	-	-	-	-	-	-	8	26	8.8
Others*	17	33	23.7	5	16	26.2	4	18	8.7
Total	104	282	100	104	282	100	103	277	100

Notes: P - Parliament S - State

% - Percentage of total votes polled

Seat won by DAP in 1964 contested by PAP

1969, parliamentary election in one constituency postponed

*'Others' includes the Socialist Front from 1959 and 1964

Source: Vasil, 1972: 73, 85

CRISIS OF THE POWER BLOC, 1969

The foregoing sections provide the political economic background for the '13 May Crisis' in 1969 when the fragility of the Alliance structure was exposed.

The younger urban middle class Malays felt no obligation towards the Alliance arrangement and found Malay chauvinism a ready vehicle for their frustrations. It could be said that neglect of both the peasantry and the urban middle class Malays was a central factor in fueling communalism to the point of explosion. It might also be argued that the race riots of 1969 provided the resolution of the contradictions within UMNO by deflecting from the issues which could have split the Malay community asunder, a possibility which could not be countenanced.

Politically, the Alliance had failed to develop its populist ideology beyond feudal communalism linked to a weak nationalism, and was limited by its own bargaining structure. Despite policies to appease the Malays, especially in the field of language and education, it was also clear that the leadership was unable to create a national vision of the future in concrete terms. It was unable to see the need to disentangle from depen-

dence on foreign capital and failed to take seriously the aspirations of the various disgruntled sectors of Malaysians.

Among the opposition parties, the Labour Party decided in 1969 to withdraw from constitutional politics after its experience of detentions and State harassment. At the same time, the Democratic Action Party (DAP) emerged in 1965 espousing egalitarian policies and cultural pluralism. Its stated objective was:

...the creation of a free democratic and socialist Malaysia, based on the principles of racial equality and social and economic justice, founded on the institutions of parliamentary democracy.⁶¹

The Progressive Peoples Party (PPP) also attracted mainly non-Malay voters, chiefly Chinese, but was largely confined to Perak. Parti Gerakan Rakyat (The Malaysian Peoples Movement) was a social reform party formed by opposition leaders and intellectuals based in Penang and again supported largely by non-Malays.

Despite the different political perspectives reflected in these opposition parties, they were all able to form an electoral pact to ensure that the opposition vote was not split.

In the 1969 election and for the first time since Independence, the Alliance Formula was dealt a decisive blow: UMNO lost 17 parliamentary seats, mainly to PIMP; MCA lost 20 seats, winning only 13, and those were in primarily Malay constituencies, indicating a serious loss of non-Malay votes, the very people the party claimed to represent. The MIC obtained only two of three seats allocated. At the state level, the Alliance lost control of Penang, Kelantan, Perak and had just over half the seats in Trengganu with the Selangor State Assembly hanging in the balance. In seven out of the 13 states the Alliance obtained less than 50 per cent of the vote.⁶²

After the results were announced, the opposition parties (DAP and Gerakan) held a series of victory rallies in Kuala Lumpur on 11 and 12 May. For the first time, the Alliance had been denied its two-thirds parliamentary majority in the Peninsular. On 13 May, in response to the opposition rallies, the Chief Minister of Selangor, Harun bin Haji Idris called for a pro-government demonstration and show of force. Malay politicians addressed the crowd which quickly assembled and claimed that Malay supremacy in government was being challenged by infidels and that they needed to teach the Chinese a lesson.⁶³

This ignited two days of unprecedented communal riots. The situation was exacerbated by the presence of Malay army units, trained to suppress communists who were largely Chinese but untrained in the need for

impartiality in restoring civil order. The violence resulted in an extensive loss of life and property. Official figures cited 6000 residents, 90 per cent Chinese, made homeless and 178 people killed. Other sources claimed much higher figures.⁶⁴

The Tunku initially apportioned blame to the opposition parties, citing their 'victory marches' as the catalyst. Blame then shifted to the communists, but this was discounted by Tun Dr Ismail, the previous Home Minister:

Everybody thought that the communists were responsible for the disturbances. Later we found that the communists were just as surprised as we were.⁶⁵

Another analysis suggests that the riots were the result of aggressive Malay communalism in which the police and army played a significant role (being predominantly Malay) on the side of the Malays.⁶⁶

A State of Emergency was quickly imposed over Selangor and Kuala Lumpur. The Constitution and Parliament were suspended and the elections scheduled for Sabah and Sarawak later in May were postponed indefinitely. Tunku Abdul Rahman remained as Prime Minister but administrative functions were assumed by the National Operations Council (NOC) headed by Tun Abdul Razak bin Hussein, and consisting of military, police and public service heads as well as three politicians.⁶⁷

Meanwhile, militant Malay elements within UMNO demanded Tunku Abdul Rahman's resignation. A widely circulated letter written by then UMNO backbencher (and present Prime Minister) Dr Mahathir Mohamad blamed him for:

giving the Chinese what they demand. ... The Malays have run amok, killing those they hate because you have given them too much face.⁶⁸

This militant faction of UMNO held mass demonstrations with students from the University of Malay, MARA and the Islamic College calling for the Tunku's resignation and the need for 'Malay Sovereignty'.⁶⁹

However their action was not sanctioned by Tun Razak, who in support of the Tunku disciplined the errant UMNO members by expelling them. Tun Dr Ismail publicly announced the rationale for the expulsion of Dr Mahathir and Musa Hitam, former Executive Secretary of UMNO:

These ultras believe in the wild and fantastic theory of absolute domination by one race over the other communities, regardless of the Constitution I will not hesitate to use my powers under the law against those responsible.⁷⁰

While the NOC appeared to purge UMNO of Malay racial extremists, it also sought to balance the political equation by launching a prolonged attack on the opposition parties. When the riots broke out, the Secretary General of the DAP, Lim Kit Siang was in Sabah but was expelled for criticizing Tun Mustapha's dictatorial rule there. On his return to Kuala Lumpur and despite press statements to indicate the willingness of the DAP to help restore order and calm in the country, he was arrested and detained under the ISA.

There were attempts to implicate Lim Kit Siang in the 13 May riots, but in the end the allegations related only to his speeches over the previous three years. The newly elected DAP members of Parliament and State Assemblymen protested in a joint letter to the Prime Minister and called for the restoration of Parliamentary democracy:

If Mr Lim must suffer incarceration then the Government should arrest all of us, elected Members of Parliament and the various State Assemblies for the reason that we all collectively profess the very same political and ideological beliefs as Mr Lim.⁷¹

At least two other Opposition leaders were detained, political party publications were banned and the press strictly censored. There was a pressing demand to return to the Parliamentary process not only from the opposition but also from the 'Old Guard' in UMNO.

The East Malaysian Elections were subsequently held, and by a slim majority the Alliance succeeded in getting its much sought after two-thirds majority. The people of East Malaysia had been warned that failure to return the Alliance meant there could be no return to parliamentary democracy. The State of Emergency continued until February 1971.

Thus Malaysians had the terms of their democracy spelt out, namely, electoral victory for the opposition would result in chaos and communal violence as the 1969 elections had demonstrated; therefore, in order to ensure stability and calm the Alliance had to be returned to power. This threat has hung over Malaysian politics ever since, including the general elections of 1990.⁷²

5 Restructuring the State and Society

Our focus in this chapter is on the emergence of a coherent authoritarian-populism after 1969. Analysts like O'Donnell have suggested that the particular dislocation out of which authoritarian populism arises is that between national super-structural phenomena and international productive capital as well as a threat from labour.¹

The post-1969 political economic developments certainly contained features of this interpretation but there were differences arising from the historical specificity in the Malaysian case. First, the crisis in UMNO can be said to have arisen from the tensions between 'traditional' and 'modern' class fractions, the former adhering to a neo-classical theory of development and free market forces with little state intervention, the latter clamouring for capital restructuring through a highly interventionist state.

In Malaysia the motive for economic reform was not purely that of the national macro-economy, which since independence had obtained an average GNP of 7.8 per cent per annum, demonstrating its success in attaining economic growth, despite a heavy dependency on foreign capital. It may be argued that the dislocation in the Malaysian case did not arise from nationalist versus internationalist capital accumulation per se but rather from the late political demands of a nascent Malay bourgeoisie which felt excluded from the economic process, up until then largely in the hands of non-Malay and foreign capital.

The ideological rationale for the economic ascendancy of the Malay bourgeoisie was to be found in the 'Malay Special Rights' provisions established in the Constitution, but given greater legitimacy after the 1969 racial riots.²

These formalized 'Malay Special Rights' provided the underpinning for a populism which developed coherence through the 1969 emergency government of the National Operations Council. This chapter attempts to trace the means by which this ideology was employed by the nascent Malay bourgeoisie in the implementation of their class project of establishing an economic base through state intervention.

As for the challenge from labour, we have seen how economic dependency was accompanied by a highly repressive state apparatus, which originated in the repression of earlier working class demands. Growth had resulted in exacerbating economic inequalities, especially among the

peasantry. In 1969, rural Malay demands had been expressed in political disaffection, with urban discontent framed into communal antagonism.

THE 1969 CRISIS AND THE NATIONAL OPERATIONS COUNCIL

The state of Emergency which was declared following the 1969 riots provided a critical incubation period for authoritarian populism, the State's attempt to re-establish hegemonic control and provide the mechanism for the reconstruction of capital, and thus social class.

The suspension of the Constitution and Parliament for nearly two years during the NOC could be interpreted as a reluctance by the Alliance to accept the 1969 general election results, which did not accord them political hegemony. It perhaps also indicated the depth of crisis within UMNO which required resolution in order to reassert that hegemony. The state of Emergency was officially justified on the grounds that there was a possibility of communal feelings being further heightened. In the short run that had very clear validity but it also had implications for the long term status of democracy.

The NOC, which ruled the country during the 1969-71 period, provided the mechanism for establishing these preconditions. The Council comprised the heads of police, armed forces, the public service, the foreign service, the three political leaders representing the Alliance component parties and headed by Deputy Prime Minister, Tun Abdul Razak bin Hussein.³ While the opposition parties had expressed their concern to assist in the reconstruction process, they were denied any representation.⁴

It has been suggested that this council represented a coup of sorts by Deputy Prime Minister, Tun Abdul Razak, Ghazali Shafie and Tun Dr Ismail, the latter two having both been Home Ministers. The Alliance formula was accorded little credibility in this arrangement, with only one Chinese and one Indian out of a total of nine members.⁵

Security was their initial preoccupation. The riots were followed by the arrest of an estimated 7500 people, 6500 of whom were released the following month.⁶ The police and army maintained a high profile for some weeks and by 1970 their capacity had been increased by five and four battalions respectively.⁷

A number of proscriptions were also introduced. Political activities were banned in June and government employees prohibited from participating in the MTUC (Malaysian Trades Union Congress) from October 1969, which decimated their membership by 50 per cent. Trade unions had their role narrowly defined, and were excluded from raising issues

such as dismissals, lay-offs, retrenchments, promotions, transfers and taking any form of industrial action.⁸

Strict control over the media was accomplished through the setting up of an Information Control Centre and the granting of wide powers of censorship to the Ministry of Home Affairs. Through these means, information to the press was vetted. Meanwhile many foreign publications, including *Time*, *Newsweek* and the *Far Eastern Economic Review* were banned because of their coverage of the situation, which tended to question the role of the government in catalyzing the riots, both directly and indirectly. Controls over broadcasting were similarly tightened.

A measure which was to be of tremendous significance in the later implementation of restructuring policy was initiated as a range of restrictions placed on public debate of 'sensitive issues', chiefly those:

... which might arouse racial emotion, in respect of Malay, the National Language, the special position of Malays, citizenship rights and the sovereignty of Malay rulers.⁹

This prohibition was formalized into an amendment to the Sedition Act in August 1970, making it an offence to raise these questions in public and in its final form (1971) even proscribed their discussion in Parliament. Such legislation narrowed the scope of democracy by limiting the range of issues which were recognized as the legitimate basis for debate. Mediations on key issues were thus blocked in anticipation of the criticism arising from the implementation of communally-defined policies in a multi-cultural nation.

Another provision was to have enormous implications for the scope of state recognition of obligations and rights in educational provision. For the first time the scope of Article 153 on Malay Special Rights was enlarged to grant the King power to impose quotas for bumiputra participation in tertiary educational institutions.¹⁰

One commentator had this to say of these measures:

It is something of a paradox that without these Constitutional amendments there could have been no restoration of parliament in Malaysia, but these same amendments stand as proof that democracy has not been restored in Malaysia.¹¹

These assurances were reinforced by the formation of 'Goodwill Committees' and through the establishment, in early 1970, of a National Consultative Committee (NCC), in which the members were said to be representative of the main social and political organizations.¹² However, there were severe flaws in the NCC as a mechanism of communal consen-

sus. All representatives were appointed, with 15 from government and six from opposition parties. Opposition representation was undermined as the government refused to release the detained DAP Secretary-General, resulting in a boycott by the main opposition party. Similarly, Parti Rakyat refused to participate. Two other state assemblymen, from the Parti Rakyat, were under detention too. Roughly half the NCC appointees were bureaucrats, but there was a fairly proportional distribution of ethnic groups, 30 Malays, 17 Chinese, 7 Indians and 11 others.¹³

In addition, all discussion was held in camera, the chief purpose of which was to ratify the constitutional amendments and other legislation formulated by the NOC. The NCC functioned as a substitute for parliament, but one in which there were no elected representatives and from which there is no record of a dissenting vote. Former Finance Minister Tan Siew Sin was asked to head a Capital Investment Committee, instituted to revise existing economic policy. However, the bulk of the committee consisted of bureaucrats and three Malay Cabinet Ministers.

Meanwhile Malay dominance was justified, it was argued, by the nature of the 1957 'bargain', between non-Malay rights and citizenship, granted on the understanding that Malay political dominance would prevail. The debate within the NOC, behind closed doors, resulted in a shift towards this logic, expressed by Tun Razak in September 1970:

This government is based on UMNO and I surrender its responsibility to UMNO in order that UMNO shall determine its form – the government must follow the wishes and desires of UMNO – and it must implement policies which are determined by UMNO.¹⁴

Resting on this assertion of Malay indigenous and therefore dominant position, the chief antagonism was seen to be with the local non-Malay bourgeoisie, distinguishable by their different ethnicity. Foreign capital, was rather less visible although the local economy was heavily dependent on it. Gone was all pretext of a coalition bargain between equals, the rationale of the Alliance Formula. The chief difference between the sixties regime and the subsequent one was to be found in the means employed to obtain their economic and political objective through the intervention of the state. Objectively, both regimes aimed at economic growth but the latter attempted to achieve this through a radical restructuring of society to fulfill its class interests, interests which differed in origin from those of the dominant landed aristocrats preceding them.

Parliament resumed in July 1971, with the post-NOC government in a position of new found strength. Under the new Prime Minister Tun Razak, the ruling coalition renamed the Barisan Nasional (National Front), had

co-opted a number of opposition parties into its fold, except for the DAP. The incorporation of PAS was important for securing a substantial Malay vote in the 1974 election. The inclusion of Gerakan, competing with the MCA, for communal representation of the Chinese, allowed UMNO to extend its relative power within the government. For example, the hitherto important MCA-held Cabinet post in Finance was thenceforth to be occupied by an UMNO Minister.¹⁵

We have seen that the legislative changes made under the NOC severely restricted the range of issues debated either in Parliament or in public. The Sedition Act thus proscribed debate of the new ethnic restructuring principles at the heart of the New Economic Policy Bill. And the two-thirds Barisan parliamentary majority assured its safe passage.

THE NEW ECONOMIC POLICY AS POPULIST REFORM

The New Economic Policy was introduced through the Second Malaysian Plan (1971–76) as a strategy to increase Malay participation in the economy. UMNO claimed this was to resolve the alleged root cause of the 1969 riots, seen as being derived from too much accommodation to non-Malays which had in turn fostered resentment among the Malays.

The policy was first presented in 1971, as a White Paper ('Towards National Harmony') to the newly restored Parliament. The basic objectives had however, been nurtured and developed for some time during the two year Emergency rule of the National Operations Council.¹⁶

These objectives were laid down in the Second Malaysia Plan presented to Parliament on 11 July 1971:

The Plan incorporates a two pronged New Economic Policy for development. The first prong is to reduce the 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 the Malaysian society to correct economic imbalance, so as to reduce and eventually eliminate the identification of race with economic function.

This process involves the modernization of rural lives, a rapid and balanced growth of urban activities and the creation of a Malay commercial and industrial community in all categories and at all levels of operation, so that Malays and other indigenous people will become full partners in all aspects of the economic life of the nation. The New

Economic Policy is based upon a rapidly expanding economy which offers increased opportunities for all Malaysians, as well as additional resources for development. Thus in the implementation of the Policy, the Government will ensure that no particular group will experience any loss or feel sense of deprivation.¹⁷

In reality, the roots of poverty were to be found in a lack of productive employment or low productivity and widening inequalities since colonial times.¹⁸

By highlighting the question of productivity, the policy side-stepped the role that the ownership and control of productive resources, especially land, played in perpetuating poverty. But to accommodate the landless and those with uneconomic sized plots, land alienation and settlement under FELDA was to be stepped up. Productivity was to be improved through irrigation and green revolution technology.

Population pressure on the land would be reduced through such schemes and also through the creation of productive employment, both within and outside the agricultural sector, through the promotion of labour intensive and small scale industries. In addition, plans were laid for increasing training opportunities for youth.

Finally, improved infrastructure and public services, education and health care were outlined as more general goals to improve standards of living, especially in rural areas.

The second NEP prong was far more radical, as its stated objective was the restructuring of Malaysian society in order to redress ethnic imbalances evident in economic and professional fields. As a result of the high sectoral correlation with ethnicity, determined by colonial and post-colonial policy, the civil service and armed forces were largely a Malay preserve, while mining and manufacturing were predominantly Chinese.

The restructuring of capital on an ethnic basis aimed at a 30 per cent capital share for Malays by 1990, from a prevailing rate in 1970 of 2 per cent. Restructuring involved creating institutions which were to provide privileged access for 'Bumiputras' (princes of the soil) to education, business opportunities, the professions and promotions within the burgeoning civil service.

Both the Second Malaysia Plan (1971-75) and the Outline Perspective Plan elaborated on the policy in detail. Of significance for the expected pattern of capital development was that three-quarters of the 30 per cent share was to be held 'in trust' by State public bodies with only a quarter by Malay individuals.¹⁹ The NEP can therefore be interpreted as an attempt to reform from above, a task which the post-colonial state had thus

far been unable to accomplish, in order to secure capital accumulation on behalf of the new Malay bourgeoisie (see Table 5.1).

But there were to be serious consequences arising from the state having adopted apparently contradictory roles in the development process defined by the NEP. In seeking Malay consensus it is the specific ideology of redistributive and restructuring reform that has become central to the dominance of communal populism. At the same time, tensions have been engendered and this has led the State to evolve a more coherent authoritarian populism.

It can be argued that the NEP is first and foremost an ideologically populist approach to the problem of poverty and redistribution which is inextricably linked to the objectives of the second goal of social restructuring.

The twin goals reflected twin popular demands, the one from the impoverished rural masses, embracing two-thirds of the Malay population, and other from the smaller but well-placed political and bureaucratic elite. Historically both problems had long been recognized, and UMNO had endeavoured since 1946 in various ways to foster the growth of Malay businesses.²⁰ However, the question of poverty had been traditionally championed by opposition parties, in their demands for a more egalitarian system.

Table 5.1 Public development allocation and expenditure at current prices, 1971-95 (RM\$ million)

<i>Plan</i>	<i>Original allocation</i>	<i>Revised allocation</i>	<i>Actual expend</i>	<i>% of GNP</i>	<i>GDP growth rate</i>
2MP, 1971-75	7250	11 457	9901	11.2	12.7
3MP, 1976-80	18 555	37 651	27 804	14.6	19.0
4MP, 1981-85	42 830	80 331	78 643	24.1	7.8
5MP, 1986-95	74 000	64 590	61 850	14.3	8.2
6MP, 1991-95	104 000	-	-	13.0	13.2
<i>(at constant 1978 prices)</i>					
2MP	10 398	16 432	14 200	10.7	6.6
3MP	18 039	36 604	27 031	14.4	8.5
4MP	33 453	62 744	61 426	24.4	5.1
5MP	53 017	46 275	44 312	13.9	6.7
6MP	58 165	-	-	12.3	7.5

Source: Sixth Malaysia Plan, 1991-95: 1991, Table 2-9, p. 76

We therefore need to address with caution the rationale for UMNO's concern for the rural poor in the NEP and comprehend the measures in the light of the overriding objective of the class project found in the second prong. However, the class object could not be laid bare without simultaneously depriving UMNO of its traditional political base in the Malay peasantry, and we will argue that this was the chief motive in addressing the question of poverty, within a framework of ethnic populism.

Here, we see how popular demands have been recognized and redefined by the state in four particular interlinked ways:

First, in its actual implementation the NEP ignored the poverty of non-Malays, as a result of communalizing poverty as a 'bumiputra' problem, based on the false premise that it was caused by non-Malay exploitation. Even the MCA was forced to take up this question as one of the 'deviations of the NEP'.²¹

Secondly, the strategy of eradicating poverty as outlined could not succeed in this objective because it did not eradicate the root cause of poverty found in the class structure. This was to result in maldistribution of benefits, skewed to the advantage of the better-off.

Thirdly, the class interests of the state were focused on achieving an economic base through state institutions, representing the Malay masses through trusteeship, created to enhance capital accumulation of the Malay bourgeoisie. This entrepreneurship activity was in contradiction with the objective of poverty eradication as a reform.

Fourthly, in its ideological function, the NEP has been used to sanction a communalist rationale for its discriminatory economic, educational and cultural policies, founded on the premise of Malay dominance.²²

To start with, the NEP policy statement on eradication of poverty regardless of ethnicity in itself stands as a broad acknowledgement of an urgent economic problem. The policy spells out a range of specific groups in which poverty was particularly evident:

Padi growers, rubber and coconut smallholders, fisherman, estate workers, residents of New Villages, agricultural labourers and Orang Asli.²³

This indicated a broad sectoral spectrum of peasants and workers, largely but not totally in the agricultural sector and including all Malaysian ethnic groups.

A point which was to have serious policy implications in determining the extent of poverty and in evaluating future patterns for comparison, was the fact that the policy did not specify the economic criteria used in determining poverty. Nonetheless official figures suggested that almost half of

all households in 1970 were poor, of whom 74 per cent were Malay, 17 per cent Chinese and 8 per cent Indian. In addition, the proportion within each ethnic group indicated that poverty was a serious problem in all communities, affecting 65 per cent of Malay households, 26 per cent of Chinese and 39 per cent of Indian.²⁴

THE STATE COMMUNALIZES THE POVERTY ISSUE

In spite of this, in policy implementation, the problem of poverty became subsumed under the ideology of 'bumiputraisim' found in the second prong. Consequently the notion of poverty became synonymous with Malay poverty, a shift which reinforced the view that non-Malay exploitation was responsible for Malay poverty. This analysis has implications for the criteria on which the eligible beneficiaries would be chosen, first and foremost by ethnicity, but also for those classified by the NEP as poor but who fall outside the target ethnic group. Two examples illustrate this point.

In 1970 the incidence of poverty in the predominantly Chinese New Villages was officially 58 per cent, just below the 58.6 per cent level of rural poverty and twice that found in urban areas.²⁵ The poor comprised 500 000 households with a monthly income of below RM\$200. But the true picture was much worse, as an average household density was 12 as against six nationally.²⁶

The 465 New Villages in Malaysia contained about 11.6 per cent of the national population (1 million) of whom 85 per cent were Chinese. From their inception, these villages have faced a history of neglect by the authorities, characterized by serious unemployment, dilapidated schools, overcrowding and poor infrastructure. Many of these problems have arisen from lack of land and difficulties in obtaining land titles.

While classified as urban, 50 per cent to 77 per cent of rural villagers are engaged in farming activities for whom access to land is critical. However, New Villages are not included under the National Agricultural Policy, neither have been benefitted from the Ministry of Housing and Local Government.²⁷

From 1970 until 1985, development plan expenditure for the 465 New Villages in Peninsular Malaysia totalled RM\$61 million, of which RM\$23 million was spent in the Third Malaysia Plan (3MP), RM\$25 million under 4MP and RM\$8 million under the 5MP for a population which had grown to 1.6 million (1.3 million Chinese). In contrast, rural and agricultural development allocation amounted to RM\$198 million for 1970 alone, and RM\$7991 million under the 4MP (1981-86).²⁸

There are no official figures on poverty in New Villages after 1970, which in itself indicates a lack of official concern. Figures available do indicate that while absolute poverty has declined, relative poverty remained a significant issue into the eighties.²⁹ This issue is indicative of the ineffectiveness of Barisan component parties like the MCA and Gerakan, both of which have complained about the small allocations to New Villages and are reduced to making appeals for public donations, implying that New Village residents can expect little else.³⁰

Another sector cited in the official list of poor is that of plantations with a predominantly ethnic Tamil workforce and one which has traditionally contributed most to national prosperity. The plight of plantation workers worsened between 1970 and 1983, from comprising 38.5 per cent of the total poor households to 44 per cent.³¹

We have seen the colonial origins of such poverty. However, under the NEP, plantations were 'Malaysianized'. From 1976, the state agency, PERNAS, made serious inroads into Sime Darby which was described as 'backdoor nationalization.' By 1981, this process had resulted in Malay interests controlling 60 per cent of corporate share capital in the mining and plantation sectors, twice the anticipated capital share.³²

Trusteeship had provided the key to this accomplishment with PNB alone spending RM\$2.6 billion for restructuring the primary sector.³³ It is this expanded entrepreneurial role of the State in capital accumulation which put it in direct conflict with the stated objective of eradicating poverty. This level of poverty also reflects the State restrictions on unions. For example, the plantation workers union (NUPW) was one of the first to have its once considerable strength undermined through leadership manipulation, after which it became subservient to the needs of capital. The end result of drawn-out negotiations has been complicated agreements which:

effectively place their (the workers') rates of pay at the mercy of producers.³⁴

The NEP refers to productivity as a means to eradicate poverty but while estate productivity has increased, real income has fallen.³⁵ Poor water supply and unsanitary sewage disposal has led to poor health, exacerbated by malnutrition, while childcare and educational provision remain substandard. This, together with the family need for child labour because of low incomes, has resulted in a cycle of deprivation in the estates described as semi-slavery.³⁶

Meanwhile a shortage of estate labour has been attributed to Malaysians being 'too choosy' and met by a ready supply of often legal and illegal immigrant Indonesian and Bangladeshi workers. In 1981, there were

approximately 130 000 Indonesian estate workers, comprising half the total estate labour force. The State continues to display a distinct preference for Muslim immigrant workers, a tendency which enhances the numerical predominance of Muslims, but has also brought huge social problems.³⁷

While these examples demonstrate that poverty is not an ethnic issue we find that the highest incidence of poverty is to be found in rubber smallholding, primarily carried out by Malays. This is despite the fact that as a group, smallholders have overtaken the plantations in terms of production. By 1981 they were producing 60.6 per cent of total rubber in the Peninsular, from 47.6 per cent in 1972.³⁸

This sector had a poverty rate of around 62.1 per cent in 1977 according to a RISDA census, based on a RM\$45 per capita income, annually adjusted.³⁹ While discrepancies in measurement abound, RISDA figures suggest that 78 per cent of poor smallholders are 'bumiputra', with poverty experienced by 239 446 households of whom more than 50 000 suffer 'hardcore' poverty.⁴⁰ A similar profile emerges for padi farming, which experiences the second highest incidence of poverty, mainly among Malays. Under the NEP, cost-intensive green revolution technology was introduced at Muda and other irrigation schemes. But again, all policy interventions were implemented within a prevailing unequal land ownership pattern.

Of 140 000 padi farming households in 1970 (which had increased to 151 000 in 1980), 88.1 per cent were in poverty chiefly because of the uneconomic size of their holding.⁴¹ Even if we accept that absolute poverty may have decreased through government subsidies and other aid, there is evidence to suggest relative poverty has worsened and wealth has accrued disproportionately into the hands of the larger owner-operators.

In terms of land alienation under FELDA and other schemes, this has 'overshot all targets' which until 1987 amounted to 754 449 hectares on which 103 999 families had been settled.⁴² However, this is less than a quarter of the estimated number of rural poor. These figures imply an annual average resettlement rate of less than 5000 families. At this rate it would take years to resettle the current number of poor, never mind any increase.

Even though progress has been slow, the operational costs are high. A resettlement package includes an economic sized holding, IADP (Integrated Agricultural Development Programme) and replanting costs, which together cost RM\$49 760 for rubber in 1986, RM\$5062 of which is merely for administrative and management costs. Earlier estimates had suggested an average of RM\$51 000 per settler in 1983.⁴³ Under the

Fourth Malaysia Plan (4MP), in an effort to achieve swift results, 15 IADPs were aimed at helping 500 000 families at a cost of RM\$590 million. The 5MP was even more ambitious with an allocation of RM\$2.7 billion. However, recent data suggests a success rate of lifting families above the poverty line of 57 000 families out of 500 000 from 1974 to 1984:

Measured against the amount spent and the large number of poor households in agriculture, the contribution of the total in situ package to poverty reduction has obviously left much to be desired.⁴⁴

Nonetheless FELDA in particular, and the other schemes have been recognized as profitable enterprises. In 1981, total production revenue for FELDA was RM\$702.2 million, 23.4 per cent higher than the previous year.⁴⁵ This is where FELDA's function as a 'modernizing' agency has been in direct conflict with its supposed function as an agency of, and for, the settlers.

The question of choice of surplus investment illustrates this contradiction, for most of it has been utilized for corporate expansion and diversification, especially in joint ventures with multinational capital. At the same time, settlers may have vastly improved incomes on paper, but fixed deductions for loans and subsidies ensure that they remain vulnerable to world market prices and find it hard to make ends meet. Such indebtedness belies the possibility of ever holding a land title, one of the original objectives of the scheme. More recently, only shares rather than titles have become available, making the relationship between FELDA and settler even more like that of plantation company—wage labourer.

In broad terms, the Malay peasantry may have benefitted from rural development programmes under the NEP but at a tremendous national cost, financially and socially. Within the Malay rural sector, it appears to have heightened peasant differentiation, institutionalizing the earlier unequal power relations. For example, the network of Farmers Organizations has become dominated by the wealthier farmers, through the raising of membership fees from RM\$3 to between RM\$30 and RM\$100 and through the monopoly over dispensation of subsidies, and so on.⁴⁶

Persistent rural poverty thus defies the theory of 'non-Malay exploitation' which had formed an inseparable part of State ideology, for now the function of providing rural credit, marketing, and so on is fulfilled by state agencies. These have flourished to produce a top-heavy bureaucracy, which has further restricted possible benefits of the NEP to those most in need.

That the NEP prong on poverty eradication is principally a populist strategy is evident from the high degree of politicization involved in access to programmes and the criteria for determining who should benefit. This involves a lengthy screening process by FELDA and State government representatives and the final decision rests with the Menteri Besar (Chief Minister) of the regional state:

At this junction they may be scrutinized for their political affiliation. Politicians can and do exert their influence for selecting their own supporters from grass root level, thus ensuring that party cadres are selected and extra votes ensured in the next election.⁴⁷

This system of patronage may work well under a situation of high commodity prices but problems arise when prices fall. While rice price fluctuations are buffered by a guaranteed minimum price, oil palm and rubber prices are at the mercy of the market. Also of concern is the environmental impact or ecological limit incurred by the speed and scale of land alienation, which has increased from one development plan to another, from 72 459 ha under the 1MP to 212 859 ha under the 3MP and a further 175 513 hectares under the 5MP.⁴⁸

Settler dissatisfaction has been expressed in various ways. They have begun to demand control over their own production, suggesting that a co-operative would serve them better than the current top-heavy bureaucracy in which FELDA employs 20 000 staff. They complain of needless indebtedness, as for over 25 years they had contributed an estimated RMS15 million to the Replanting Scheme, intended to cover replanting and other costs. However, this fund appears to have been used for other purposes. At the same time they feel aggrieved that they have no say in FELDA's business and industrial ventures.⁴⁹

Protests and demonstrations have been held, one involving locking up a Minister and 20 FELDA staff, who were released seven and half hours later by the police.⁵⁰ Political disaffection has been expressed in the setting up of Opposition PAS and DAP branches, perhaps as a strategy to alarm the authorities after settler appeals to UMNO political representatives have failed.⁵¹

The second prong of the NEP, the restructuring of society to correct the ethnic imbalance in wealth holding, was to take place within an expanding economy with a new emphasis on industrialization. This prong had two objectives, the first explicitly aimed at capital restructuring and the other at distribution, making available opportunities for social mobility through employment and education. Thus the State embarked simultaneously on a programme of catalyzing entrepreneurship and one of distribution.

We have seen that just as poverty is a problem in all racial groups, the accumulation of wealth is not race specific. Between the ruling parties, ethnicity does not interfere with interethnic business transactions and linkages.

THE COSTS AND EFFECTS OF BUMIPUTRA TRUSTEESHIP

While rural development was directed at primary commodities production as well as political support, the major thrust of the NEP was its stress on industrialization, particularly manufacturing. Besides the need to diversity in order to achieve economic growth, alternative employment creation was seen as integral to poverty alleviation through which Malays could enter the modern economic sector and thus uplift their income and social status. Unlike the attempt to stem such a flow elsewhere, rural-urban migration was encouraged as the path to Malay development.⁵²

Foreign export-oriented industries became the target of a combination of fiscal and tax incentives, infrastructural and FTZ provision. The strategy has been successful in attracting textiles and electronics manufacturers in particular, with their potential for labour intensive employment. By 1979 for example, the electronics industry was providing 72 800 jobs and contributing 38.4 per cent of total manufacturing exports, the world's third largest after USA and Japan. Textiles averaged 10 per cent of manufactured exports.⁵³

The net result has been a sectoral shift in employment from agriculture to manufacturing, whose employment share rose from 9 per cent of the total employed in the 1960s, to 12 per cent in the 1970s, 15 per cent in 1980 and 17.7 per cent in 1990. At the same time, the share of employment in primary production, agriculture and mining, dropped correspondingly from 59 per cent in the 1960s to 53 per cent in 1970, 38 per cent in 1980 and 30.4 per cent in 1990.⁵⁴ This strategy also widened the scope of trusteeship corporatism. Industrial estates and FTZs required management and bureaucratic organizations, involving a number of disparate bodies at national and state level providing further opportunities for 'influence peddling'.⁵⁵

But real earnings in the FTZs have remained below the industrial average and have been evaluated as below the World Bank poverty line of RM\$45 per capita per month at 1977 figures. Official poverty figures for 1970-83 indicated an increase in urban poverty while there was a decline in the absolute number of rural poor.⁵⁶

Of significance in the manufacturing sector has been the proportionately high involvement of bumiputra employees, most of whom are women.

This ethnic (that is rural) and gender shift in the composition of the workforce is symptomatic of the international division of labour in which international capital sought workers to carry out low skilled tasks with little technology transfer. The implications, both for class divisions and for the status of women are considerable, and have been explored in a number of studies.⁵⁷ The strategy has developed a degree of permanence, with the influx of Indonesian labour to meet any local shortfall and ensure the depression of wages.

Further bureaucratic employment opportunities were created through state institutional expansion of statutory bodies and trust agencies created to promote Malay capital share. The size of government employment expanded rapidly to 622 000 by the end of 1979 from 200 000 in 1960.⁵⁸

It is significant that by 1980 the public sector had become a predominantly Malay preserve, with more than 80 per cent of all public sector executive officers being Malay.⁵⁹ One major negative outcome of this trend has been apparent racial discrimination in which senior well-qualified non-Malay personnel are denied promotion to posts invariably filled by less experienced Malay officers. Such a phenomenon has led to a rapid deterioration in race relations which appears to permeate the whole of the Civil Service, resulting in very low morale among non-Malay staff and a lowering of professional standards.⁶⁰

Bumiputera trusteeship has resulted in widening intra-ethnic socio-economic differences, especially within the Malay community. This has occurred because of the separation of control and nominal ownership of funds and their trustee management by what Ozay Mehmet terms 'distributive coalitions' – overlapping elite groups who have increased their wealth and status through such stewardship in the name of the Malay community. Under this process, intense wealth concentration has taken place; for example by 1983, 62.98 per cent of the total number of shares in public companies was owned by the top 40 shareholders.⁶¹

The vast array of public enterprises, 91 at federal level, 56 at state level, and about 900 off-budget agencies, has created a multiplicity of Malay-held management posts in which opportunities for personal gain abound. These government agencies have not only been communalized in terms of employment but also in their monopolistic economic activities. Despite their protected position many of these agencies have suffered huge losses or collapsed due to mismanagement (see Table 5.2). Such wastage has aroused resentment in the private sector and among the public in general, prompting the former Auditor-General, Tan Sri Ahmad Noordin Zakaria to comment:

Table 5.2 Outstanding loans of government agencies, 1991, above RM\$50 million^a

<i>Government agency</i>	<i>Original</i>	<i>Interest (RM\$ million)</i>	<i>Total owing</i>
Agricultural Bank (BPM)	65	11	76
Railways (KTM)	129	183	312
S'wak Land Authority	60	65	125
MARA	50	22	72
Urban Dev. Authority (UDA)	147	199	346
Public Service Department	139	157	296
KL Local Authority	75	68	143
Labuan Local Authority	40	11	51
Seberang Prai Local Authority	21	30	51
Total (top 9 agencies)	726	746	1472
Total 32 Govt Agns ^b cited	847	812	1659

Notes: ^a These are rounded figures from the government list of 32 government agencies, statutory bodies, Local Authorities and Co-operatives

^b This refers to the total owed by the 32 agencies

Source: Government figures in Parliamentary written reply (20/7/92)

A great number of the estimated 900 companies set up by statutory bodies and government agencies should be liquidated, as to continue with them will flush good public money down the drain. These components have no hope of ever making a profit let alone repaying the huge loans they have taken from the government. They continue to exist through short term advances from their parent companies or political patronage.⁶²

Regulation of government companies by the Registrar of Companies and other public bodies has been difficult owing to the fact that directors are government appointed, amply demonstrated in the RM\$2.5 billion Bank Bumiputra Malaysia Finance (BMF) scandal.⁶³

This system has required heavy expenditure, with state governments and off-budget agencies owing the Federal government an estimated RM\$25 million or 45 per cent of total government debt. The public sector deficit rose to 8.8 per cent in 1979 and had more than tripled by 1982 to 26.3 per cent, that is, one of the highest deficit/GNP ratios in the world.⁶⁴ (See Table 5.3.)

Table 5.3 Public sector financing and expenditure,
1966-90 (RM\$ million)

	<i>1MP</i>	<i>2MP</i>	<i>3MP</i>	<i>4MP</i>	<i>5MP</i>
Government Financing					
Government revenue	11 656	21700	54706	93 770	146 525
Public authorities					
current surplus	340	800	1853	29 442	79 204
Foreign borrowing	458	2300	3907	26 163	10 912
Net domestic borrowing	1864	4650	9610	24 263	26 104
Assets/reserves	-53	1170	3584	468	2925
Government Expenditure					
Current Expenditure	10 266	20 800	48 723	91 890	127 719
Development Expenditure	4242	9820	24 937	80 331	57 719
Overall Deficit	2512	8120	17 101	50 889	18 117
(As % of GNP)	3.9	10.9	9.3	16.3	4.2

Source: 1MP, 2MP, 3MP, 4MP, 5MP, 6MP

While Malaysia had been fortunate in fiscal resources from primary commodities, rubber, tin, timber and palm oil, revenues were further boosted by the discovery and exploitation of oil in the mid seventies, which soon exceeded rubber in export value.⁶⁵ Through the NEP years, the state has tended to regard these funds as endlessly elastic, a perspective derived from the overriding political nature of their class goal, rather than 'economic rationality', the point made by Jesudason. Additional funds were raised under the NEP through pension schemes and forced savings, for example the Employees Provident Fund (EPF) and national social insurance scheme (SOCISO).

The management of these organizations displays the contradictions inherent in the twin goals of the NEP, revealed in the prime object of capital accumulation rather than maximizing investments to benefit the fund recipients. A lack of accountability and regulation has resulted in gross mismanagement, misallocation of funds, and biased decision making. Abuse of huge sums of such 'Bumiputera trust' was revealed, for example in the Bank Rakyat scandal of the mid-1970s and the BMF scandal in the mid-1980s, without any satisfactory judicial or fiscal remedy.⁶⁶

Nonetheless state corporate development proceeded to expand until it reached crisis point, signalled by the effects of world recession in the early

eighties, and posing a problem for government. This was described by Bank Negara thus:

The unregulated proliferation of NFPE's (Non-Financial Public Enterprises) activities eventually strained the financial position of the government and led to closer scrutiny and rationalization of such activities, especially when in direct competition with the private sector.⁶⁷

Some attempt has been made to spread this corporate wealth among the Malays through the release of shares from profitable corporate enterprises into a unit trust fund for bumiputras, ASN (Amanah Simpanan Nasional) under the umbrella of PNB (Permodalan Nasional Berhad), which manages the rates of interest for the 50 000 ASN shares at 10 per cent, ostensibly to benefit small investors. However, the RM\$1 ASN shares, in minimum sets of 100, have been taken up by merely a third of the Malay community, 4.4 per cent of whom own more than 70 per cent of ASN's total investment, while 80.2 per cent own less than 500 each.⁶⁸

The capital accumulation function of ASN appears healthy, with a total paid-up capital of RM\$2.6 billion and annual dividend and bonus of 104.5 per cent. However:

... it could be asked whether that founding principle of the NEP is being reflected in the growth of ASN or whether it can be achieved whatever the time frame or deadline Conversely, it could be said that there has been redistribution of wealth but obviously to the wrong people.⁶⁹

This situation has been compounded by access to loan facilities by top investors, providing additional means to increase their returns. Commercial banks and finance companies have lent RM1.063 billion in loans for this purpose since the scheme's inception in 1981. The former Deputy Prime Minister took a serious view of this elite advantage:

If this trend continues, the schemes's objective to distribute wealth in a equitable manner will remain just a dream.⁷⁰

The question remains as to the equitability of such schemes apparently to restore an injustice of 'ethnic imbalance'. For while ASN is secured by all taxpayers it is open only to bumiputras and not to all Malaysians. Discriminatory regulations have permeated a range of loan financing facilities and housing, which are at least 5 per cent lower for bumiputras than for non-bumiputras, regardless of class or means.

The operating losses, the outstanding loans and the sharp increase in the level of public resource flows to such institutions have resulted in a heavy social cost as well as institutionalized protectionism. This system

has thus been an enormous drain on the productive resources of the country. And the highly sophisticated network of business and politics which dominates the bureaucracies ensures that regulation enforcement and the eradication of corruption cannot be effective:

Even when it is well known that cabinet ministers own and actively pursue business interests – in clear conflict with the Cabinet directive, such violations are conveniently overlooked or forgotten to ensure Barisan Nasional stability.⁷¹

BUMIPUTRAISM AND CULTURAL POLICIES

Through the National Education and Cultural policies we see the State make an overt attempt to reshape the ideological terrain to one which conforms with the objective of obtaining Bumiputra popular consent. The ideological apparatuses involved represent an important component of a coherent populism which simultaneously mediates in a discriminatory and repressive manner while asserting that it is in the interest of national unity.

The Rukunegara was created during the NOC as a statement and definition of nationalism at the start of the NEP:

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 towards modern science and technology ...⁷²

However, the National Cultural Policy (NCP) was so drafted in 1971 to sharply contradict most of these commitments, illustrating that the Rukunegara is no more than an ideological portrayal of the State as standing 'above' society.

The constitutional guarantee of cultural and linguistic diversity was replaced by a stated policy of eventual assimilation and conformity. At the same time educational provision became unevenly available, access being determined partly by ethnic considerations.

First, the fact that the State has attempted to legislate at all in an area so rich and complex as culture, suggests imposition and restriction. In fact the National Cultural Policy was framed in 1971 by a group of academi-

cians who cannot be considered representative of Malaysia's diverse communities, nor had they obtained any mandate to do so.⁷³

The policy stipulated three chief precepts:⁷⁴

- (i) The National Culture must be based on the indigenous culture of the region;
- (ii) Suitable elements from other cultures can be accepted as part of the NCP (but only in the context of 1 and 3);
- (iii) Islam is an important component of National Culture.

While these three principles were to become incorporated into government policy, it was not until the eighties that they were vigorously promoted. Nonetheless the means by which they were formulated and the implications of the precepts indicate a tendency towards legitimizing cultural dominance. The very ambiguity and vagueness of the precepts leaves them open to interpretation, the consequences of which became clear more than a decade later under the leadership of Dr Mahathir.

While it is claimed that educational policy enhances national unity, the evidence suggests otherwise. First, the amount of public expenditure on education is grossly inadequate: From 1971 to 1980, allocation for education was only 6.4 per cent; from 1981-85, it was 7.6 per cent of public expenditure.⁷⁵ This is skewed to the benefit of tertiary institutions in contrast to the inadequate allocation to the primary, arguably the most important sector.

This trend adversely affects education of the poor, limiting facilities, equipment and maintaining high teacher student ratios, with poverty itself a factor in the dropout rate. A further inequality lies in access to subsidies and tertiary opportunities, which favour the 'well-placed', despite the fact that a number of residential institutions, predominantly Bumiputra, were built specifically to benefit the poor.

Since the 1961 Education Act, government policy has also been actively divisive, presenting needless obstacles to the vernacular school system and producing much resentment in the non-Malay community:

... the ultimate objective is to make the national language the main medium of instruction in the national education system.⁷⁶

The State's logic behind the assimilationist policies is that vernacular schools are segregationist. Yet since 1948, cultural diversity has been internationally recognized as a fundamental right in the Universal Declaration of Human Rights, a position reaffirmed in 1982 by UNESCO.⁷⁷

The view which sees education in one language as a socially unifying goal ignores the fact that schools are but a reflection of the values and mores prevailing in the larger society. A study by J.C. Bock has in fact shown that Malaysian national schools have resulted in a greater degree of communal estrangement.⁷⁸ Thus we can conclude that language and contact 'alone' cannot ensure unity; on the other hand, there is growing consensus that mutual cultural respect and understanding has arisen as the key to unity.⁷⁹

From this perspective there is no basis for the charge that the vernacular schools per se exacerbate racial polarization. Indeed, the resurgence of interest in vernacular schools has coincided with the introduction of the NEP. During the seventies, enrolment in Chinese medium schools increased dramatically by 20 per cent from 413 270 in 1971 to 498 311 in 1978, while enrolment in formerly English-medium schools dropped by 10.9 per cent from 337 560 to 300 753 over the same period; Malay-medium schools saw an increase of 17.9 per cent.⁸⁰

Nevertheless, government neglect of the vernacular Chinese and Tamil schools continued, exemplified by inadequate provision of buildings, teachers and equipment. For example, between 1971 and 1973, only four new schools were built whereas ten were closed. This was exacerbated by periodic attempts to erode the character of the schools, for example, through the 1972 Education Amendment Act, the schools boards which had traditionally run Chinese schools lost many of their former powers which were transferred into the jurisdiction of the Ministry.⁸¹

The debate over such issues was to be instrumental in the revival of the 'Du Zhong' (Independent Secondary Schools) Movement in 1973, to raise funds for developing the Independent Chinese Secondary Schools system. To this effect, the Chinese Associations produced a memorandum in 1975 in which they reasserted their fundamental right to mother tongue education, stressing that this was a universally recognized right. At the same time they recognized Bahasa Malaysia as the national language.⁸²

A more recent feature of Chinese schools has been the increase in enrolment of non-Chinese children, including Malays, whose parents presumably do not see these schools as ethnically divisive.⁸³ There is no doubt that the revival of the Chinese education movement is linked to the discriminatory policies of the NEP. The main criticism is of officially sanctioned ethnically biased access to education, reflected in the provision, out of public funds, of solely Malay institutions, for example the MARA schools, colleges and Institute Teknologi MARA (ITM); of enrolment quotas and availability of scholarships and loans heavily skewed against non-Malays (see Tables 5.4 and 5.5).

Table 5.4 Distribution of scholarships and loans by ethnicity 1980-90
(for Home and Overseas diploma and degree courses)

	1980		1985		1990	
	No.	% share	No.	% share	No.	% share
Bumiputra	1365	(91.5)	1478	(83.6)	2250	(89.3)
Chinese	88	(5.9)	254	(14.4)	207	(8.2)
Indians	39	(2.6)	36	(2.0)	65	(2.5)
Total	1492	(100)	1768	(100)	2522	(100)

- Notes: 1. 1983-86 were the only years overseas scholarships for Chinese and Indians were awarded
 2. Loans were started in 1988 and make up approximately half the 1990 figures
 3. From 1980-90 Total figures are: 111 783 MARA scholarships and loans for form 1-6; 29 438 MARA scholarships and loans for diplomas and degrees

Source: Government figures in written Parliamentary answer, November sitting 1991

Table 5.5 Bumiputra student intake at residential schools and MARA junior colleges - selected years 1981-90

	1981 ^a		1985		1988		1990	
	No.	%	No.	%	No.	%	No.	%
Residential schools	9624	(95.8)	13 954	(95.8)	14 309	(95.6)	14 038	(95.5)
MARA colleges:								
MRSM	4156	(97.1)	6594	(99.2)	8722	(100)	8289	(100)
MSM Kuantan	191	(100)	323	(100)	99	(100)	353	(99.7)
MARA High Schl.	-	-	481	(96.2)	246	(90.8)		
MYP MARA	-	-	54	(100)	100	(99.0)		
MSM MARA KL ^c	-	-	141	(53.2)	451	(66.6)		
Bumiputra total	13 971	(96.2)	20 871	(96.9)	23 806	(99.4)	23 477	(96.2)
Total students	14 515		21 538		23 949		24 388	

Notes: ^a Figures for 1980 are incomplete

^b The 1st three colleges only began in 1988

^c The only college with significant % of non-bumiputra

Source: As in Table 5.2

The frustrations of the non-Malay community increased in the seventies as quotas resulted in a decrease in the proportion of the already limited 20 000 tertiary places for which 250 000 University students competed.⁸⁴

As a result of these trends, the attempt by the Chinese Associations to set up a private university, Merdeka University, was revived. The intention was to provide a further tertiary education opportunity and educational merit would be the only criterion, with Chinese as the medium of instruction but emphasis would also be given to Malay and English.⁸⁵

Using the 1971 Universities and University Colleges Act, (UCA) the government rejected the proposal in 1979 on the grounds that it was against the National Education Policy because instruction would be in Mandarin and that it was private.⁸⁶

A total of 4234 Chinese Guilds and Associations signed a memorandum supporting the establishment of Merdeka University and they took the case to court. But in a divided Supreme Court decision, the case was rejected on the grounds that the university represented a 'public authority' and thus had to abide by the UUCA and the Education Act.⁸⁷ This case has been cited primarily to illustrate that State policy became interpreted as 'law' in its application within the educational system. However, the point about a university being a public authority was overlooked when the International Islamic University was set up with English as the medium of instruction.⁸⁸

The trends and effects of these policies during the eighties are examined in the next chapter. It suffices to say here that the national education and cultural policies had been put on the agenda as important ingredients of the NEP. In other words, they were an integral part of social restructuring which had profound implications for the future economic and social formation.

6 State Repression in the Seventies

We have suggested that authoritarian-populism refers to the means by which a high degree of control is exerted on the day to day existence of the people. In this, the involvement of ideological apparatuses have operated to control options and possibilities for different citizens on the basis of class and ethnic criteria. In the mid-Seventies, we see the State repressive apparatuses utilized to suppress the popular demands of students, peasants and trade unions. These were made more comprehensive through further legislation and legitimated through a 'national security' ideology.

The repressive legislation, generated by the NOC as emergency measures, resulted in far-reaching laws which abrogated constitutional and democratic rights. These were only legitimized retrospectively once Parliament reconvened.

CRACKDOWN ON STUDENTS AND ACADEMICS

One of the first Bills presented to the new Parliament in 1971 was an Amendment to the Internal Security Act (ISA) allowing the detention without trial of anyone perceived to be a threat to the essential services and economic life of the country.¹ While the Deputy Prime Minister, Tun Dr Ismail, continued to justify this on the grounds that the ISA had prevented Malaysia from falling into communist hands, not everyone within the Barisan Nasional agreed.² For example, in the Senate debate, Senator Alatas (Gerakan) was critical of a government strategy which did not attempt to turn the hearts and the minds of the people away from communism, but rather relied on strengthening strong laws such as this. Senator Abdullah also reminded the House that prevailing Trade Union Laws contained provision to deal with any such threat to services or national economic life, making this addition redundant. Nonetheless, the amendment was passed.³

With an eye on the general election of 1974, the first for the broader coalition of the Barisan Nasional, official emphasis was on the populist policies of the NEP. But, once they had obtained their electoral mandate, the Barisan Nasional government began to use their powers of detention with impunity.

Behind the veil of publicity over the NEP, the State continued to prioritize the interests of capital over that of its obligations to land-hungry Malay squatters. At Tasek Utara, Johore in 1974, this contradiction came to a head when the authorities attempted forcible evictions to make way for a huge project intended to house 500 000 people. In resisting eviction, 48 of the squatters, and their student supporters, were arrested by police under a variety of offences. Of those detained under the ISA, seven were students, including the Student Union Secretary of USM (Science University of Malaysia) Hishamuddin Rais.⁴

Students at the University of Malaya reacted to these detentions by holding demonstrations, but Dr Mahathir, the Education Minister, swiftly warned of the possibility of stricter controls. This in turn, resulted in lively debate on the question of academic freedom and the strict surveillance evident on campus.⁵

The situation spiralled as students demonstrated on 3 December 1974 in Kuala Lumpur, in solidarity with the impoverished farmers in the northern district of Baling.⁶ On 5 December, the police embarked on a pre-dawn raid in the University of Malay hostels. Notable among those detained under the ISA were, the outspoken President of the Malaysian Youth Council, Anwar Ibrahim (current Finance Minister and Deputy PM), Professor of Sociology, Syed Husin Ali, Geography Professor, Tengku Shamsul Bahrain, and lecturer, Lim Mah Hui. The arrest of these four popular University figures sparked off another demonstration, this time at USM, (the Science University) where students in their thousands also protested against poverty, inflation and corruption. Police used tear gas to break up the demonstrations, and they made further arrests.⁷

The following day, 1200 police personnel claiming to be unarmed but carrying canes, moved into the Malayan University and the National University at 2 am and detained lecturer Gurdial Nijar together with 10 other students. They continued a thorough hostel search until 10 am the next morning. The Home Minister, Ghazalie Shafie, expressed regret, but that such a course of action had been necessary to:

flush out once and for all the bad elements in the universities so that others can carry on with their studies.⁸

Most of those arrested held key posts in the various student unions at these institutions. Initially, these demonstrations were blamed on foreign professors and Parti Sosialis Rakyat Malaysia (PSRM) senior members and the arrests were quickly followed by anti-communist tirades and warnings by the Minister for Education, Dr Mahathir Mohamad, to students overseas to 'mind their own business'. He lamented:

We gave the students books, we gave them scholarships but when it comes to demanding the resignation of MBs (Chief Ministers) and Ministers, this is too much.⁹

The government hastily produced a White Paper on the issue in mid-December, in which it was claimed that the Chinese Society of the University of Malaya had been used by the Communist Party of Malaysia (CPM) as a propaganda offensive and that subversive elements had incited the student unrest against the government.¹⁰ The fact that the movement had been started and led by Malay activists was publicly discounted.

Evidence suggests that the official argument had little foundation since the vast majority arrested were Malay student leaders and lecturers. A more plausible argument is that the basis for the government's concern over such a development lay not in any communist threat, nor even the Chinese elements. Their real fear was of a Malay-led multi-racial, class-aligned movement which had begun to challenge the inability of the Malay bourgeoisie to solve a range of serious social and economic problems in the country.

This analysis finds credence in the two-pronged approach adopted by the government in dealing with the situation. To the students themselves, a strategy of threat and intimidation was used. Through the mass media, the government sought a popular communal appeal, especially within the Malay community, by understating the leadership role played by the Malays within the student demonstrations.

Hence, we again see that the ISA is the reverse side of populism in the Malaysian State's repressive apparatuses. The evidence from 1974 affirms this perception. The very fact that Associate Professor of Sociology, Syed Husin Ali was detained for seven years and that he was a key academic in the sociological analysis of rural poverty, is significant. Others like the vociferous Anwar Ibrahim were detained for two years or less. So why was Professor Syed Husin Ali considered so much more dangerous?

In that election year alone, official figures put the number of ISA detainees at 90 (for the first ten months), 297 detainees in all. But these figures did not include those at the end of 1974, when we saw the intensified use of the ISA in the detention of at least 22 more students and academicians.¹¹

To stem the protests, a more permanent solution was found in the Universities and University Colleges Act 1975, which for both students and lecturers, proscribes political involvements, limits the type of society/meeting which is allowed and thus removes all remnants of student union autonomy.¹² At the same time, some of the detentions were merely a

form of harassment, as in the first week of 1975 when a number of students from the Science University were released. However, two others, Lai Soon Keat and Mansoor Othman, were detained indefinitely under Section 8 of the ISA.¹³

EXECUTIVE INTERFERENCE IN THE JUDICIAL PROCESS

A trend which was becoming more and more evident was the determination displayed by the State to secure a court conviction, in some cases by detaining the lawyer involved, in others by simply ignoring judicial rulings and rearresting the defendant immediately after acquittal. Two prominent cases from the seventies illustrate this point.

Executive interference was evident in the Tasek Utara squatters' court case. The court hearing had only just begun when the defence counsel for the 48 defendants was himself arrested under the ISA. The lawyer, Abdul Razak Ahmad, Johor PSRM chairman, was also due to appear in court later that week on another case of interest. This was to be an application by a student, Yunos b. Ali to expunge a sentence from the recently issued White Paper on the 1974 arrests. As a result of the counsel's absence this case was struck off with liberty to file again. Three other cases were postponed.¹⁴

The Johor Bar Council expressed deep concern, deploring the fact that the arrest and detention should have taken place at a time when Encik Razak was engaged in defending his clients in court. They called on the government to explain this and if Razak was to be brought to trial.¹⁵ Many more lawyers throughout the country petitioned for Razak's release.¹⁶

The opposition parties voiced their protest and PRSM, DAP, SNAP, Pekemas, Kita and two student unions formulated two resolutions and a memorandum on the recent arrests, calling for the repeal of the ISA and other anti-human rights laws. They set up a Human Rights Committee and called a conference to decide on measures to counter the government repression and to see an end to the ISA. The Home Minister, Ghazali Shafie expressed surprise that certain people held the view that Razak had been detained because he was defending a particular group of people. He declined to say why he had been arrested.¹⁷

Two weeks later Razak was released. However, he was restricted by conditions governing his movements and activities. The authorities announced that he had signed a statement saying he:

... realized he had involved himself in activities which were dangerous and which threatened the security of the nation.¹⁸

Confessions made under the circumstances of solitary confinement and the known methods of interrogation have always been suspect. However, this example serves to illustrate the way in which the executive can obstruct the legal process in the light of a possible unfavourable verdict. It also served as a warning to lawyers to stay away from social issues.

Another tactic frequently used to frustrate the legal process is that of rearrest. A prominent case which illustrates this is that of Sarawakian Datuk James Wong, the SNAP Deputy President who was detained on 30 October 1974. Upon his release on 11 March 1975 on a writ of Habeus Corpus by the Chief Justice of Borneo (Tan Sri Lee Hun Hoe), he was immediately rearrested under the ISA, outside the Court itself.¹⁹

James Wong's detention was a clear example of political use of the ISA. The 1974 general elections in Sarawak resulted in a Barisan/SNAP ratio of 15:9 parliamentary seats and 30:18 at State level. However, SNAP had won 43 per cent of the vote, while the Chief Minister's PBB had obtained only 34 per cent.²⁰

The importance of SNAP lay in its representation of the majority Iban and Dayak communities in Sarawak. The Barisan Nasional not only failed to woo SNAP into the coalition, they were accused by James Wong of employing a system of pro-Malay patronage, which had failed to solve the economic woes of the Sarawakian indigenous people. Rather than address the basis of such criticism the Chief Minister responded by ordering the arrest and detention of James Wong, just two months after the 1974 elections. Wong was accused of sedition under the Preservation of Public Security Ordinance 1962 (PPSO) (applied only to Borneo). Because it was applied in a technically faulty way, Wong was acquitted but, as we have seen, was immediately rearrested under the ISA.

Only after a new Secretary General, Leo Moggie (currently a Cabinet Minister in the Federal Government) had been elected in SNAP, (which joined the Barisan Nasional in March 1976), was James Wong released. However, the issues on which SNAP had focussed during 13 years of opposition, such as ethnic and land questions, were not resolved as the party was unable to play more than a minor role in policy-making.²¹

THE DEATH PENALTY UNDER ESCAR

In 1975 additional ISA legislation was proposed, known as ESCAR – Essential (Security Cases) Regulations, in which the most extreme regulation was the imposition of the mandatory death sentence for arms posses-

sion. This was rationalized on the basis of a revival of communist insurgency in the mid-Seventies.²²

Despite a dearth of official figures, an indication of the extent of the 'security' situation in the country during the mid-Seventies can be gleaned from other sources. Concerned London brokers had sent a delegation of 15 fund managers to Malaysia who were impressed with the security situation:

Members of the team had talks with people on the ground and they were not unduly concerned.²³

By September 1975, preparation was being made to bring in the new regulations (ESCAR) including the mandatory death penalty for arms possession, and provision for special courts in which concealed witnesses would be allowed. In mid-September, the Law Minister, Kadir Yusuf, had considered current laws adequate, but three weeks later he announced the gazetting of the new regulations on 5 October.²⁴ Significantly at that time parliament was not in session.

Opposition leader, Lim Kit Siang, urged the Prime Minister to seek the approval of Parliament for the proposed legislation. He argued that while it was possible for the King to authorize the passage of new legislation when parliament was not sitting, this was intended for application in only the most extreme crisis or emergency.²⁵

The Bar Council also expressed grave concern over the proposed changes. While recognizing that there may be a security problem the Bar felt that 'the means to cure one ailment will introduce a whole lot more, especially abuse'. Besides, the sweeping nature of the measures overrode rights enshrined in the Constitution and laws of the country. In this respect:

... the Bar does not understand:

- why the accused should be denied the right to know the case against him or her;
- why the discretion of the judge should be taken away and the maximum sentence passed;
- why the basic rules of evidence should be disregarded?²⁶

The Bar Council had until that point been unable to obtain a copy of the regulations and had been flooded with calls by concerned lawyers.²⁷

A number of important questions were raised by the Perak and Perlis Bar pertaining to the protection of the innocent and 'the rule of natural law':

The proposed changes are repugnant to the very principle of the law enshrined in the Malaysian Constitution. They are also heavily weighted

against the people charged and it is possible that some of them may be innocent, for example in cases where:

- false information is given so that the informer may obtain a reward;
- enmity exists resulting in false allegations against another;
- poor investigation has occurred because of inexperienced officers;
- incriminating documents or evidence is planted.²⁸

They pointed out how much more serious the security situation had been in the past, but the government had not brought in such laws and was able to cope with the situation.

Dr Tan Chee Koon, president of another Opposition party, Perkemas, added that:

All the safeguards of the constitution have been taken away without amending the Constitution ... the government cannot legislate against communism, the answer lies in a more just and egalitarian society and not in extinguishing the legal rights of the people of this country and making a mockery of the rule of law.²⁹

The Government merely gave their reassurance that ESCAR would not be misused, but did not elaborate on the existence of checks and balances which might prevent abuse taking place.

Concern continued to be expressed, including the voice of the Association of the Chinese Chamber of Commerce:

Haste in enforcing the regulations gives the impression that the situation is much worse than it is, which may have the negative effect of eroding confidence and thus affecting economic and social development. A just society will be our most important weapon against terrorism.³⁰

A month later, the Publicity Secretary of the DAP Youth challenged the validity of ESCAR in court, specifically regarding the procedure by which ESCAR was being legislated (that is by the PM under Emergency Powers). They said that

ESCAR was:

- (i) unconstitutional and therefore null and void, because it had not been promulgated within the meaning of the Constitution Article 150;
- (ii) the King cannot lawfully make regulations under these powers under Article 150. Under an Emergency situation he could call an emergency sitting of Parliament and promulgate an Ordinance with force of law if IMMEDIATE action is needed;
- (iii) the plaintiff is not legally bound by the provisions of the regulations.³¹

The question of whether or not the Ordinance was actually signed by the King was raised as the original document had apparently been lost and the Attorney-General Abu Talib, in defending the government said:

It is not necessary for a signature to be there, the draftsman in his hurry may have overlooked 'signatures' and there is nothing scandalous about it if the third defendant says the document is lost, indeed he ought to be congratulated for speaking the truth.³²

This brings us back to the question of urgency and the seriousness of the security situation. The 1978 International Mission of Lawyers' Report indicated an increase in the number of military and police casualties in the security operations of the mid-Seventies to 259 by 1978³³ (see Table 3.2). However, the gravity of the situation cannot be compared with that of the Emergency, with more than a thousand armed forces casualties, together with a similar number of civilian casualties, at its height in 1951.³⁴

The government rationalized the use of ESCAR on the grounds that there was an increase in urban crime and terrorism. But the criminal statistics did not differentiate between 'terrorist' and 'criminal' inspired armed offences.

As for the possible reasons for the increase in guerilla activity in the mid-Seventies, this may be attributed to disillusionment of the political process as a result of the sixties' suppression of opposition parties and the NEP restructuring policies of the seventies. The non-Malay youth in particular felt discriminated against in the process of the 'bumiputeraism' of the economy, education and culture.³⁵

Nevertheless, the protests did result in the repeal of some of the more draconian and inflexible aspects of ESCAR. Interesting too is the fact that the use of ESCAR has declined dramatically through the eighties and nineties, although it remains on the statute books.

CRIMINALIZING POLITICAL DISSENT

ESCAR had been bulldozed through to become law in late 1975. By early 1976 it was being used with frequency. In January that year at least five people were charged under the ISA, Section 57(1) with possession of arms and ammunition and were therefore subject to the mandatory death penalty if convicted. Another man was charged with consorting with others in possession of arms, under Section 58[1] of the ISA, in which judicial choice for those convicted could be exercised between a sentence of life imprisonment and the death penalty.³⁶

Towards the end of January, the Law Minister and Attorney General, Abdul Kadir Yusof told the Senate that firearms cases would be tried under ISA as of 1 January. The rationale was that capital punishment would act as a deterrent. One of those convicted had already been executed two weeks earlier. Kadir Yusof went on to say that:

The Government does not intend to have public executions by firing squad because this is considered less civilized, though admittedly an effective deterrent.³⁷

The continued use of ESCAR was a grim reminder of the deterrent intended. While the majority of those detained under ESCAR were Chinese, a few were from other ethnic groups. In February 1976, two Malays had their cases of arms possession referred to the High Court under ISA Section 6(1). Their cases highlighted the practice of trying two completely different cases together, perhaps for administrative efficiency, just because they had been arrested on the same day. There can be no sound legal reason for such a practise as it could clearly be to the detriment of one or other party, if not both.³⁸

Two weeks later, Lit Fong Kiew had the distinction of being the first woman held under ESCAR, Section 58(1), for being in the company of an armed man, Low Ong, killed by the police. Another man in the case, Lee Weng San, had been remanded in Taiping for two years. Both Lit and Lee had their charges amended from the ambit of the Firearms Act to the ISA (ESCAR, 1975) and were referred to the High Court. Clearly, the ISA ESCAR was to be applied retrospectively, a now commonplace feature of legal change in Malaysia, which we will see applied frequently in the case of security laws.³⁹

The Bar Council petitioned the Attorney General over the rearrest under the ISA of five men acquitted by jury on 24 February. The Council's Param Cumuruswamy said:

The rearrest of the five men immediately after their acquittal is against the concept of rule of law, particularly when no reason was given.⁴⁰

In March 1976, Botak Chin, a notorious gangster, was charged under the ISA ESCAR with illegal possession of firearms, along with two of his apparent accomplices. They were remanded in Pudu Prison pending trial.⁴¹

This highlighted the way ESCAR had turned the ISA into a catch-all so that criminals and politically motivated elements were equated. ESCAR had become a means to criminalize political activity so that in the minds

of the people the ISA would be associated with the death penalty and criminals. The addition of ESCAR made the ISA a more draconian law than any under colonial rule, a deterrent designed to instil fear on both fronts, the criminal and the political.

Alongside the ESCAR regulations on security was another not so well publicized set of regulations aimed at social control through what was called the 'Community Self Reliance' scheme. This set of regulations effectively suppresses any critical discussion of the government. It incorporates all citizens into the state machinery, making neighbours informers by obliging them to take more than a neighbourly interest in others in their vicinity.⁴²

These Regulations were again enacted without public discussion or Parliamentary consent in the name of security protection. They served to increase authoritarian control of large sections of the population.

Meanwhile, BN leaders like the Gerakan President, Lim Keng Yaik urged all the people to support RELA (The Territorial Army) and 'Rukun Tetangga' (RT - the neighbourhood vigilante system). He regretted the poor support from the Chinese community.⁴³

The role of RELA was changing to one similar to the Home Guards in the 12 year Emergency, with members in 'sensitive areas' being given legal and weapons training by the army and the police. There was a forecast of 500 000 in RELA by 1981.⁴⁴ There were then 97 RT schemes in the country which had apparently been a great success in reducing the crime rate. Court action would be taken against all those evading registration or duty, announced Minister Without Portfolio, Dato Athi Nahappan.⁴⁵

Besides warnings in the press and rigid ground policing, the police began night raids of homes to search for RT dodgers as well as criminals and 'subversive elements' in the area. In the San Peng area of Kuala Lumpur, three hundred homes containing 1100 people were searched at midnight, producing 50 people without registration slips.⁴⁶ Another example of a police raid was of New Villages, mines and farms around Ipoh from which five 'Communist Terrorist' suspects were arrested but no details of charges were given.⁴⁷

In June 1976, two journalists were arrested under the ISA:

for direct involvement in support of the communist struggle for political power.⁴⁸

Abdul Samad Ismail, currently managing editor of the *NST* and a recipient of the Literary Pioneer Award, and Samani Mohd Amin, News Editor of *Berita Harian* were picked up at around 2 am, from their respective homes in Petaling Jaya. The statement added that:

There was an intricate plot with Samad as the key figure and Samani as his intermediary and accomplice ... to exploit every possible grievance of the Malay community in Singapore.⁴⁹

Both were Singapore born and Samad had been a CPM member for which he had been detained from 1951–53. Their arrests were apparently based on information revealed by two other journalists detained in Singapore, and only after ten days' solitary confinement. The Singaporean detainees had 'confessed' to attempting to weaken the belief in religion among the Malays and convert them to communism. They were alleged to have done this through radio talks and *Berita Harian* and identified Samad Ismail as the mastermind of a communist subversion plot involving both sides of the causeway.⁵⁰

The detention without trial of these two prominent journalists served as a warning to Malay intellectuals, and a major factor in the promotion of media self-censorship.

Another feature of the government's propaganda war in the mid-Seventies was the use of public confessions. In July 1976 this was done on a dramatic scale by five MNLF (Malayan National Liberation Front, a front of the CPM) members before a crowd of 1500 in Titi (near Seremban) where they originated. Another such denunciation of past activities was made by three detainees in Johor Bahru three days later and just after the arrest of 13 under the ISA for subversive activities. The Johore Chief Minister said that 205 people had been detained the previous year and 115 in 1976 in Johore.⁵¹

While the media was full of confessions and analysis of communist underground activities, two opposition party officials from the DAP were arrested under the ISA in Penang. Typically, their arrest was only officially announced nine days after the detention on 13 July.⁵² No reasons were given.

In August 1976, the Home Minister clarified that 'anti-national elements' were people 'who act against the interests of the nation and its people, and presumably eligible for ISA detention'. He included in this group communist elements, militant or subversive, or others who threatened national unity efforts, community harmony or the economic and social stability of the nation. He stressed that the government was already dealing with these threats by military means, and also by identifying and eliminating the infiltration of communists into political parties, trade unions, literary and cultural bodies.⁵³

Put simply, this entailed heavy surveillance of all the organizations mentioned, which could also serve other purposes, such as undermining

and defusing legitimate means of dissent. This is one of the more sinister aspects of the use of the ISA and the intelligence network in Malaysia which continues to be politically utilized today.⁵⁴

Perhaps to prove a point, only three days later, two more DAP members were arrested in Raub at their homes at 1 am, under the ISA. No reasons were given. It was left to the public to surmise if they had been detained for being 'communist infiltrators' of a political party, as recently alleged by the Home Minister.

During the mid-Seventies in Sabah, the ISA was again used to influence the electoral outcome. In March 1976, BERJAYA Secretary General, Haji Noor Mansor, was detained under the ISA. The Ministry of Home Affairs claimed that this arrest was made on the basis of police information arising from the earlier detention of Datuk Darkis bin Datu Amirul in January. The ruling Sabah Alliance had also disclosed a plot to assassinate Chief Minister Tun Mustapha, and seize power with foreign aid. Coincidentally the arrest occurred only two days before nomination day. Elections were to be held on 5 April.⁵⁵

In the same month in Sarawak, Datuk James Wong won his Federal Court case which upheld his Writ of Habeas Corpus asserting that he had been wrongfully detained for 28 days before the serving of a detention order. However, the elections were long over and SNAP was now in the ruling coalition, the Barisan Nasional.⁵⁶ In September 1976, Anwar Ibrahim, the University student leader, was released unconditionally after 22 months detention under the ISA. He had refused conditional release the previous December, and announced a continued commitment to actively fight for human rights. He announced:

You can be sure I will not champion the cause of any political party, student body or any trade union.⁵⁷

Through October 1976 there were further ISA releases resulting from the court cases which, as in James Wong's case, were also won because of the technical ineptitude of the detaining authority. For some detainees, their freedom was short-lived as they were immediately rearrested on another charge outside the court.⁵⁸

But, on 3 November 1976, and for the first time, ISA arrests included senior ministers from the ruling party. The motive apparently was to diffuse rising tensions within UMNO. It is noteworthy that the arrests were carried out in the middle of the night and that they were 'balanced' by the inclusion of opposition party representatives, including Deputy Minister Abdullah Ahmad; Deputy Minister Abdullah Majid; PSRM National Chairman Kassim Ahmad; DAP MP and CEC member, Chian

Heng Kai; DAP Assistant National Treasurer, Chan Kok Kit and MCA Chief Executive Secretary and ex-editor of *Sin Chew Jit Poh*, Tan Kien Sin.⁵⁹

The police justified it thus:

It is necessary to place them under custody in connection with the Communist United Front's struggle in Peninsular Malaysia which activity is prejudicial to the security of the Country.⁶⁰

Opposition MPs protested in Parliament and together with Kassim Ahmad's wife, appealed to the Home Minister to release the detainees or charge them in court. The DAP MPs, according to their Secretary-General, Lim Kit Siang:

...would be the last persons to have anything to do with a communist united front or some communist conspiracy.⁶¹

In the midst of this protest, another arrest took place in Sarawak. SUPP Chairman and State Assembly member, Anthony Teo Tiao Gin, was arrested at Sibul airport on arrival from Kuching:

...for acting in manner prejudicial to the security of the State.⁶²

The Barisan Nasional Government argued:

It is the people who decide on the form of administration for the country. Therefore, whatever opposition there is against the government in the field of security or any other threat is in fact an opposition against the people as a whole. Malaysia practices true parliamentary democracy.⁶³

As 1976 drew to a close, more ESCAR cases were heard in court and as anticipated by the critics of this law, there was little scope for relief. Even the question of the Attorney General's discretion regarding the choice of law under which a person is tried, was apparently not a matter for the courts.⁶⁴

A humanitarian question arose with the court case of a pregnant woman charged with arms possession and due to give birth in December. Sim Ah Nom had her bail application rejected and, other than allowing special food, no special provision was made for her. Given the spartan and unhealthy conditions of the cells used for the 60 day solitary confinement, her conditions of detention aroused public concern.⁶⁵

The Home Minister, Tan Sri Abdul Kadir Yusof declared toward the close of 1976 that he was happy the stringent laws carrying the death penalty had reduced crimes involving firearms. He reiterated that because

of the communist threat the death penalty under the ISA was necessary to ensure national security. Unfortunately, he did not back up his assertion with facts and figures.⁶⁶ And for those wishing to organize rallies, gatherings or processions, they would have to apply for licences, which would not be issued 'unless the police considered such a gathering would not be a threat to security'.⁶⁷

In January 1977, DAP leaders Chian Heng Kai and Chan Kok Kit, as well as PSRM Chairman Kassim Ahmad, were served two year detention orders under Section 8 of the ISA. However, the Home Minister's Press statement, only released 26 days later, did not divulge the allegations on which these extended detentions were ostensibly based.⁶⁸

In contrast the detailed 'confession' made by Tan Kien Sin, MCA Chief Executive Secretary, was accorded prime time television coverage and the full text printed in many leading dailies. In this he repented his former activities and pledged his undivided allegiance to God, King and Country.⁶⁹

The Minister for Home Affairs, Ghazalie Shafie, rejected any suggestion of a political motive in the affair. He described as 'nonsense' the view that the detention of an MCA executive and two DAP leaders had been incidental to the main victims of the UMNO factional struggle, that is, to 'balance up the races'.⁷⁰

It wasn't until March, after a three month time lapse, that any allegations were released to justify the detentions of the other five politicians. The Inspector General of Police (IGP), Hanif Omar, claimed they had confessed their involvement in activities which 'knowingly' or 'unknowingly' assisted the advancement of the Communist United Front:

to destroy the people's confidence in the government and create unrest and chaos.... Investigations have naturally taken a long time because our national administrative system prohibits arbitrary detention. The police needed strong and concrete evidence.... There is no room for criticism of the ISA because it was passed by Parliament.⁷¹

By saying that the legality of the ISA could not be questioned it was a short step to claiming that those who wanted to repeal the ISA were enemies of the State. Thus the Act was not aimed at the communists but also at:

those who carry out activities which could jeopardize national security, obstruct essential services or destroy the national economy, covering threats from extremism, chauvinism and others.⁷²

This highly political speech was followed on the same day by yet another well publicized 'confession', that of Datuk Abdullah Ahmad,

detained since 2 November 1976. This was aired over both television networks at prime evening viewing time.⁷³

What was not highlighted was Datuk Abdullah Ahmad's experience of solitary confinement. He was denied the use of soap, toothbrush, comb and proper toilet facilities throughout the 60 days. He was continually deprived of sleep and subjected to numerous threats to himself and his family. Interrogation lasted for lengthy periods of time during which he was denied permission to go to the toilet. The only reading matter provided was the Koran.⁷⁴

Meanwhile, the English newspaper editorials concluded that the value of the ISA lay in the confessions and:

It is safe to say that the country is in good hands and there should be no fear that the police will abuse their special powers under ISA.⁷⁵

THE CAMPAIGN AGAINST ESCAR

While the IGP assured the nation of the wisdom of the police in applying the ISA, the case of one George Abraham on an arms possession charge caused a stir. This storekeeper had been charged under the ISA (section 57) for possession of a starter's gun, of the type used in sports. Fortunately, the judge sitting on the case, Syed Agil Barakbah, ruled that this was:

...not a firearm under the ISA because it could not easily be adapted as a firearm.⁷⁶

Naturally this case:

sent a ripple of jitters through athletics and swimming circles. There would be nightmares because convictions means the automatic death penalty.⁷⁷

Another aspect of firearms possession was that there were no less than three laws applicable. DAP lawyer, Karpal Singh asked why the ISA, in firearms cases, was applied to 'common criminals', for example Botak Chin, when, in his view, the ISA was intended only for cases of subversion. If the ISA had been intended for detaining common criminals why then were two later laws passed, namely ISA (1960), ISA Amendment (1975) and the Firearms Increased Penalties Act (1971). The choice of law in any individual case thus appeared to be made 'at whim'.⁷⁸

The case of the 'starter's gun' above, illustrates the enormous implications resulting from the particular law chosen. Under the Firearms Act (1971), George Abraham, if found guilty, would have been eligible for a maximum sentence of fourteen years imprisonment rather than the mandatory death penalty. The wisdom in this case was evidently not displayed by the police, but by the judge concerned. Nonetheless, the judiciary is not in a position to change the law under which a person is tried, making a verdict of guilt a considerably more onerous task when the death penalty is involved.

The early months of 1977 saw a number of such sentences. By April, a total of 13 people had been sentenced to death on various charges and were waiting in prison for the sentences to be carried out.⁷⁹

The most dramatic implication of the use of the ISA-ESCAR was demonstrated in the detention of a fourteen year old boy, Lim Heang Seoh, charged under ESCAR (57) with possession of firearms. Section 3(3) of the ESCAR regulations states:

Where a person is accused of or charged with a security offence, he shall, regardless of his age, be dealt with and tried in accordance with the provisions of these regulations and the Juveniles Court Act 1947 shall not apply to such a person.⁸⁰

When this young boy was sentenced to death in August 1977, his case caught the attention of all Malaysians as well as provoking international concern. The presiding judge, Mr. Justice Arulanandon, said firmly:

It must be made clear that any juvenile, any person who has attained the age of criminal responsibility described in Section 8 of the Penal Code, that is ten and under the age of eighteen, is liable to be sentenced to death if he is convicted under the Internal Security Act.⁸¹

But, in the midst of the controversy, the Attorney General, Kadir Yusoff made the surprising public statement that:

The case had not been referred to me before going to the High Court and then it was too late.... A more appropriate sentence for the boy would have been a few years at the Henry Gurney Rehabilitation School.⁸²

Nonetheless, one of the safeguards emphasized by the Attorney-General a few years later in 1982, was his claim that he personally looked into all cases regarding the death penalty. In 1977 as the law stood and regardless of the Attorney General's opinion, the judge had no choice but to pronounce the death penalty once the boy's guilt was confirmed.

The Bar Council protested strongly against the decision, against the Internal Security Act and also ESCAR 1975 and a mass signature campaign was carried out by the DAP, Pekemas and other opposition parties. After much public debate and expression of concern locally and abroad, the Pardons Board in October finally commuted his sentence to detention 'at the King's pleasure'.⁸³

In April 1977 the Bar Council issued a memorandum calling for an end to the rearrest of defendants outside the courts immediately after their acquittal. The Bar felt that such arrests had become a practice in the country, had made a mockery of the rule of law and administration of the Courts, and were thus extremely frustrating for those sitting on such cases. Only by ending this practice would the people's faith and confidence in the country's administration of justice be restored.⁸⁴

Three weeks later another court case appeared to reaffirm the power to rearrest adopted by the Attorney-General. Two of three men acquitted of charges under ISA by a full bench of senior Judges, including the Lord President, were rearrested. In his summing up the Lord President had said:

There should be strict compliance with the requirements of the Constitution and any law resulting in the deprivation of personal liberty. When you are detained, the law does not take away all your rights, thus the court found that the Advisory board had not performed its duty within the law, therefore the men were detained illegally.⁸⁵

Clearly the rearrest, immediately after this judgement was read, could be seen as in contempt of the most senior judges in the land and the whole process of law of which they were an integral part. This example demonstrates the way in which the extraordinary powers vested in the Attorney General could be exercised, when a judicial decision conflicted with the wishes of the executive.

The controversy over the schoolboy ESCAR case prompted further action on ESCAR cases by Malaysian lawyers. The Perak and Perlis Bar Council, initiated the protest when they adopted four resolutions on the ISA, one of which urged the committee to:

fight for the abolition of such oppressive laws as they are unconscionable and repugnant to logic and common sense.⁸⁶

In addition, it was proposed that all death sentences be commuted and that the committee request all judges to boycott hearing ISA cases. But the major thrust of their protest was to adopt a resolution advising lawyers not to accept any ISA cases at all.⁸⁷

Only four days later, the Minister of Law, Tan Sri Kadir Yusof, announced the forthcoming tabling of an Amendment Bill to the ISA. This would remove some of the more objectionable provisions in ESCAR, for example secret trials and hooded witnesses. However, he reaffirmed that it was the government's responsibility to have deterrent measures:

Since the ISA (ESCAR) was introduced, armed robberies have been reduced to 10 per month.⁸⁸

Pressure mounted for the Bar Council to call a nationwide boycott of ESCAR cases at their fourth AGM held in October 1977.⁸⁹ The case of the 14 year old boy had brought to a head all the criticisms hitherto expressed of ESCAR and it was in this mood that a large majority of lawyers voted in favour of a boycott. However, this unprecedented confrontational stance by the Bar Council attracted only limited press coverage, with one paper ceasing to report any Bar Council news altogether. Apparently the staff had been questioned by the police.⁹⁰

Two weeks later, the first instance of boycott action occurred when lawyer Karpal Singh (MP) walked out of court without discharge by the judge. He also declined to appear as a 'friend of the court' (*amicus curiae*) for his client Teck Hong Chai. A few days later K.C. Cheah discharged himself of his defence of six people charged jointly under ESCAR, with arms possession. Even senior judges indirectly endorsed the boycott, when chief Justice Tan Sri Gill, Azlan Shah and Tan Sri H.S. Ong stated that lawyers were obliged to withdraw because of the Bar Council resolution. Thus began the boycott of ISA cases, which was observed by the vast majority of lawyers and lasted three years.⁹¹

The dangerous anomalies and flaws inherent in ESCAR were spelt out. Associate Professor Nik Abdul Rashid suggested that Malaysia had created legal history by legislating one set of laws indiscriminately applicable to both adults and juveniles for capital offences.⁹² Besides, because the courts had chosen to exercise 'the subjective test' in ISA cases, the way in which the provisions were applied could not be controlled. For example, 40 people due to be hanged for arms possession, were not actually 'security' cases even though they had been charged and sentenced under the ISA.⁹³

As the lawyers' unprecedented action continued, there were acquittals of ISA detainees on the grounds that the prosecution had found a lack of thoroughness in the process preceding the trials, as in the 14-year-old boy's case.⁹⁴ This was an admission on the part of the authorities that all was not safe and secure in the application of the ISA (ESCAR).

Amid considerable controversy on the issue, the government in January 1978 introduced a Bill to allow foreign lawyers to handle ISA cases under

the Act. The Bill also disqualified members of the Malaysian Parliament and officials of trade unions and political parties from holding office in the Bar Council. In addition, only lawyers of seven years' standing would be eligible to join the Bar Council.⁹⁵

There was dissent even within the ruling coalition. BN Member of Parliament, Ariffin Daud, said that the Government ought to have consulted the Bar before promulgating the Bill, and Rajasingham (MP for Jelutong) also opposed the Bill. In the Parliamentary debate, it was revealed that of the 60 ISA (ESCAR) cases heard, 25 per cent of the firearms cases between 1975 and 1976 had been dismissed. This point was used to weaken the argument that ESCAR was weighted against the defendants. However, it was not made clear how many of these had been rearrested.⁹⁶

The Law Minister, Datuk Seri Hamzah Abu Samah, warned that Malaysians would forgo the freedom they enjoyed if the Act was repealed. The Home Minister Ghazalie Shafie then reminded the people that there were two main enemies, the pro-Peking group and the pro-Moscow group. The other enemies were gangsterism and the drug menace. These points were repeated the IGP.⁹⁷

In September 1978 it was revealed that from October 1977, 25 ISA cases had been transferred to the Firearms (Increased Penalties) Act 1971 or the Firearms Act 1960, with 84 ESCAR cases pending. But the Law Minister refuted the suggestion that the boycott had resulted in the amendment of the charges.⁹⁸

In December 1978, the Judicial Committee of the Privy Council declared the ESCAR 1975 invalid as it was *ultra vires* the Constitution and decided in favour of the defendant Teh Cheng Poh. However, in January 1979, the Malaysian Government introduced the Emergency Essential Powers Act 1979 which validated the Essential Regulations of 1975 retrospectively.⁹⁹

The Bar Council persisted in their attempts at positive legal reform of the ISA, by sending a memorandum to the Prime Minister and the Attorney-General. In this they argued that ISA detention should be preventive not punitive; that detainees were not criminals, yet their conditions were worse than those for criminals. The memorandum protested against prolonged solitary confinement; round the clock interrogation, coupled with violence; denial of reading and writing materials to some detainees and the custom of barring lawyers from seeing their clients; besides poor medical services and abuse of power by the camp superintendent.¹⁰⁰

The government response did not specifically address these criticisms and the Home Affairs Minister, Ghazalie Shafie, justified the ISA in the customary manner.

SUPPRESSION OF TRADE UNION ACTIVISTS

Under the ISA, while the term 'Security' is not defined, the mention of 'essential services and the economy of the country' has given the Government an excuse to arrest trade union activists under this law for 'threatening national security'.

We have seen how this was used in the Sixties. It is significant that grounds for arrest under the ISA may even be for: 'a long period of activity in the Trade Union movement', cited in Chang Ben San's allegations, and for which he was detained for nine years. In 1969 he had participated in organizing a strike in a Johore shoe factory which had been sparked off when a foreman had struck several women workers.¹⁰¹

The attitude of the authorities to the legitimate demands of workers is exemplified by the MAS (Malaysian Airlines System) dispute in 1978/79. At that time, 4000 of the 7000 MAS employees belonged to the Airline Employees Union (AEU). In November 1978, negotiations over a new pay agreement broke down and as the matter had not been resolved by December the AEU called a work to rule, which caused disruption to the flight timetables.

The Government went on the offensive by de-registering the union and suspending all union officials from their jobs. However, the go-slow and work-to-rule continued. On 13 February, in a move which shocked the nation, the authorities launched a pre-dawn raid in which they arrested 22 AEU members under the ISA. Key union personnel included Donald Uren, the Asian representative of the International Workers Federation while Johann Hauf, assistant to the Secretary General of the same organization, ITWF, was ordered to leave the country. The police said in a statement that these people were being held:

to prevent them acting in a manner prejudicial to the maintenance of an essential service and the economic life of the country.¹⁰²

Protests against their detention came from the MTUC (Malaysian Trade Union Congress) and foreign trade unions. All MAS operations were suspended and the Union's accounts frozen. Amnesty International adopted Donald Uren and all the 22 AEU members as prisoners of conscience. And while Donald Uren was released on 18 April 1979 only to be immediately hospitalized for a heart ailment, many others were given two year detention orders under Section 8 of the ISA, following the statutory 60 days solitary confinement. The Home Minister said the rest would be released once they 'see the light'.¹⁰³ According to him, most of them had acted emotionally and admitted their mistakes. The public were reminded

that the ISA had been granted legitimacy by Parliament, thus giving the police powers to arrest in such cases.

Although all 23 were released by the end of April, the AEU was by then defunct, and the Prime Minister was reported to be personally exploring ways in which MAS could be restructured. He wanted to ensure that there would be no repetition of such activism amongst the workers.¹⁰⁴

An important factor in the MAS dispute was the multiracial composition of the workers involved. Up until then, union activity had been portrayed by the State as part of the 'communist united front' which was only plausible when it concerned wholly non-Malay workers. An explanation for the heavy-handed approach towards the AEU lay in the activism of the urban working class Malays which, from the point of view of the Malaysian State, had to be nipped in the bud. Besides, any truly multi-racial organization contradicted the pluralist explanation for social stratification perpetuated by the status quo, and was especially threatening when it took a confrontational stance on a class basis.

We also note in this case that the 'foreign bogey' was invoked and the non-Malay workers highlighted as the troublemakers, while the state underplayed any participation by Malays. Regardless of the actual racial composition of the group arrested, it was apparently the potential influence of AEU on the predominantly Malay employees which, in the eyes of the State, had to be subverted.

In November 1978, Amnesty International was allowed its first official delegation to the country, despite earlier attempts to do so. Their expressed concerns included the increase in the number of people held under the ISA, from 200 to 800 in the largest camp at Taiping, between 1974 and 1978. Secondly, they were perturbed by the use of the ISA to hold political opponents of the government for long periods of time without trial.

The delegation members were denied the opportunity to speak to the Prime Minister, Tun Hussein Onn, the Home Affairs Minister Ghazalie Shafie and even the Minister of Law, Datuk Seri Hamzah Abu Samah. They were also refused permission to enter either Taiping or Batu Gajah Detention Camps during their two week visit.

Despite these limitations, Amnesty International was able to produce a relatively detailed report. Its chief recommendation was that the ISA (1960) ought to be abolished on the grounds that indefinite detention without trial was incompatible with human dignity and unacceptable under internationally recognized standards of human rights. Failing this, they recommended the formulation of an independent and effective body to enquire into the legality of detentions in every case, and whose decision would be binding on the Executive.¹⁰⁵

The recommendations also covered, in detail, guidelines on detention conditions, legal assistance and health provision. However, when the report was submitted for consideration by the Malaysian Government, it was rejected out of hand and immediately banned because:

it is misleading and can affect the nation's interest and security.... The Government has no intention of treating detainees as criminals because they are not considered criminals under the country's laws.¹⁰⁶

The security issues carried into the eighties. In January 1980, the question of whether to continue the protracted Bar Council boycott was raised. Lawyers who had initiated the boycott in 1977, Karpal Singh and R. Rajasingham, wrote to the Bar Council proposing its withdrawal. Detainees invariably rejected the services of those lawyers assigned to them, but because of the boycott they were unable to choose an alternative. Consequently:

for the first time in the country's legal history, two persons were sentenced to death without having the services of a counsel.¹⁰⁷

The Bar Council made clear, however, that an end to the boycott did not imply support for the ISA regulations. In the subsequent Bar Council Annual General Meeting in February the motion was approved, while at the same time the legislation itself was condemned.

The end of the boycott appeared to signal a new spate of hangings. Within two weeks, nine young men were hanged despite the widespread appeals to grant them a reprieve. The Bar Council argued that the death penalty had failed as a deterrent to violent crime and the leader of the opposition described as 'inhumane' any conviction for arms possession, in which no act of violence had been committed.¹⁰⁸

Since the resumption of executions in March 1979, 20 men had been hanged while 50 were awaiting execution exactly a year later. Of the 50, eleven had exhausted their legal appeals and their only hope lay in the Pardons Board, which on record rarely provided relief. Only five cases had been commuted over the previous two years. An analysis of the twenty hanged revealed five classified as communist, one a drug trafficker, one a murderer and the rest common criminals. Publicity of the executions was, however, limited and this may have been because of the ethnicity of those hanged, only one of whom was non-Chinese.¹⁰⁹

The haste with which the hangings were carried out was disturbing. For example, of the three men executed on 15 March 1980, one had been acquitted of murder by the High Court only the previous day. The Bar Council again criticized the use of the ISA and urged the government to

review the situation with sympathy and generosity, in order to generate goodwill in the community. Lim Kit Siang called for a stay of execution for all those awaiting hanging under the ISA, besides a review of ISA cases in order to allow another opportunity to have them commuted.¹¹⁰

The attempt to call for a parliamentary debate on the ESCAR executions was rejected on the grounds that the two people referred to had already been hanged. MP Karpal Singh had put forward the motion of urgent importance because:

The death penalty is the supreme penalty and ought necessarily to be reserved for the worst cases ... many of those awaiting execution did not have any element of political subversion in their cases.¹¹¹

On their fourth attempt the Opposition DAP succeeded in obtaining a Lower House debate on the question of pending executions under ESCAR. The acting Attorney-General responded by saying that the Attorney General's decision in such cases under the ISA was final and could not be questioned in any court of law. He also claimed that only half of the 150 arrested for the possession of firearms had been charged under the ISA:

Those charged under the ISA were those directly involved in subversive activities and criminals with very bad records who used firearms in committing violent crimes.¹¹²

If we regard the analysis of the 20 hanged as representative, the majority of those sentenced under ESCAR fall into the category of criminals, although with ESCAR's closed trial procedures it is not clear whether or not they had committed violent crimes. This admission also raises the question of the scope of ESCAR. In its intent ESCAR was implemented to contain subversive armed elements and not, as we have stressed, common criminals, but this had apparently been forgotten in the process.

A committee was formed of relatives of those sentenced to death under the ISA. They petitioned the Prime Minister, Hussein Onn and peacefully demonstrated outside Pudu prison appealing to the authorities to commute the death sentence. A further appeal for clemency was made to the Prime Minister by the International Commission of Jurists, as well as Amnesty International.¹¹³

The government remained intransigent through all the public and international outcry. The Deputy Prime Minister, Dr Mahathir Mohamad deflected the real issues by saying that the ISA was there to safeguard the lives of the general public and to ensure the security of the country, and described those who tabled the urgent motion in Parliament as: purposely encouraging killings and violence.¹¹⁴

Table 6.1 Number of persons condemned to the death penalty between 1980 and 30 April 1993

<i>Law under which sentenced</i>	<i>Total</i>
Internal Security Act	8
Firearms Act, 1971	22
Dangerous Drugs Act (39B)	312
Penal Code (302)	19
Total	361

Source: Reply to Parliamentary Question by MP for Petaling Jaya, Dr Kua Kia Soong, 5 May 1993

One commentator said:

Malaysia in 1980 already has the dubious distinction of being among the countries which have the most number of offences carrying the death penalty.¹¹⁵ (See Table 6.1.)

7 Charismatic Leadership and Authoritarian Populism

From 1981 there were a number of important changes in the character of authoritarian populism under the leadership of Dr Mahathir Mohamad who succeeded Tun Hussein Onn as Prime Minister.

During the eighties, the fiscally overburdened state retreated from an entrepreneurial function, turning to privatization and foreign capital to generate industrial development and fulfill NEP objectives. The repressive state could be seen as integral to the demands of foreign capital.

In this light, populism began to shift towards a nationalism directed broadly at speeding up the industrial process and specifically, modernization of the Malay community. Thus ambitious and visible national projects were launched in tandem with this more dynamic populist ideology. Nationalism was also fostered through a high profile taken by Mahathir on international issues. In bypassing institutional channels of mediation, Mahathir has, through control of the mass media, made full use of this means to obtain direct access to the people.

A major change was the expansion and centralization of executive power in his office, a shift which exacerbated tensions within UMNO. This process was implemented at the national level through the assertion of Federal power over that of the states, for example in economic projects and corporate ventures and in the question of Islamic affairs.

At the same time, the executive has significantly eroded the institutions of the Legislature, Monarchy and Judiciary in a distinctly authoritarian fashion, thus negating the concept of separation of powers, integral to parliamentary democracy. The parliamentary process itself has been reduced to a 'rubber stamp' and although the opposition parties persist in calling for executive accountability, their calls are effectively muzzled by the controlled mass media.

Popular demands have been invariably co-opted by the state and reshaped into policy 'from the top', or repressed. The 1987 mass arrests testified to the extent to which the state would go in terms of repression to resolve tensions at the centre. But there are contradictory consequences of such repression and the ISA in particular may have seen its limits as a form of social control. At the same time, the contradictions created in this further process of capital accumulation led by the Malay bourgeoisie and the tensions within the Malay community as well as Malaysian society in

general, provide signs for the reclamation of democracy by the classes excluded or oppressed in this process.

CAPITALIST RESTRUCTURING IN THE EIGHTIES

By 1980, the economy had undergone a rapid structural transformation but the NEP objectives of social engineering and income distribution had apparently not jeopardized growth, which had jumped from 5.2 per cent per annum in the sixties to 8.3 per cent in the seventies.¹ However, in fulfilling its NEP objectives the State had become fiscally overstretched through the funding of its burgeoning state agencies which had proved inefficient and plagued by financial scandals. Nonetheless, they had helped increase the bumiputra ownership of capital share by 1985 to 21.9 per cent, 13.4 per cent of which was held by Bumiputra trust agencies.²

The State continued to adopt an entrepreneurial role through the early eighties with the push to develop heavy industry and the 'national' car. But by 1982, a huge balance of payments deficit (RM\$7.4 billion) called for action.³ Subsidies were then cut, Government employment and salaries were frozen and public sector spending trimmed. Simultaneously, a strategy shift to emphasize private capital was made as the State began to divest itself of some of its public assets and assume a supporting infrastructural role. By 1989, the contribution of the private sector to economic growth had exceeded that of the public sector.⁴

The economic recession of 1985 hastened this policy change of direction with the Promotion of Investment Act (1986) as part of a range of measures to open the economy. Private investment, largely foreign, aided recovery to a level of economic growth of 9 per cent between 1988 and 1990. These changes were reflected in the structure of employment which exhibited a decline in agriculture and mining sectors to 30.4 per cent but an increase in manufacturing employment to almost 18 per cent by 1990. In that year there was a further huge increase in manufacturing investments.⁵

A major outcome of these shifts has been a return to new dependence on foreign capital, albeit in more diversified sectors. However, recently there has been concern over the huge repatriation of profits, up to RM\$7.1 billion in 1992, and also the cost of generous fiscal incentives amounting to RM\$286 million in 1991 or 2.2 per cent of GNP according to the World Bank.⁶

The NEP had largely been funded since the mid-seventies by the discovery and exploitation of offshore oil which, in 1985 contributed 26 per cent of

all government revenues. As a share of major commodities exports, oil registered 29.6 per cent, with palm oil contributing 10.4 per cent, while rubber and tin had declined to 7.5 per cent and 4.2 per cent respectively.⁷

All were seriously affected in 1984 by the plunge in international commodity prices. Oil prices fell by more than half from US\$34 in 1982 to US\$15; the tin market collapsed with similar results, RM\$30/kg to RM\$14, and caused the closure of 314 out of 488 tin mines in Malaysia. This drop was in part caused by a failed government attempt at market interference through establishing tin cartels on the London Exchange, resulting instead in oversupply. In the process, MAMINCO lost RM\$600 million of national funds.⁸ Rubber prices fell from RM\$2.6/kg in 1984 to RM\$1.8/kg in 1986 while Palm Oil plummeted from RM\$1600/ton in April 1984 to RM\$650/ton in November.⁹

Compensation for the losses was sought in a strategy of constraint, in which development and military expenditure were cut by 25 per cent and 37 per cent respectively in the 1986 budget, and government operations reduced by 6 per cent. Alongside this, an austerity drive was launched with the public exhorted to reduce consumption. While there may have been a cutback in expenditure on NEP implementation, there was no question of abandoning it. Dr Mahathir asserted that the NEP was merely temporarily 'held in abeyance'.¹⁰

In the NEP strategy to restructure capital, trusteeship was considered an interim stage to establish the means whereby private bumiputra capital could be created. Dr Mahathir expressed his philosophy on how this could be accomplished:

The best way to keep the shares in Bumiputra hands is to hand them over to the Bumiputras most capable of retaining them, which means the well-to-do.¹¹

Having just launched the Industrial Master Plan to provide a push to the manufacturing sector in mining and petroleum and industrial development through even more public enterprises, the state had few options for fiscal recovery. The government rationalized the choice of privatization as a means to divest the state of huge economic burdens, while arguing that it would improve efficiency of the sectors involved. At the same time, a policy of deregulation and fiscal incentives was introduced to attract foreign capital to ensure a buoyant manufacturing sector with full employment.

Two principal stages have been identified in this process: the first, officially called 'corporatization', is in preparation for the second stage of privatization. The mode adopted differs from case to case.

Telekom was corporatized on 1 January 1987; MAS (Malaysian Airlines) and MISC (the shipping corporation) were more of a partial 'participation' model which issued shares to the public. For the first time a private Television station, TV3, began operations in 1984, and the North-South Highway project was privatized in 1987. Other examples since then include the postal services in 1990 and NEB (Electric Board) in 1992, with KTM (Railways) and two HICOM (Heavy Industries) bodies, Kedah Cement and EON among those in the pipeline.¹²

The way in which privatization has been accomplished raises doubts over the question of reduction of the fiscal burden of the state and of greater efficiency. While there may be a case for privatizing loss-making government agencies there is none for a profitable strategic industry such as *Telekom*. From the start of this exercise, the executive demonstrated an urgency which precluded any debate on the matter:

the Dewan Rakyat shifted abruptly into fifth gear, zipping through four Bills including the all-important *Telekom* privatization Bill Despite the stakes the two Telecommunications bills were passed with minimal debate MPs were only given the (Amendment) Bill the day before.¹³

Not only was *Telekom* the biggest public sector employer with 30 000 employees, its assets were worth RM\$5 billion, and it was a highly profitable government body, profits having reached RM\$1.2 billion by 1984.¹⁴ As a part of the pre-privatization 'restructuring' it had also been allocated an additional RM\$9.6 billion under the 5MP and had loans from the Treasury of RM\$2.5 billion. Nevertheless, it was sold off at only RM\$525 million, with consultancy fees costing RM\$200 000.¹⁵

The price paid for MAS, FIMA (Food Industries) and PEREMBA (another state agency) was likewise extremely low. The revenue from MAS was RM\$1202 million; MISC was RM\$1329 million; FIMA was RM\$189 million, while PEREMBA was RM\$171 million. Consultancy charges were again high, for example RM\$400 000 for privatizing MAS.¹⁶

The restructuring of capital through privatization was accompanied by the restructuring of the working class. Employees were faced with uncertainties and reduced bargaining power through the fragmentation of their public sector unions. While the unions involved, NUTE (National Union of Telekoms Employees) and MTSU (Malaysian Technical Services Union), were negotiating for better pay, the technical staff in *Telekom* complained of harrassment and the threat of being 'retired' from the civil service if they did not agree to join the privatized STM (System Telekom Malaysia). Indeed, one 'restructuring' strategy involved trimming the workforce well in advance of privatization; in this case by subcontracting

work to four bumiputra companies which did not employ Telekom staff, resulting in overstaffing and eventual layoffs.¹⁷

Studies by E.T. Gomez¹⁸ have shown that those who benefit from these transfers are not the Bumiputra as a whole but the Malay bourgeoisie. For example, the directors of the new company are invariably the former managers of the statutory body but who, in STM (the privatized *Telekom*) for example, enjoy more than double their earlier salaries. Others with vested interests who have allegedly benefited have included Government Ministers with relevant portfolios (for example Energy and Finance) as well as BN party leaders.¹⁹

From the start of the NEP, UMNO had begun to make investments indirectly through appointed trustees in corporations such as Fleet Holdings, both for the control over the mass media it offered and the revenue for their political fund.²⁰ From the early eighties and in line with Mahathir's concern to develop Bumiputra business, Fleet Group became more actively involved in the corporate sector, resulting in a significant equity interest in at least six major enterprises, including two major publicly listed companies (Faber Merlin and Cold Storage), the Bank of Commerce and the first private television station, TV3, in addition to its publishing interests under NSTP (New Straits Times Press).²¹

The development of Fleet Group was directly related to government policies and patronage, for example, NEP equity restructuring was the basis for the Faber Merlin takeover, and the privatization policy ensured Fleet was able to take advantage of lucrative business opportunities. But this was essentially 'paper entrepreneurship', the key to which was access to funding through the banking system, both foreign and local. In the process, the trustees themselves have gained, as well as the controlling shareholders through share swaps and rights issues in their own interest. Meanwhile the minority shareholders can never be sure how their share capital is being utilized.²²

The largest and one of the most controversial privatization projects was that of the North – South Highway. The contract was given to UEM (United Engineers Malaysia) despite the fact that UMNO-owned Hatibudi Company had a controlling share in UEM. Indeed UEM had initiated the idea of privatization in 1985 and had access to plans and documentation long before any tender was called for at the time the proposal was being discussed in the Cabinet.²³

This evident abuse of power was challenged in Parliament by the Leader of the Opposition and in the process unearthed even more such contracts in the pipeline, the National Sports Complex Consultancy project costing RM\$250 million, a gas processing plant consultancy costing

RM\$47.5 million, privatization of pharmaceutical stores and services of the Government Health Service and the possibility of the RM\$6 billion sewerage scheme for the country.²⁴

In the controversy that ensued, the former Prime Minister Tunku Abdul Rahman criticized UMNO's abuse of power as:

improper and irregular ... to amass wealth at the expense of other business ventures.²⁵

Dr Mahathir's reply to this revealed the underlying motive of all these corporate machinations:

We agree ... but who is going to pay the RM\$360 million for the UMNO complex?²⁶

The Minister of Culture, Youth and Sports, Najib Tun Razak, openly stated that:

... as big projects are hard to come by now, I feel it is alright in the case of UMNO to be involved in a company's bid for the Highway project. This project will ensure income for repaying the loan for the UMNO building.²⁷

And while the building referred to cost RM\$360 million, the projected toll collection was estimated to be RM\$54 billion over the 30-year concession. This raises not only the question of privatizing profitable ventures, but in this case, the increase in tariffs or toll for the public.²⁸

As for the argument that privatization can lead to greater efficiency, this has not been established, especially where there is a private monopoly. For example, the postal service has deteriorated since privatization while postal rates have recently been increased by 20 per cent.²⁹

But one of the most serious scandals concerning inefficiency resulting from lack of accountability, is in Tenaga Nasional, where it is alleged, mismanagement and corruption have put lives and industry at risk culminating in the energy crisis of 1992/93. Power plants are now functioning well below capacity, a fact that has provided the rationale for purchasing yet more plant.³⁰

Despite written warnings by 'concerned engineers' in TEN (the privatized electricity board) and in Parliament by the opposition in November 1990, the situation was allowed to reach crisis point, with frequent brown outs and even a national blackout over the whole peninsular in September 1992. Such inefficiency, allegedly from corruption, involves significantly more than the RM\$2.5 billion BMF scandal. Yet no-one has been taken to task over the affair despite investigations by the Anti-Corruption-Agency.

The gross inefficiency of power production has had huge negative implications for industry in general, which has incurred massive losses. It has also reopened the debate over the need for the controversial Bakun Dam project, involving the displacement of native peoples in Sarawak.³¹

The scale of the Government's privatization programme has accelerated with the adoption of the Privatization Master Plan in early 1991, in which a total of 246 Government companies and projects were identified for transfer over the next few years. Between 1991 and 1992, 37 entities were earmarked for privatization while another 56 were to be restructured.³²

However, the main strategy to boost the economy in terms of productive capital was to deregulate and provide further incentives for foreign capital. These include 100 per cent equity holding, tax concessions, and so on (see Table 7.1).

There are important implications of this strategy for labour, illustrated by the electronics industry which is the biggest manufacturing industry in the country accounting for 20 per cent of annual economic growth. It is estimated that it employs 120 000 workers, 80 per cent of whom are women.³³

Despite the existence of trade unions in other Malaysian sectors, the numerous applications to form an electronics workers union have been denied by the Government. The overriding reason is the refusal of

Table 7.1 Top foreign investors in Malaysia, 1983 and 1990

Country	1983		1990	
	(RM\$ million)	(%)	(RM\$ million)	(%)
Taiwan	n.a.	—	6300	35.8
Japan	766.6	17.8	4200	23.9
US	473.0	11.0	600	3.4
South Korea	n.a.	—	700	4.0
Indonesia	n.a.	—	1100	6.3
Singapore	1069.8	25.0	900	5.1
Hongkong	305.0	7.1	400	2.3
Britain	755.2	17.6	900	5.1
Australia	131.5	3.1	100	0.6
China	n.a.	—	10	0.1
Others	795.3	18.5	2390	13.6
Total	4296.4	100	17 600	100

Source: Malaysian Industrial Development Authority, 1983, 1990

foreign (especially US) investors to allow unions. The US had obtained a ban on unions during the early seventies from the Malaysian Government.³⁴

In 1988, the government was faced with the threat of losing its GSP (General System of Preferences) status, a move initiated by the AFL-CIO on the grounds of Malaysia's persistent refusal to allow unionization of the electronics workers and other violations of human rights. One positive outcome was the release of a union leader detained under the ISA.³⁵

That year the government announced that 'in-house' unions would be permitted but still many workers were thwarted in their attempts to unionize. The RCA case illustrates the difficulties presented. Besides shop floor harassment, the management used different tactics, including renaming the company not less than three times to frustrate each application by the workers for union registration, in which the company name must be used. At the last attempt, 24 activists were physically isolated from the rest of the 2500 workers in a separate company building, and then the 'new' company was subsequently closed and the services of the 24 activists terminated.³⁶

This issue has been repeatedly raised at the ILO by the MTUC and in June 1992, the IMF (International Metalworkers Federation) published a book charging that Malaysia was the 'number one' contravener of ILO conventions because:

no other country has been so repeatedly in the dock at the ILO on the same issues, with the same condemnations, in the same industry over so many years.³⁷

AUTHORITARIAN POPULISM UNDER DR MAHATHIR MOHAMAD

In evaluating the impact that Dr Mahathir has made on authoritarian-populism we have suggested that this populism involved a revitalized nationalism. While nationalism has been used by many Third World countries to reject external exploitation, it has also been used to help cement the political alliance of national capital and the petty bourgeois groups in Brazil under Vargas (1964), or as a diversion from internal problems as in Argentina under Peron (1982).³⁸

The generalized function is clear: nationalism serves to establish a supra-class identity, which stresses the absence of internal conflicts and the need for order, unity and self sacrifice and is thus an instrument in

defence of the the status quo, used as part of what has been called 'developmental populism'.³⁹ This has been identified elsewhere as an important feature of authoritarian populist regimes including Jamaica under Bustamante and Mexico under the current regime.⁴⁰

This variant of nationalism gained coherence in Malaysia in the Seventies but has been refurbished as a major strand of the populist approach of Dr Mahathir. First of all, Dr Mahathir, more than any of his predecessors, came to power with a coherent nationalist ideology which he had articulated in his then banned book, *The Malay Dilemma*.⁴¹ In terms of policy, he expressed full support for the NEP but was critical of its limited achievements, the cause of which he claimed, lay in the inefficient and corrupt practices in implementing them.⁴² His distinctive mark was thus on the means by which these objectives could be met.

His political 'style' was characterized by the centralization of power into his office. Institutional changes included, expansion of the Prime Minister's Department to include an array of important departments, especially the Economic Planning Unit (EPU) which decides most multi-million contracts; the introduction of a personal bilateral style of negotiation with other executive members (replacing the notion of collective leadership); and also appointing himself Defence Minister and later, Home Minister.⁴³

With this populist 'style', he personally lauched spectacular campaigns and projects using advertising strategy and media saturation.

Dr Mahathir's first campaign can be seen as a shrewd populist statement expressing the need to eliminate inefficiency and corruption in the Civil Service, accompanied by the appealing slogan of 'Clean, Efficient and Trustworthy'. Through this he could simultaneously consolidate his support through civil service reshuffles, accomplished by revamping the Administrative Planning Units within the Prime Minister's Department, while ostensibly 'dealing with the dead wood'.⁴⁴ In addition, the Public Complaints Bureau and the Anti-Corruption Agency were reactivated, an indication that the state recognized the need to fulfill its rights and obligations to the public and a move which created an atmosphere of optimism.

Within the context of intensifying efforts to ensure ethnic restructuring, he took what appeared to be a hard nationalist stand. The process of 'Malaysianizing' the foreign corporate sector which had begun in the 1970s, was accompanied in 1981 by a 'Buy British Last' campaign, resulting in a significant boycott of British goods, lasting for three years. Here was portrayed the Third World national leader standing up to the ex-colonial master.⁴⁵

Despite scepticism of the strategy, it ended with the creation of a British RM\$161 million fund to aid Malaysian students on courses in Britain, and at Dr Mahathir's insistence, the return of 'Carcosa', the British diplomatic mansion to the Malaysian Government.⁴⁶ In this respect the prime minister was able to create a reputation for daring in foreign policy on behalf of the people.

While taking a hard stand against the West, he simultaneously advocated a 'Look East' policy. This was to be an ideological attempt to instill a modern work ethic in the Malays, modelled on Korean and Japanese experiences, but it also had very practical implications for encouraging investments from Japan, South Korea, Hong Kong and Taiwan.⁴⁷

Directed at the Malay workforce, the Eastern examples demonstrated that economic success was achieved as a result of an unquestioning and industrious workforce and harmonious labour relations in which company identity and loyalty were the key. This ideology had obvious value in an industrial sector in which Japanese and Korean investments were encouraged while allowing unions to be discredited as a 'British disease'.⁴⁸

Such practices were also seen as important for management in preparation for the expansion of trade and industrial links with the two countries, for which Malaysians were sent on language courses and skills training. Thus we see industrialization portrayed as the national project in a much more vigorous way under Dr Mahathir, with clearly defined roles and practices drawn from successful 'Eastern' industrialized countries.

Ambitious national projects, ostensibly to generate national pride were also drawn up, landmarks which were proclaimed as demonstrating Malaysia's progress, both abroad and at home. At the same time the technological inputs for these prestige projects were mainly from Japan and South Korea, despite a high economic cost. For instance, the Penang Bridge, the longest in Asia, was constructed by the Korean Hyundai Corporation at a cost of US\$233 million, considerably higher than a French tender.⁴⁹ Dayabumi, a distinctively Islamic-designed tower block in the capital city, together with the prestigious new UMNO building were contracts awarded the Japanese, but perhaps the most ambitious project was the national car launched in 1985 under the Industrial Master Plan.⁵⁰

The 'Industrial Master Plan', which came directly under the Prime Minister's Department, laid emphasis on heavy industry through the establishment of HICOM (Heavy Industry Corporation of Malaysia). The Malaysian car, at a cost of RM\$560 million, was but one of four major projects launched under HICOM, the others being a cement plant RM\$430 million), and two steel mills RM\$450 and RM\$800 million respectively).

The projects were joint ventures with Japanese capital, which had helped raise the initial funds.⁵¹

Essentially, the Malaysian car was a Mitsubishi creation but emblazoned with the star and crescent and emphasized as a major national achievement. A heavily subsidized price and enforced purchasing for the government sector (for example, civil servants were only provided car loans if they bought the Proton 'Saga') resulted in it capturing 56 per cent of the comparable (1600cc and below) market by 1986. It was also exported at subsidized costs.⁵² As for the other projects, steel only became fully functional in 1993, after years of problems and losses.

These are examples of Dr Mahathir's initiatives, often allegedly without Cabinet consultation.⁵³ To criticisms of the viability of such projects he would assert that they were essential to a vision of social and economic benefits to be derived from high technology transfer and increased industrial capacity. However, foreign capital has ensured that technology transfer has been minimal and profit repatriation maximized.⁵⁴

From this brief overview, it is clear that many of Dr Mahathir's economic policy initiatives have been of immense ideological value to his administration although initial losses were high and the long-term economic profits uncertain.

To what extent the peasantry and workers identify these projects with progress and national pride is difficult to measure. Dr Mahathir works on the assumption that 'group' pride is felt by the rakyat when they see another of their own kind become a millionaire.⁵⁵

NATIONALISM AND THE NATIONAL QUESTION

At the same time, the portrayal of nationalism as a broad Malaysian identity has been in constant contradiction with the policy measures which reinforce a nationalism as a 'racial' identity, the underlying rationale of the NEP. This contradiction is expressed in the 1985 National Day slogan, 'Unity of the race, unity of the nation'.⁵⁶

In the early eighties this contradiction was highlighted in the revival of the National Culture Policy, formulated in 1971, as a means to forge national unity, loosely guided by the principle of being centred on 'indigenous elements'. The non-Malays were told that some of their cultural practices, such as the Chinese lion dance were:

...incongruous to the environment here and their propagation is a hindrance to the emergence of a national culture ... their proper place is in

a museum ... they are merely emotional crutches for the sentimental few.⁵⁷

In December 1982, Dr Mahathir reiterated an uncompromising stand in which he asserted that all Malaysians had:

agreed that unity and stability should be built on one language, that is the Malay language, and one culture, that is based on the culture of the indigenous people of Malaysia.⁵⁸

This was said after a conference on 'Meeting of the Malay World 1982', at which:

the majority view was that Malay culture should be the predominant ingredient of the national culture – to be accepted and practised by all – as opposed to merely coexisting parallel to the cultures of the other communities. There were others who desired it to be the sole ingredient.⁵⁹

Conformity to a rather vague notion of what constitutes acceptable Malaysian National Culture has been imposed on building design and signboards and the parameters of what constitutes 'national literature'.⁶⁰

A controversy in the mid-Eighties erupted over 'Bukit Cina' the hill site and ancient burial ground of the Chinese in the State of Malacca going back at least five centuries. It was earmarked by the State Chief Minister as prime land for development and this evoked overwhelming protest by the Chinese community throughout the country, who emphasized that it was a national heritage issue.⁶¹

The response by the Chinese associations over Bukit Cina reflected the culmination of unhappiness over the revived National Culture Policy. While the Government defended the policy as based on an 'agreed' consensus, the Chinese and Indian communities made it clear they had never considered it legitimate. In 1983 and 1984 respectively, they presented their views in memoranda to the Ministry of Culture in which they expressed their collective misgivings over the State's Malay-centric policies and discrimination against non-Malay cultures.⁶²

Genuine efforts to develop innovative and independent approaches, even among Malay-language circles, has found bureaucratic obstacles and prejudice. For example, a humanistic production by the local celebrated playwright, Noordin Hassan, was lampooned in the Malay language press as 'a betrayal of the Malay race'.⁶³

The question of the legitimacy of the official assimilationist approach to culture was also taken up by a number of 'left' intellectuals in the national

press in the mid-eighties. It was argued by some, that while on the one hand the government neglected the needs of non-Malay mother-tongue languages, on the other hand these vernacular schools were 'segregationist' and therefore not conducive to 'national unity'.⁶⁴ The debate raised a number of issues central to the question of what constitutes a 'democratic' position on language and culture. In any event, the vernacular schools and Chinese associations clearly indicated that they would resist any attempts to undermine their language, schools and culture.⁶⁵

The eighties was a period of education expansion, particularly at tertiary level, including the construction of five new polytechnics, and various phases of development of two new universities and two branch campuses.⁶⁶ Enrolment also increased by 59 per cent on degree courses alone. Nonetheless, enrolment figures disaggregated for ethnicity clearly show that 'ethnic restructuring' has been enhanced in terms of educational opportunities. For example, of loans and scholarships awarded between 1981 and 1990 for local degrees, diplomas and certificates, an average of 85 per cent were given to Bumiputra students, 11.28 per cent to Chinese and 3.19 per cent to Indians. The figure for overseas study is even more skewed with more than 90 per cent of scholarships and loans given to Bumiputra for five out of the ten years, and 100 per cent for the remaining five.⁶⁷

This disparity in provision is reflected at secondary level too, where residential schools with hostels were established to benefit poor students, with academic merit. While the intake has risen from 10 048 in 1981 to over 14 698 in 1990, the ethnic composition of students has remained fairly constant, viz. 95.5 per cent Bumiputera, leaving a mere 4 to 5 per cent places for non-Bumiputra students. Out of the schools and colleges under MARA, Science Schools with over 8000 students, have since 1987 had 100 per cent Bumiputera intake. Only one MARA college, MSM, took in non-Bumiputra students (approximately one-third of the 677) in 1990. In total, residential schools had included 24 370 students, out of which only 1092 were non-Malays in 1990.⁶⁸

The Sixth Malaysia Plan indicates that this trend will continue in the name of restructuring. The fact that residential schools have not been catering to the needs of poor students is revealed in the recent announcement that from now on, two such schools will be reserved for the poor.⁶⁹

A survey carried out by the author in 1987 of the socio-economic background of the sixth form of one such school, revealed 60 per cent of the predominantly Bumiputera students had parents in high-ranking civil service, police and armed forces positions; the majority of whom had urban addresses, principally in the vicinity of the capital city. Furthermore,

it was evident that many of these students displayed a high degree of affluence, indicated by their arrival in chauffeur-driven cars, familiarity with European cities and their material possessions.⁷⁰ To date the individual allocation of financial support is not decided on the basis of an economic means test.

The frustration felt by non-Malay parents over the lack of tertiary education opportunities for their children throughout the seventies and eighties has been acute. The only government-aided college catering to the needs of non-Malays (but not exclusively) is the Tunku Abdul Rahman College (TARC). Under the 5MP, it received RM\$2 million in allocation, in contrast to the lowest figure for other established universities and colleges at RM\$53 million (for UKM). While in the 6MP this allocation for TARC has been increased to RM\$20 million it still falls way below the new average high of RM\$300 million per tertiary institution, out of a total of RM\$2003 million allotted to higher education as a whole.⁷¹

This situation has been somewhat relieved by the rapid growth of private 'twinning' Colleges, although these are still beyond the financial means of all but the middle class. Thus merit alone does not assure Malaysians of an opportunity to obtain tertiary education at an affordable level.

ISLAM, POPULISM AND THE MALAY MASSES

Religion, or rather Islam, has played an integral part in the populism perpetuated by the Malaysian State under Mahathir. Partly an effect of the rapid political and socio-economic change in recent years, Islam has found a resurgence among the rural as well as urban Malays.⁷² As the concept of 'Malayness' is in itself defined in part by possession of a Muslim identity under the Constitution, the role that the religion can play as an operational aspect of populism is significant.

Politically, Islam is central to PAS ideology and to its adherence by the Malay peasantry. With the exit of PAS from the Barisan Nasional in 1978, the resurgence of Islam meant that UMNO was faced with the problem of how to stem the popularity of parties such as PAS. There were further peasant protests in Kedah in January 1980, and in Baling and Sik there had been sporadic protests ever since 1974.⁷³

The protest by rice farmers in the heart of the showpiece Muda irrigation scheme was particularly embarrassing to the Government. At issue was a new subsidy coupon payment system which resulted in forced

savings of between RM\$100 and RM\$300 (in government savings schemes) out of an annual income, which may be less than RM\$1000. When the crowd converged on the Chief Minister's residence to seek a solution to their grievance, the riot police moved in with tear gas and batons, arresting 92 and declaring a curfew in the area.⁷⁴

Following the ISA arrest and interrogation of ten participants, seven of whom were PAS members, the Government announced in alarming terms the existence of a PAS ('Pertubuhan Angkatan Sabilullah') underground extremist movement within PAS which had instigated the riots with the main objective being:

... to set up a completely Muslim system of government and advocate a policy of complete Malay dominance and control of the country.⁷⁵

In October that year, it was announced that 20 PAS leaders and members had been detained under the ISA and the organization neutralized.⁷⁶

Collectively, these Islamic groups posed an organizational and spiritual challenge to the political hegemony of UMNO, especially to its traditional rural base. Thus UMNO was faced with the problem of how to present itself as the legitimate national leader in Islamic affairs.

The expansion of the sphere of executive power over the sphere of Islam was seen as desirable for a number of reasons. First, the local state jurisdiction afforded little Federal control and was therefore a potential source of political challenge as seen in the challenge by PAS in Kelantan. Secondly, diverse groups had arisen with different interpretations of Islam which posed another type of challenge. It was therefore in the interests of the Barisan Nasional to establish its own Islamic credentials to optimize popular support. Clearly, Anwar Ibrahim (previously leader of ABIM, the Islamic Youth Council) was an asset in this respect. His first Deputy Minister's post included Islamic Affairs in the Prime Minister's Department. Under the leadership of Dr Mahathir and through his office, a competitive semi-official Islamization has occurred.

With Anwar's ascendancy in the party to president of UMNO Youth in 1982, more strident demands were made to reform the Islamic status of the party. Institutional evidence of this reform was provided by the establishment of the first Islamic Bank involving RM\$100 000 in capital, raised from Federal, state and Bumiputra agency investments.⁷⁷ Next, an International Islamic University was unveiled, funded jointly by various Islamic countries (particularly Saudi Arabia) and catering to an international student population. For the latter reason the language of instruction is English, but within an distinctly Islamic oriented curriculum.⁷⁸

These were two visible measures indicative of a trend toward Islamization that would influence other government policy implementation. All official functions had to be preceded and concluded with Islamic prayers and the influence of Islam is enhanced through dress codes and Islamic television programmes, involving a revival of Islamic song and music. This is not to deny the worldwide resurgence of Islam, but rather to emphasize how the government took decisive action to exert control over some Islamic institutions.

Dr Mahathir went on to challenge the Monarchy in 1983, a task no other Prime Minister had ever attempted. Already the Islamic Affairs Department had asserted a great deal of authority normally assumed by the Monarchy at state level. In 1983, amendments to the Penal Code and Criminal Procedure Code conferred on the government the absolute right over Syariah law and its interpretation, including penalties for creating 'feelings of disunity or ill-will amongst Muslims'.⁷⁹

This move was a clear challenge to the authority of the Monarchy over Islamic affairs, resulting in a constitutional crisis, the outcome of which was increased executive and thus Federal powers which overrode those of the regional states and the Monarchy. It was the beginning of the erosion of the already limited powers of the Monarchy, a challenge pursued in the acquisition of centralized executive power over an important ideological apparatus of the state in Malaysia.

The Islamization of Government policy has not been without adverse consequences for the non-Malays. The various memoranda presented to the government in the mid-eighties highlighted instances of the infringement of the constitutional religious rights of non-Malays. The policy has, for example, affected local council allocation of land for places of worship, burial grounds and so on. In 1993 the cancellation of a Catholic centre and church complex, even after approval had been given and building had started, is a recent example.⁸⁰

The net result of this process is that while the BN asserts that PAS is Islamic extremist, the state itself has changed character in this direction in attempting to maintain populist support in competition with PAS. A recent instance exemplifies this contradiction. The PAS-ruled state of Kelantan declared that their intention to impose 'Hudud' law (that is, the Islamic law and penal system involving among other things, amputation of limbs and stoning). The response from the Federal Government has been one of prevarication.⁸¹ In such a battle for the Malay vote, the rights and obligations of the other ethnic nationalities have been overlooked.

THE MEDIA AND IDEOLOGICAL MEDIATION

Within days of assuming office, Dr Mahathir ordered the release of 21 prominent ISA detainees, and one month later, on the eve of National Day, 47 more were released, along with 239 criminals. Of those freed, key figures included Abdul Samad Ismail, ex-editor of the *NST*; Abdullah Ahmad and Abdullah Majid, former Deputy Ministers; Chan Kok Kit and Chang Heng Kai, DAP Members of Parliament; Kassim Ahmad, Chairman of PSRM; and eleven members of the underground PAS movement. Nonetheless, 513 detainees, whose names were not revealed, remained in detention.⁸²

The extensive use of the mass media provided an invaluable means of asserting Dr Mahathir's populist image. Media attention on those released focussed on the emotional scenes of the reunited families, especially children and aged parents, and their gratitude to Mahathir for his magnanimity. But comments on treatment and conditions of detention were limited to one or two short paragraphs found at the tail end of the articles. For example, Kassim Ahmad reported that:

the first nine months in Kuala Lumpur Police depot were terrible, especially the interrogation which was carried out in a manner meant to humiliate.⁸³

Meanwhile, on another agenda, legal and administrative changes were taking place to further restrict freedom of speech and association. On the eve of Dr Mahathir's assumption of office, the controversial Societies Act 1966 (Amendment) Bill 1981 was passed. This gave the Registrar of Societies wide powers to deregister any organization which challenged the government, Islam or other religions, the National Language, the special position of the Bumiputras or the legitimate interest of the other communities.⁸⁴

Any organization defined as 'political' would have to register as a political group, dependent on the discretionary decision of the Registrar of Societies. Under the Act channels of mediation were blocked, as citizens would only be able to debate issues which the state defined as legitimate. The rights contained in Article 8 Schedule II of the Constitution, on 'freedoms and liberties' were thus negated.

The introduction of such sweeping powers was opposed by the NGOs and professional bodies, including the Bar Council, as well as opposition parties. But Dr Mahathir claimed that this legislation was required precisely to curb the influence of such pressure groups which were:

one of the worst aspects of democracy because they ensure that a minority will have a greater say in the affairs of the country than their numbers justify.⁸⁵

Interestingly, this attitude towards the NGOs has changed somewhat when it comes to AIDs, the environment and women's issues, where the Government has depended on the NGOs for ideas and support work.

Counting on his populist liberal style of leadership to strengthen his mandate, Dr Mahathir called a General Election in early 1982. Within UMNO he introduced a major pre-election reshuffle, dropping 45 per cent of the former MPs and replacing them with new figures sympathetic to his leadership. On the eve of the election it was announced that the outspoken leader of ABIM, Anwar Ibrahim, had joined UMNO. This was a move which served to strengthen Mahathir's personal power as well as to invoke unity among the Malays.

Elections in Malaysia have always given the ruling party a distinct advantage over its opponents and the 1982 April election was no exception. It was called with only 15 days' notice, rallies were banned, the mass media was tightly controlled and it is alleged that the BN politics of money took a heavy toll on the opposition. While PAS retained nine parliamentary seats, the DAP had their number of parliamentary seats reduced from 16 to 9.⁸⁶

The 1982 elections marked the beginning of more than ten years of political dominance by Dr Mahathir in which some of the most dramatic and far-reaching changes in the nation's history have been engineered. The expansion of the powers of the Registrar of Societies was a foretaste of an even further narrowing of the distinction between executive and juridical power which resulted in the tightening of authoritarian control. Other laws revised or amended during his initial term, with implications for civil liberties and workers' interests include:⁸⁷

- Bernama Act (1967), revised in 1981;
- Defamation Act (1957), revised in 1983;
- EPF Act (1951), revised in 1982;
- Employment Act (1955), revised in 1981;
- Official Secrets Act 1972, amended in 1984;
- Police Act (1967) amended in 1981;
- Prevention of Crime Act 1975, revised in 1983;
- Printing Presses and Publication Act, 1984;
- Trades Union Act 1959, revised in 1981;
- Workmen's Compensation Act 1952, revised in 1982.

It is significant to note the vast array of laws which may be classified as 'restrictive' and that in almost all cases, the amendments were to make the law more restrictive or punitive. The State under the Mahathir administration was thus to prove not only more authoritarian than that of his predecessors but also, as we have seen, more imaginative in its populist appeal.

Within the international arena too, Dr Mahathir's defence of authoritarianism was to become a rallying point, on which he emphasized the right of third world countries to define democracy in their own particular way:

The current peaceful situation is because of the ISA. Amnesty International is based in the West and Western countries have a different premise of democracy from ours.⁸⁸

In the process of cultivating Dr Mahathir's 'charismatic populism', the media has assumed unprecedented importance as a direct form of mediation between the executive and the rakyat. Control of the mass media has been accomplished largely through legislation but also increasingly through ownership of the printed and electronic media by the BN component parties.⁸⁹

The operational content of the media has been shaped directly and indirectly by a range of restrictive legislation, notably the Sedition Act (Amended 1971) and the Official Secrets Act (OSA), amended in 1986. Compounded in their effect by annual printing and publishing licencing laws, these laws serve to encourage a climate of 'self censorship' among journalists, thus protecting the executive from the need for public accountability.⁹⁰

The 1986 Amendment to the OSA and the circumstances under which it was passed, illustrate the way in which the executive under the Mahathir administration, has attempted to stifle the investigation of issues of public concern.

In October 1985, two foreign journalists from the *Asian Wall Street Journal* (AWSJ) were charged under the OSA, fined RM\$10 000, and expelled from the country for their investigation into a major Malaysian scandal, the BMF Affair, as well as that involving the Finance Minister, Daim Zainuddin's personal gains through the sale of United Malayan Banking Corporation (UMBC) shares to the state agency Pernas.

The following month, a *New Straits Times* reporter, Sabry Sharif, was also charged under the OSA for his story on irregularities in military aircraft purchases. Sabry was fined RM\$7000 for his part in what many regarded as a service to the public, in demanding executive accountability.⁹¹ In 1986, two lawyers were arrested for possessing 'classified infor-

mation', one of whom, not incidentally, had defended the AWSJ journalists. His office had been searched in a manner which he claimed amounted to harassment.⁹²

Nevertheless, in March 1986 the Government tabled amendments to widen the scope of the 'Official Secrets' Act and impose a one year mandatory prison sentence, regardless of the scale of the offence. This provoked a national public outcry at the forefront of which was the National Union of Journalists (NUJ), the Bar Council, Malaysian Trades Union Congress, opposition parties and a host of NGOs. A nationwide campaign was launched to oppose the OSA and public forums drew large audiences throughout March and April.⁹³

The Government was clearly affected by the criticism and twice withdrew the Bill prior to the 1986 general election, apparently to sharpen vague definitions of 'Official Secret'.

An NUJ demonstration involving at least 2000 journalists and press employees presented a petition of 36 000 signatures to Parliament. A Freedom of Information Movement was then formed, which launched a huge public rally against the OSA. The OSA amendments were also criticized by two former Prime Ministers, Tunku Abdul Rahman and Tun Hussein Onn. Nevertheless, the amendments were passed in December 1986. The final Bill differed little in substance from the first and, in total disregard of the scale of public protest, was rushed through its three parliamentary readings in one afternoon on 5 December and gazetted by early 1987.

The most conspicuous aspect of state control of the mass media has been through ownership of majority shares. A monopoly of the media has been accomplished through the business involvements of the main Barisan component parties. The major daily newspapers have been acquired by one or other BN party: UMNO through Fleet Holdings owns the *New Straits Times*, *Berita Harian*, *Shin Min Daily News* as well as *The Malay Mail*; MCA owns *The Star* and *Tong Bao* through Kamunting Corporation, while the MIC controls *Tamil Nesan*, *Thinamani* and *Tamil Osai*, the three main Tamil papers.⁹⁴

As for the electronic media, RTM is government owned and run by the Information Ministry and is subject to direct State control through the Information Minister, an UMNO preserve. The only private television station is TV3, in which both UMNO and MIC have significant investments through Fleet and Maika.⁹⁵ Ownership has had decisive implications for ideological control and thus for the career prospects of employees.

For example, in October 1981 two WATAN journalists were arrested under the ISA. En Abdul Halim Mahmud, acting editor, was detained on suspicion of allowing the paper to be used by communists, and the managing partner, Datuk Abdul Aziz Ahmad, was also detained for questioning.⁹⁶

The Printing Presses and Publications Act lays down strict guidelines, including the need for an annually renewable printing licence, which act as a deterrent against dissenting views. In addition, there are a number of standard ways in which 'pressure' is brought to bear to ensure conformity, including harassment by the Special Branch.⁹⁷

And even if non-BN papers overcome all these obstacles and manage to publish, the news vendors and distributors are vulnerable to intimidation, as they too need licences. An example of this is *The Rocket*, the DAP party paper, which has a printing permit but finds commercial distribution almost impossible after the Government restricted its distribution to 'members only' in 1991.⁹⁸

This brings us to the third aspect of media control, viz. 'populist journalism'. We can classify the content of the Malaysian media into two types of populism, one which is clearly political and the other, which has been identified as 'escape' journalism.⁹⁹ Populism is a major function of the news in Malaysia, which is a daily package of lead stories and pictures full of adulation for the government. Prominence is reserved for the Prime Minister's pronouncements which include front page colour photographs and the full text of his major speeches. The most trivial acts, often of patronage by Ministers, were transformed into major media events.

Dissenting views are rarely aired, if at all. They are treated in a negative light as the object of official condemnation. Essentially, the media blocks mediation of alternative ideologies, so there are no serious debates, discussions or investigative reporting of key issues.

The media is used in a blatant manner as a direct means of influencing the rakyat during elections. For example, in the run-up to the 1990 election, the papers carried full page graphic advertisements of a racial bloodbath as a reminder to Malaysians that only the BN could provide stability.¹⁰⁰

Commonwealth Election observers in 1990 were critical of this media bias and a denial of media space to the opposition parties, even to the extent of denying them place advertisement space in the press. Even parliamentary debates are reported in a one sided fashion.

8 Class Contradictions and Popular Protest

The ISA remained an important issue under Dr Mahathir's leadership. In February 1982, in reply to criticisms of the ISA, the Government suggested ISA detainees could be adopted by Amnesty International as:

other countries were constantly appealing to Malaysia to release detainees. Releasing them for adoption is a humanitarian gesture.¹

The Prime Minister added:

Detainees should leave Malaysia and give up their citizenship if they don't like the system here.²

But not everyone agreed that detention without trial was beyond question. In 1982, two ESCAR cases provoked both local and international protest. A seamstress, Thye Siew Hong, was the first woman to be sentenced to death under the ISA, along with her husband, Lim Re Song. Despite the seriousness of the charge, that of having nine hand grenades in their house, the inspector who was an important material witness could not be produced in court. Her appeal, based on this break in the chain of evidence, was nonetheless rejected, thus condemning her to a mandatory death sentence.³

Another case which became the focus of a campaign against the death penalty and ESCAR was that of Tan Chay Wa, a Singaporean detained in 1979 and charged two years later with possession of a gun and ammunition under ESCAR. He was convicted and sentenced to death in 1981, despite glaring discrepancies in his trial.⁴

PROTEST AGAINST THE ISA

There was international pressure, especially from the UK, to have the death sentence revoked, when Tan's wife and counsel found they had exhausted all avenues of appeal. In Europe, a widely publicized campaign to save his life was launched. While adoption was not seen as a panacea for detention without trial, an appeal was made for Tan Chay Wa's foreign adoption, in view of the fact that he faced imminent execution. Protest

letters and petitions were sent to Malaysia by many European academic and political organizations.⁵

In Malaysia, Tan's lawyer and MP for Jelutong, Karpal Singh, held a press conference to publicize this international effort and disclosed that a number of countries were willing to adopt Tan. He urged the Deputy Prime Minister to extend his offer of amnesty to others charged with political offences under the ISA. FUEMSSO, the British/Malaysian student organization had engaged him as their legal representative and they had written telegrams to the Prime Minister to stop the execution and also that of *Thye Siew Heong*.⁶

Two days later the news of an offer of adoption from the French based group CIMADE was made public. But the Home Ministry response was to reject their offer on the grounds that it only applied to detainees under Section 8 of the ISA, not those who had been convicted and prosecuted in court through ESCAR. They admitted that they had received two such offers, one of which was from CIMADE. The Deputy Home Minister added that there were no political detainees in Malaysia, those detained posed a threat to the security of the country, and as such were ISA 'convicts' who were not eligible for adoption.⁷

This argument was reiterated by the Home Minister, although his clarification was self-contradictory. One can only infer that a distinction was being made between those held without trial under the ISA Section 8 and those held for arms-related offences under Section 57/58 and who therefore undergo the questionable trial procedures contained in ESCAR. On the other hand he said that a detainee could go to any country he/she liked.

Clearly the government had underestimated the level of opposition to the ISA and the death penalty. They backed down on the offer of adoption of ISA detainees but the pressure to fulfill their promise was stepped up with offers from Belgium and then the US. Locally, Tan's counsel pursued all avenues and obtained two stays of execution on 8 July and 28 July for him, as well as for four others condemned to death. On 29 July 1982, the leader of the Opposition, Lim Kit Siang urged that the death penalty be dropped for all those charged with possession of firearms, but who had not taken anyone's life. Aliran, the social reform movement, also called for an amnesty for those awaiting hanging under ESCAR. Thirty-one had already been hanged under this law and 40 more were awaiting trial.⁸

The IGP, Tan Sri Haniff Omar, launched a counter-attack to such an appeal by labelling the student movement in the UK as pro-communist. He claimed they had influenced lawyers and MPs in other countries to ques-

tion Malaysia's use of the ISA. They had also, he alleged, co-ordinated with a group in Malaysia, which he unfortunately did not name.⁹ He reiterated the importance the ISA had played in ensuring a peaceful and stable country. These comments were made on the eve of a visit by international human rights lawyers to see the situation for themselves.

In August 1982, seven International lawyers were granted an official visit to Malaysia to meet leaders, lawyers, detainees, and to visit detention camps at Batu Gajah and Kamunting. The team included experienced lawyers from France, the USA, Japan and the UK, one of whom was a Queen's Counsel. Despite the diplomacy and objectivity they displayed in going about their task, their visit provoked a dramatic reaction from the government.¹⁰

While Dr Mahathir said that Malaysia had nothing to hide, defensive press statements and even large demonstrations by 'pro-ISA' supporters gave the opposite impression. UMNO Youth was at the forefront of the attack, charging all critics of the ISA of acting in 'a very irresponsible manner'. Dr Mahathir himself asserted that it was imperative that UMNO preserved the independence of the country on its own without any guidance from external quarters.¹¹

A student demonstration, calling on the lawyers to go home, was held in Kota Baru, and a larger one, about 2000 strong, took place outside the hotel where the mission was staying in Kuala Lumpur. This latter assembly, involving UMNO, MIC and MCA Youth Wings and including national leaders was allowed to block the road from 5.30 am until 9.00 am. Without a police permit this demonstration was illegal, and although the DAP filed a police report to this effect, there was no statement made of any action having been taken.¹²

Shortly after the departure of the Lawyers' Mission the stay of execution on death row detainees, including Tan Chay Wa, was lifted. Lawyer Karpal Singh urged the court to wait for the outcome of an Indian case in which the constitutionality of the mandatory death sentence was to be decided. At the same time Lim Kit Siang, the DAP Secretary General, urged the PM to allow a stay of execution on all ISA detainees whose appeals had not yet been adjudged by the Federal Court.¹³

But appeals for leniency were countered by the explanation that harsh laws were needed to meet the communist and drug trafficking threat. And even before the Mission could submit their findings to the government, the Deputy Home Minister asserted that the Government had no intention of amending the ISA. In other words the contents of the report, whatever they were, would be ignored.¹⁴

While the Government was at pains to demonstrate an uncompromising and independent stand on the ISA and the death penalty, popular opinion

and pressure succeeded in securing the release of 47 ISA detainees on the eve of Merdeka day 1982. Musa Hitam, the Home Minister said the fight against communism and extremists would continue, but:

the 47 had demonstrated their willingness to reform, mend their ways and return to society.¹⁵

One case given much publicity was that of Swee Ngah Koh, whose death sentence for arms possession had been commuted to life imprisonment, but after serving only five years he was released.¹⁶ This example shows how the executive can override the operation of law when it so chooses. Naturally, those released were grateful for their freedom but the fundamental question of the procedure by which people were initially deprived of their freedom was not open to debate.

This point was made clear in the last-ditch attempt to save the life of Tan Chay Wa, whose case was indistinguishable from Swee Ngah Koh's. In five civil suits, Karpal Singh took up the constitutionality of the ISA death sentence. In other concurrent ISA cases, the judge had ruled that the validity of the ISA could not be challenged. The following day, the same judge revoked his decision in the face of arguments made by Karpal Singh and because of the case pending.

The points raised on the constitutionality of the ISA were:

- (i) There was no uniformity in decisions in appeals and they depended on the temperamental make-up of the judges;
- (ii) Clemency is not a judicial process, it is executive in nature, and while the Attorney General sits on the Pardons Board there is no provision for the defence to be present to contradict the prosecution case put forward;
- (iii) The death sentence itself was not unconstitutional but applying it in a mandatory fashion contravened the Constitution. Under the ISA, there was no question of mitigating factors.¹⁷

The Attorney General, Tan Sri Abu Talib, replied that Article 149 granted Parliament special powers to enact such a law whenever necessary and the Judges concurred. In January 1983, Tan Chay Wa was hanged, together with Chiew Thiam Guan.¹⁸

The Report of the Lawyers Mission was released at the end of 1982. It was received by the Government as 'immature and shows their ignorance of Malaysia'. However, there was no answer to the specific points raised, particularly the evaluation of ESCAR procedure and its inconsistencies.¹⁹

In the middle of 1983, moves were made to include drug trafficking as an offence punishable by a mandatory death sentence. The basis for the

imposition of the death penalty was essentially the same as that under ESCAR, that is, 'possession', in this case, above a specified quantity of drugs, from marijuana to heroin. The vociferous opposition to such a move raised again the dangers inherent in detention without trial and in restricted trial procedures in which innocence has to be proved. Nonetheless, the Dangerous Drugs and Drug Trafficking Bill 1985 was passed intact, under which thousands of Malaysians have now been incarcerated, and many of whom, including foreigners, have been hanged.²⁰

Another ESCAR case which attracted much press attention in the early Eighties was that of Sim Kie Chon. In October, 1983, his death sentence was upheld but was challenged time and again locally and internationally on the grounds that he was being sentenced to death for possession of arms, not for using the arms to commit a crime or harm anyone. He persistently denied the charge but despite the appeals at many levels, the authorities remained intransigent and he was hanged in early 1986.²¹

TENSIONS AND CRISES

In 1986, the Barisan Nasional went to the polls to seek a new mandate, but this could not suppress the existence of a deep crisis within the power bloc. The contradictions created by the implementation of the NEP had also produced tensions and crises at various levels of society.

The trusteeship bodies established in the name of the Malays as a whole, had been accompanied by a range of financial scandals implicating top government figures. Besides the BMF scandal, was the tin-buying scandal involving MAMINCO, the MAKUWASA and EPF scandals.²² Demands for executive accountability and inquiry produced tensions. Despite the obstacles to grassroots demands, public interest groups persisted in their attempts to seek social justice. Disparate groups had become united in defence of freedom of information and against repressive legislation, notably the ISA, ESCAR, and OSA, the Official Secrets Act, which was amended in 1986.

The hugely enlarged state and its possibilities for wealth creation sharpened competition for resource access at the centre. As factions within the power bloc developed, a split in UMNO seemed imminent.

To illustrate the seriousness with which the executive viewed the various crises, we turn to the 1986 scandal over the Deposit-Taking Co-operatives (DTCs). This involved the savings of 588 000, mainly Chinese Malaysians with deposits totalling almost RM\$1.4 billion in 24 Co-operatives. This was on a huge scale affecting almost 10 per cent of the popula-

tion, if dependents were taken into account, often involving an individual's life savings.²³

But, prioritizing the interests of capital over those of depositors, the executive withheld vital information about the DTCs' financial problems for almost two months, until after the election. Implicated were some of the most prominent MCA leaders, including the MCA President, Tan Koon Swan, who already faced charges in Singapore for his part in the Pan El scandal. The subsequent White Paper resulted in the sentencing of a number of leading politicians for criminal breach of trust involving millions. But for the depositors, there was to be a long drawn out process of frustration awaiting compensation.²⁴

After the 1986 elections, the PM launched into a attack on the more vocal public interest groups, including CAP (Consumer Association of Penang), Aliran (Social Reform Group), EPSM (Environmental Protection Society of Malaysia), The Selangor Graduates Society and the Bar Council. Mahathir claimed these organizations were 'saboteurs'.²⁵

The State reacted to the NGOs' demand for executive accountability with increasing authoritarianism. For example, two journalists from the *Asian Wall Street Journal* were expelled for their writings on the financial scandals. The official reason for the suspension of the paper and the expulsion of the journalists was of a 'Zionist conspiracy' to blacken the country's image. Warnings against participation in such a conspiracy were issued to the Chinese Press and social groups, although evidence backing such a notion was sadly lacking.²⁶

In 1986 and 1987, NGOs also responded to two very different environmental and human rights issues. The first was over the question of health hazards posed by the storage of radio-active wastes by the 'Asian Rare Earth' (ARE) plant run by Mitsubishi in Perak. The residents and other concerned supporters carried out a campaign against the company which refused to accept any responsibility. At its height, the campaign was marked by a demonstration of 10 000 people.²⁷

Another significant issue indicative of the abrogation of state responsibility towards the community was that of native land rights in Sarawak, rights granted on a customary basis in recognition of their indigenous status. The natives' ancestral land was being lost and degraded by logging and other development projects. Having failed to resolve the problem through 'the proper channels', the affected peoples reacted by blockading logging tracks in order to highlight their plight. In addition, a delegation of Sarawakian Native Chiefs came over to the capital, Kuala Lumpur, in June 1987. They held public meetings in Kuala Lumpur and Penang and were supported by the respective NGOs.²⁸

These blockades by the Sarawakian natives were heavily criticized by the State government, largely made up of politicians known for their direct/indirect interests in timber concessions. The federal government again blamed outsiders for instigating the protest.

Dr Mahathir propounded his view that the West was attempting to maintain the natives in a state of barbarism, thereby denying them the benefits of 'development', the economic base of which is derived from exploitation of the forest. In other words, the forest dwellers were told that the destruction of the forest was actually in their own best interests. Moreover, he asserted that the West having destroyed their own forests, had no basis to comment on deforestation in the Third World.²⁹ But by denying the forest natives their say in the matter, these arguments sidestep the real issues of land rights and the methods and rate of exploitation of the forests, as well as the unequal distribution of the substantial economic gains so derived.

While the state has remained intransigent, the natives have continued the blockades, sometimes maintaining each for as long as seven months. In the face of police and company harrassment, at least 480 had been arrested by July 1992.³⁰

In 1987, another crisis was created by the Education Ministry in its transfer of non-Mandarin speaking teachers to Mandarin-medium schools, into positions where the use of Mandarin was logically needed. This was seen by the Chinese community as yet another measure to undermine the status of Chinese schools. When the issue could not be resolved through consultation with the Ministry, the schools' associations resorted to public action.

Clearly the ethnic nature of the response derived from the communal strategy employed by the government. Indeed, observers have noted the inexplicable manner in which the controversy had started and more surprisingly, why it could not have been easily solved by withdrawal of the unreasonable directive.³¹ As expected, it was the Chinese schools' organizations and predominantly Chinese-based political parties which took up the issue. The injustice was also recognized by Barisan Nasional component parties, MCA and Gerakan, which in order to retain any credibility, joined opposition parties, DAP, SDP, PSRM, to form a Joint Action Committee. They held a rally in Kuala Lumpur, attended by 2000 people.³² It was significant that the BN component parties had not been able to resolve the issue from within the ruling coalition, indicating their weak position vis-à-vis UMNO.

The government remained uncompromising while the media was allowed to fuel the escalation of ethnic tensions. UMNO Youth leaders called for the resignation of the Chinese BN ministers involved in the Joint Action Committee and they in turn held a rally at which blatantly racist

calls were made, including threats of a racial bloodbath. Present at this UMNO rally were ministers, including the Education Minister, Anwar Ibrahim, and Youth and Sports Minister, Najib. Not since 1969 had such a tense situation occurred.³³

This scenario must be seen in the light of the fact that the ruling party was faced with a major internal rift which threatened to split it in two. This posed a serious threat to the cohesion of the power bloc. A communal distraction served two purposes: one, it deflected interest from these internal problems of UMNO, and secondly it provided the opportunity to galvanize unity within the Malay community on the basis of external threat, that is, from the other non-Malay communities.

Here we see how, on the one hand the ruling party, UMNO can behave in an authoritarian manner towards a particular community, the Chinese, and on the other, presents a populist front to the community upon which it is dependent for its support, the Malays. Through this differential approach, presenting very different real life experiences to the two communities, the basis of communalism has been perpetuated.

These tensions were but some of the manifestations of increasing disaffection with the government from a wide range of quarters in the build-up to the crisis in 1987, when UMNO planned to hold a mammoth rally of 500 000 in Kuala Lumpur. The UMNO General Assembly held in 1987 had revealed the extent of the internal differences publicly. Essentially the challenge from what became known as 'Team B' under the leadership of Tengku Razaleigh, was critical of the cronyism and autocracy of the Mahathir team.³⁴

There were serious doubts over the validity of the voting procedure in the party elections, with Team B alleging bribery and vote buying on a massive scale during the break in voting in which Razaleigh had been very narrowly defeated. Subsequently, eleven MPs from Team B took the matter to court in order to have the results declared null and void. Their central allegation was that 78 of the 1479 UMNO delegates were illegal and that other illegalities had taken place, such as the tampering with documents. They sought an order for a new election as only 22 votes could have changed the outcome.³⁵

The legitimacy of Dr Mahathir's faction was then to rest on a court decision, a situation which was apparently outside executive control.

STATE REPRESSION AS A RESOLUTION OF CRISIS

Just as the crisis in the ruling power bloc in 1969 had led to the establishment of a coherent authoritarian-populism expressed through the NEP, the

tensions within UMNO under Mahathir's rule had reached crisis point by 1987. Once again, the State resorted to repression, in order to salvage its hegemony.

To deal with this situation, Mahathir took on the mantle of a leader acting in the 'national' interest. The detention of his most vociferous critics under the ISA in October 1987 thus provided an opportunity, to consolidate his power base within the party and to further restrict democratic rights through legislative changes.

In the early hours of 27 and 28 October, more than a hundred people were arrested in this 'Operation Lalang' ('lalang' means weed). The net was cast wide to include BN politicians (UMNO 3, MCA 8, Gerakan 5) and opposition leaders, Lim Kit Siang, Karpal Singh as well as 7 other DAP MPs and 7 DAP activists. Thus, at a stroke almost half of the main Parliamentary opposition party was deprived of its elected representation in Parliament. Lim Kit Siang and Karpal Singh had taken the Government to court over the award of the multi-billion ringgit North-South Highway Project to UEM, an UMNO controlled company.

Other Opposition parties from which leaders were arrested included PRSM (2) and PAS (15). In addition, 6 trade unionists were detained, 4 Chinese Educationists, 15 activists from Social Interest Groups, and 33 individuals (including the husband of the author). Four daily newspapers were also closed down.³⁶

Tunku Abdul Rahman, the first Prime Minister, called this the makings of a Police State. All the trappings of such were evident, viz. middle-of-the-night arrests, solitary confinement and interrogations for two months without trial or charge; phone-tapping by the police, Special Branch surveillance and police breaking up meetings; the media becoming a channel for 'doublespeak' and control, and so on.³⁷

The day after the government began arresting and detaining without trial more than 100 prominent people, the Prime Minister in a televised Parliamentary statement, explained:

Measures to prevent riots must be taken immediately to save the country from possible danger and calamity.³⁸

In March 1988, a White Paper was presented to Parliament entitled 'Towards Preserving National Security'. The rationale centred around racism, religious extremism as well as the threat from liberation theology and communism. The arguments used in apportioning blame were flimsy and unsubstantiated. Invariably the activities described as justifying the use of the ISA were legitimate, non-violent and fulfilled an important social or political purpose, such as expressing the aspirations

of the poor. Even within a narrow definition of democracy, none of these activities could be interpreted as posing a 'national security threat'. Besides, the arrests included very disparate elements with little or no connection with each other despite an attempt by the State to claim otherwise.³⁹

While a small number of BN component party members and MPs were detained, none were held beyond the initial sixty days detention and any blame apportioned to them was alleged to have been indirectly instigated by taunts from the opposition. A glaring omission from the analysis was any recognition of the role played by the government in creating the tense situation of 1987.⁴⁰

Countless anomalies in the Government's case were exposed during the course of 1988 when various detainees applied for writs of Habeas Corpus. These included the Christian group, the Chinese educationist group, the DAP and the social activists. Their affidavits showed that they had been detained under the ISA in great haste by the Government, without due care and attention to the law. There were a few successful Habeas Corpus applications, including that of DAP leader and lawyer, Karpal Singh. In this case, the administration rearrested him only nine hours after his release by the High Court in Ipoh.⁴¹

The main alternative press consisted of the *The Rocket* (monthly organ of the DAP), *Aliran Monthly* and PAS' *Harakah*. During this period their circulation soared to unprecedented heights as the public sought information and rational analysis of the situation. Given that a large number of organizations had been deprived of their leaders, there was nevertheless, a large number of written responses to the White Paper by the affected groups and organizations.⁴²

There was broad agreement that the White Paper was merely a political justification of the use of the ISA by the government. Under Article 149 of the Malaysian Constitution under which the ISA was enacted, six categories are recited as providing the basis for arrest and detention under the ISA, viz.:

- (a) to cause, or to cause a substantial number of citizens to fear organized violence against persons or property; or
- (b) to excite disaffection against the Yang di-Pertuan Agong or any Government of the Federation; or
- (c) to promote feelings of ill-will and hostility between different races or other classes of the population likely to cause violence; or
- (d) to procure the alteration, other than by lawful means of anything by law established; or

- (e) which is prejudicial to the maintenance or functioning of any supply or service to the public or any class of the public in the Federation or part thereof; or
- (f) which is prejudicial to the public order in or the security of the Federation or any part thereof.⁴³

The responses to the Government White Paper argued that most of the allegations and the government's charges did not fall within these categories; therefore on those grounds alone the detentions were unlawful. *Aliran* expressed a widely held view that:

the document is full of allegations and innuendos which it is doubtful the Government will ever be able to substantiate.⁴⁴

Those allegations which fell under the cloak of the 'Marxist Group' were rejected as fabrications and distortions which rested for their support on 'statements' made by detainees under interrogation, and which are internationally recognized as inadmissible.⁴⁵

Some of the activities by the DAP and Chinese educationist leaders, described as having contributed to the rising tensions of 1987, were in fact events of 1984, 1985 and therefore they were, it was argued, stale in law. Besides, if such activities were considered inflammatory, why had the government not acted earlier? Many were factually incorrect and in some cases, two people were alleged to have chaired the same meeting. As the judge concluded at Karpal Singh's case, the allegations appear to have been drawn up 'in a cavalier fashion without due care and consideration.'⁴⁶

In recognizing the fact that the detainees had been incarcerated for expressing legitimate grievances through non-violent and legitimate means, all the 'Operation Lalang' detainees were adopted as 'prisoners of conscience' by Amnesty International. A number of other international organizations were equally concerned and in a variety of ways expressed support for both the detainees and their families.⁴⁷

Their analyses were unanimous and supported the view that the use of the ISA in 1987 was unwarranted and contravened the agreed norms of the UN Declaration on Human Rights. They called for an immediate review of the ISA with a view to its repeal. Failing that, Amnesty International called for safeguards in order to ensure minimum standards of human rights in view of the fact that current so-called safeguards were ineffectual.⁴⁸

UNITED AGAINST THE ISA

When we compare the arrests of 1987 with those in the preceding years, there are significant differences. Since the introduction of the ISA in 1960, there have been certain consistent trends but there is also a trend reflecting changes in the nature of the State and ensuing tensions since the removal of the 'communist bogey'.

In the early years, ISA detainees were generally classified as communist, in association with the then proscribed CPM, which was an underground, active armed organization. In terms of social origins, many were predominantly working class. Lacking too were any organizations which could openly network to provide solidarity. Any open show of support could incriminate the supporters in the process. As a result of this, little was publicized about the detainees.

In the early Sixties, monitoring agencies were rare if any. The detainees were treated harshly and beatings were commonplace, conditions were appalling, especially at Batu Gajah Detention Camp. Militant action by the detainees was sometimes the only tool of redress, for example, a hunger strike lasting more than 40 days was carried out to protest the beatings.⁴⁹ From the mid-Seventies, we began to see the periodic detention of a very different category of Malaysians, viz. students and academics, journalists and politicians, with a social consciousness and expressed desire for greater democracy. These were still branded as communists, albeit with a sophisticated, intellectual approach.

Thus there was a shift in concept from an enemy without to the concept of an enemy within and the start of detentions serving overtly political purposes. We have noted that the detentions either repressed any serious criticism of the Alliance or served as a distraction from problems within the ruling coalition. What was very different though was that the ISA began to be increasingly used against individuals carrying out legitimate, open and legal activities. While armed communism remained a minimal force in the jungles of Malaysia, these ISA detentions were justified by the ruling logic that they were 'communist inspired'.

These detainees were treated in a more circumspect fashion but emphasis was placed on the art of psychological persuasion using Special Branch techniques of 'sensory deprivation' and the like.⁵⁰ Efforts would be made to 'rehabilitate' them and this was sometimes enhanced by the promise of a great future within the Barisan Nasional Government should they comply.

Latterly too, there has been external support from the families of the detained, as well as political parties and international human rights organizations.

What occurred in 1987 was dramatically different in scale from anything that had preceded it for, not since the end of the Emergency, had over 100 people from so vast a range of backgrounds been detained in one swift operation. The composition of the group was significant in the number of prominent and 'respectable' figures, including professionals, doctors, Church workers, Islamic elders, lawyers and academicians. They were also multi-racial in outlook, chiefly educated in English and Malay whereas previously most detainees were from Chinese vernacular schools. Their educated middle-class background helped to provide them with the tools for a different type of struggle, through the courts, the alternative press and the international arena.

The Barisan Nasional had, by detaining such a group, created the basis of a forum which has provided a nucleus for the reclamation of democracy. The detention had inadvertently placed together environmentalists, Islamic fundamentalists, Chinese educationists, Christians, trade unionists, and parliamentary opposition leaders. As a result, this multi-ethnic solidarity served to galvanize a commitment by the detainees toward human rights and democracy.⁵¹

The unity which had evolved inside the Kamunting detention camp was demonstrated dramatically when the detainees embarked on a hunger strike during the anniversary of Operation Lalang in October 1988. The hunger strike persisted for a week and generated a week of headlines. Inspired by the action inside, the detainees' families mobilized support outside. They were subjected to harassment by the police during which the author herself became a victim of police brutality.⁵²

Thus a chief feature of the 1987 detentions in contrast to those before was the way in which public attention was maintained on the issue, both nationally and internationally. This was only possible because of the collective and committed nature of defiance, both inside and outside the detention walls. The class composition was an important element in making this possible, in that there was a high level of awareness of legal and human rights. This also resulted in a change of power relations within the camp itself, where the notion of official 'rehabilitation' was ridiculed and abandoned and detainees could dictate terms from a position of authority based on knowledge, and even handled their own court cases.

EXECUTIVE MANIPULATION OF POWER

We have argued that 'Operation Lalang' was essentially a distraction from the central crisis in UMNO, therefore it follows that the conse-

quences of this repressive action need to be evaluated in a number of ways.

First, what the Executive achieved after the crackdown, in 1988, was an enormous erosion of judicial powers in an attack on the Judiciary which culminated in the sacking of the Lord President. However, the long term implications are contradictory and hold some hope for the retrieval of democracy.

The sequence of events has been well documented, as it attracted the interest of lawyers and judicial experts throughout the world.⁵³ Essentially, the Judiciary had made a number of judicial decisions which had gone against the government, specifically against actions initiated by the Prime Minister. However, these decisions were not representative of the Malaysian Judiciary, which made many more in the government's favour at that time.⁵⁴

At least eight cases could have displeased Dr Mahathir, the most critical of which involved UMNO. First, the UEM North/South Highway conflicts-of-interest case had ambiguous implications in law with a 3-2 Supreme Court decision, and the litigants (the Leader of the Opposition and his lawyer Karpal Singh) were in ISA detention. Related to this was the release of Karpal Singh by Justice Peh Swee Chin on the grounds that the detention had been in bad faith, although Karpal was rearrested nine hours later.⁵⁵

Thirdly and critically, 11 'Team B' UMNO members filed a suit questioning the legitimacy of the 1987 UMNO elections, which Mahathir and his deputy Ghafar Baba had narrowly won after a recount. It is clear that it was this case that led to judicial interference. Mahathir's fragile hold onto power hung in the balance and he depended on the Supreme Court to uphold the High Court decision. Once the appeal was filed by the Lord President, Tun Salleh Abbas, to be heard by a bench of nine judges, Dr Mahathir acted swiftly to remove him as well as five other Supreme Court judges.⁵⁶

According to a law professor and keen observer of Malaysian legal affairs:

What Dr Mahathir has done in my view is to sacrifice, for the sake of a transitory, temporary and possibly illusory political advantage to himself and his supporters, the priceless asset of judicial independence... it is the Constitution, as the supreme law, entrusted to the judges, which is the best guarantee that the executive, once elected, will not act dictatorially.⁵⁷

This view was echoed by Malaysia's first Prime Minister, Tunku Abdul Rahman, the former Lord President Tun Mohammad Suffian Hashim and many more notable national and international figures.⁵⁸ Dr Mahathir went

on to form a new 'UMNO Baru' ('New UMNO') from which Team B was automatically excluded, and consolidated by winning over the former disaffected members who were prepared to pledge their loyalty to UMNO Baru. The media made much of the numerous 'SEMARAK' ('Loyalty With The Rakyat') ceremonies throughout 1988, at which the new loyalties were pledged.⁵⁹

Team B then registered themselves as 'Semangat 46' ('Spirit of 46', to conjure up the original spirit of UMNO in 1946), which demonstrated a break and rejection of Mahathir's policies. Theirs was more symbolic than ideological, but nevertheless, S46 together with the DAP, PRM and a few other parties formed an alternative coalition front, 'Gagasan Rakyat' ('Might of the People') to compete in the 1990 General elections.

During the 1990 elections, there was a general feeling of excitement at the possibility of creating a two coalition system and breaking the two-thirds majority hold of the BN. In the event, Kelantan was won by PAS and S46, DAP lost narrowly in Penang, and PBS, which had pulled out of the BN on the eve of the elections, captured the Sabah State Assembly. On the whole however, the BN narrowly obtained their two-thirds majority in the federal Parliament despite obtaining only half the total votes.⁶⁰

To explain the continued BN success at the polls, the power of charismatic leadership through a controlled and dominating media which defines the issues and the debates should not be under-estimated. While the urban voters have consistently supported the opposition at elections, S46 has had to contend with the well-established UMNO mechanisms of patronage channelled through the network of government and semi-government institutions.

But perhaps the most effective tactic used by the BN was during the last few days of the campaign after PBS had announced their exit from the BN. UMNO reacted with a vicious assault on the Islamic credentials of Tengku Razaleigh, the S46 leader. The mass media were saturated with a picture of Razaleigh wearing Kadazan headgear with a woven pattern resembling the Christian cross on it.⁶¹ The fact that Dr Mahathir himself had worn a similar headgear in Sabah before that became immaterial. In addition, the Barisan Nasional took out full page advertisements on the eve of polling warning of a racial bloodbath should the Opposition win.

To a still-insecure Malay electorate unused to political change, many Malays were persuaded back into the BN fold through this politics of fear. The fact that many were not – bearing in mind that 48 per cent of the electorate did not vote for the BN – still leaves hope for democratic change.⁶²

For the victims of ISA detentions, many have emerged from the experience strengthened in their resolve to enhance the cause of democracy and

human rights in Malaysia. Shortly after the release of all the 'Operation Lalang' detainees in 1989, a human rights group was formed by an amalgamation of the support group and a number of ex-detainees, which became 'SUARAM' ('Voice of the Malaysian People'). The Bar Council too formed a human rights group in 1988 with Tunku Abdul Rahman as its patron, which was registered only in 1991 as 'HAKAM' ('National Human Rights Society').

Other ex-detainees have persisted in their social concerns and continue to work with squatters, women and workers. Some joined opposition parties and many were particularly active in the run up to the 1990 elections. Currently, there are a number of ex-'Operation Lalang' detainees on the opposition bench of the Malaysian Parliament.⁶³

The ISA detentions of October 1987 continue to be commemorated every year through 'Freedom Walks', forums and ex-detainees' get-togethers. In other respects, the power of the Executive has been strengthened, but what Operation Lalang has done is to finally demystify the ISA, easily the most feared of all the repressive laws in Malaysia. This has been achieved through the State's own undoing when it arrested and detained clearly innocent dissidents who in turn wrote books and articles to publicize their innocence and to condemn the ISA.⁶⁴

It is important to understand the deterrent function of the ISA intended by the State, for this law affects not only those detained but all who witness the detentions. The apparatus and procedures of the ISA reveal that it is implemented with the clear intent of intimidating all dissidents, from the secretive and clandestine manner of arrest and detention to the subsequent perverse treatment of detainees in appalling conditions.⁶⁵ The Internal Security Act is not merely one of a number of draconian laws on the statute books of Malaysia. It has become a major instrument of repression and that is why, even after the armistice declared with the CPM in 1988, the State still refuses to repeal the ISA when only a relatively small number of people remain in detention under the ISA.

When we look at those more recently detained we can see how the ISA serves the purpose of the State. In May 1990 five of those detained are from Sabah and closely associated with PBS, (Part Bersatu Sabah) allegedly for their part in a 'secessionist plot to pull Sabah out of the Federation'.⁶⁶ However, the events which preceded their arrest indicate another rationale.

Firstly, the fact that PBS pulled out of the ruling Barisan Nasional only three days before the 1990 election, reflected the disgruntlement in the East Malaysian state over the federal attitude and financial allocations to Sabah. This has since provided the centre with the excuse to systemati-

Table 8.1 Incidence of poverty, 1976 and 1990

	1976(%)	1990(%)
Malaysia	42.4	17.1
Rural	50.9	21.8
Urban	18.7	7.5
Bumiputera	56.4	23.8
Chinese	19.2	5.5
Indians	28.5	8.0
Others	44.6	12.9
Sabah	58.3	34.3
Rural	65.6	39.1
Urban	26.0	14.7
Bumiputera	67.1	41.2
Chinese	22.2	4.0
Others	15.7	6.3
Sarawak	56.5	21.0
Rural	65.0	24.7
Urban	22.9	4.9
Bumiputera	68.7	28.5
Chinese	29.6	4.4
Others	9.4	4.1

Source: OPP2, 1991: Table 2-6, p. 46

cally 'punish' Sabah into submission, including the recent freezing of timber exports.⁶⁷ Other factors have put a strain on the state, notably the mass immigration of Philippine migrants, who, many Sabahans suspect, remain a neglected problem because of their Muslim status, in contrast to the Kadazan Christian majority in Sabah.

The leadership of PBS has been charged in court with corruption, reflecting the 'selective efficiency' of the Anti-Corruption Agency. It would seem that the detentions are part of a strategy of political harassment of the opposition in Sabah. Simultaneously, an ideological war is being waged against both the Kelantan and Sabah State Governments to highlight their backward status, which is apparently the price they pay for rejecting the Barisan Nasional.⁶⁸ (See Table 8.1.)

9 Conclusion and Postscript

Our objective in this book has been to demonstrate the relevance of analysing the Malaysian State through the concept of authoritarian-populism, with a view to explaining the apparently contradictory phenomenon of an authoritarian state endorsed by popular mandate. Of concern is the evident erosion of democracy in this process and conversely, the mechanisms by which it can be restored.

In order to address these questions we have traced the specific historical development of the Malaysian State, from which we have identified both the authoritarian and populist strands of what evolved into a coherent ideology in the Seventies and Eighties.

Within a framework of the state as a pact of domination involving both the monopoly of coercion and a need for legitimacy through consensus, we have seen that the Malaysian State has not only retained what may be considered the visible coercive apparatus, the police and army, but also the preventive detention powers of the ISA, which continue to override the juridical institutions.

An explanation for this 'dual system' was found in the insecurity of the post-colonial coalition in the face of free elections, a view supported by the documented evidence of persistent detentions of opposition party members throughout the Sixties. From the start the ISA was used to restrict the ability of the opposition to attain success at the polls, and thereby enhance consensus for the Alliance.

However, the early post-Independence leadership was unable to balance its provision of rights and obligations to the people or to satisfy the demands of the emergent Malay bourgeoisie. Consequently, tensions heightened within the ruling elite, between the feudal and nationalist bourgeois elements, which reached crisis point in 1969.

A central weakness of the state in the Sixties was its economic dependency on international capital in the primary sector, which nevertheless produced healthy growth figures. A *laissez-faire* policy exacerbated the pattern of colonial uneven development, which nurtured the view that Chinese capital was responsible for denying the emergence of Malay capital. This prompted the nascent Malay bourgeoisie to make demands on the state to ensure economic parity on a communal basis.

We have argued that it was out of the crisis in the ruling power bloc, which manifested itself through communalism, that the coherent authoritarian-populist state emerged. This conforms to Laclau's thesis, in

which such a crisis may be resolved by a populism which is necessarily repressive.¹ The subsequent suspension of the parliamentary process in 1969 saw an institutional reduction of the avenues of mediation and thus democracy. By defining and presenting their class project through communalism the new Malay bourgeoisie were able to subsume the contradictions between their role as protector and guarantor of their class domination and that of the classes they dominated.

The tension between these two roles has not always been evident because of the populist function of communalism, both towards those to whom the policies are directed and those excluded. Besides the evident repressive function found in detention without trial, we have examined the ideological expression of domination through populism. The function of populism in Malaysia corresponds to Poulantzas' definition in which 'an ideology is created which can manipulate the populace and facilitate the introduction of policies which may be against their broad class interests'.²

In this light the policies implemented under the NEP can be understood as populist and thus against the broad class interests of the people. First, the agrarian question was portrayed as a problem of productivity, not land access and control. Secondly, the industrialization process was not developed through the small and medium industries, but the cheap labour needs of foreign capital, which also served to supplement flagging rural family incomes. Other aspects, such as trusteeship and heavy industry projects, have benefited the managing elites and the big bourgeoisie at a huge expenditure of national resources.

Throughout, the populist ideology of 'bumiputraisim' has justified these policies as necessary to modernize the Malay community as a whole. This operational content of populism has been fulfilled through extensive educational and social provision as well as visible benefits and rewards for loyalty, made available through a bureaucratic network of patronage, which serves to mask class distinctions within the community.

Communalism produces tensions in society. The NEP was a statement of the state's differential attitude which has institutionalized the dispensation of rights and obligations to the people on a communally determined basis.

As we have seen, this has been perpetuated by incorporating an ideological component through which 'Bumiputraisim' has been justified as being above all other considerations in national development. The disaffected 'non-Bumiputras' left out of the NEP have protested at its implementation because of a denial of their rights as citizens to existing opportunities, especially in education and government employment. From their perspective, the NEP has been repressive.

While appearing to stand above society, the state has revealed its class interest by blocking the channels of the democratic process, through proscriptive legislation on 'sensitive issues' and reinforced by the overtly repressive ISA.

The data on the use of the ISA over 30 years (see Table 9.1) has revealed its value to the ruling bloc in three critical ways. First, the ISA has made the maintenance of coalition hegemony possible, especially just before elections. Secondly, at a time of ruling bloc crisis, its use serves to deflect from the crisis, through the spectre of racial antagonism. Critics are thus silenced while 'structural adjustments' are subsequently made to consolidate hegemony. This happened in 1969 and again in 1987. While the 1969 crisis saw a ruling bloc challenge succeed, the 1987 crisis narrowly averted such a challenge.

The ISA has served a third purpose of dealing with the tensions that arise as a result of State policy or action. Thus peasants' and workers' demands have been repressed in this way, as have other victims of state policies, the vernacular schools, religious and cultural organizations, forest natives and regional minorities. These demands centre on the right to democratic participation in determining the 'development' process and to basic human rights. Their experience of development from above has been one in which their needs have been subsumed to the interests of the bourgeoisie.

The retention of the ISA has enabled the State to maintain the formal apparatus of parliamentary democracy, a central mechanism for obtaining consensus. As the executive has gradually eroded the concept of separation of powers we see the reality of 'elective dictatorship', especially during the assault on the Judiciary in 1988.

In the Eighties the authoritarian-populist state 'congealed' in the charismatic leadership of Dr Mahathir. His ideology is modelled on a nationalism based on economic growth, managed in the style of the South Korean and Japanese state, which ably serves the interests of the bourgeoisie. Thus a populist culture has been presented, of unity on the basis of 'shared growth', 'one race, one nation'. These images have been relentlessly presented through the media and reinforced by Dr Mahathir's adopted role, at international forums, as spokesman for the Third World.

The very success of the NEP in restructuring capital has in the process transformed social classes, increasing differentiation of the Malay community along lines of both class and gender. Communalist populism in the future may not be sufficient to manage the competing demands of capital and labour, when both are found in the same ethnic group. Intra-ethnic inequality has widened most in the Malay commu-

Table 9.1 Data on ISA detentions (certain years)

<i>Year</i>	<i>Arrested that year</i>	<i>Total detained</i>
1957		250
1959		146
1960	32 (pr)	100
1961	88 (pr)	108
1962	74 (pr)	232
1963	52 (pr)	1052
1974	112 (pr)	497
1975		1444
1978		933
1979		800
1980	106 (G)	668
1981	87 (G)	470
1982	24 (G)	377
1983	5 (G)	196
1984	52 (G)	168
1987	106 (G)	
1989		68
1991		174
1992		128

Key: G represents government figures, usually only disclosed to a parliamentary question, and not always in the press

Pr – Figures from the press

Note: This data is incomplete and often only a minimum figure, especially from the press. Government figures have also proved unreliable eg 1987

Sources: *China Press*, *New Straits Times*, Parliament, Malaysia, *Hansard* (various years)

nity. For example, land acquisition and forced eviction of Malay settlers, both urban and rural, has become the most prevalent struggle of the 90s.

However, given the authoritarian-populist nature of the state it should not be assumed that Malay class consciousness will necessarily emerge to carry out the task of democratic transformation. We have been reminded in this book of the critical role of hegemonic ideology in this process, which presents a problem, even for the breakaway Malay opposition parties. At the same time, as a result of the contradictions within the ruling party UMNO, these parties have been put in the objective position of 'opposition', and that has produced demands for greater democracy.

The repression of 1987 may have seen the last opportunity to use the ISA on a mass scale, as the negative consequences for the state have been considerable and its legitimacy shaken once and for all. The greatest hope for the retrieval of democracy lies in Malaysians demanding the full potential use of its remaining institutions.

POSTSCRIPT

Malaysian economic success has involved an increasingly important role for manufacturing, which by 1994 will account for 31.5 per cent of GDP as against 20 per cent in 1980.³ Both the Government and the UNDP reports acknowledge that the future viability of this mainly foreign funded sector depends on the ability to upgrade technology. While some companies, notably electronics, have accomplished this, the majority have not, as suitably skilled labour remains in short supply, hampered by past low levels of technology transfer, skills development and R&D investment.⁴

In spite of the government's acclaimed aim of industrialization, educational planning for changed technical needs has been poor. Malaysia's literacy rate remains regionally low at 79 per cent while tertiary institutions only absorb 7 per cent of the 20-24 year-olds, in contrast to 16 per cent in Thailand and 28 per cent in the Philippines. And of these, the majority obtain Arts qualifications. The official projection of the number of engineers by the year 2020 is merely 2308 per million compared with the 14 303 per million achieved by Singapore in 1980.⁵

In recognition of these shortcomings there has been a flurry of polytechnic building and attempts to channel students into science and technology but it seems unlikely that these efforts will be able to produce results soon enough.

The question of the status of women is notable among the social implications arising from the industrializing methods adopted. Studies on the mainly rural women who make up the bulk of the FTZ workforce have revealed that their new-found economic independence has enhanced women's status as well as allowing them to make a significant economic contribution to their family's welfare at a time when revenues from agricultural activities have been declining.⁶

On the other hand, negative consequences have resulted from the international dimensions of production in which MNCs are engaged. Work for women has thus been mainly labour intensive, repetitive and low-skilled,

with associated health problems. While wages may have been pushed up by the shortfall in labour, the lack of union representation for women has meant many life-threatening occupational hazards persist.

What any shift to higher technology implies for employment restructuring is as yet uncertain. The trend is generally towards a decreased size of workforce out of whom a minority is made up of higher skilled 'technical' workers, often men, with the majority comprising de-skilled workers, invariably women. Elsewhere, this results in redundancies for women and less pay for those employed in the lower skilled tasks. In other words, the long-term prognosis for improved job opportunities for women is very mixed and depends on women's ability to access upgraded skills training. Given that 45 per cent of the workforce is made up of women, provision of childcare and related support facilities needs to be a high policy priority.

However, given the overall growth in the economy and the continued reality of labour intensive production, Malaysia faces a net labour shortage, met to an increasing extent by migrant labour from neighbouring countries, particularly Indonesia and Bangladesh. Such a short-term measure looks set to produce long term social problems in the spheres of education, health, housing and security.

Thus far, the migrants have been assigned the worst and most dangerous labour intensive jobs, notably in the construction and manufacturing sectors, with low pay and poor living conditions. This phenomenon serves to suppress local wages and undercut any gains made, though there are sporadic indications of linkages between migrant and local workers on these issues.

It is worth noting that in a context in which 'ethnic/cultural' considerations are high on the agenda, migrants are selectively welcome, based on their religious affiliation. For example, those from Indonesia and Bangladesh have made a considerable demographic impact in Sabah and parts of the peninsular. Less welcome have been workers and visitors from Sri Lanka and India, whose entry depends on having a guarantor and bond of RM\$750 despite the fact that they may have Malaysian relatives. As for East Asians, Vietnamese refugees were rejected en masse in the Seventies and even today migrants from China are not welcome. This contrasts with the positive encouragement given to others.

As for broad economic issues, the external debt is also cause for concern as its size has actually grown from RM\$20.847 billion in 1984 to RM\$64 billion today. Internal debt is even higher, having risen from RM\$37.1 billion to RM\$78.4 billion for the same period.⁷ There is also the serious economic issue of a persistent deficit in the services account of

the balance of payments, expected to increase to over 10 per cent of GNP by 1995. More than half of the deficit is made up of net outflows of investment income, 35 per cent to freight and insurance and the rest to contract and professional services.⁸

Other sources of fiscal 'leakage' include those associated with incentive packages for foreign investment, the repatriation of profits and loan repayments, especially the yen debt trap resulting from Dr Mahathir's 'Look East Policy'.

Observers have noted the trend towards the ownership and control of the Malaysian economy in the hands of a few well-connected individuals and companies, through takeovers and mergers resulting in monopolistic and oligopolist domination. Mehmet has studied these overlapping 'coalitions' while Gomez has studied the corporate involvement of Malaysian political parties. He cites the creation of paper wealth and the volatile stock market as a vulnerable factor in the economic equation.⁹

Privatization of public services and utilities now includes multi-billion dollar projects such as the North-South Highway, water and sewerage, municipal services, the Bakun Dam, the Light Rapid Transit System (LRT) and the National Train Service (KTM). While rationalized as a cost cutting exercise, this has become an important means for the Malay bourgeoisie to reap the gains of the NEP through 'negotiated' tenders given to companies linked to the dominant faction of UMNO. The fact that government 'soft loans' are being given to Renong (an UMNO linked company) for the LRT phase 2 project negates the objective of reducing public financing requirements since the government may as well do the work itself.¹⁰

A further concern is that the public pension fund (Employees Provident Fund) is providing the loan capital for companies like STAR, the LRT phase 1 operator, which had failed for several years to obtain either local or foreign financing. Similarly, four Independent Power Producers have obtained EPF support.¹¹ Another crucial point is that these companies often have no knowledge or experience of the industry concerned and have to rely on foreign companies. This adds to the deteriorating trade and services account.

Apart from the Malay bourgeoisie, their allies among the Chinese bourgeoisie have also benefitted from privatization, although in terms of political power, UMNO has become the hegemonic power within the ruling coalition. This has put the MCA and Gerakan in a weak bargaining position even in relation to the most basic minority interests. Faced with declining non-Malay support, MCA and Gerakan party leaders have turned to UMNO for their political survival and in general elections they are generally only able to succeed in Malay dominated constituencies.

In recent years, Chinese big business has underscored this trend by bypassing these ostensibly 'Chinese representative parties' and establishing a direct link with UMNO leaders, with whom many of them have developed a very close relationship, especially the Prime Minister. Through this they have been able to access key development opportunities, for example Vincent Tan of Berjaya; Datuk Ting Pek King of the Bakun Dam project. At the same time they are publicly cited by UMNO top leaders to illustrate that the government is equally fair to the non-Malay communities.¹²

Thus, while the MCA claims to support Chinese vernacular education by fundraising for the independent schools, it has yet to take up the question of recognition of their examinations (long recognized by established overseas universities); the highly skewed quota-based admission to tertiary institutions or the gross neglect of Chinese primary schools. The MIC has an even more dependent relationship with UMNO, from which the Indian community has gained little in terms of economic and social change, evidenced in the recognized poverty and squalor, as well as the grossly inadequate educational and health provision in the plantations.

The nature and extent of the relationship between politics and business has been traced in the recent study by Gomez. 'Money politics' has also been acknowledged as rampant with UMNO itself calling a special meeting on the issue in early 1994. Within UMNO, for example, an estimated RM\$360 million was spent on the 1990 election.¹³

In 1990, the NEP was replaced by the New Development Policy (NDP), which in terms and objective appears far broader and less communal than its predecessor. It even takes up, for the first time, the progressive issues of the environment and gender equality. Thus the NDP acknowledges the validity of some democratic goals, at least on paper.

Another perceived indication of 'liberalism' is found in the fact that the government has allowed the mushrooming of private tertiary educational institutions. Such a move allows non-Bumiputras access to a tertiary education otherwise severely limited by quota-based access to government institutions.

In other respects the government is at pains to woo the Chinese voters through wide press coverage of 'positive' images. For example, the Deputy PM was recently seen learning Chinese calligraphy on an historic visit to China, sending a clear message of UMNO's 'liberalism' to the Chinese urban voters at home. In recent years, Malaysian Chinese have been allowed to visit China, a right denied to them since Independence. Some academics have also added to the euphoria of the Government's 'liberal' trend and the possible demise of the opposition.¹⁴

It is important to examine how substantive these changes are, and whether they are indicative of institutional change which may herald a deeper broadening of democracy.

The Malay bourgeoisie has helped shape the political character of change. It has been their search for capital accumulation that acted as a catalyst for the development of private tertiary education, in the knowledge that there was a high market demand. But the trend towards 'bumiputratization' has continued unabated, in education, in scholarships, in employment, in privileges for housing, loans, and so on. Of significance is the fact that official figures are often no longer disaggregated for ethnicity, ending a practice which has existed since before Independence. As for poverty eradication, a hardcore fund has been set up for poor Malays. The MCA has followed suit with a 'Langkawi Project' as a way to help the needy Chinese, but this is through community fundraising, not government allocation.

There are numerous examples which indicate that while populism, at an ideological level, has apparently widened its scope beyond communalism, the substantive reality is that ethnicity remains a decisive factor in access to government facilities and employment. The constant assertion of being a democratic state has been undermined by the recent highly skewed constituency delineation exercise and the revelation of a record number of voter registration complaints.¹⁵ No attention has apparently been paid to the changes which the 1990 Commonwealth observers 'urged' the government to make, especially with respect to media access for the Opposition.

Meanwhile the question of repression remains. In mid-1994, we saw an insecure government utilize its powers to arrest and detain without trial leaders of Al Arqam, a 16-year-old non-violent Islamic movement which had established well organized communes with schools, clinics and very successful business ventures, achieved from the pooling of individual capital without government support.

The crackdown on Al Arqam involved the arrest of eight leaders under ISA, the arrest of numerous others under the Societies and Publications Acts, banning of the organization and persecution and harassment of members of their 48 communes. Arrests have been made under a wide range of laws which effectively remove the right to free speech, to free association, and the publication and distribution of literature.¹⁶ The use of these laws demonstrates the variety of ways in which persecution can be achieved, with or without the ISA. As for the motive behind such detentions, Dr Mahathir claims that this is a religious problem, the banning arising from an Islamic 'fatwa'. Other analysts suggest that Al Arqam

Table 9.2a Statistics on arrests and detentions, 1993 and 1994

<i>Law used</i>	<i>Number of arrests and detentions</i>	
	<i>1993</i>	<i>1994</i>
Internal Security Act, 1960	61	27
Emergency Ordinance, 1969	93	200
Dangerous Drugs Act, 1985	1750	3888
Total	1904	4115

Note: 12/10/94 – Al Arqam members arrested under other laws = 941 (e.g. The Printing and Publication Act, the Police Act on public assembly and speech)

Table 9.2b Total number of arrests and detentions since enactment of respective acts – until July 1993

<i>Law used</i>	<i>Number of arrests and detentions</i>
ISA arrests (since 1960)	9542
ISA arrests (more than 60 days)	3682
Emergency Ordinance (since 1969)	797
Dangerous Drugs Act (since 1985)	3195

Table 9.2c Total number of ISA detentions for the following years

<i>Year</i>	<i>Number</i>
1960–1969	1199
1970–1979	1713
1980–1989	559
Overall Total (author's calculation)	3471

Source: Reply to Parliamentary Question No. 69 by MP for Petaling Jaya, Dr Kua Kia Soong, 21 July 1993 and Reply to Question No. 30 October 1994

simply became too successful at the grassroots level and therefore posed a possible political threat to the status quo.¹⁷

The latest figures show an increasing number of preventive detentions by the Government using the Emergency Ordinance, Public Order Act (POPOC) and the Dangerous Drugs Act 1985 (see Table 9.2). With these

issues in mind it is clear that authoritarian populism is still very much a valid analysis of the Malaysian State, though the emerging contradictions make the approach more precarious and riskier for the Malaysian State than ever before. As capitalist development in Malaysia progresses the growing Malaysian middle class and working class will no doubt expect and demand further democracy.

Appendix: Theoretical Considerations

The purpose of this appendix is to expand on some of theoretical concepts raised and applied throughout this book in the search for an explanation of an apparent paradox; namely that the Malaysian state is recognized as economically successful as well as authoritarian, and yet the ruling party has repeatedly obtained an electoral mandate at the polls.

Analysts of Malaysian Society

Traditionally, a pluralist analysis has been applied to Malaysia in one form or another, though generally concentrating on the political sphere.¹ This analysis is based on an 'ideal-type' political system in which vertically integrated communities find political expression through a process of elite accommodation. Malaysia provides an almost classic case with its substantial ethnic nationalities organized into communally separate political parties but united into a ruling coalition. While recent pluralist analyses may display greater sophistication,² they still rest on the same premise, a major difficulty of which remains the need for an appropriate analysis of the State.

By failing to comprehend the compact of domination residing in the Capitalist State, they do not take into account the class relations upon which this is founded. Thus their framework for the resolution of difficulties remains at the ideal and superficial elite bargaining level. This obscures the class basis for that bargaining which will tend to interfere with the ability of these elites to meet the needs of those in the community from other social classes. Besides, the negotiators themselves have an unequal power base in relation to the State, which explains the degree to which they may or may not be successful. This is seen in the weak bargaining position of political parties like the MCA, MIC and Gerakan, clearly unequal partners within the ruling Barisan Nasional coalition.

Another difficulty is that pluralist analysis actually contains within it the expressed rationale for the legitimacy of such a ruling coalition. By operating within the parameters of what is, in fact, the Malaysian State ideology, pluralism is able to describe one aspect of communal relations, but unable to provide an explanation of the dynamics of the system especially when any problems are encountered. For example, Means refers to the 'overloading' of the system with ethnic challenges. The implication is that, given a fair chance the system would work, exactly the same argument espoused by the elite themselves.³

Clearly, this starting point limits the analytical value of pluralism. Secondly, by neglecting the multiple roles of the State it does not address the question of democracy adequately. Even the 'ideal balance' between communities would leave the question of class relations and the resolution of those tensions unanswered.

A more recent analysis by Jesudason⁴ also rests on the pluralist premise that since vertical ethnic cleavages are a dominant feature of Malaysian political

organization, they therefore constitute the best tools of analysis. However, to correct the inadequacies of pluralists, Jesudason incorporates an economic and a class perspective. This study goes straight to the heart of the economic question of the relative decline of the Malaysian economy vis-à-vis Taiwan and South Korea and compares it with the domestic *laissez-faire* period of the Sixties. Thus his focus is on why economic development in Malaysia has not been as successful as it could have been, despite respectable economic growth rates in recent years.

The strength in his argument lies in his identification of the use of ethnicity as an important political determinant of economic change, thus countering the claim that it is merely 'phenomenological' and cannot be reduced to class, a point some class-based theorists fail to take into account theoretically.⁵

His argument hinges on the fact that 'development' in Malaysia has been heavily driven by ethnic considerations which have not necessarily been the most 'rational' economic choices.

Jesudason demonstrates the effects of this politically generated policy on different capitals and the national economy as a whole and identifies the factors which undermined the greater success of the economy. In brief, these were a lack of pragmatism in policy implementation, weakness of the private sector's ability to discipline the State, and the illusion of a constraint-free economy in which risk-taking became the norm. As a result of which, the State relied on foreign capital to boost the economy.⁶ In this respect, his work provides a break from traditional pluralist analyses as well as economic deterministic models. His study also challenges the dependency theorists by stressing the importance of domestic policies:

The critical point is whether a country can initiate actions that maximize the benefits and anticipate the potential problems of its engagement in the international economy.⁷

There is now plenty of evidence to support this view, which implies the need to pay greater attention to the specificities of third world nation states.⁸

Nevertheless, Jesudason's analysis is hampered by the underlying parameters of pluralism, albeit a much more useful version. He does not fully take into theoretical account the nature of the State which is merely discussed in terms of actions of elites and their economic consequences. Thus he suggests that: 'A more responsive State to the views of the Chinese and foreign groups might have served the economy and society better.'⁹

The problem is that his criticism of ethnically directed political policy is restricted to economic efficacy and this does not explain the class basis and consequences of such policy for democracy, for the unity and well-being of the people. The failure to comprehend the class basis of 'Bumiputraisim' lies in the omission of non-economic features of the State which include the institutions of repression and populism. In Malaysia it is the interrelationship of the two which has inhibited the growth of multi-ethnic parties, which are effectively restricted to inter-ethnic group alliances at this present juncture.

Jesudason stresses the need for 'economic rationality' in decision making. The question is, 'rationality' from whose perspective? Capitalist economic rationality is not class free, dependent as it is on class domination. It also assumes the desirability of an end-product which has an economic value. An alternative perspective

would examine the social cost to the unity and well-being of the people and increasingly, the environmental cost of such so-called 'rational' development.

A third approach takes as its starting point 'class contention' which is described as the 'main motive force'.¹⁰ Here, classes in Malaysia are largely analysed in economic terms with an assessment of their changing composition over time. The New Economic Policy (NEP) since 1971 has helped create a significant Malay bourgeoisie and its concomitant, a larger working class, now including a sizeable proportion of Malays. These represent major shifts in composition, a shift which the author sees as desirable, but from a different developmental viewpoint from Jesudason (see Tables A.1, A.2 and A.3).

Unfortunately, this approach also neglects to adequately incorporate an analysis of the State into its paradigm, beyond a working definition of the State as arising from class contention and functioning to act upon class contention.¹¹ The consequence is that, by implication, the State still appears 'above' society, its coercive and ideological apparatuses neglected in the study. What we are left with is economic determinism.

Certain critical questions are not dealt with in such economic analyses, for example:

- Can ethnicity be reduced to communal chauvinism?
- Where do minority rights and the national question feature in this economic analysis?
- Are the substantive demands of these nationalities misguided or irrelevant?
- What of the questions we posed at the start regarding the explanation for the support this authoritarian regime has engendered?

Table A.1 Employment by sector and ethnic Group, 1957

Industry	Malays		Chinese		Indians	
	('000)	(%)	('000)	(%)	('000)	(%)
Agriculture, fishing, forestry	749	73.2	310	40.2	174	55.7
* Rice	381	37.2	9	1.2	0.5	0.1
* Market gardening	23	2.2	54	7.0	1	0.3
* Rubber	260	25.4	200	25.9	150	48.0
Mining, manufacturing	36	3.5	136	17.6	16	5.1
Commerce	32	3.1	127	16.5	32	10.3
Other services	180	17.6	174	22.5	80	25.6
Govt service	17	1.7	5	0.6	8	2.6
Police	43	4.2	4	0.5	2	0.6
Armed Forces	15	1.5	2	0.2	3	0.9
Total	1736		1021		466.5	

Source: Means, 1970: 16, Table 2

Table A.2 Employment by sector and ethnic Group, 1990 ('000)

<i>Sector</i>	<i>Bumiputera (%)</i>		<i>Chinese (%)</i>		<i>Indian (%)</i>		<i>Others(%)</i>	
Agriculture*	1404.6	36.7	295.1	13.5	122.8	21.8	15.1	29.8
Mining/quarrying	19.1	0.5	15.2	0.7	4.2	0.7	0.6	1.1
Manufacturing	649.4	17.0	475.6	21.8	157.3	28.0	7.9	15.6
Construction	183.8	4.8	212.9	9.8	26.4	4.7	3.8	7.5
Electricity, gas and water	32.1	0.8	5.9	0.3	7.6	1.4	0.3	0.6
Transport, storage communication	154.5	4.0	92.6	4.2	36.2	6.4	2.1	4.1
Wholesale/retail trade, hotels and restaurants	475.3	12.4	668.8	30.6	85.2	15.1	10.1	19.9
Finance, insurance real estate and business services	95.2	2.5	109.6	5.0	23.8	4.2	2.7	5.3
Government services	560.3	14.6	214.8	9.8	69.3	12.3	5.8	11.4
Other services	251.1	6.6	91.7	4.2	29.9	5.3	2.3	4.5
Total	3825.4	100	2182.2	100	562.7	100	50.7	100
(%)	57.8		32.9		8.5		0.8	
Labour force	4093.0		2304.3		595.9		53.3	
(%)	58.0		32.7		8.5		0.8	
Unemployment	267.6		122.1		33.2		2.6	
(%)	62.9		28.7		7.8		0.6	
Unemployment rate (%)	6.5		5.3		5.6		4.9	

Note: * Agriculture includes forestry, livestock and fishing

Source: Labour Force Surveys, 1980-88 and EPU estimates in OPP2, 1991, Table 4-3, pp. 116-17

These cannot be wished away as merely the necessary oppression of a capitalist State or false consciousness. Thus we find this approach leaves us with many questions unanswered.

Theoretical Perspectives of the State

One major point of criticism of the foregoing positions is their failure to adequately incorporate the State into their analysis. A discussion of the State is therefore a useful point of departure. The systemic character of the State has long been

Table A.3 Employment restructuring, 1970 and 1990
(% of sectoral employment)

Sector	Bumiputera		Non-Bumiputera	
	1970	1990	1970	1990
Primary	66.2	36.7	33.5	15.5
Secondary	12.1	27.2	28.7	37.5
Tertiary	21.7	36.1	37.8	47.0

- Notes: 1. Primary sector includes agriculture
 2. Secondary sector includes mining, manufacturing, construction, utilities and transport
 3. Tertiary sector includes wholesale and retail trade, finance, government and other services

Source: OPP2, 1991: Table 2-7, p. 49

the subject of controversy,¹² but that debate is not the central object of this thesis. We limit ourselves to the exploration of theoretical perspectives of the State, which inform our understanding of the concept of authoritarian-populism and the relevance of its application to the Malaysian State.

To do this we turn to the basic parameters of analysis for determining the character of the authoritarian populist State. Here, insights from Latin American experience¹³ can be usefully applied to advance our understanding of the Malaysian case.

First, a working concept of the State is necessary. In this analysis, the Capitalist State is seen as a pact of domination which arises from and acts upon tensions between social classes founded on the social relations of production. It is at the level of the State that these tensions are resolved. While in its objective sense the institutions of the State appear separate and are proclaimed to be 'above' society, these need to be understood as the organizational manifestations of the social relations of dominance. The State as an analytical concept is thus different from, and yet realized through the State as institutions.

While the capitalist State is essentially based on a monopoly of the means of coercion, it is also legitimated through consensus. But in order to achieve consensus, the institutions of the State must appear in some sense neutral, for the generalized good.

O'Donnell identifies three such linkages which provide mediation between the State and the people: One is the 'dense symbolism' of the nation, emanating through the flag, national anthem and through an officially cohesive history which distinguishes this nation state from any other. A second mediation is that of citizenship, the abstract equality of universal suffrage upon which the notion of consensus rests. Citizenship also implies the right to juridical protection from arbitrary acts by state institutions. Thirdly, he poses a difficult concept of 'we' which is not encompassed by either of the other categories. He suggests that this concept of

'the people' carries the demands for substantive justice and thus provides the basis for the obligations of the state towards the less favoured sections of the population.¹⁴

With this basic framework we can identify the extent to which such mediations operate in various states. Highly efficient institutions of mediation will appear more distinct than those which function poorly. In the military authoritarian State these institutions may be almost completely absent, at which time the state as organizer of domination is laid bare. Thus the State organization contains contradictions between its two basic roles, that of protector and guarantor of the system of domination, and the other of protector and guarantor of rights and obligations of the classes over which they dominate.¹⁵

The tensions which emerge between these contradictory roles are important but may not always be particularly evident. This is a complex process for, although the State may play a minimal role as protector and guarantor, the limited extent may be masked in various ways.

In Malaysia, patronage systems provide an opportunity for State institutions to behave as benefactor and protector even though this is often dependent on political obligations. More importantly, the capacity of ideology should not be underestimated. For example, a populist approach constantly enhances the belief that:

- (a) this is the best possible government despite its faults;
- (b) that the government will ensure the people are taken care of;
- (c) that this is a democracy in which everyone can have their say providing it is through 'the proper channels'.

However, demands for expanding the role of the State as protector and guarantor of rights and obligations may be constantly thwarted. By blocking mediations through which popular demands and those from non-government organizations can be expressed, the State itself defines the extent of its role. Thus 'citizenship' is endowed with different meaning for different citizens, individual rights and obligations vary according to social standing and political/economic power. For example, a 'settler' of thirty years may have theoretical juridical rights to that land but these are negated when the collective rights of capital and the state, the developer and the police, are asserted using coercive methods – a frequent contemporary problem of 'development' in Malaysia.

Another example would be the broader provision of health and educational rights. In both cases, the budget continues to reflect a low political commitment to the fulfilment of government obligations in comparison with the budget for defence.¹⁶ Consequently, both systems face enormous problems of shortages of qualified personnel, buildings and equipment. Further, since these allocations are heavily skewed to serve tertiary and elite institutions, the allocation for these services is further eroded. But why is this apparently tolerated?

Tolerance levels may not be as high as they appear for the reasons explored above.¹⁷ The combined effect of restricted or absent institutions of mediation and the use of those that do exist to ensure ideological saturation, can produce an apparent tolerance. But whether this is a reflection of apathy or masks anger and frustration is not always clear until a crisis is reached.

Features of Authoritarian Populism

In the light of our discussion of the coercive and consensual roles of the State, the combination of these two apparently contradictory concepts – authoritarianism and populism – is not so surprising. Hall has applied the term to:

highlight the contradictory features of a real conjuncture, one which involves a move to an authoritarian form of democratic class politics, rooted in the mobilization of a popular set of demands.¹⁸

But we should consider this definition with caution as it was devised to describe the phenomenon of Thatcherism, in which a belief in *laissez-faire* economic policy was accompanied by a political practice arising from a radical conservative ideology, a conjuncture which may not be relevant elsewhere.

Secondly, what exactly does Hall mean by 'an authoritarian form of democratic class politics'? It may be a move to a form of authoritarian state domination which is rooted in populism but the democratic aspect can appear to be the same as before, that is, competing political parties, each with an equal opportunity of winning. Surely it is the terrain that has changed? We need to define these terms clearly.

By authoritarianism we are not referring to that exhibited in feudal oligarchies or European Fascism, but the expression of the coercive function of the Capitalist State. To that extent all states are capable of coercion. In Latin America, authoritarianism has been overtly expressed through the installation of military political regimes, not all of which have exhibited economic growth. Elsewhere the coercive apparatus may be less visible.

While the physical nature and capacity of repressive institutions are thus important indicators of authoritarianism, these also contain an ideological 'aspect'.¹⁹ For example, typical of authoritarian regimes would be the existence of a secret police who act according to a rationale rooted within an ideology, such as 'national security'. The nature and capacity of repressive institutions have therefore to be examined in the light of their ideological aspects as well as their congruence with the ideological apparatuses of the State.

Besides physical coercion, there are many more subtle forms of domination expressed through a variety of ideological institutions.

Populism, according to Poulantzas:

involves the creation of an ideology which can be used to manipulate the populace and to facilitate the introduction of policies which may be against their broad class interest.²⁰

The classic mediation of such ideology is found in a charismatic leader who communicates directly to the individuals that make up the nation, bypassing institutions and organizations of the State through domination of the ownership and control of the electronic media. This has enabled a high degree of ideological intervention into the hitherto 'private' sphere of life, the implications of which cannot be underestimated. It has certainly been so in the case of the Malaysian State, especially under the Mahathir Administration.

Thus, there may be a multiplicity of ideologies in existence at any one time. In part, this variety stems from the different histories of the State ideological apparatuses including schools, religious institutions, trade unions, and a range of private organizations, in which basic principles have been drawn from a range of sources.

It follows too that even the dominant ideology does not necessarily have a one-to-one correlation with the economic system, or with the level of capitalist development. While the feudal mode of production may have been subsumed to that of the capitalist mode, strands of the ideology arising from feudal social relations may remain significant. In Asian examples of economic success, 'traditional social systems and values' have been deliberately harnessed to development.

Elsewhere, Confucian ideals and hierarchical structures have helped shape a national ideology which justifies an authoritarian political regime. The case of Japan demonstrates the success which is possible in running capitalist production on similar ethics: loyalty, group effort, patrilineal lines more reminiscent of early capitalist small family business in Europe than a fordist scale of production. Clearly it is not only the content of the ideology which can perform a repressive function but the range and extent of 'mediations' involved in its dissemination which determine whether or not competing ideologies can be openly heard, never mind gain ascendancy. The East European examples also show that even under extreme censorship and ideological repression, a mass movement for greater democracy can emerge with sufficient strength to overthrow a repressive regime.

Authoritarian populism thus refers to the means by which an extensive degree of class control is exercised by the State on the day-to-day existence of its populace, in which populist ideological apparatuses involve an authoritarian aspect. At the same time this may be backed up by explicitly authoritarian apparatuses, which are more or less visible.

A criticism of the concept 'authoritarian populism' has been that it rests too heavily on a perception of monolithic hegemonic power derived from Gramsci, one result of which is that fractures within hegemonic blocs are not explained.²¹ The central difficulty arising from this is to conclude that the 'strength' of the State is so all-encompassing as to be almost impenetrable. Historical experience may also confirm the notion that the State can adapt to exert supra-control over any challenging forces in society. Such a perception may be reflected in a counsel of despair and resignation on the part of both analysts and actors, which in turn makes the possibility of democracy appear more remote.

Thus far we have engaged in a somewhat ahistorical description of the strands of authoritarian populism, without explaining the links to a political movement. To explain this relationship we need to seek an explanation of its emergence. Therein too lies the basis for developing the concept or hegemony.

Given that a class is composed of competing individuals who may or may not recognize their collective class or sectional interests, at any particular time therefore, there may arise contradictions between fractions of a class, especially those arising between the interests of international capital and domestic capital. Hegemony at any one time may thus reflect the ascendancy of a class fraction, even within a constant political framework, for example within a dominant political party.

Laclau suggests that if the 'crisis' is within the ruling power bloc then the fragility of the dominant group leads it to adopt a populism which is necessarily repressive.²² While the resolution of the Malaysian crisis of 1969 validates such a

theory we will see specific features of the subsequent populist policies which function to serve ethnic, as well as class, interest.

Emergence of Authoritarian Populism

Latin American research has sought to explain the correlation between authoritarianism and rapid economic growth, which was often seen to supersede populist regimes and became known as 'bureaucratic authoritarianism'.²³ 'Authoritarian populism' is a more recent variant applied to Thatcherism at the centre, where it has been interpreted:

as a temporary and exceptional response to an acute economic crisis.²⁴

The frequency and durability of authoritarian or populist state forms in the periphery contradict this first observation. On the question of the origins of such a state there is more agreement, but the conditions out of which authoritarianism has arisen are not always overtly economic. The crisis has been identified as being more complex, reflecting the changing economic and social structures which have resulted from the dynamics of capital accumulation. O'Donnell further suggests that the particular dislocation preceding authoritarianism and populism is that between national superstructural phenomena and international productive capital, together with a perceived threat from an increasingly organized but excluded working class, whose demands cannot be neutralized.²⁵

The applicability of such a theory in Malaysia depends on the historical point at which analysis is made. The state apparatuses of coercion have remained in place from the suppression of fierce pre-Independence working class struggles but there has been no coup, officially, of the type witnessed in Latin America.

However, the crisis which erupted in 1969 can be seen to have resembled this type of transition in certain respects. By 1969, the dependence of the ruling feudal oligarchy upon international capital and the viability of a *laissez-faire* economy was challenged on two fronts. Politically, across classes the ruling coalition faced its first major setback at the polls from the increasingly excluded ethnic communities, including the working class groups. The ruling Alliance Coalition lost its two-thirds majority in Parliament as well as several other State Assemblies to the opposition. Important too was the challenge from within the coalition, from an impatient nascent Malay bourgeoisie reflecting tensions within the ruling bloc.

The 'national crisis' was a bloody ethnic battle in the capital city on 13 May 1969. However, since this provided the rationale for suspending all democratic processes and declaring a national emergency, it also gave the emergent Malay bourgeoisie the opportunity to usurp power from the aristocratic leaders within the dominant UMNO with some public legitimacy. This political crisis belied a crisis of capital accumulation between domestic Malay and Chinese capital and international capital. The ethnic dimension was the form which the crisis manifested itself on the streets and at the level of the creation of the new Malay bourgeoisie.

The implications of the ethnic factor assume major significance in the Malaysian case with the ascension of the new Malay bourgeoisie. The resolution of the 'crisis' of accumulation was to be found in an economic restructuring package

whose explicit objective was the 'restructuring of economic imbalances' identified as chiefly ethnic.²⁶ What emerged was the deliberate restructuring of capital which in turn resulted in the restructuring of class composition, expressly shaped by ethnic considerations. The processes involved in this transformation are of concern to us in our examination of the nature of the Malaysian State and the prospects for democracy.

Out of the restructuring, a new dominant Malay bourgeoisie has developed along with the emergence of an extensive state bureaucracy and the proletarianization of the peasantry. The ideological component of this transformation has compounded the economic changes and has had a profound effect on all Malaysians in their 'everyday life'.

The Political Economy of Communalism

One of the central objectives of the authoritarian populist state is to obtain and maintain 'stability', in order to optimize the conditions needed for economic growth. Yet the very process of 'growth' results in creating and enhancing imbalances and inequalities which may be sectoral, geographical or those of social classes.

In Malaysia, the economic growth of the first phase of independence was sectoral in that it stressed primary commodities to the neglect of peasant agriculture. It was also geographical, centred on west coast urban development. Initially a colonial pattern of investment continued with emphasis on foreign capital and local urban, mainly Chinese capital. The colonial legacy of a rural enclave ensured that the peasantry lagged behind the rest of the economy. The policies of the Sixties thus tended to exacerbate an already skewed pattern of inequalities.

Inequalities in all these instances were underscored by ethnic congruence, namely the peasantry was predominantly Malay, the plantation workers Indian, while the urban working class was chiefly Chinese. But in contrast to the pluralists' view this did not happen in a vacuum between equally competing elites.

From the start, the post-colonial Alliance government was founded on the concept of communal cleavages. The 'racial bargain' was therefore an explicit and dominant means of resolving problems which were in turn defined along racial lines. For individuals within the ruling coalition, their separate interests united them along common class lines and thus overrode other tensions. Nonetheless the maintenance of such a formula at State level has tremendous implications for development and the dominant role of ethnicity.

Hirschman suggests that growth requires the execution of two functions:

- (i) The entrepreneurial or accumulation function which can be accomplished by private domestic enterprises, foreign capital or the State or a combination of these.
- (ii) The equilibrating or 'reform' function which is expressed as an attempt by the lagging sector to seek social reform, redistribution of wealth and income. This can also be performed by different actors or by the State.²⁷

The critical factor for the political and economic outcome of the growth process, according to Hirschman, is how well the two functions are performed.

In the Malaysian case we can identify such growth and it is important to identify the actors involved. The Sixties was thus marked by an entrepreneurial function which was largely performed by private capital, both local (mainly non-Malay) and foreign. The lagging actors in this case were the nascent Malay bourgeoisie and the peasantry. The Seventies saw the emergence of a 'reform' in the form of the 'New Economic Policy' which was to restructure capital in order to provide an economic base for the Malay bourgeoisie. The far-reaching reforms were ostensibly to eradicate poverty and ethnic inequality through the creation of training and educational institutions, corporate and job opportunities specifically for the Malays.

The political ideology espoused by the new Malay bourgeoisie was a populism based on the cry for justice and equality but legitimizing this through claims of 'Bumiputraism' and even more recently, 'Malay Dominance'.²⁸ The Malaysian State, in carrying out these policies, has adopted both entrepreneurial and reform functions, producing various internal tensions in the process. The execution of both functions may not have been the best choice for growth but it has provided a communal basis for political populism and hence ensured the dominance of the ruling party, UMNO.

International Capital and the Reclamation of Democracy

Much of this discussion has centred on the nation State and the evolution of authoritarian populism as a political system of attitudes and practices. We have stressed that such a system has arisen from a crisis between the representatives of different capitals. While the initial crisis was a struggle for the hegemony of national capital, the underlying trend has been to encourage the influx of even more international capital (see Tables A.4, A.5 and 7.1). An examination of the rationale behind this is therefore an important task, for it is an indication of the relative strength and weakness of local capital.

Ideologically this implies a weakening of control, but at the political level, the Malay bourgeoisie's hegemony has been established throughout all the institutions of government, judiciary, bureaucracy, education, the military and police. The implications of increased economic dependency are considerable for class structure and also for the question of democracy. Has the compromise made to interna-

Table A.4 Ownership restructuring, 1970 and 1990 (% of corporate equity)

	1970	1990
Bumiputera	2.4	20.3
Other Malaysians	32.3	46.2
Foreigners	63.3	25.1
Nominee companies	2.0	8.4

Source: OPP2, 1991, Table 2-7, p. 49

Table A.5 Ownership of pioneer companies, 1962 and 1969 (RM\$ million)

Country	1962	(%)	1969	(%)
West Malaysia	13.0	(18.8)	67.8	(16.4)
Singapore	19.6	(28.4)	86.5	(20.9)
UK	16.0	(23.2)	79.8	(19.3)
US	3.6	(5.2)	67.5	(16.3)
Japan	1.3	(1.9)	38.4	(9.3)
Hong Kong	4.3	(6.2)	33.5	(8.1)
Others	11.2	(16.2)	39.0	(9.4)
Total	69.0		412.5	

Source: Tan Boon Kean, 1980:10

tional capital been such that the old populism is no longer enough? Would this explain the more recent moves towards greater authoritarianism? For such a compromise is invariably at the expense of the people the government claims to represent.

Recognition of these trends helps define what the tasks are in order to reclaim democracy and the need for this to take place at both the national as well as international level. The changes in reorganization of international capital will be critical here, the shifts in type of production, and so on. Will there be a new crisis in the battle for control of capital and who will these actors be?

What is important for democracy is to identify the tensions which this process has engendered and to examine the demands from those excluded. Exclusion has not only taken an economic form but now colours decisions at every level. The example of education is the most striking, resulting in the denial of tertiary education to vast numbers of Malaysian students on the grounds of ethnicity alone (see Tables A.6, 5.2 and 5.3).

Workers have been effectively denied trade union rights. Demands from women electronic factory workers for union recognition have gone unheeded for 14 years.²⁹ Companies have devised multiple ways of neutralizing these demands by methods of intimidation and co-optation.³⁰ Essentially, workers are cajoled into being 'responsible' and warned that 'excessive' demands will deprive them of a job altogether as the MNCs will simply go elsewhere. Nevertheless, wildcat strikes do happen and protests in other forms take place although they are not necessarily reported in the press.³¹

The backdrop against which such policies and strategies can be measured is the Constitution which provides the basis for the social contract between the State and the individual. With the encroachment of executive power into the legislative and juridical spheres of the State as well as its role in reshaping the constitution and the laws arising from it, political power is utilized for capital accumulation by the ruling bloc dominated by the new Malay bourgeoisie. This Malay bourgeoisie

Table A.6 Ethnic breakdown of enrolment in tertiary institutions,
1970 and 1985

<i>Institutions</i>	<i>Malays</i>		<i>Chinese</i>		<i>Indians</i>	
	<i>1970</i>	<i>1985</i>	<i>1970</i>	<i>1985</i>	<i>1970</i>	<i>1985</i>
ITM	-	1560	-	-	-	-
Universiti Malaya	2843	5041	3622	3374	525	841
Universiti Sains	67	3996	126	2509	33	657
National University	174	6454	4	1914	1	468
UPM (Agriculture)	-	3652	-	603	-	253
UTM (Technology)	-	2284	-	567	-	154
Islamic University	-	363	-	14	-	14
Northern University	-	488	-	161	-	44
Total	3084	23 838	3752	9142	559	2431
Overseas enrolment	n.a.	6034	n.a.	13 406	n.a.	3108

Source: 4MP, 1981: Table 21-3; 5MP, 1986: Table 19.3

rule as trustees of their narrowly defined community, the Malays, and at the same time in their own class interest.³²

These State policies and actions have been challenged despite the repression. This thesis attempts to highlight the efforts of the Malaysian rakyat of diverse ethnic groups all through Malaysian history, to counter oppression and exploitation.

Notes

Introduction: Capitalist Economic Success and Democracy

1. *NST*, 7/9/94:1.
2. Mid-Term Review, 6MP 1991-1995:21.
3. *ibid*:7.
4. *ibid*:25,27.
5. *Malaysia Official Year Book*, 1993:22; Note. Of East Malaysian States, Sarawak is dominated by Dayak and Iban indigenous ethnic groups while Sabah, by the Kadazan. Malays and Chinese form a minority in both states.
6. Tunku Abdul Rahman, quoted in *Aliran Monthly*, January 1988.
7. *Commonwealth Observers Report*, 1990.
8. Traditional pluralists-eg. Furnivall, J.S., 1948; Enloe, C.H. 1968; Ratnam, K.J., 1963.
9. Jesudason, J.V., 1989.
10. Reuschmeyer, D. et al., 1992:303.
11. *Human Development Report*, UNDP, 1992:28, 29.
12. Reuschmeyer, *ibid*:303-4.
13. *Commonwealth Observers Report*, 1990.
14. The Election Commission Chairman expressed the view that it might be timely to hold public rallies. *NST*, 15/9/94.
15. Eg. 'party-hopping' before and after Sabah State Elections in March 1994, *Aliran Monthly*, April 1994.
16. See Gomez, E.T., 1994.
17. Laclau, E. 1977.

2. The Colonial Roots of Authoritarian Populism

1. Short, A., 1975: 68.
2. Gullick, J.M. 1965: 74-80.
3. The Borneo states of Sabah and Sarawak have a majority indigenous population, including at least 35 very diverse groups.
4. See Chandrasekaram, P., 1977.
5. Blythe, W.L., 1953:2
6. Purcell, V., 1948:43.
7. Tregonning, K.G., *op. cit.*, p.43.
8. Ooi Jin Bee, 1963: Table 5.2.
9. M. Amin, et al., 1977:64. Foreign troops included large numbers of Gurkhas and Arabs, but they had limited success in quelling the resistance. Parkinson, C.N. *ibid*:228.
10. Linehan, W., 1936 article: 167, quoted in Hua, W.Y. 1982:20
11. Gullick, J.M., *op. cit.*:35.
12. Birch, *The FMS*, quoted in Roff, W.R., 1974:25, 30.
13. Lim, T.G., 1977:187.

14. Puthucheary, J.J., 1960:8.
15. Caldwell, op. cit.: 244.
16. Lim, T.G., 1977:195. The labour lines in the plantations were regarded as 'a death trap waiting to engulf the surplus population of India'.
17. Kernial Singh Sandhu, 1972:7.
18. Relaxed immigration procedures and government subsidies induced 4 million Indians into Malaya between 1850 and 1957, during which time 2.8 million left and 1.2 million died of disease, snake bite, malnutrition, etc. See: Sandhu, K.S., 1969.
19. Roff, W.R., op. cit., p. 94.
20. See Watson-Andaya, 1982:142 - 3.
21. Puthucheary, op. cit.:28. Chinese capital invested in rubber, tin and secondary industries, e.g. market gardening, building, timber.
22. *ibid*:36.
23. Kua, K.S., 1985:28.
24. Stenson, M.R., 1970:45, 68, 76.
25. Roff, W.R. 1974:218, 222.
26. Purcell, V., 1948:249.
27. Jain, R.K., 1970:303-4.
28. Roff, W.R., op. cit.:231.
29. 1948 Report of Federation of Malaya, see Hua, W.Y., 1982:73
30. Caldwell, M. and Amin, M., op. cit.:109.
31. Khong, K.H., 1984:58.
32. *ibid*:78.
33. *Straits Times*, 23/8/1947, quoted in Khong, K.H., *ibid*:98.
34. Stenson, M.R., 1970:98.
35. Arokia Dass, 1991:34.
36. Short, A. 1975:65
37. *ibid*:45.
38. *ibid*:49.
39. *ibid*:56.
40. Nyce, 1973:12. From 1948-52, 19 operations relocated 40 000 squatters. Of the 26 000 deported, 90% were Chinese.
41. *ibid*:8. Figures based on the Malaysian Christian Council's 'Survey of the New Villages in Malaya, 1958', 1959:7.
42. Kernial Singh Sandhu in Nyce, R. 1973:XLiii.
43. Dobby, E.H.G, 1953:6.
44. Purcell, V., 1965, quoted in Short, A., 1975:380.
45. Short, A., *ibid*:384. Local assessors repeatedly challenged the British judges' decision but were denied the right to appeal to the Privy council. A protest by 50 British MPs and the Hungarian Government finally led to her sentence being commuted to 'life'.
46. *The Star*, 12/12/92. The MCA Minister for Housing, Ting Chew Peh proposed that the epithet 'New' be dropped.
47. Means, G., 1970:124.
48. Purcell, V., 1954:196.
49. Report of the Federation of Malaya, Constitutional Commission, KL 1957.
50. Vasil, 1971:232.

3. The Post-Colonial State

1. Here 'multiple-ethnic' implies a 'plural' ethnic bargain, whereas 'multi-ethnic' stresses genuine ethnic interaction.
2. Short, A., 1975:327.
3. Wheelwright, E.L., 1965:97.
4. *FEER*, 21 March 1961:54 quoted in Jesudason 1989:47.
5. Puthucheary, J.J., 1960:159.
6. Aziz, U.A., 1958.
7. Syed Husin Ali, 1975:174-5.
8. Wheelwright, E.L., op. cit.:92.
9. Edwards, C.B., 1975:259. The percentage of Government revenue to national income was the highest in S.E. Asia.
10. Rudner, M., 1975:36, quoted in Jesudason, op. cit.:50.
11. SMP, 1971:125, eg. FELDA (Federal Land Development Authority) opened up 308/400 acres, settling 20 700 families in 90 schemes.
12. Tunku Abdul Rahman, quoted in *ST*, 4 June 1965.
13. First Malaysia Plan, 1966:127.
14. *ibid*:254.
15. Arokia Dass, 1991:89.
16. Rao, V.V.B., 1980:124, quoted in Jesudason, op. cit.:67.
17. *ST*, 26 October 1970.
18. Tan Tat Wai, 1982:291.
19. FIDA Annual Report, 1971: Appendix 11.
20. Wheelwright, E.L., op. cit., p. 6.
21. Bank Negara Annual Report 1979:142.
22. *ST*, 6 July 1963; *ST*, 17 October 1971. Timber and Investment Associations were set up to foster Malay competitive capability.
23. Beaglehole, J.H., 1969:222, quoted in Jesudason, op. cit.:65.
24. Popenoe, O., 1970:221.
25. *ibid*, pp. 418-50.
26. Hickling, R.H., 1991:134.
27. Hansard, April-June 1960.
28. Vasil, R.K., 1971:88.
29. Hickling, R.H., op. cit.:146.
30. *Zhongguo Bao*, 9 March 1964.
31. Hansard, 25 April 1960:567.
32. Hansard, Vol. III, p. 4881, 30 July 1958.
33. Hansard, 24 June 1959, Vol. II:6881.
34. *ibid*:6882.
35. Vol. I, Hansard, 22 April 1960:306.
36. Tun Abdul Razak, Hansard, Vol. I, 22 April 1960:305.
37. *ibid*:306.
38. Hansard, 22 April 1960:317.
39. See Hickling, R.H., 1991:157.
40. Means, G., 1991:61-3.
41. Hickling, op. cit.:157.
42. Hansard, Vol. II, 21 June 1959.

43. Hansard, 22 April 1960, Vol. I:347.
44. The 1987 mass ISA arrests demonstrated the value of the ISA to the government as a 'catch all' for all types of dissidents.
45. Hansard, Dr Seenivasagam, 21 June 1960:1194.
46. Hansard, *ibid*:407.
47. The 1988 ISA Amendments were hastily introduced to frustrate the Habeas Corpus application of the leader of the Opposition, Lim Kit Siang: see DAP, *The Real Reason*, 1988.
48. Hansard, Vol. III, 21 June 1960:1178.
49. Tun Abdul Razak, Deputy PM, *ibid*:1184.
50. Hansard, *ibid*, p. 1188.
51. Internal Security Act, 1960, Hansard, Vol.II:960.
52. *ibid*:1195.
53. *ibid*.

4. Suppression of Political Opposition

1. Syed Husin Ali, 1975:71-5.
2. Selvadurai, S., 1972: 46.
3. Syed Husin Ali, *op. cit.*: 98.
4. Young, K. *et al.*, World Bank, 1980:217.
5. Second Malaysia Plan, 1971, Table 9.3.
6. Eviction of urban squatters (or as they prefer to be called, 'settlers') is a major aspect of Malaysian 'development' today.
7. See *Aliran Monthly*, January 1985.
8. Ratnam, K. J., 1963:201.
9. *ibid*: 196, 204.
10. *ibid*: 201.
11. *ibid*: 205.
12. Funston, N. J., 1980:92.
13. Tunku Abdul Rahman, 1969: 149.
14. Funston, *op. cit.*: 140.
15. Vasil, R. K., *op. cit.*:171.
16. *ibid*:157.
17. *ibid*:124.
18. *ibid*:127.
19. Norris, M. W., 1980: 23.
20. Arokia Dass, 1991: 1.
21. Based on an interview with a workers' leader, Lee Ban Chen, who was subsequently detained under the ISA for eight years.
22. *Zhongguo Bao*, 31 July 1960.
23. Hickling, (*op cit*: 4.) cites Tun Abdul Razak's rhetorical question posed before the introduction of the ISA: 'Put yourself in my position. Would you release every detainee now...?'
24. Hansard, June 1960, Vol. III: 1187.
25. Such data is often only given in reply to Parliamentary questions, but may differ from press figures, for example, from July 1960 to December 1961, the Chinese press cited 88 ISA arrests while the official figure in August

- 1961 was 108, with 67 arrested under the Emergency Regulations. 'Operation Lalang' official figures were also inconsistent.
26. Amnesty Reports, 1979 and 1987.
 27. *Zhongguo Bao*, 4 November 1960.
 28. *ibid.*
 29. PPP MPs frequently raised this question, Hansard, 1959/60.
 30. Fines were RM\$1,000–RM\$5,000. *Zhongguo Bao*, 5/11/1960.
 31. *ibid.*
 32. Kua, K. S. 'One Man One Vote?', *Aliran Monthly*, 1992:12(12).
 33. *Ren Min*, 28 October 1960.
 34. *Ren Min*, 26 October 1960.
 35. *Ren Min*, 24 October 1960.
 36. Clutterbuck, R., 1967:136.
 37. Kua, K. S., 1985:91.
 38. Vasil, R. K., *op. cit.*:128.
 39. Hansard, Vol. III, Third Session, 26 January 1962: 3916–49.
 40. 2nd Reading of the Internal Security Amendment Bill, Hansard Vol. III, Third Session, 26 January 1962.
 41. *ibid.*
 42. George, T. J. S., 'Lee Kuan Yew's Singapore', 1973:87.
 43. *ibid.*:99.
 44. *Zhongguo Bao*, 3 February 1963.
 45. However, the PAP won 37 seats against 13 for the Opposition.
 46. Caldwell, M. and Amin, M., 1977:37.
 47. *ibid.*:42.
 48. Clutterbuck, R., *op. cit.*:37.
 49. *Zhongguo Bao*, 26 April 1963.
 50. *Zhongguo Bao*, 14 February 1963.
 51. *Zhongguo Bao*, 7 March 1963.
 52. Any Opposition motion under Malaysian Parliamentary Standing Order 18.1 ('... of definite, urgent and of public importance') is usually disallowed by the Speaker of the House.
 53. *NST*, 23 April 1963.
 54. *Zhongguo Bao*, 15 December 1963.
 55. *NST*, 4 January 1964.
 56. *Zhongguo Bao*, 27 February 1964.
 57. *Zhongguo Bao*, 9 April 1964.
 58. *Zhongguo Bao*, 15 April 1964.
 59. *Zhongguo Bao*, 19 April 1964.
 60. *Zhongguo Bao*, 17 April 1964.
 61. DAP Election Manifesto, 1969.
 62. Kassim, I., 'Race, Politics and Moderation' 1979:9 (see Table 4.2 p. 51a).
 63. See May and June 1969 issues of *FEER*.
 64. *ST*, 21 June 1969.
 65. Slimming, J., 1969:45.
 66. Funston, N. J., *op. cit.*:148.
 67. Von Vorys, *op. cit.*:372–4.
 68. Funston, *op. cit.*
 69. *ST*, 3 August 1969.

70. *ibid.*
71. DAP, *25 Years of Struggle: Milestones in DAP History* 1991: 17.
72. In the run up to the 1990 general elections, the Barisan Nasional put full-page advertisements in all the major dailies with graphic scenes of a racial bloodbath to remind the people of the consequences if it should lose its mandate. The *Nanyang Siang Pau* newspaper apologized the following day after some demonstrators in Petaling Jaya had burnt the paper in protest.

5. Restructuring the State and Society

1. O'Donnell, G. in Collier, D. (ed.) 1979.
2. See Salleh Abas in Trindade, F.A. and Lee, H.P. (ed.), 1986.
3. *ST*, 18 and 21 May 1969. Names listed in Funston, N.J., 1980:17.
4. See DAP, 1990:18.
5. Means, G., 1991:8.
6. Davies, D., *FEER*, June 1969; Means, G.P. (1976:408) suggests 9143 arrests, 5561 of whom were charged in Court.
7. Funston, N.J., 1980:27
8. Funston, N.J., *Opinion*, Vol. 2, (8) December 1969–January 1970:306.
9. *Singapore Herald*, 24 Feb 1971.
10. Discussed in Salleh Abas, *op. cit.*:10.
11. Dalton, J.B., 'Malaysian Politics Today', August 1971, in Funston *op. cit.*:215.
12. NOC, *The May Thirteenth Tragedy*, Government of Malaysia, 1969:vi.
13. *ST*, 13 Jan 1970.
14. UMNO Malaysia, *Penyata Tahun 1971/72*, KL 1972:184, in *ST*, 23 Sept 1970 cited in Funston *op. cit.*:225.
15. Lee Kam Hing, 1980:186–93; *FEER*, 3 Oct 1970:7.
16. Selvaratnam, 'Towards National Harmony' in 'A Year of Political Transition', S.E. Asian Affairs, 1982, Singapore ISEAS:245–7.
17. Second Malaysia Plan, 1971:5.
18. Syed Husin Ali, 1975:45.
19. Second Malaysia Plan, 1971:9.
20. Chandra Muzaffar, 1977:55.
21. MCA, 1988:118.
22. See K. Das, 1987.
23. Third Malaysia Plan, 1976:45.
24. *ibid*, p. 5.
25. *ibid*, p. 54.
26. *The Star*, 25 November 1986.
27. *NST*, 18 July 1986.
28. *NST*, 21 Oct 1989.
29. Gerakan, 'Into the Mainstream of Development' a New Village study. 1986:35.
30. *The Star*, 12 May 1986.
31. Mehmet, O., 1988:20.
32. *BT*, 26 November 1981, quoted in Jesudason, J.V., 1989:91.

33. Fifth Malaysia Plan, 1986:113.
34. Mehmet, O., op. cit.:25.
35. *ibid*:28.
36. *The Star*, 3 July 1983.
37. *NST*, 12 July 1983. Contrast with the 'shoot on sight' policy towards the Vietnamese boat people, mainly of Chinese ethnicity. Indonesian immigration is estimated at 800 000 in March 1993.
38. See Young, K. et al., 1980:112.
39. *ibid*:116.
40. Mehmet, O., op. cit.:32, Table 2.7.
41. IBRD, 'Problems of rural poverty in Malaysia', 1975, quoted in Toh Kin Woon, 1982 thesis:79.
42. *NTS*, 10 August 1987.
43. *Malaysian Business*, 16 September 1984.
44. *ibid*.
45. FELDA Annual Report 1981:14.
46. Mehmet, O., op. cit.:50.
47. Professor Rokiah Talib, *The Star*, 14 December 1986.
48. *NST*, 10 August 1987.
49. *The Star*, 9 August 1987.
50. *The Star*, 27 August 1982.
51. *NST*, 18 Sept 1987.
52. This is clear from a study of the various Structure Plans for the main cities in the country, Kuala Lumpur, Klang, Ipoh, Bangi, etc.
53. Bank Negara Annual Report, 1980:60.
54. Bank Negara Annual Report, 1991:61.
55. Mehmet, O., op. cit.:89.
56. *ibid*, Table 2.7.
57. Grace, E., 1990:35. Earlier local studies include, Jamilah Ariffin, 'Women Workers in the Manufacturing Industries' in 'Malaysian Women-Problems and Issues', 1985, and Fatimah Daud, 'Minah Karan - The truth about Malaysian Factory girls', 1985.
58. Bank Negara Annual Report, 1991:66.
59. 1980 Census, 1984:67.
60. Corroborated in interviews with personnel in Malaysian educational institutions and government ministries, 1983-91.
61. Mehmet, O., op. cit.:115.
62. *NST*, 17 May 1986.
63. The BMF and Bank Bumiputra Finance scandal revealed gross abuse of 'trust' by national Bumiputra leaders through the release of RM\$2.5 billion in unsecured loans to companies, especially George Tan of 'Carrian'. See Lim Kit Siang, 1986.
64. Khor Kok Peng, 1989:153.
65. Bank Negara Annual Report 1991:89.
66. The Menteri Besar of Selangor state was found guilty of corruption in the Bank Rakyat case. He was subsequently pardoned. Lim Kit Siang, 1982.
67. Bank Negara Annual Report, 1991:Table 6.2.
68. Alif Masood, *NST*, 28 November 1986.
69. *ibid*.

70. *FEER*, 23 May 1985.
71. Gomez, E.T., 1991:vii.
72. Rukunegara, Government of Malaysia 1970.
73. *ST*, 16 August 1971, in Kua K.S., 'Malaysian Cultural Policy and Democracy', 1990:9.
74. 'Asas Kebudayaan Kebangsaan', published by the Ministry of Culture, Youth and Sports, *ibid.*:5.
75. Fourth Malaysia Plan, 1981:Table 6-2, 13-1.
76. See Kua K.S. (ed.), 'A Protean Saga' 1990:39.
77. 'World Conference on Cultural policies', UNESCO, Geneva, 1982.
78. Bock, J.C. 1970 thesis.
79. The United States, Canada, Australia and United Kingdom, have ample literature on the positive aspects of multiculturalism.
80. Cabinet Committee Report on Education, 1979:Tables 5 and 6.
81. *ibid.*:118.
82. *ibid.*:177.
83. *The Star*, 5 April 1993.
84. Chai Hon Chan, *Education and Nation Building in Plural Societies: The West Malaysian Experience*, Canberra 1977.
85. See Kua, K.S., 1990:140.
86. *NST*, 20 January 1979.
87. *National Echo*, 6 July 1982.
88. The International Islamic University also receives funds from the Malaysian Government.

6. State Repression in the Seventies

1. ISA Amendment Act 1971.
2. *ST*, 18 August 1971.
3. Hansard, 1971/72.
4. *ST*, 2 November 1974.
5. *ST*, 9 November 1974.
6. *ST*, 20 November 1974. One demonstration was at the Selangor Club and another at the University of Malaya in Kuala Lumpur.
7. *ST*, 8 December 1974.
8. *ST*, 9 December 1974.
9. *ST*, 11 December 1974.
10. Government of Malaysia, 1974.
11. *ST*, 20 December 1974.
12. Universities and University Colleges Act, 1975.
13. *ST*, 6 January 1975.
14. *ST*, 15 January 1975.
15. *ST*, 24 January 1975.
16. *ST*, 5 February 1975.
17. *ST*, 4 February 1975.
18. *ST*, 15 March 1975.
19. *ST*, 31 October 1974.
20. *NST*, 17 September 1974.

21. *NST*, 17 and 23 March 1976.
22. *NST*, 16 April and 15 Sept 1975.
23. *NST*, 7 July 1975.
24. *NST*, 4 October 1975.
25. *ibid.*
26. *ibid.*
27. *ibid.*
28. *NST*, 5 October 1975.
29. *ibid.*
30. *NST*, 8 October 1975.
31. *NST*, 9 November 1975.
32. *NST*, 11 November 1975.
33. International Mission of Lawyers 1979: 68-9, Tables 1-4.
34. See Short, A., 1975:87.
35. Interviews carried out by the author.
36. *ST*, 7 January 1976.
37. *ST*, 27 January 1976.
38. *ST*, 6 February 1976.
39. *The Star*, 22 February 1976.
40. *NST*, 27 February 1976.
41. *NST*, 20 March 1976.
42. ESCAR Community Self Reliance Regulations. Government Press October 1975.
43. *NST*, 28 April 1976.
44. *NST*, 9 May 1976.
45. *NST*, 10 May 1976.
46. *NST*, 23 May 1976.
47. *NST*, 6 June 1976.
48. *NST*, 23 June 1976.
49. *NST*, 26 June 1976.
50. *ibid.*
51. *NST*, 15 July 1976.
52. *NST*, 22 July 1976.
53. *NST*, 12 July 1976.
54. In more than ten years involvement with Malaysian NGOs, especially the Chinese Associations and human rights organizations, the writer has seen ample evidence of this fact.
55. *The Star*, 17 March 1976.
56. *NST*, 20 March 1976.
57. *NST*, 15 Sept 1976. Anwar Ibrahim became Finance Minister after a swift rise within the ruling party, UMNO which he joined just before the 1982 general elections.
58. *NST*, 15 October 1976.
59. *NST*, 4 November 1976.
60. *ibid.*
61. *The Star*, 8 November 1976.
62. *The Star*, 7 November 1976.
63. *NST*, 15 September 1976.
64. *NST*, 5 December 1976.

65. *NST*, 30 November 1976.
66. *NST*, 19 December 1976.
67. *NST*, 15 December 1976.
68. *NST*, 3 January 1977.
69. *NST*, 13 February 1977.
70. The writer's own experience during the arrest and detention of her husband in 1987 confirms this. See Kua, K.S., *445 Days Behind the Wire: An account of the 1987 ISA Detentions*, 1990.
71. *NST*, 5 February 1977.
72. *ibid.*
73. *ibid.*
74. AI Report 1978.
75. *The Star*, 7 February 1977.
76. *NST*, 14 February 1977.
77. *NST*, 17 February 1977.
78. *NST*, 28 February 1977.
79. Reuters Report, 18 April 1977.
80. ESCAR, Section 3(3).
81. AI Report 1978, p. 52; *NST*, 25 August 1977.
82. *FEER*, 7 October 1977.
83. *ibid.*
84. *NST*, 9 April 1977.
85. *NST*, 13 May 1977.
86. Ngan Siong Hing, quoted in *The Star*, 22 Sept 1977.
87. *NST*, 2 October 1977.
88. *The Star*, 6 October 1977.
89. *The Star*, 7 October 1977.
90. *FEER*, 14 October 1977.
91. *NST*, 24-28 October 1977.
92. *NST*, 21 October 1977.
93. *ibid.*
94. *FEER*, 11 November 1977.
95. *NST*, 10 January 1978.
96. *ibid.*
97. *NST*, 18 May 1978.
98. *NST*, 18 November 1978.
99. *NST*, 15 January 1979.
100. *NST*, 10 March 1979.
101. AI Report 1978.
102. *NST*, 15 April 1979.
103. *NST*, 19 April 1979.
104. AI Report 1978; *The Star*, 26 April 1979.
105. AI Report 1978.
106. Ghazalie Shafie in Parliament, *NST*, 18 December 1979.
107. Karpal Singh, quoted in *The Star*, 25 January 1980.
108. *NST*, 15 March 1980.
109. *FEER*, 9 March 1980.
110. *NST*, 16 March 1980.
111. *NST*, 22 March 1980.

112. Tan Sri Kadir Yusof, quoted in *The Star*, 26 March 1980.
113. *NST*, 28 March 1980.
114. *NST*, 31 March 1980.
115. Pillai, M.G., *FEER*, 8 March 1980.

7. Charismatic Leadership and Authoritarian Populism

1. Bank Negara Report 1992:53.
2. MTR of the 4MP., *FEER*, 23 May 1985:73.
3. *Business Times*, 15 February 1993.
4. Bank Negara Report 1992:70.
5. *FEER*, Asia Year Book 1991:62.
6. *BT*, 15 February 1993.
7. Bank Negara Report 1985.
8. See Lim Kit Siang, 1986:252.
9. *ibid*, pp. 165-7; *FEER*, 18 December 1986.
10. *FEER*, 17 April 1986.
11. *FEER*, 13 April 1979.
12. Reply to parliamentary question No. 25, 18/7/1991.
13. Dewan Rakyat report, *The Star*, 12 November 1985.
14. Telecoms Annual report 1984:59.
15. Answer to parliamentary question No. 25, Second sitting 1991.
16. *ibid*:2.
17. *NST*, 21 August 1986.
18. Gomez, E.T., 1990:59-104.
19. The Minister for Energy, Post and telecommunications, Datuk Samy Vellu was investigated by the Anti-Corruption Agency over the apparent misappropriation of RM\$120 million worth of Telekom shares in 1992. The case was closed, but reopened in 1994.
20. *ibid*:51.
21. *ibid*:104.
22. *ibid*:105.
23. *AWSJ*, 18 January 1988.
24. Gomez, E.T., 1990:129.
25. *The Star*, 24 August 1987.
26. *The Star*, 29 August 1987.
27. *Sunday Star*, 30 August 1987.
28. *NST*, 10 December 1992.
29. *Malay Mail* 'Hotline', 3 October 1992.
30. See *The Rocket*, January 1991.
31. *NST*, 12 February 1992.
32. Bank Negara Annual Report 1991:197.
33. Grace, E., 1990:12.
34. *Aliran Monthly*, December 1992:18.
35. *NST*, 14 June 1988.
36. Interviews conducted by the author with the union leaders.
37. 'Malaysia and the ILO: Two Decades of Violating ILO standards', cited in *The Multinational Monitor*, 28 October 1992.

38. Atkins, F., 1986:36.
39. Cardoso and Faletto, 1979:23.
40. Atkins, op. cit.:37.
41. Mahathir, M. *The Malay Dilemma*, Singapore, 1970.
42. *FEER*, 24 July 1981.
43. He had been previously also Education, Justice, then Trade & Industry Minister.
44. *NST*, 2 December 1982.
45. There were some 'secret deals' that managed to escape the Malaysian public eye, such as the multi-million dome for the Shah Alam mosque which was designed and contracted by Alcom, the British MNC (*Financial Times*, 14 December 1982.)
46. *FEER*, 14 April 1983.
47. *FEER*, 20 September 1983.
48. *NST*, 15 August 1983.
49. *FEER*, 5 February 1982.
50. *NST*, 27 December 1982.
51. *FEER*, 16 June 1983.
52. *FEER*, 31 March 1985. For further discussion on the viability of the car industry see: Takashi, T., 1991 and Machado, K. 1992.
53. These criticisms were also cited by the disaffected UMNO leaders who later became 'Team B' of UMNO.
54. *FEER*, 15 December 1983.
55. This was the theme at successive UMNO general assemblies during the mid-eighties.
56. *NST*, 2 September 1985.
57. *NST*, 20 May 1979.
58. *Asiaweek*, 7 January 1983.
59. Suhaini Aznam, *The Star*, 19 January 1983.
60. Kua, K.S., *Malaysian Cultural Policy and Democracy*, 1990.
61. *The Star*, 9 August 1984.
62. Joint Memorandum on National Culture by the major Chinese organizations in Malaysia, 1983; Memorandum on National Culture by the major Indian associations to the Ministry of Culture, 1984, in Kua, K.S., 1990.
63. *Berita Harian*, February 1987. Offence was taken when in the play *Anak Tanjung* a Malay protagonist said 'this country is also yours, Ah Heng'.
64. See 'The National Culture Debate in *The Star*' in Kua, K.S., 1990:151.
65. See 'Joint Declaration 1985' by the major Chinese Associations of Malaysia in Kua, K.S., 1987.
66. Sixth Malaysia Plan, 1991:163.
67. See Table 5.4.
68. Computed from figures given in answer to parliamentary question no. 2, October sitting, 1992.
69. *NST*, 12 February 1993.
70. This survey was carried out at Sekolah Menengah Sains, KL.
71. Sixth Malaysia Plan, 1991:183.
72. Chandra Muzaffar, 1987.
73. *Aliran Monthly*, January 1985.
74. *FEER*, 22 February 1980.

75. *NST*, 19 March 1980.
76. *NST*, 14 October 1980.
77. *FEER*, 17 December 1982.
78. *FEER*, 31 May 1984.
79. *FEER*, 13 January 1983.
80. See Malaysian Consultative Council of Buddhism, Christianity, Hinduism and Sikhism, 1989.
81. *NST*, 9 January 1993.
82. *NST*, 31 July 1981.
83. *ibid.*
84. Societies Act Amendment Bill 1981.
85. *Asiaweek*, 18 September, 1981:20.
86. DAP, 1990:52.
87. Gurmit Singh, K.S., *Malaysians, Know Your Rights*, 1986.
88. *NST*, 21 October 1981.
89. See Chandra Muzaffar, 'The Muzzled Media' in Kua, K.S., *Mediawatch* 1990:43.
90. Raja Aziz Addruse, 'The Erosion of Press Freedom', *ibid*:19.
91. *The Star*, 2 November 1985.
92. *The Star*, 2 November 1986.
93. Gurmit Singh, K.S., 'No To OSA', 1987.
93. Tan Sri Ahmad Noordin Zakaria, in Gurmit Singh, K.S., 1987:i.
94. Chandra Muzaffar, *op. cit.*:50.
95. Gomez, E.T., *op. cit.*:178.
96. *NST*, 18 October 1981.
97. The Alternative press such as *Aliran Monthly* and *The Rocket* have problems getting printers, who complain of Special Branch harassment.
98. *The Rocket* had been sold openly to the public since 1966 but in 1991, the Ministry of Home Affairs decided that it could be circulated amongst 'members only'.
99. Das, K. 'Manipulation of the Malaysian Media' in Kua, K.S., 1990:29.
100. Lim K.S., *The Dirtiest Election* 1991, and *1990 Elections* Kua, K.S., 1992:67.

8. Class Contradictions and Popular Protest

1. *NST*, 5 February 1982.
2. *NST*, 10 February 1982.
3. *NST*, 25 July 1981.
4. *The Star*, 18 May 1982.
5. Included were: Dutch Labour Party, Interchurch Peace Council, US Human Rights Sub-Committee, trade unions in the West, etc.
6. *NST*, 19 May 1982.
7. *NST*, 23 May 1982.
8. *The Star*, 30 July 1982.
9. *The Star*, 31 July 1982.
10. *The Star*, 3 August 1982.
11. *The Star*, 2 August 1982.

12. *The Star*, 10 August 1982.
13. *NST*, 14 August 1982.
14. *NST*, 14 August 1982.
15. *NST*, 31 August 1982.
16. *NST*, 15 September 1982.
17. *NST*, 17 September 1982.
18. *NST*, 19 January 1983.
19. *NST*, 18 January 1983.
20. *NST*, 5 June 1983.
21. *NST* and major Chinese-language press: July, August, September, October 1985.
22. Gomez, E.T., op. cit.:180.
23. *BT*, 17 November 1986.
24. By 1992 some depositors had not been given any money.
25. *NST*, 22 December 1986.
26. *NST*, 26 December 1986.
27. *NST*, 28 December 1986.
28. *The Star*, 16 June 1987. Between 1989 and 1992 480 Sarawakian natives were arrested for anti-logging blockades (Hansard, 10 May 1993, Reply to MP for Petaling Jaya).
29. *NST*, 24 January 1992.
30. Home Ministry to Parliamentary question No. 56, 28 July 1992.
31. *NST*, 11 October 1987.
32. *NST*, 14 October 1987.
33. See Government White Paper in Das, K., 1989.
34. *NST*, 20 June 1987.
35. *NST*, 22 August 1987.
36. *The Star*, 28 October 1987.
37. *AWSJ*, 2 November 1987.
38. *NST*, 29 October 1987.
39. Government Press, *Kertas Perintah 14 Tahun 1988*.
40. *ibid.*
41. See DAP, *The Real Reason*, 1989.
42. See these responses in K. Das, *The Why? Papers*, 1989.
43. Federal Constitution, Article 149.
44. *Aliran Monthly*, September 1988.
45. K. Das, 1989, op. cit.
46. See DAP, 1989, op. cit.
47. These included Amnesty International, PEN, Asia Watch, International Commission of Jurists, etc.
48. AI Report on Malaysia 1988.
49. Interviews with several detainees who were at Batu Gajah and Kamunting detention camps during the sixties and seventies.
50. See Kua, K.S., *445 Days Behind the Wire: An Account of the 1987 ISA detentions*, 1989.
51. *ibid.*
52. *ibid.*
53. Das, K. 1990: Appendices.
54. A notable case was that of UEM involving the award of the North-South highway to an UMNO company.

55. See DAP, 1989, op. cit.
56. Salleh Abas and K. Das, *Mayday for Justice*, 1990.
57. Harding, A., 1989.
58. *FEER*, 21 July 1988.
59. *NST*, 22 August 1988.
60. Lim, K.S. 1991:23.
61. *NST*, 2 October 1990.
62. Lim, K.S. op. cit.:21
63. Apart from those who were already MPs in 1987, these include Mohamad Sabu, Bunyamin, Wee Choo Keong, Kua Kia Soong.
64. These include *Tangled Web*, *The First sixty days*, *445 days behind the wire*, *The Why papers*, poems by Nasir Hashim, series by Lim Kit Siang in *The Rocket* newspaper.
65. See *445 days behind the wire* by Kua, K.S., 1989.
66. The first of these were arrested in 1990. They were only released in 1993.
67. *NST*, 24 January 1993.
68. *NST*, 12 March 1993.

9. Conclusion and Postscript

1. Laclau, E., 1977:28.
2. Poulantzas, N. 1968:143.
3. Economic Report 1994/5, Ministry of Finance, Malaysia:62-3.
4. UNDP *Technology Transfer to Malaysia Reports Phase I and II*, UNDP, KL. 1994.
5. *FEER* 6/1/94, pp. 76-8
6. See Economic Report 1994/45, (Ministry of Finance). For evidence of the decline of the agricultural sector beset by labour shortages. Conversely urban centres now contain about 45 per cent of the population.
7. Economic Report 1994/95, op. cit.:33
8. *Financial Times* 24/10/94.
9. Gomez, E.T. 1994
10. Parliamentary reply. Budget Session November 1994.
11. Economic Report, 1994/5, op. cit.:35.
12. UMNO General Assembly President's speech. *NST*, /194).
13. Gomez, E.T. op. cit.
14. *NST* 23/10/94. Sundaram, J.
15. *NST* 23/1/94: Illegal voter registration complaints cited by the Election Commission number more than 27 000. According to the Commission the chief culprits were temporary election workers making alterations.
16. *FEER* 11 August:6; 15 September 1994.
17. *Aliran* November 1994: Whole issue devoted to Al Arqam.

Appendix: Theoretical Considerations

1. See Von Vorys, K., 1975; Ratnam, K.J., 1963.
2. Means, G., 1991.
3. *Ibid*, p. 3.

4. See Jesudason, J.V., 1989.
5. See Sundaram, J.K., 1988.
6. Jesudason, J.V., pp. 166-86.
7. *Ibid*, p. 198.
8. Lipietz, A., 1987; Bello, W. and Rosenfeld, S., 1990.
9. Jesudason, *op. cit.*: 193
10. Sundaram, 1988: 283.
11. *Ibid*, p. 313.
12. See Miliband, 1969; Poulantzas, 1968; et al.
13. See Cardoso, O'Donnell, Hirschman, A.O. et al. in Collier, D., ed. 1979.
14. O'Donnell, G. 1979: 287.
15. *Ibid*: 292.
16. Mid-Term Review of Sixth Malaysia Plan 1991-95, KL 1993. Government Development Allocation as a percentage of GNP: Security & Defence: 17.8%, Education & Training: 13.7%, Health & Population: 2.7%.
17. O'Donnell, *op. cit.*
18. Hall, S., 1985.
19. See Poulantzas, N., 1974:301.
20. *Ibid*, quoted in Atkins, F. 1986:27.
22. *Ibid*:30
22. Laclau, E. 1977
23. Collier, D. 1979: Ch.1.
24. Hall, S. *op. cit.*
25. O'Donnell, *op. cit.*
26. Mid-Term Review of the Second Malaysia Plan, 1973: 86-7.
27. Hirschman, A.O., in Collier, D. 1979.
28. See K. Das, 1987.
29. See Grace, E., 1990.
30. Dass, A., 1990:84.
31. *Ibid*:90
32. See Mehmet, Ozay, 1986; Gomez, E.T., 1994.

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The Rocket
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Zhongguo Bao (China Press): 1960–63

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