TRENDS IN SOUTHEAST ASIA

MALAY POLITICS

Parlous Condition, Continuing Problems

Khoo Boo Teik

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FOREWORD

The economic, political, strategic and cultural dynamism in Southeast Asia has gained added relevance in recent years with the spectacular rise of giant economies in East and South Asia. This has drawn greater attention to the region and to the enhanced role it now plays in international relations and global economics.

The sustained effort made by Southeast Asian nations since 1967 towards a peaceful and gradual integration of their economies has had indubitable success, and perhaps as a consequence of this, most of these countries are undergoing deep political and social changes domestically and are constructing innovative solutions to meet new international challenges. Big Power tensions continue to be played out in the neighbourhood despite the tradition of neutrality exercised by the Association of Southeast Asian Nations (ASEAN).

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THE EDITORS

Malay Politics: Parlous Condition, Continuing Problems

By Khoo Boo Teik

EXECUTIVE SUMMARY

- In late February 2020, the Mahathir Mohamad-led Pakatan Harapan (Harapan, or Pact of Hope) government ended abruptly. Amidst ensuing confusion, Muhyiddin Yassin led defecting Harapan Members of Parliament, joined by UMNO and PAS, in an ad hoc Perikatan Nasional (PN, or National Alliance) coalition to form a "backdoor government".
- The PN protagonists cast themselves as a "Malay-Muslim front" for preserving Malay dominance. Yet they unwittingly exposed the parlous state of their "Malay politics", as shown by an absence of "Malay unity", strongly contested claims to represent the Malays, intense party factionalism, and subverted leadership transitions.
- The parlousness of Malay politics emerged from the failure of the Malay political class to meet many challenges between 1997 and 2018. As the New Economic Policy and Vision 2020 political orders shed their combined twenty-five-year hegemony, Malay politics could not recover its declining popular support and legitimacy, or craft a fresh, broadly supported settlement.
- The present is an unsettled conjuncture: the old order is passing while Harapan's experimental regime has been subverted. Yet Malay politics is unable to reform or tackle current issues authoritatively. Instead Malay politics has turned inwards and precipitated a disorder of the political system.

Malay Politics: Parlous Condition, Continuing Problems

By Khoo Boo Teik[1]

The topical relevance of this subject for contemporary Malaysian politics is underscored by the bizarre end of the Mahathir Mohamad-led Pakatan Harapan (Harapan, or Pact of Hope) government in late February 2020. As an opposition coalition Harapan had taken power at the 14th General Election (GE14) of 9 May 2018 when Barisan Nasional (BN, or National Front) suffered its first ever defeat at the national level after sixty-one years of rule.[2] Mahathir, who had retired in October 2003, returned as the "7th Prime Minister". By Harapan's pre-GE14 agreement he would remain in office up to the mid-point of the government's five-year term. Then Anwar Ibrahim, released from prison on 16 August 2020, would become the "8th Prime Minister".

Towards the end of February 2020, Mahathir abruptly resigned. He expected to be reappointed by the King, in which case he could form a new government without abiding by the Harapan succession plan. But Mahathir was not reappointed. The unravelling of the Harapan government left its parties (Amanah,[3] DAP[4] and PKR[5]) in disarray, and

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[1] Khoo Boo Teik is Professor Emeritus, National Graduate Institute for Policy Studies, Tokyo, Japan, and Visiting Senior Fellow, ISEAS – Yusof Ishak Institute, Singapore.

[2] To be precise, BN's predecessor, the Alliance, formed the government from 1957 to 1974.

[3] Parti Amanah Negara (National Trust Party).

[4] Democratic Action Party.

[5] Parti Keadilan Rakyat (People's Justice Party).

scuttled its leadership transition. Anwar then sought but did not receive the King's invitation to form a new government. Amidst the confusion, defectors from Mahathir's party, Bersatu,[6] and from Anwar's party, PKR, were joined by UMNO[7] and PAS,[8] the two losers in GE14, to form a "backdoor government" ruled by an ad hoc Perikatan Nasional (PN, or National Alliance). Muhyiddin Yassin, who led the Bersatu defectors, became the new prime minister; he was in fact the deputy prime minister before he was dismissed by Najib Razak in 2016.

Instead of replicating the many commentaries on this fluid situation,[9] or predicting the fortunes of the PN regime or whatever replaces it, this essay will explore a neglected issue raised by the continuing crisis. The protagonists in PN are political parties and politicians who portray themselves as *Malay* parties and *Malay* politicians on a mission to preserve *Malay* dominance.[10] Casting themselves as a "Malay-Muslim front" combatting the multiethnic Harapan that won GE14, they subverted Malaysia's first experience of democratically determined change of government. Their campaign exposes an unacknowledged disorder of

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[6] Parti Pribumi Bersatu Malaysia (United Pribumi Party of Malaysia).

[7] United Malays National Organization.

[8] Parti Islam SeMalaysia (Pan Malaysian Islamic Party).

[9] For example, Ahmad Fauzi Abdul Hamid, "The Return of Old-Style Malay-Centric Politics?", *East Asia Forum*, 25 April 2020, https://www.eastasiaforum.org/2020/04/25/the-return-of-old-style-malay-centric-politics/ (accessed 29 April 2020); Liew Chin Tong, "On Muhyiddin and Malay Votes", 5 March 2020, https://www.liewchintong.com/2020/03/05/on-muhyiddin-and-malay-votes/ (accessed 8 May 2020); Norshahril Saat, "Malaysia's Bersatu Remains Split and Faces Uncertain Future", *ISEAS Perspective*, no. 2020/57, 2 June 2020; *Sarawak Report*, "The Bersatu Point of View: Why Did 20 MPs Jump with Muhyiddin to Join Back with PAS/UMNO?", 10 March 2020, https://www.sarawakreport.org/2020/03/the-bersatu-point-of-view-why-did-20-mps-jump-with-muhyiddin-to-join-back-with-pasumno/ (accessed 28 August 2020); and Bridget Welsh, "Muhyiddin Is Locked Down, and the Way Out", *Malaysiakini*, 23 April 2020, https://www.malaysiakini.com/columns/522308 (accessed 29 April 2020).

[10] Wan Saiful Wan Jan, *Why Did BERSATU Leave Pakatan?* Trends in Southeast Asia, no. 10/2020 (Singapore: ISEAS – Yusof Ishak Institute, 2020).

the political system, the parlous state of their *Malay* politics. The basic scope of "Malay politics"—which has changed since independence—covers such issues as the Malays' "special position" according to the Constitution, preferential treatment by the New Economic Policy, domination of the electoral system as a result of demographic factors but also gerrymandering and (ethnically influenced) malapportionment of constituencies, and pre-eminence in state institutions. The full conduct of Malay politics involved interethnic and intra-Malay considerations.[11]

The ensuing discussion of that "disorder" is framed by two questions. First, how has Malay politics turned more parlous although it dominates a system of ethnic politics? The essay addresses this question by exploring issues of "Malay unity", competing party claims, deep factionalism and leadership transition. Second, why does Malay politics in its parlous condition remain a powerful ideological force? The answer cannot be found in facile references to Malay psyche, mindset, DNA or culture. The crux lies in the current conjuncture of Malay politics: the established projects of the Malay political class have run their course but an alternative project to replace it was aborted. Mired in repeated crises but unable to craft a fresh political settlement, Malay politics clings to eroded parameters to remain ideologically dominant.

THE PARLOUS CONDITION OF MALAY POLITICS

There are four facets to parlous Malay politics: the absence of "Malay unity", unresolved claims, extreme party factionalism and subverted leadership transitions.

First, "Malay unity"[12]—the anti-Malayan Union-inspired foundational myth of modern Malay politics, the ideal of UMNO's original nationalist

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[11] See the pioneering study, John Funston, *Malay Politics in Malaysia: A Study of the United Malays National Organisation and Parti Islam* (Kuala Lumpur: Heinemann Asia, 1980).

[12] For some notes on what "Malay unity" meant to Malay political parties, see Syed Husin Ali, *The Malays: Their Problems and Future* (Kuala Lumpur: The Other Press, 2008), pp. 45–49.

mission, and the clarion call issued by UMNO or the national Malay leadership in times of intra-Malay strife—has long been honoured in its breach. Over the past fifty years, major political crises primarily involved intra-Malay clashes. There would be heard in those crises appeals for or shows of "Malay unity". The appeals were forlorn. To take a notable instance, Mahathir's 1998 dismissal and subsequent persecution of Anwar deepened Malay political divisions over two decades. When in 2001 Mahathir offered to consult the Malay opposition on ways to reunite the Malays, PAS President Fadzil Noor signally rebuffed him.[13] Wan Azizah Wan Ismail, Keadilan President, did likewise, saying the issue was not Malay disunity but Malay loss of confidence in Mahathir's leadership.[14]

Second, UMNO, PAS, Bersatu, Amanah, PKR and Pejuang[15] all claim to protect Malay rights. Their number is a sure sign that none of them has an uncontested claim. Strictly speaking, neither Amanah nor PKR purports to be a "protector of the Malays" in the same way that UMNO does, while PAS has often preferred to call for the protection of the *ummah*.[16] In fact, before the general election of 2008, PKR even

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[13] Mahathir claimed that "everything would have been settled" if Fadzil Noor would meet him for "five minutes" ("Dr M: Fadzil Refused to Discuss Malay Rights", *The Sun*, 21 March 2001).

[14] "Mahathir Reaches Out", *Far Eastern Economic Review*, 1 February 2001, p. 29.

[15] Parti Pejuang Tanah Air (Homeland Fighters' Party), the latest party established by Mahathir, his son, Mukhriz, and Mahathir loyalists who opposed Bersatu's cooperation with UMNO.

[16] "We are committed to uphold the principles of the constitution that recognizes the position of Islam, the sovereignty of the Malay rulers and uphold the position of the Malay language as the official language and the special position of the Malays and Bumiputra as well as give assurance to defend the rights of all races" (Anwar Ibrahim, quoted in Hemananthani Sivanandam, "Anwar Ibrahim Claims to Have Majority Support to Be PM", *The Star*, 23 September 2020, https://www.thestar.com.my/news/nation/2020/09/23/anwar-ibrahim-claims-to-have-majority-support-to-be-pm (accessed 23 September 2020).)

called for abolishing the New Economic Policy, a "sacred" pillar of Malay politics after 1969.[17] And Pejuang is too new and small to serve as anything other than a platform for Mahathir to condemn UMNO and Bersatu for corruptly selling out the Malays.

Third, the Malay political parties are riven by deep factionalism. The partners in PN when it was hastily formed as a non-formal coalition were: a disputed rump of Bersatu; a breakaway faction of PKR; a truncated UMNO several of whose MPs defected to Bersatu after GE14; and a diminished PAS a sizeable segment of whose leadership left to form Amanah before GE14. From its beginning PN was effectively factionalized because of the uneasy relationship between UMNO, and the defectors from Bersatu and PKR. Virtually all those Bersatu and PKR MPs were once UMNO members. The PKR ones left UMNO after Anwar's expulsion from "Mahathir's UMNO" in 1998. The Bersatu ones were Mahathir followers who broke with "Najib's UMNO" before GE14, or abandoned "Zahid's UMNO" after GE14. Recently the PKR defectors joined Bersatu. Yet Bersatu's gain must be offset against UMNO's insistence that UMNO supports but does not belong to PN. Instead UMNO declares that its true coalition is Muafakat Nasional (MN, or National Accord) which it formed with PAS after GE14 to oppose Harapan. For the next general election UMNO intends to contest all the seats that it won in GE14, obviously targeting the seats that UMNO's "traitors" took to Bersatu. Moreover, UMNO has other demands that will complicate intra-PN negotiations over seat allocations and threaten Bersatu's viability as a party, let alone the lead party of PN.[18] The UMNO

[17] It is another matter whether PKR would have implemented that campaign call had the party won power then, which it did not. PKR distinguished between ending NEP as a corrupted elite-enriching policy and providing state assistance for deserving ordinary Malays (and non-Malays).

[18] If UMNO is too "lenient" towards Bersatu, it will seem to reward the latter's "treachery". If UMNO is too "harsh", it might drive some from Bersatu back to Harapan. Should Bersatu reject UMNO's demands, the two parties will have to fight each other in many constituencies.

design is revanchist, insisting on recovering its lost ground. A vulnerable Bersatu, as Mahathir sneeringly told Muhyiddin, could be left with no seats to contest.

Fourth, the country's top leadership transition, traditionally an exclusively Malay affair and, until 2018, a matter of UMNO's prerogative, has been bedevilled for forty years. One deputy prime minister, Musa Hitam, resigned when Mahathir doubted his loyalty; another, Ghafar Baba, was defeated in an UMNO election; and two more, Anwar and Muhyiddin, were dismissed for insubordination. Three prime ministers, Abdullah Badawi, Najib, and Mahathir, departed office under a cloud.[19] Mahathir and Harapan leaders revile Muhyiddin for taking power without an electoral mandate while UMNO begrudges Muhyiddin's continuation in office.

CONTINUING PROBLEMS

Parlous Malay politics did not suddenly arise. It was long in the making, emerging from many flaws and failures that the Malay political class could not authoritatively resolve between 1997 and 2018. Consequently, as the NEP-Vision 2020 Order, conjoined here for analysis, shed its twenty-five-year hegemony, Malay politics was unable to recover its legitimacy and pre-eminence with a fresh political settlement. At that troubled conjuncture, resistant to reform and bereft of an imaginative grasp of the issues and forces of the day, Malay politics turned inwards and precipitated a disorder of the political system.

Legitimacy: The Way Downwards

Mahathir's retirement in October 2003 left a tricky question: How would the Malay political class restore its legitimacy after widespread Malay revulsion over Anwar's persecution cost UMNO many parliamentary

[19] John Funston kindly reminded me that Tunku Abdul Rahman was the first prime minister to depart discredited after the violence of 13 May 1969.

seats, the Terengganu state government and the Malay popular vote.[20] In fact, popular disaffection had spread beyond Anwar's fate to corrupt and undemocratic administration. Neither Abdullah Badawi who succeeded Mahathir nor Najib Tun Razak who replaced Abdullah in 2009 had an adequate answer. They were unaware that they ruled over an epoch when, as will be discussed in the final section of this article, the political orders represented by NEP and Vision 2020 were passing.

Abdullah had a moment of triumph following the 2004 general election which he could have exploited to craft a new political settlement. He had public goodwill behind him to remove the hubris, illiberalism, elitism, cronyism, and indifference to mass welfare associated with the late Mahathir era. Yet Abdullah launched no fresh project. He offered rhetoric of amity, an ideologically non-resonant "Islam Hadhari", and a showy design to carve the country into "economic corridors". His regime's legitimacy sank in the massive protests of 2007, and the electoral "tsunami" of 2008. That created a moment of urgency when Najib could have learnt from Abdullah's failings to reorganize the political order. At first Najib intimated that his regime would be more socially and ethnically inclusive, promising market reforms and liberalization. But when UMNO itself rejected his gestures, Najib, like Abdullah before, condoned UMNO's iterations of an "NEP with no time frame",[21] a Vision 2020 shrunken to a "developed country" goal, and a vulgarized notion of Bangsa Malaysia.[22] Thus UMNO swung rightwards in ethnic and religious terms, effectively conceding the political centre to PR.

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[20] UMNO's only previous loss of Terengganu was in 1959. On the Malay popular vote which went against UMNO, see Maznah Mohamad, "The Contest for Malay Votes in 1999: UMNO's Most Historic Challenge", in *New Politics in Malaysia*, edited by Francis Loh and Johan Saravanamuttu (Singapore: Institute of Southeast Asian Studies, 2003), pp. 66–86.

[21] When NEP had officially been replaced by the National Development Plan.

[22] Khoo Boo Teik, "Lost on the Way to 2020", *Aliran Monthly* 26, no. 1 (2006): 2–6.

The Malay political class could not grasp the range of social forces that had gathered against them. In Abdullah's time, those forces included: Malays drawn to *Reformasi*; PAS which had spread out from its regional backwaters into urban constituencies; a populace disgusted with high-level corruption; an urban multiethnic hoi polloi who resented the rising costs of living; Mahathir and his sidelined allies;[23] dissident civil society angered by unfulfilled promises of institutional reform; Indians rebelling against marginalization; and Chinese feeling betrayed by UMNO's Chinese-bashing antics.[24] Towards the end of Najib's term, the anti-regime forces were joined by UMNO splinters separately led by Mahathir and Shafie Apdal, "patriotic veterans", ex-senior civil servants, and a "global electorate". The regime's legitimacy was already badly eroded before the 1MDB scandal drained it away.

The "backdoor government" inherits this decline in legitimacy. The COVID-19 controls have however restricted the opposition and public expressions of discontent. But a crucial part of hegemony, "consent", had bled from UMNO's rule years ago, and "common sense" does not hold the PN regime—as it once did NEP and Vision 2020—to be the natural state of affairs.

Debasing Coalitions

Malay politics once occupied a familiar world. In rule was an unassailable UMNO, in opposition a durable PAS. The present is alien terrain. Formerly UMNO boasted that it could rule on its own. But desertions weakened it in 1998, 2016 and 2018. Before GE14, UMNO tried to bolster its position by an unofficial pact with PAS. "Mature politics"—rather, the idea of being "kingmaker"—was PAS' pretext for the pact. But Harapan defeated UMNO and PAS. If Malay politics now hints of "a war of all against all", this condition was prefigured by UMNO's "trajectory

[23] They especially disliked Abdullah's "interloper" son-in-law, Khairy Jamaluddin and his "4th Floor" (of the Prime Minister's Office) ambitions.

[24] Khoo, "Lost on the Way to 2020".

of dismemberment". The once definitive "party of the Malays" broke into UMNO Baru (New UMNO) and Parti Semangat 46 (S46, or Spirit of 46 Party) in 1988–95 (dividing its post-Alliance generation of leaders); UMNO and PKR in 1998 (losing the former's younger generation); and UMNO and Bersatu in 2016 (shedding UMNO's Old Guard of the time). Since March 2020, Bersatu has been fractured into factions led respectively by Muhyiddin, Mahathir and Syed Saddiq.[25] Nor was PAS immune from divisiveness: defections toppled its Terengganu government in 1962; UMNO's "betrayal" in 1977 cost PAS its Kelantan government. In 2015, the "progressive" segment of the PAS leadership broke from PAS to found Amanah.

Thus the imaginary of the Malay political world is disfigured by contests in which antagonists valued friends to the degree that they were the enemies of enemies.[26] Mahathir used to extol BN as a standing coalition, more stable than patchy post-electoral coalitions elsewhere. Now instability stalks PN. Mahathir, Razaleigh and Anwar reject PN's legitimacy which is not backed by an electoral mandate or a publicly proven parliamentary majority. Razaleigh contemptuously predicted that PN would fall if a few MPs from the "python" that is UMNO abandoned the *ular lidi* that is Bersatu.[27] Anwar charges that Muhyiddin shores up

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[25] Syed Saddiq, the youngest minister in the Harapan Cabinet, declined to join Muhyiddin or Mahathir but formed a new "party of youth" (*Free Malaysia Today*, "Syed Saddiq to Form Own Youth Party", 24 August 2020, https://www.freemalaysiatoday.com/category/nation/2020/08/24/syed-saddiq-to-form-own-youth-party/ (accessed 26 August 2020).)

[26] To wit: Musa v. Razaleigh; Musa *and* Razaleigh v. Mahathir *and* Ghafar; Anwar, Najib *and* Muhyiddin v. Ghafar, Abdullah *and* Sanusi Junid; Mahathir v. Anwar *and* Fadzil Noor; Mahathir v. Abdullah; Anwar *and* Nik Aziz v. Abdullah; Anwar v. Najib; Anwar, Mohamad Sabu, Mahathir, Muhyiddin *and* Shafie Apdal v. Najib *and* Hadi; Anwar v. Azmin; and Muhyiddin, Azmin, Zahid *and* Hadi v. Mahathir, Anwar, Sabu *and* Shafie.

[27] *Ular lidi* in Malay is a small snake, the painted bronzeback, or a related species. Razaleigh urged MN to reject Bersatu whose "betrayal" caused BN's defeat in GE14; see *The Malaysian Insight*, "Muafakat Nasional Tak Perlu Ular

a tenuous regime by "buying" MPs with government-linked company (GLC) appointments. Meanwhile, the regime is so fixated on surviving the machinations of inconstant allies that it neglects policy-making in a time of pandemic and economic contraction. Anwar has just announced that he can form a new regime with a substantial majority, including many UMNO MPs ready to cross to his side. Whether he has the "numbers" for a new regime is one thing. Whether Anwar would thereby solve PN's core weakness of being dependent on defections is another. Or would an Anwar-led alliance merely precede another defection-derived pact whose tenure is similarly "nasty, brutish and short"? Would continuing disarray of this kind be an advance towards a new authoritative political settlement?

Can Politics Solve Everything?

The social origins of parlous Malay politics lay in a peculiar development of political economy that transformed UMNO's original raison d'être of Malay nationalism into a corporate imperative of Malay capitalism.[28] The transformation entailed three processes—the capture of UMNO by Malay business;[29] UMNO's capture of business;[30] and the capture of

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Lidi Macam Bersatu, Kata Ku Li" ("National Accord Doesn't Need a Small Snake Like Bersatu, Says Ku Li"), *YouTube*, 19 September 2020, https://www.youtube.com/watch?v=x7-rvZ3Nn50&t=1s (accessed 30 September 2020); and *Malaysiakini*, "Kadir Agrees That Bersatu Is Just a 'Skewer' in the National Consensus", 20 September 2020, https://www.malaysiakini.com/news/543311 (accessed 30 September 2020).

[28] For an analysis of this transformation as an ideological shift from Tunku Abdul Rahman's "traditionalistic nationalism" to Mahathir's "capitalistic nationalism" such that "the cause of the capitalists is compounded with 'Malay nationalism'", see Shaharuddin Maaruf, *Malay Ideas on Development: From Feudal Lord to Capitalist* (Singapore: Times Book International, 1988), pp. 148 and 154.

[29] Shamsul A.B., "The Battle Royal: The UMNO Elections of 1987", *Southeast Asian Affairs 1988* (Singapore: Institute of Southeast Asian Studies, 1988), pp. 170–88.

[30] Edmund Terence Gomez, *Politics in Business: UMNO's Corporate Investments* (Kuala Lumpur: Forum, 1990).

policy by UMNO-based, -owned, or -linked politico-corporate elites and coalitions.[31] Those forms of "capture" were interlocked as a state-party-class axis,[32] along which varieties of Malay capital emerged, nurtured with patronage, rents and financial sponsorship.[33]

In good times, economic access, political power, and policy influence created a Malay politico-corporate oligarchy as a counterweight to what Mahathir called "Chinese economic hegemony" in *The Malay Dilemma*. In lean times, oligarchic insecurity bred contention and factionalism. The centrality but also instability of the state-party-class axis was exposed by the Mahathir-Razaleigh fight in 1987 and by Anwar's fall in 1998. Just a decade apart, each was an instance of intra-Malay rivalry mediated via Malay politics. Under Abdullah and Najib, the post-financial crisis anxieties of the politico-corporate oligarchy were vented as intra-UMNO squabbles, or UMNO's demonization of the Chinese. Beneath these outbursts was a premise that Malay politics must protect the Malay economy.

Even so, privileging Malay capital can be more querulous the more parlous Malay politics is. "No DAP, No Anwar", insist PN and MN, apparently accusing DAP of threatening the "special position" of the Malays and Anwar of "betraying his race". Their actual fear is, Anwar and DAP will institute "pro-market" and "good governance" measures, that is, anti-statist and anti-oligarchic "best practices" that will leave uncompetitive Malay businesses unprotected. The fear was exaggerated for obvious political gain. In fact, Harapan and DAP in power had not been "anti-Malay" in economic policy or financial management. A Malay state

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[31] Khoo Boo Teik and Khoo Khay Jin, "The Political Economy of Poverty Eradication in Malaysia: An Overview", in *Policy Regimes and the Political Economy of Poverty Reduction in Malaysia*, edited by Khoo Boo Teik (Geneva: UNRISD, 2012), pp. 9–10.

[32] Each had a role: the state to supply the material sponsorship, the party to dictate policy directions, the class to vindicate the ideal of Malay capital.

[33] Peter Searle, *The Riddle of Malaysian Capitalism: Rent-Seekers or Real Capitalists* (St Leonards, NSW: Allen & Unwin, 1988).

capitalism embodied in the largest GLCs had secured the commanding heights of the economy some time ago. Within them, management had acquired a more professional and less political character.[34] But Muhyiddin appointed (Malay) politicians to head those GLCs to retain their loyalty. He thereby sanctified the precept that (Malay) politics—not just (Malay) professionals or technocrats, as reform-minded critics recommend—must control the leading entities of (Malay) state capitalism.[35]

Cause and effect are blurred in this bond between (strong) Malay politics and (weak) Malay business. Mahathir warned *fifty years* ago that if politics created a "soft environment" for the Malays and inhibited them from overcoming difficulties on their own, "political power might ultimately prove their complete downfall".[36] If it even remembers, would parlous Malay politics take Mahathir's warning to be prescient or vexatious?

Misinterpreting the Chinese or the Futility of Going Backwards

The Chinese voters occupy a nuanced position in the making of parlous Malay politics. Split between BN and the opposition in 1990, they were enthralled by economic recovery, liberalization and Vision 2020 and swung to Mahathir from 1995. During the financial crisis, they were initially divided between Mahathir's economic nationalist narrative and the global market's demands. But the capital controls which hinted of economic stability, and Anwar's fall which sparked an unsettling *Reformasi*, caused them to spurn Barisan Alternatif (BA, or Alternative Front).[37] They rescued UMNO from the wrath of the Malay electorate

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[34] Edmund Terence Gomez et al., *Ministry of Finance Incorporated: Ownership and Control of Corporate Malaysia* (Petaling Jaya: SIRD, 2017).

[35] Syed Husin Ali, *The Malays: Their Problems and Future*, p. 46, and, Gomez et al., *Ministry of Finance Incorporated*, pp. 194–207.

[36] Mahathir Mohamad, *The Malay Dilemma* (Singapore: Donald Moore for Asia Pacific Press, 1970), p. 31.

[37] On Chinese voters' wariness towards the PAS-led BA, see Khoo Boo Teik, *Beyond Mahathir: Malaysian Politics and its Discontents* (London: Zed Books, 2003), pp. 140–41.

in 1999. They contributed to Abdullah's 2004 victory. Then, just as the Malays were enraged by Mahathir's maltreatment of Anwar, the Chinese were infuriated by UMNO's humiliation of them in 2005–6. They were disgusted, too, by UMNO's disgraceful treatment of its "Chinese partners" (Malaysian Chinese Association and Gerakan Rakyat Malaysia) which debased BN as a coalition. From 2008, Chinese voters punished UMNO by abandoning BN for the Anwar-led Pakatan Rakyat (PR, or People's Pact) that included PAS from 2008 to 2013. Their overwhelmingly pro-PR vote helped PKR and PAS to win many ethnically mixed constituencies in 2008, 2013 and 2018—just as they helped BN win similar seats in 1995, 1999 and 2004. When Mahathir backed UMNO up to 2015, they ignored him. When Mahathir opposed Najib, however, they backed Mahathir as a necessary if insufficient factor in contesting GE14. In 2008, 2013 and 2018, Chinese voters, including a "global" segment, were almost universally pro-opposition. They were overjoyed when Harapan came to power, but were disappointed by its slow pace of reform. They now hold contempt for the "backdoor government".

The positions of the Chinese voters vis-à-vis the regimes and political parties were not static but dynamic, context-bound and issue-driven. Material interests mattered to them (as they did others) but it insulted them to suggest that principles did not matter, as did Najib before and after GE13. The Abdullah and Najib regimes erred in being overbearing towards Chinese voters. The "Malay-Muslim front" would repeat that mistake if they forget that the Chinese joined the reformist waves that swept the political terrain from 2007 onwards.

Mahathir has encountered the Chinese as opponents, rescuers and allies. In the latter part of his political life, he made his peace with them. He praised Chinese business for its resilience despite the disadvantages they faced from NEP. At the height of the financial crisis he declared that he would sooner sell Malay corporate assets to "our Chinese" than to foreign interests. In *The Malay Dilemma*, Mahathir advocated "harsh punitive measures" against those who would "impede the elevation of the Malays to an equality with the other races".[38] If that sounded like a

[38] Mahathir, *The Malay Dilemma*, p. 60.

warning to the Chinese before the NEP began, he has not since blamed them for Malay economic failures. If the "Malay-Muslim" front learns from Mahathir it will avoid instituting meaningless "power-sharing" for the Chinese, new discriminatory policies, less tolerant Islamism, and so on. It is futile, for example, to taunt the Chinese to "return to China". On the one hand, Malaysia-China trade and investment ties are extensive and deep. On the other hand, in this globalized era, Chinese school students, skilled professionals, and ambitious entrepreneurs have gone to China on their own. For that matter, repressive action against the DAP, say, cannot resolve intra-Malay battles.[39] The parameters of interethnic politics were altered over many years. What is left now to restructure the economy and society that NEP had not envisaged? Barring large corporations tied to the Malay political class, Chinese businesses, SMEs, education, professions, and even the poor have steadily reduced their reliance on the state, or they now connect to global value chains beyond state control.

THE END OF AN ORDER, THE APPEARANCE OF A DISORDER

One can sense how dire Malay politics is by seeing how the Malay political class under Razak and Mahathir respectively reestablished its preeminence after 1969 and after 1988. Razak instituted the NEP order, Mahathir the Vision 2020 order.

The key to NEP is its significance beyond being a policy instrument with the two prongs of poverty eradication and social restructuring. Razak characterized the NEP as "nationalistic socialism" that relied on "state participation" to attain "rapid economic transformation", guided by a "doctrine of welfarism" and "social equality".[40] That radical

[39] For a sarcastic riposte to PN's charge that DAP, as part of Harapan, would destroy the Malays, see Mahathir Mohamad, "DAP Hancur Melayu" (DAP Destroys the Malays), *Chedet*, 12 May 2020, http://chedet.cc/?p=3059 (accessed 13 May 2020).

[40] On this point, see Khoo and Khoo, "The Political Economy of Poverty Eradication: An Overview", p. 5.

departure from the Alliance's non-interventionist regime required a new political framework. Razak formed BN which co-opted political parties prepared to trade opposition for power-sharing. He thereby replaced the Alliance, in which UMNO was supposedly only first among three equals, with BN where UMNO brooked no insubordination from its many smaller members. He elevated a cohort of young professionals in UMNO and drew a fresh corps of technocrats into his administration. His large-scale state-directed social engineering brought progress to Malay society consistent with their post-independent expectations. In non-elite class terms, there were, notably, the FELDA-based creation of a class of settler landowners (as a solution to Malay landlessness), export-oriented industrialization-enabled urban proletarianization (as a route out of rural poverty and unemployment), and embourgeoisement (via education, professionalization, commerce, and home and equity ownership). Razak deployed social policies, public investments, legislation, and regulatory controls to reorder different sets of social relations, notably those between the state and capital (including foreign capital), the state and other social classes, and the state and different ethnic communities.

Naturally, Razak faced some opposition to NEP in spirit, conception and implementation. Still, poverty eradication produced encouraging results, restructuring proceeded in different sectors, and the economy expanded, vindicating NEP's promise of "growth with distribution". A judicious critique of Malaysian political economy even calls NEP, "despite pitfalls and other equivocal events", the "Malaysian Tiger's birth certificate".[41] Thus, NEP stood for a post-1969, post-Alliance political settlement. Razak died in January 1976 before he could show what a fuller conception of that settlement might entail. For the Malay political class dealing with a national emergency, NEP held as a project of ideological persuasiveness, policy coherence and hegemonic reach. Within the ambit of Malay politics, the NEP order overcame the opposition of a displaced UMNO Old Guard, the sporadic movements of dissenting students and

[41] Elsa Lafaye de Micheaux, *The Development of Malaysian Capitalism: From British Rule to the Present Day* (Petaling Jaya: SIRD, 2017), p. 140.

youth, and PAS when it broke from BN. Malay disaffection had cost UMNO dearly in the 1969 general election. But UMNO recovered its ground and BN won both general elections of the first NEP decade.

There was non-Malay, especially Chinese, resistance to NEP, the Industrial Coordination Act,[42] revamped educational policies and the lack of state assistance to the "Chinese New Villages". Mahathir candidly said that some Chinese would be sacrificed whether they were told this nicely or not.[43] The DAP resisted co-optation and remained a rallying point of non-Malay opposition in the face of state coercion and harassment. Non-Malays who could not abide NEP emigrated without state hindrance. The vast majority who remained were assuaged by business, investment and employment opportunities expanded by public investments in development projects and the growth of the Penang-based export-oriented industrialization (EOI) sector that benefited a range of non-Malay contractors, professionals, managers, and production workers. They adapted to NEP as "a fact of life", accepting the hegemony of the NEP order.

The key to Mahathir's Vision order is its divergence from NEP. People had assumed that Mahathir as prime minister would force the pace of NEP. He shared its tenets but he had a different vision. Where Razak had to prioritize a post-crisis domestic order,[44] Mahathir reoriented the nation towards the global economy. The NEP had an assertive Malay nationalist core and a muted Malaysian nationalist strain. Mahathir took the former for granted but accentuated the latter, hoping to subordinate a divisive obsession with ethnic quotas and targets to a unifying goal of pursuing developed country status. Years of NEP regulation had caused a state–non-Malay capital rupture. Mahathir promoted a new state-capital

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[42] Harold A. Crouch, *Government and Society in Malaysia* (Ithaca, NY, and London: Cornell University Press, 1996), pp. 207–9.

[43] Leung Thong Ping, "Mahathir", *Sunday Mail*, 2 April 1972.

[44] This is not to disparage his far-reaching diplomatic initiatives vis-à-vis China and ASEAN.

alliance, Malaysia Incorporated. Where Razak advocated "welfarism", Mahathir urged an "East Asian work ethic" on the *Malay* masses. Finally, Razak placed his confidence in state enterprises, statutory authorities and trustee agencies. Mahathir disdained state entities with the exception of state corporations he established for heavy industrialization. He set out to remake the political order in the image of the East Asian developmental states.

Mahathir's order disquieted Malay society and politics. Malays who admired him as the ideological soul of NEP were shaken by the changes he wrought. The bureaucracy, habituated to regulate (non-Malay) capital was directed to serve the same capital. The civil service, known for its self-esteem, was reminded that the private sector paid its salaries. Those ensconced in state-owned enterprises (SOEs) were flustered by Privatization. Those who took state assistance as an entitlement of ethnicity were told to acquire a work ethic. And when recession struck in 1985–86, Mahathir suspended the "30 per cent Bumiputera quota" iconic of NEP. Forcing many shifts from what had become NEP orthodoxy, he so badly divided Malay politics that two UMNO factions fought an uncompromising party election in 1987.[45] Mahathir barely retained his presidency. Soon after, UMNO was declared an illegal party and deregistered. From 1988 to 1996, UMNO was separated into a "New UMNO" rump, and a splinter Parti Semangat 46.

At the 1990 general election, Mahathir led BN to a bigger victory than predicted. Now he hoisted his policy framework over NEP. He entrenched the private sector's privileged status via Malaysia Inc. and Privatization. He liberalized and deregulated once stringently supervised areas, such as investment and education. He received strong support from Malay business, professional and urban middle classes who benefited

[45] Khoo Boo Teik, *Paradoxes of Mahathirism: An Intellectual Biography of Mahathir Mohamad* (Kuala Lumpur: Oxford University Press, 1995), pp. 264–71 and 322–26.

most from rising prosperity. In 1991 Mahathir unveiled his solution to the crisis of Malay politics—Vision 2020, a futuristic project that reserved a central place for Melayu Baru (New Malays) to lead a Bangsa Malaysia (Malaysian Nation) into the club of developed nations.[46] Vision 2020 gave the Malay political class a project of political economy informed by ideological coherence and national direction, something the class needed to shed its NEP anxieties and interethnic acrimony. Some quarters disagreed over the content of Vision 2020, the identity of Melayu Baru, and the authenticity of Bangsa Malaysia. Yet the Vision order proved its popularity at the 1995 general election when UMNO thrashed S46.[47]

The NEP-Vision Order, conjoined for analysis, oversaw twenty-five years of political stability (despite occasional crises), economic advance (despite some setbacks), and progress in social restructuring (despite inequities and injustices). The Abdullah-Najib regimes had nothing comparable over fifteen years. Razak had barely seven years to lay down the direction of his project and so did Mahathir his. Muhyiddin has been in power for only seven months. As yet, he has not shown how he can lead the Malay political class to shake off the inertia of the Abdullah-Najib regimes. Of the current PN leaders, moreover, no one has the authority and imagination to impose a hegemonic settlement on the dissident forces that brought down UMNO. Muhyiddin is unwell, Zahid may be convicted any day, Hadi has been damaged by his failed suit against Sarawak Report,[48] and Azmin has no influence outside his little band.

Malay politics has become unusually parlous at a historic conjuncture. The NEP-Vision Order has run its course after its crises between 1997

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[46] Ibid., pp. 327–28.

[47] A year later, S46 dissolved itself. Its leaders and members returned to the UMNO fold.

[48] *Sarawak Report*, "Hadi Admits Case Was 'Political': No Longer Cares to Fight for His 'Reputation' in UK", 7 March 2019, https://www.sarawakreport.org/2019/03/hadi-admits-case-was-political-no-longers-cares-to-fight-for-his-reputation-in-uk/ (accessed 12 October 2020).

and 2018. The Harapan's post-GE14 experiment with a new order was prematurely terminated.

Here, where "the old is dying but the new cannot be born", parlousness is a disorder of the body politick. Malay politics is traumatized by memories of mutual treachery and multiple betrayals, resentments of past persecution and suspicions of future sabotage, revanchist intents and punitive motives, ambitions of dominance and anxieties over survival, and fears of conspiracies hatched within conspiracies.

Some regard these as the remnants of a feudal culture if not age.[49] One can alternatively see them as the political corollary of ill-regulated competition in an aggrandizing but insecure capitalism. Either way, Malay politics abjured reform and turned inwards only, to fall upon itself.

[49] Farish A Noor, *The Other Malaysia: Writings on Malaysia's Subaltern History* (Kuala Lumpur: Silverfishbooks, 2003), pp. 118–22.

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