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**Ethnic Harmony and Economic Development in Malaysia:
Lessons for Pakistan**

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Ethnic Harmony and Economic Development in Malaysia: Lessons for Pakistan ⁺

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Abstract

Malaysia is a multi-ethnic and multi-religious state which presents an excellent example of ethnic harmony and communal coexistence that added to its rapid economic progress. Its GDP grew by 7.1 per cent in 2004, the fastest since 2000. The private investment also increased and contributed 6.2 per cent of points to overall economic expansion. Net international reserves registered an increase of 21.9 billion US dollars to 66.7 billion US dollars by the end of 2004. On Human Development Index, (HDI) Malaysia is on 57 which is considered in the list of medium scale countries. Deutsche Bank in a recent report stated that Malaysia would record the highest rate after India ahead of China over the period 2006-2020.

In this background, the project tries to analyze how Malaysia achieved these objectives. Despite many challenges and serious concerns faced by Malaysian state and society. On the other hand, Pakistan, being a multi-ethnic and multi-cultural state has been facing ethnic chaos since its independence which resulted in economic turmoil and political instability. This categorizes Pakistan in the low Human Development list (on HDI Pakistan is on 143). The project aims to study the politics of ethnicity in Pakistan in an historical and comparative perspective with special reference to the role of Pakistani State.

In this context, Malaysia can be a good case study for Pakistan where Pakistan can learn lessons from the experiences of Malaysia in order to have ethnic coexistence and economic development. The objectives of the project are: First, to study Malaysia's political, economic, social and cultural institutions both at state and society level and why Pakistan has failed to do so. Second, to examine Malaysia's resolution of its ethnic problem and how various ethnic groups integrated in Malaysian society and why the State of Pakistan has failed to resolve ethnic crisis. Third, to examine the role of religion in Pakistan and Malaysia and to analyze major areas of differences. Fourth, to find out what lessons Pakistan can learn from the process of economic stability, religious tolerance, ethnic harmony, cultural diversity and the process of democratization in Malaysia. Finally, to help develop interest in Pakistan about the dynamics of Malaysian society and create a better sense of understanding between the two countries, particularly in cultural field.

Much has been written on ethnic and cultural problems of Pakistan, but what is lacking is a comparative survey with historical approach, keeping Malaysia as a case study for ethnic and cultural harmony in Pakistan

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Introduction

Malaysia is a multi-ethnic and multi-racial state. It presents an excellent example of ethnic harmony, communal peace and rapid economic progress. The World Bank classifies Malaysia as an upper middle income developing country.¹ The GDP growth is 7.1 per cent in 2004 the fastest growing economy in Asia behind China and India. On Human Development Index, Malaysia is classified as a medium scale (on HDI list Malaysia is on 57). Malaysia's achievement in the field of Health and Education is exemplary. In the year 2004, the Federal Government allocated 20.6 per cent on education.² Poverty rate was reduced to 5 per cent compared to 49.3 per cent in 1970 which is a remarkable effort of the state. Moreover, Malaysia has turned from largely agricultural economy into an Industrial based economy. (Presently Malaysia is the 17th Industrialized country of the world). Deutsche Bank in a recent report stated that Malaysia would record the second highest growth rate after India and ahead of China over the 2006-2020 period.³

All these economic and social indicators show that Malaysia has set its path and achieving the goals set by the previous governments. These economic achievements could only be possible when peace and harmony prevail in society. As it has stated above, Malaysia is a multi- ethnic state(Malay Muslims constitute 60 per cent of the population, Chinese 25 per cent , Indians 10 per cent and the indigenous people of Sarawak and Borneo and Eurasian 3.2 per cent) presented a peaceful multi-ethnic character with religious and ethnic harmony. Moreover, Malaysia has been progressively passing through the process of state building and nation building.

Pakistan as an independent state came into being on August 14, 1947. Being a multi- ethnic and multi-cultural state, Pakistan has been facing the problems of ethnic and ideological chaos, which resulted in economic turmoil and political instability. In Pakistan, the state has outranked the creation of nation, rather than nation preceding the creation of state. Islam (as a political and ideological force) was the so-called binding force which united Eastern and Western parts. After the separation of East Pakistan, Islamic ideology became questionable. Ethnic nationalism emerged from the ashes of East Pakistan crisis. The new Pakistan after 1971 was politically bifurcated on ethnic lines. Later on, military- bureaucratic establishment over-centralized the state structure of Pakistan, which resulted in political polarization of Pakistani society. In other words, Pakistan was created on the basis of a separate Muslim identity, which soon dissipated into various ethnic movements challenging the Centre for an equitable and just share of power and resources.

Against this background, Malaysia can be a good case study for Pakistan where Pakistan can learn lessons from the experiences of Malaysia in the field of economic development and ethnic harmony. There are many similarities between these two countries. First, both were the former colonies of the British Empire; second, Islam is the dominant religion; third, both countries practice parliamentary democracy with semi-authoritarian tradition of governance and finally the role of state in dealing with ethnic problem. A centuries old bond of shared history, culture, beliefs and values unite Pakistan and Malaysia.⁴ . The flags of both countries have a star and crescent, which are the symbols of Islam. Malaysia is a wonderful blend of the traditional and the modern urban metropolises nestled in lush, fertile countryside. Moreover, it is a showcase of natural as well as cultural diversities like Pakistan.

Theoretical frame work

Historical and comparative approaches have been applied for this study. The historical approach has been applied in the context of the ability of Malaysian and Pakistani states to deal with various ethnic minorities from the time of independence (Malaysia succeeded it, while Pakistani state is still in a process). The comparative approach means the ability of Pakistani state to deal with various ethnic minorities in the light of Malaysian experience which did it successfully. However, the major context of the study is to understand the political and ethnic dynamics of Malaysia in order to understand the politicization of ethnicity in Pakistan, which is a big hurdle for the economic development in Pakistan.

Main objective

To conduct research and create awareness in Pakistan about Malaysia as to how Malaysia has successfully dealt with the problem of ethnicity (race) and achieved economic development. Moreover, the research will also aim to develop interest and expertise in the field of ethnic studies focusing on South and South East Asian regions.

Other objectives

Following are the objectives of this research

1. To study how Malaysia developed its political, economic, social and cultural institutions both at State-Society level and why Pakistan has failed to do so.
2. To study the internal and external threat perceptions in Malaysia and to what extent it has influenced the policy- making process in that country.
3. To explore how Malaysia has achieved breakthroughs in economic development and why Pakistan has not been able to accomplish sustained economic growth rate.
4. To examine how Malaysia resolved its ethnic problem and how various ethnic groups integrated in Malaysian society and why Pakistani state has failed to resolved ethnic crises.
5. To examine the role of religion in Pakistan and Malaysia and to analyze major areas of difference.
6. To help develop interest in Pakistan about the dynamics of Malaysian society and create a better sense of understanding between the two countries, particularly in cultural field.
7. To offer a course on Malaysian studies focusing on ethnic harmony for the graduate students of International Relations, University of Karachi.
8. To help establish a network of scholars between Malaysia and Pakistan and to use the opportunity for promoting the concept of regional cooperation between the two regions.
9. To find what lessons Pakistan can learn from the process of economic stability, religious tolerance, ethnic harmony cultural diversity and the process of democratization in Malaysia.

Methodology, scope and limitations

Paper description

The paper is focused on three important areas.

First, discussion with experts in Malaysia about the validity and objectives of the project. Second, to publish the finding of the paper in the form of a monograph. . Finally, to formulate a curriculum on ethnic studies course for the graduate students of International Relations, University of Karachi.

Research Questions

The paper will try to answer the following research questions.

1. What is the significant impact of democratic process in accommodating various ethnic groups in Malaysia?

2. How did the culture and religious diversity become a source of strength in Malaysian state and society?
3. What is the role played by the economic progress bringing ethnic harmony in Malaysia?
4. How has Malaysia formulated power sharing formula and effectively controlled the destructive tendencies of various ethnic groups living in Malaysia?
5. What lessons Pakistan can learn from Malaysian experience?

Methodology

A comparative and historical approach is the basic methodology. It will also include fieldwork and networking.

The area to be covered in the paper will include:-

Historical background of Malaysia – Pakistan relations

1. Major areas of cooperation in Malaysia- Pakistan relations.
2. The process of democratization in the two countries.
3. The process of economic development in the two countries.
4. The role of ethnic politics in the two countries.
5. The role of religion and culture in the two countries.
6. Lessons which Pakistan can learn from Malaysia.
7. Development of interest and expertise in Pakistan and Malaysia.

Impact

Much has been written on ethnic and cultural problems of Pakistan, but what is lacking is a comparative survey with historical approach, keeping Malaysia as a case study for ethnic and cultural harmony in Pakistan. In other words, Malaysia provides a good example for Pakistan as far as ethnic and cultural harmony is concerned. The proposed study will also generate a debate in the academic circles about the Malaysian cultural and ethnic model for Pakistan.

Background

Since 5.000 years several places in Malaysia, especially those along the seashores or river mouths, have grown to become very important parts for the local residents and the rest of the world. This is because Peninsula Malaysia is located at the cross road of China, India and Arabian trade routes. Besides, Malaysia's natural resources attracted many foreign merchants, especially from Arabia, China and India. In the same period several great Kingdoms rose upon Peninsula Malaysia in the early part of the first century. These kingdoms were centers of trade, governments the spread of religion.

However, the colonialists divided Malay for their own interests and finally became a region of social, cultural and political systems depending on the influence of the conquerors, namely the Dutch influence in Indonesia, the Spanish in Philippine, the British in Malaysia and the French in Indo china. The Malay kingdom of Malacca greatly influenced the country's social, cultural and political systems. Islam became the official religion. Malay became the official language and the monarchy system was molding along the lines of the Malaya kingdom of Malacca. However, the influence of the colonialists was also very important. The Portuguese were the first western power to conquer Malaysia; that is Malacca (1511); the Dutch followed in (1641) and the British in 1824. Although the Portuguese, Dutch and Siamese had formally conquered Malaya it was the British and Japanese who left the strong impact on the country. Different forms of British administration were introduced. There was the Presidential system, the Federated

Malay States, the non federated Malay states and the Malayan Union. In all, all these steps were taken to control of natural resources and economy.⁵

Ethnic Composition of Malaysia

Malaysia is a plural society of many ethnic groups. In western Malaysia, the largest ethnic groups are the Malays, Chinese and Indians. In Sabah and Sarawak, the number of ethnic groups is even bigger including among them the *Kadazan, Bajau, Bidayuh, Iban, Kayan, Kenyah and Murut*. These groups are categorized into *Bumiputra* and non- *Bumiputra*. The term *Bumiputra* (son of the soil) was used after the formation of Malaysia in 1963, to include the indigenous peoples of Sabah and Sarawak. The difference between them is often aligned to political, economic, cultural and social differences. In terms of size of the group, the *Bumiputra* far outnumber the non- *Bumiputra*. The *Bumiputra* constituted 57.8 per cent (Malay 49.0 per cent and other *Bumiputra* 8.8 percent) followed by Chinese 24.9 per cent, Indians 7.0 per cent, Others 3.1 per cent.⁶ The same goes for the rate of the population increase. Based on employment distribution *Bumiputra* continue to dominate the agricultural sector (though percentage is decreasing every year). The Chinese and Indians, continued to predominate in the professions, as accountants, engineers, lawyers, architects and businessmen.

In this context, the monthly household income of Chinese and Indians are higher than that of the *Bumiputras*. Most of the Malays were originally from Indonesia and had migrated to Malaya in early times. The Indians came from India and the Chinese from China. The migration to Malay was influenced by harsh and pull factors. The Britishers played important role in bringing them to Malaya. The Malays, Chinese and Indians can be further categorized into sub ethnic communities. Among the Malays are *Banjar, Bugi, Java* and *Boyan*. Chinese are *Hokien, Cantonese, Hakka* and *Hoilam*. Among Indians *Tamil, Malayali, Telgu* and *Sikhs*. These sub-ethnic groups can be further divided according to the economic pre occupations, the place of settlement, language and customs. The same applies to *Bumiputras* population in Sabah and Sarawak. One of the ethnic groups that cannot be ignored is the aborigines. There are three main aboriginal tribes, the *Negrito, Senoi*, and indigenous Malay. In each of these tribes are six groups making a total of eighteen and speaking twelve different dialects. They are not only different physically but they also differ in terms of economic activities, place of settlement and culture. All these descriptions of the ethnic composition of the country's population imply that there is heterogeneity, but still they live in a disciplined and peaceful atmosphere⁷. In other words, it shows unity in diversity.

Ethnic composition in historical perspective (1848-1957)

Historically, Malaysia especially Peninsula Malaysia, was originally inherited by Malays (also the earliest people to inhabit the Malay Archipelago region). They were the ones who developed the culture of the countries in the region. Chinese and Indian immigrants came in large number after 1848. The Chinese at that time, comprised merchants who settled in Malacca, Kuala Terengganu and at the Estates of the Johar and Pahang rivers, while the majority of the Indians consisted of laborers in sugar cane and Coffee plantations in Pehang Island and Province Wellesley. The migration in large number of Chinese and Indians into Malaya started after the development of the tin and ore industry in the middle of the nineteenth century. This caused the total population to rise rapidly. According to the 1870 statistics, the total population in Malaya was less than half a million, but in 1921, the figure increased to 3.3 million. What was surprising that in 1931, the total population of non- Malay (Chinese and Indians) exceeded the total population of Malays; the percentage of non- Malays was 53.2 percent, while that of Malays was 44.7 per cent. From the 53.2 per cent of non Malays, 39.0 per cent was Chinese. However, by the time of independence the percentage of Malays was 49.8 percent Chinese 37.2 per cent India 11.3 per cent and others 1.8 percent⁸.

Malays

It has been mentioned above that Malay people regard themselves as the early indigenous population of Peninsula Malaysia. Malay believe that they have a special position as provided by article 153 of the constitution as a right not privilege. The special position of the Malays can be analyzed in historical perspective. Historically, Malays are the decedents of people who originated from the Indonesian Archipelago. It must be noted that before colonialism Malays normally migrated from one Malay area to another and moved freely from one area to another because they believed that these areas belonged to them. It was only after the 1824 Anglo-Dutch treaty that area was divided into what is today Indonesia and Malaysia. The migration of people from the Indonesian Archipelago into Malaya started in early 19th century. Among the many Indonesians who migrated to Malaya were Minangkalu, Javanese, Banjar, Bugis and Boyan. The Java people were known to have lived as merchants in Malacca since the time of the Malay Sultan of Malacca. However, the great migration of Indonesians into Malaya was during the British colonial period. They came as contractors and free labor in the European and Chinese owned coffee and rubber plantations.

There were several factors that encouraged the migration of Indonesians to Malaya. First, poverty, the increase in population caused a rise in the rate of poverty besides the variety of tax charges imposed by the Dutch colonialists. Second, political stability and growing economy in Malaya. The tin ore industry and plantation agriculture played an important role in economic progress and peace was an additional factor. Third, instability in Indonesia, the Indonesians hated Dutch colonizers thus created political instability.

Actually, the Malays considered Malay as their land. The belief that land belonged to the Malays had never been challenged until Second World War. In 1964 People Action Party of Singapore (PAP) challenged this concept by raising another slogan “Malaysian Malaysia” which was opposed by the UMNO with “Long live Malays”. The land where the Malays lived is known as the Peninsula of Malaya. Economically, Malays were poorest because of several factors. First, most of them involved in the agricultural and traditional industries sectors. They lived in rural areas where the living standard of living was very poor. Second, they were not exposed to similar opportunities as other communities living in urban centers. Third, poverty among the Malays was also connected to the existence of immigrant culture among the migrant communities. Finally, the British polices had caused economic backwardness among the Malays. British Empire did not encourage them to participate in modern economic activities largely participated by the non- Malays.⁹

Politics

Economics and politics go together. But, in the case of Malaysia it is different. Although Malays were economically weak they were politically very strong. Since 1946, Malays have been the prime movers of shaping politics of Malaysia. The two main parties are UMNO and PAS. The former represents a secular Malay nationalism, while the latter represents religious Malay nationalism.

Socio- cultural Impact

The majority of Malays have rural background. That’s why they have strong social ties and strict social control. The family unit considered as an important institution for social security. All Malays are Muslims. Generally, Malays are described as humble people who do not impose their wishes on others. The Malays are said to be even-tempered and able to control themselves; hot tempered behavior is not respected and often regarded as rude. For these reasons they avoid being frank. So it is difficult to understand their feelings and attitudes, views and convictions. So they are always misunderstood. (The writer has a primary experience during interviews with Malays of various walks of life).

Chinese

The Chinese have been living in Malaya since the period of Kingdom of Malacca. Presently, there are groups of Chinese who have been assimilated into the Malay society especially in Malacca where they are known as Baba community. The majority of Chinese in Malaysia is descendent of the Chinese immigrants who came in 19th century to the early 20th century. Most of them continued to live in the country. In 30's immigration requirements were tightened. During the Second World War, they played an important role in forming the Malayan People's Anti- Japanese Army (MPAJA) and in 1948, they also played an important role in forming the Communist Malayan Races Liberation Army (MRLA). During the emergency, Chinese people lived at the edge of the jungle were moved to new villages to prevent them from being used and forced to give help to the Communist guerillas.

Most of the Chinese in Malaya originated from *Fukien* , *Kwangtung* and *Kwangsi* in South China . There were many factors which led Chinese to migrate Malaya. First, rapid increase in population, natural disasters and limited natural resources. Second, political turmoil had threatened the lives of the people. Third, the growth in the tin and the rubber industry created a need for labor. Fourth, political stability under British rule. Finally, they were considered hardworking people. In the 20th century, the Chinese population in Malaya increased rapidly. In 1941, the Chinese formed the largest community in Malaya with 43 per cent as compared to the Malay community which was 41.0 per cent.¹⁰

Economic factor

Generally, Chinese involved in business as merchants and craftsmen. General perception is that they are business minded people. One of the characteristics of Chinese business is that it is based on sub-ethnic groups. For instance, the *Hokkeins* controlled the rubber estates, while the *Hainanese* concentrated more on the Coffee shop business. Presently, these differences are slowly evaporated when more and more of them have acquired modern education and go into other fields besides business and manufacturing in modern factories.¹¹

Political factor

When Japanese occupied Malay, they deliberately kept Chinese away from the politics. Chinese themselves also showed least interest in politics, focusing more on economy and business. But after Second World War political consciousness emerged and they formed MCA (Malay Chinese Association) to safeguard their interest. Although some of them involved in radical politics by creating and supporting Malaya Communist party, majority of them supported MCA and other parties i.e., Labor Party, People's Progressive Party and People's Action Party.

Socio-Cultural factor

Chinese in Malaysia do not have a uniform culture. From the language aspect, the acceptance of Mandarin as the official language was only limited to government services and schools. In Malaysia most of the Chinese are Buddhists. Many of the festivals celebrated by the Chinese in the country have their roots in the history and culture of society in China.

Indians

The Indian presence in Malaysia can be traced back to some 2,000 years ago when they were trading in the ports in the state of Malaya. During the period of the Malaya Kingdom of Malacca, Tamil Islam influenced and played an important role in the ruling system. The Indians were also widely recognized as propagators of Islam. There was an Indian settlement in Malacca known as *Kampung Kling*. At the beginning, the Indian population comprises South Indians (Tamil Nadu). They were brought in by agents through contract system. Development in agriculture (rubber and sugar cane) brought large number of Indians into Malaya. Meanwhile, the Indians from East Punjab,

popularly known as Sikh, migrated to Malaysia in 20th century. Several factors contributed which encouraged this migration. First, difficulties to live in India because of rapid increase in population, natural disasters, unemployment and cast system. Second, rapid economic development especially rubber, palm oil needed labor. Finally, British encouraged migration to work in the plantation, civil services (clerical and technical) and construction field.

The Indian immigrants consisted largely of *Tamils, Malayalis, Telegus* and *Sikhs* especially during 1880's with opening of Coffee plantation in Malaya. The Indian population in the Straits Settlements and the Federated Malay states in 1891 totaled 75,000 people and raised to 120,000 two years later in 1901. The increased was closely related to growth in the rubber and palm oil industries. In terms of Malayan Indians, the statistics showed 267,159 people in 1911, 471,536 in 1921 and 621,774 in 1931.¹²⁾

The different Indian communities in Malaya comprised, *Sindhi, Bengali, Gujrati, Parsis and Malvaries*. Most of them are involved in business. People from Sri Lanka known as *Ceylonese* also migrated to Malaya. Most of them work in hospitals as doctors and medical staff. As far as area of settlement was concerned, they concentrated on the West coast of Malaya that is Kuala Lumpur, Ipoh, Singapore, Penang, Klang and Taiping and in the estate areas. The citizenship status of Indians before Second World War was the same as that of the Chinese.

Economic factor

Although Indians who came to Malaya had business skills and capital, they did not manage to form a strong business center. There were relatively few wealthy Indians because they did not invest in Malaya; instead they kept their capital to be brought back to India when they stopped working in Malaya. However, among the later Indian immigrants, many started business like restaurant, hairdressing and cloth stores. The majority of the Indians had low income and was involved in low skilled or unskilled occupations.¹³

Political factor

Naturally, the Indians in Malaya related to the development of politics in India. The opposition by the citizens of India was against the British colonialists was greatly influenced by the political activities of the Indians in Malaya before First World War. The main Indian political party was Malaysian Indian Congress (MIC).

Socio-cultural factor

The Indians in Malaysia are heterogeneous in nature in terms of religion, cast and language. The majority of them are South Indians, who speak Tamil. In terms of religion they range from Hinduism to Sikhism, Christianity and Islam. However, 90 per cent of Indians are Hindus and speak Tamil. Moreover, Tamil culture is the most prominent among the Indian cultures.

Population factor in Sabah and Sarawak

The population in Sabah and Sarawak has also raised. In Sabah there are twenty three tribal communities, the large tribes among which are the *Kadazans, Bajau, Murut, Sulu* and *Burei* people. In Sarawak, the area is also inhabited by a diversity of tribal communities. Among them the well known tribes are *Malay, Melanau, Iban, Bidayah, Penan* and *Kalabit*.¹⁴

Aborigines

The aborigines can be divided into three racial stocks, *Sonic*, *Negrito* and the *Orang Asli*. In all, there are eighteen tribal communities among these three racial groups. In 1991, the total number of indigenous people of Malaya was 83, 453 people. Amongst them twelve different languages are spoken. For instance, the language spoken by the *Melayu Asli* resembles the Malay language while *Senoi* community speaks a variety of languages such as *Temiai*, *Semai*, *Mahmeri*, *Che Wong*, *Jahut* and *Semaq Ben*.

Generally, the economy of the majority for the aborigines is still based on Agriculture. They are far behind the other ethnic groups in Malaysia. According to a 1993 research, approximately 88.2 per cent of indigenous people are categorized as poor and 69.9 per cent as the poorest.¹⁵ In terms of religion, most of the indigenous people 85 per cent still practice their original religion that is animism. The number of Muslims is around 10 per cent, Christians 5.0 per cent and *Bahai* and others about 1.0 per cent. On educational front, the achievement of aborigines is extremely low lagging behind the other ethnic groups.

The above mentioned figures regarding ethnic composition of the Malaysian society shows that it is a pluralistic society with many ethnic groups, differentiated according to where they settled economic, social and cultural attitudes. No single group can be considered a majority or dominating group because there is no distinct difference in size. All these groups are strong enough to defend its own characteristics especially on cultural aspect. The ethnic strength is portrayed by the fact that every large ethnic group has its own political party to defend its interest. Compromise and tolerance are the foundation of this country's unity.

The post 1945 period brought new independent nations. These new nations under the shadow of the Cold War differed among themselves in many ways, but shared some fundamental similarities. First, the process of modernization and nation building had only just begun. Second, poverty prevailed in most of the nations. Third, the gap between the colonial powers and the colonies remained wide. Last, most of these countries were the supplier of raw material and served as markets for the manufactured goods exported from the developed world.¹⁶ Besides, these similarities these nations were facing some common challenges. First, transformation from colonial states to independent modern state. Second, intra ideological division with reference to religion and nationalism. Third, lack of democratic and social institutions. Finally, ethnic and race issues. However, like other post-colonial multi-racial societies, there are certain challenges and short comings which Malaysian society is presently facing.

Malay nationalism

The roots of Malay nationalism can be traced in early 1900 century. It was started by the reformist movement of *Kaum Muda* (Young Generation) inspired from the *Wahabi* movement which was gaining ground in the Middle East. The leaders of the *Kaum Muda* were educated in various institutions of the Middle East urged Malays to modernize and compete with economically dominated non- Malays. The movement helped set up Islamic Institutions and laid the foundation of religious nationalism in Malaya. In a broad historical context, this movement can be considered as a continuation of the struggle between the Islam and the West which was spill over in Malaya from Mediterranean region.¹⁷

Melayu Muda (KMM)

The expression of the Malay nationalism was presented in *Melayu Muda (KMM)* which more organized and formed in 1938. This group was ambiguously Marxist in ideology reflected both strong anti-colonialist spirit and an opposition to the bourgeoisie-feudalist leadership of the traditional elite. The movement was basically class based and the members constituted the Malays of the peasant class who were mainly educated at Sutlan Idris Training College (SITC) in Tanjung Malim. The SITC was established in 1922, the purpose was to train the sons of the peasantry and the poor so that they would return to rural areas of Malay speaking population and served as teachers at primary level. In other word, it was decided by the

Britishers to segregate them from the elite group of the Malay college. The aim of KMM was to build nationalist feelings among the Malays to fight against British colonialism and to declare independence of greater Indonesia and *Melayu Raya*. However, the movement did not gain popular support from the Malays because of its anti-establishment character which was alien to the majority of Malays. On the contrary, they uphold the tradition of loyalty to the rulers and forbade any form of defiance against the establishment.

Malay college

Traditionally, Malay ruling class was ruled in Malay. In order to involve them in the newly introduced bureaucratic system of Administration, the Malay college in Kuala Kangsar was established to train the sons of the Malay royal and aristocratic families to become an administrative elite. However, these educated Malays became the privileged class and achieved high status and positions even after independence.

As far as British policy is concerned, it had safeguarded the interest of royal ruling class of Malays by involving them in administrative positions. The Chinese and Indians kept off from the Administration and based in urban centers. Meanwhile, the number of Chinese and Indian attending the English medium schools and adopted western values and values and fitted themselves easily and better than the Malays in the modern structure. Moreover, the greatest contribution of the College was that it had provided secular leadership from the Malay oligarchy which later on ruled in Malaysia after independence.

In summing up, it is obvious that the three trends of Malay nationalism were emerged from these three movements. Presently, two trends are prevailing in Malaysia i.e. religious vs. secular nationalism. Whereas, the socialist trend has lost the ground. As far as religious nationalism is concerned, PAS(*Parti Islam Se Malaysia*) presented a theocratic version of Islam based on *Shariah*(Islamic Laws) and *Hudud* (Divine Laws), whereas UMNO promoted Malay nationalism based on Liberal interpretation of Islam known as *Islam Hadhari*(Progressive Islam).

The concept of the Islamic state as propagated by PAS was criticized in many quarters for scaring away the moderated Malay- Muslims as well as non-Muslims as it gave too much emphasis on the strict implementation of *Hudud* and *Shariat* laws in Malaysia's multi- ethnic society. The *Barsian Nasional* (National Alliance) controlled media portrayed PAS as a group of backward Muslim extremists who were anti-progressive and anti-development. The global war on terror launched by the US which quickly embraced by the Mahathir's government in the aftermath of September 11, 2001, events had to a certain extent implicated PAS as a party that advocated the use of terror.¹⁸

Chinese nationalism

From 1900-30s, the Chinese of Malaya tilted towards China. Their political activities were a reflection of the political situation of their place of origin. From 1900, many Chinese associations were formed in Malaya to raise funds for the nationalist movement in China. This successful nationalist revolution gave birth to the Kuomintang nationalist party in the newly formed Republic of China. Primarily, the British government allowed Kuomintang branches to be formed in Malaya since its activities were not considered anti- British. But, later on, after the death of Dr. Sun, the British government found leaflets distributed by the Kuomintang contained anti- British propaganda. Thus British government banned it officially. Actually, these anti- British ideas were spread by some leftist elements. When Chiang Kai Shek took over the leadership of the Kuomintang after the death of Dr. Sun, he purged the Communists in the Party and this led the communist wing of the party to break away and formed a separate political party against the Kuomintang.

Largely, the Chinese in Malaya did not show any interest in local politics from 1900-30s. They considered themselves as transients and their sojourn in this country as temporary. This was in the line of the three fundamental principles of the teaching of Sun that the Chinese wherever they may be were Chinese nationals.¹⁹ However, after the First World War many Chinese organizations were established. But, the communist movement attracted them more than any other ideology. Communism in China and

Malaya was under the direction of the international communist movement based in Soviet Russia. In Malaya the communist movement became better organized around mid 20s. Towards, the end of the 20s after the split between the Kuomintang and communist forces in China, Chinese communist in Malaya also broke away from Kuomintang and formed Malayan Communist Party (MCP). Initially, MCP suffered physical setbacks.

The Second World War had a tremendous impact on the overseas Chinese including those in Malay. Communism with its militant ideology preached against any form of foreign domination and thus convinced the Chinese in Malaya to fight against Japanese aggression in China and Malaya. This helped the MCP to recover the set backs. When the war broke out, majority of Chinese supported MCP struggle against the Japanese. Members of the MCP were almost exclusively Chinese. Attempts to spread communist ideology in a multi-ethnic state where Malays race was a dominating group proved unsuccessful. The Malays regarded communism as an alien ideology contrary to their belief system.

Indian nationalism

Like Chinese nationalism, Indian nationalism was also rooted outside Malaya. In early 20's the Indians in Malaya supported the struggle of Indians to free India from British colonialism. Most active in the movement were Indian Muslims who played important role in spreading Indian nationalism in Malaya because most of them were merchants who made frequent visits to India and thus had least political development there.

Muslims and Hindus in India formed united forces against the British rule under the leadership of Mahatma Gandhi. But the outbreak of the communal riots between the Hindus and Muslims from early 20's onward had an adverse reflection in Malaya where Hindu and Indian Muslims were split. After then Indian Muslims in Malay took less interest in the Indian nationalist movement.

In 1928 a group of English educated middle class Indians organized the first Pan-Malayan conference of Indians to discuss the problems of Indian laborers especially those who worked in rubber plantations. In 1936, the same group founded Central Indian Association of Malay (CIAM) to look after the social welfare and economic conditions of the Indians in Malaya. The organization was anti-British and influenced by the Indian nationalist movement of India. On the basis of this discussion, it can be easily analyzed that there are three different streams of Malaysian nationalism rooted in ethnicity. The Chinese and Indian nationalism took inspiration from the political developments that took place in China and India respectively. Whereas, Malay nationalism was influenced from the resurgence of nationalism in Middle East and Indonesia. The nationalist movement of the Malays, Chinese and Indians in Malaya was against the direct or indirect colonial control and foreign domination. Unfortunately, the nationalist movement in Malaya did not bind the three major races together to fight against the common enemy.

The struggle for Independence

The 20th century witnessed many radical changes. In the context of colonialism, struggle for independence gained momentum. The colonized states saw two trends in their colonies. First, arms struggle for independence and second, peaceful struggle against the colonial forces. The strong faction of Malay people had chosen the second path. The Japanese who invaded the country for two and half years with the slogan "Asia for Asians" had a profound impact especially on ethnicity. In other words, racial feelings among the Malays, Chinese and Indians in later years blocked the formation of a united Malaysian nation. The Japanese occupation helped Malay nationalists in their struggle for freedom. Japanese indoctrinated the Malays with nationalistic feeling for their country. They treated differently between Malays and non-Malays by favoring Malays and Indians and ill treated and persecuted Chinese. At the end, Japanese had to surrender. The period between the Japanese surrender and the return of the Malaya to British gave the opportunity to the Malayan Communist Party (MCP), the opportunity to take the government of Malaya for

fourteen days. It was ended when the British took control of Malaya and introduced a new system of administration known as the Malayan Union. The strongest opposition came from the Malays. The opposition clearly showed that the Malays were against the erosion of their ruler's powers and the encroachment upon their rights and position. The Malays united themselves in a form of association, thus United Malaya National Organization (UMNO) was born. The UMNO focused on three points.

1. Protection for the sovereignty and powers of the Malay rulers.
2. More stringent conditions for citizenship for the non-Malays.
3. Special rights for the Malays.

The non-Malays united themselves and formed All Malaya Council of Joint Action (AMCJA). The components of the AMCJA were the Malaya India Congress (MIC), Malayan People's anti-Japanese ex services comrades Association and Pan- Malayan Trade Unions. On the contrary, AMCJA had three different principles.

1. Unification of the whole Malaya including Singapore.
2. Self- rule through a central legislation body with member chosen by the people.
3. Same citizenship rights for all who consider Malaya their homeland desiring of their allegiance.

The principle put forward by the AMCJA conflicted with what was presented by UMNO and the Malaya rulers. AMCJA claiming to represent all the Asian communities in Malaya rejected the constitutional proposal presented by the Malaya rulers and the UMNO. These differences had become the basis for disunity and conflict, but were contained and did not turn into racial conflict.²⁰

The fact is that the UMNO was not the sole representatives of Malays. There are some other political parties too. These parties joined together to form *Pusat Tenaga Rakyat* (PUTERA). The main objectives were: a) The Malay language be made the country's official language. b) External affairs and defense be made the joint responsibility of the Malayan government and the British. c) The word Malay be used as the name for Malayan citizenship. d) The national flag to have Malay national colors.²¹

Political parties

Besides, there was a problem of unity in the struggle for independence because of different background, origin, culture and language. Minorities had strong reservations against the majority, but in spite of the fact all the communities joined together for the same cause and that was to oppose the establishment of the Federation of Malaya and to fight for the country's independence. All political parties focused on the struggle on protecting the interests of the community and also striving for the country's independence. Every party had its own objective and ideology and fact was that all of them had based their politics on race and ethnicity. The important parties are UMNO serving the interest of Malay people and Sultans. Malaysian Chinese Association (MCA) protected the Chinese interests and Malay Indian Congress (MIC) serving the interests of the Indians. Besides, there are other parties i.e. Malayan Communist Party (MCP) wanted to implement socialist revolution. PAS, Islamic party, wanted to set up an Islamic government, fight for Islam as the official religion and Malaya as the official language.

In 1949, the British government set up an inter-ethnic relations committee for the purpose of open discussions for racial problems. The committee put forward various suggestions like providing facilities to the Malays to involve in business industry and political rights to the non- Malays.

In this scenario, UMNO, MCA and MIC forged alliance, which succeeded in bringing unity and getting the strength and support from the three big communities. (Malay, Chinese and Indians.) The Alliance fought for independence on the basis of compromise and negotiation among communities. Political parties with no communal leaning failed to get support. The Alliance party got 76.6 per cent votes and won 51 seats out of 52 seats. The PAS got only 1 seat.²² The Alliance sent a positive signal that it was willing to share power for the common good. Before independence, the Alliance as the party with majority support was given the mandate to negotiate with the British for independence.

Before independence was granted, the Constitution had to be formulated. The Constitution accepted and approved by the Federal legislative Council on 1 August 1957. The fundamental principles are:

1. The *Yong di Pertuan A gong* is the Head of Malaya while the rulers are heads of their respective states.
2. The Malays are recognized as the son of the soil and their special rights are guaranteed in the Constitution.
3. The Malay language is to become the national language.
4. A person born in Malaya on or after independence is automatically a Malayan citizen.
5. Islam is made the official religion of the Federation of Malaya, but freedom of worship is guaranteed for non- Muslims.

Analyzing the fundamental principles, it is very clear that the element of ethnic politics is deeply rooted in Malaysia society. It is inherited in the foundation of Malayan independence which took place on 31 August 1957. In the pre-independence period, there was no single Malayan nationalism, but divided into three streams of nationalism. The Japanese invasion gave rise to racial tension and division which later on transformed into three main ethnic parties, UMNO, MIC and MAC which formed alliance and fought for independence. This is in the line of the alliance formula of political cooperation of these three ethnic parties with UMNO as the big brother. In other words, Malay nationalism is the core, whereas, Chinese and Indian nationalisms are the outer layers of this core. From this concept of Malaysian nationalism, the model of a Malaysian nation could be characterized and formulated. It was after May 1969 riots that the basic characteristics of the nation were clearly defined.²³

Six years after the independence, Malaysia was declared a new nation on 16 September 1963. Historically speaking, the idea of unifying the country in the region with Malaya had been brought up time and again in history. The British cabinet discussed the issue in 1888 and then in 1931 after the British successfully controlled the nine Malay states as well as Sarawak and British Borneo.

On domestic front, the leaders like Ghazali Shafie , Tan Cheng Lock , Lee Kuan Yew and Tunko Abdul Rehman voiced the same ideas in 1955, during the UMNO Conference Tunko invited Singapore to join Malaysia . Six months later, he stated his readiness to accept not just Singapore, but also Sarawak, Brunei and British North Borneo. For two years these countries consulted and negotiated. There are several factors behind the formation of Malaysia. First, understanding of development. The future member countries wanted to develop and to create one united nation for the progress of country and people through one strong administration. Second, ethnic balance by maintaining a balance between *Bumiputras* and non- *Bumiputras* which would ensure peace and stability in the region. Third, to fight against the communist threat collectively. Fourth, economic cooperation through regional cooperation in economic matters. In this context, each country had certain resources that can be utilized. Singapore has offered a centre for international trade, industry and tourism, Brunei has oil products, while Sabah and Sarawak has the forestry products and then Malay area has mineral and agricultural products. Thus, all these centers have a potential to formulate regional consensus in order to have a greater role in international politics.

Initially, the idea of unification got support from the majority of countries. Singapore generally, well accepted and agreed the formation of a new country and new government, but internally there was a strong Opposition for unification. Brunei also faced internal Opposition though Sultan Omar Ali Sajuddin considered it a good idea, faced a strong opposition. However, only Sabah and Sarawak, the reaction of people was most encouraging, though there are some strong nationalistic factions who were opposing the idea²⁴, generally the population was in favor for the federation. The people of Sabah and Sarawak were also aware that the population structure would be different in the new state. Nevertheless, they would be contributing to the racial balance in Malaysia.

The matter of fact is that there was a great fear of Malay domination among these countries. The non-Malays were afraid of being discriminated because the political power centered in Kuala Lumpur which threatened the interests of the non- Malays. They feared that the status of their religion and language would also be threatened. Brunei pulled out at the last minute because of the issue of the

position and the statutes of Sultan and Malaysians disagreement over the terms relating to the control of oil reserves.²⁵

Besides, some external opposition was also there. Two countries, Indonesia and Philippines, opposed the unification. The Philippines President Macapagal claimed that Sabah was originally a part of Filipino territory. Moreover, Indonesia's opposition to the formation of Malaysia was because Kuala Lumpur had ignored Indonesia in Malaysia's plan to set up a new country, while Indonesia was a neighbor and friend of Malaysia. President Sukarno also claimed Malaysia to be a new kind of political structure that would ignore Indonesia's interest and weaken the spirit of the Malay Archipelago. It was said that Sukarno's confrontation was because the establishing of Malaysia destroyed Sukarno's scheme to form the greater Indonesian empire.

On the other hand, The Prime Minister Abdul Rahman wanted to merge Sarawak and North Borneo with the Malay federation so that the overall percentage of ethnic Chinese would be reduced. The Chinese community forwarded the merger of Singapore with the proposed Federation of Malaysia because of Singapore's overwhelmingly Chinese population of 75 per cent. The Chinese also agreed in favor of Singapore merger on grounds of mutual economic benefits for Malaysia and Singapore because they constituted a single economic unit. Singapore handled a substantial part of Malay's exports and imports; an economic barrier along the straits of Johore could ruin Singapore. The two were also militarily interdependent. However, Malays were not enthusiastic about the merger for several reasons. First, Singapore's 1.2 million Chinese would tilt the balance in favor of Chinese which Malay oligarchy felt threatened. Second, Malay Alliance had strong reservations against all the political parties of Singapore; they considered all of them radically tilted towards left. Finally, for last hundred years Singapore had dominated the politics and economics of the entire peninsula neglected Kuala Lumpur. The Malay leadership wanted a new political setup in which Kuala Lumpur had an upper edge. However Abdul Rahman's plan was approved, Singapore's membership in the Federation proved short lived.

Two years after Malaysia was formed the Malays and Chinese in Malaya and Singapore experienced dangerous racial polarization. The split in Singapore – Kuala Lumpur relations arose during the first Malaysian general elections in 1964 under the leadership of Lee Kuan Yew, of People's Action Party (PAP) who raised the slogan "Malaysia for Malaysians" and demanded for equality of rights as started campaign underlining that no community in Malaysia was more native than other communities. On the other hand, Malays considered these steps a direct challenge to their status. The extremist leaders of UMNO raised slogan "Malaysian Malaysia campaign with the call "Malay unite". Moreover, tussle was started between Abdul Rehman and Lee Kuan Yew on ideological, communal and personal levels where egos were domineering. The political tensions between the ruling UMNO and PAP became so serious that Singapore had to be expelled from the Malaysian Federation in order to prevent racial bloodshed.²⁶ Before, the British or any other Commonwealth leaders could interfere, Prime Minister Abdul Rehman took sudden initiative to throw Singapore out of the Federation on 7 August 1965.²⁷ Parliament passed a separation Act with that Singapore officially left Malaysia. In the remnant, the Malays constituted 56 per cent as against 34 per cent Chinese and 9 per cent Indians.²⁸

The matter of fact is, that Malay wanted to rule over Malaysia politically but would not intrude on the dominate position of the Chinese and Indians in economy.²⁹ In other words, until 1969 state authority was based on "an alliance between Malay aristocrats-bureaucrats and Chinese business in the contest of an economy dominated by foreign capital".³⁰

The Constitution

The constitution of Malaysia was formulated at the same time as the birth of the nation. The success of a multi-racial party was indicative of many things. First, the British convinced that the leadership of the new state had a basic understanding for multi-racial political sharing. Second, as a follow-up, the British government had prepared to expect the demand for independence by the leadership. Third, among the citizens, in the Federation of Malaya itself there was an awareness that a

multi-racial population could build a new identity using new approach (political consciousness) and work together using the same means (political party).

The British government formed a Commission known as Reid Commission with various legal experts appointed from UK, Australia, India and Pakistan. These experts produced a constitution that was strong and with authority. Reid Commission encouraged suggestions and views not only from organizations and groups, but also from individuals. Among the suggestions received was a comprehensive proposal from the Alliance (UMNO, MCA and MIC which got 51 seats out of 52 seats). A special task force examined the complete draft and made necessary amendments. Finally, the draft of the Malaysian constitution was accepted and declared as the constitution of the Federation of Malaya on 31 August, 1957 and became a free and independent country. Six years after Malaya become independent, Singapore, Sabah and Sarawak joined with Malay to become members of a new nation, Malaysia.

The Constitution of the Federation of Malaya that was no longer suitable to be used for a bigger and more complex Malaysia. The new Federation would have more ethnic groups and greater diversity in local political and economic structures. In preparation for that the Cobbold Commission was setup in April 1962. The latter used the 1957 Constitution of the Federation of Malaya as the base. The Malaysia constitution was inaugurated on 16 September 1963 with the formation of Malaysia, the new member states Sabah, Sarawak and Singapore at the time, accepted to use the adjusted constitution of the Federation Sabah and Sarawak also retained certain elements used in the respective states before that.

The Malaysian Constitution is supreme and is above the Parliament and the judiciary. It gives Parliament the power to make the Federal laws (Acts and DUN, the State laws or enactments. The Malaysian Constitution contains a number of special articles for Malaysian unity and identity: national language, citizenship, religion, the special rights of the Malays and the son of the soil of Sabah and Sarawak. For instance Islam is the official religion of Malaysia, Malay is the national language and King is the Chief Head of the State.³¹

The Malaysian constitution has a special provision under Article 153 that protects the special rights of the Malays and the Bumiputras of Sabah and Sarawak. The article is in clash with the above mentioned statement that stresses on equality of constitutional treatment of all citizens in the Federation. The supporters of the special provision are of the view that it brings the Malays to the same economic and education status as the other races. With equality of status it will be possible to sustain political stability and public peace. Peace and harmony are the important factors for stimulating national development and advancement.³² According to article 160 (2) the constitution, Malay is interpreted as someone who can practice the religion of Islam who normally speaks the Malay language and observes Malay customs and traditions. With this provision, non- Malay citizens or their children and make themselves for the special rights provided under the Article 153.

On the other hand, a person who is Malay by birth, but is not a Muslim is not recognized as Malay and does not qualify to receive any of the special rights under Article 153.³³ Moreover, three important aspects of the basic rights given to the people of the country are freedom of the individual, freedom of worship and economic freedom.³⁴

Economic problems

Economic problems had been inherited by Malaysia after gaining independence. These were uneven distribution of income between rural-urban dwellers and racial groups, high rate of unemployment and foreign control of Malaysian economy.

Uneven distribution

Analyzing the distribution of household income between the urban and rural areas, about 90 per cent of the households in Malaysia with monthly income below 100 dollars were in the rural areas.³⁵ Between 1957-60 one eighth of the GNP was allocated to the rural economy.³⁶ Secondly, socio-economic imbalance among the three races. In 1970 the monthly income of Malays was 179 dollars households, Chinese 387 dollars and 310 dollars for Indians households.³⁷ In comparison, Malay households received the lowest income.

Unemployment

During the first half of 1970, the labor force expended by 2.9 per cent annum while jobs grew by 2.6 per cent per annum. Unemployment rose from 6 per cent in 1960 to 8 per cent in 1970.³⁸ The figure shows the slow expansion of development in the rural sector which led to rising unemployment and underdevelopment, especially in rural areas.

Foreign control of Malaysian economy

The figures on the ownership of investment in private sector showed that 62 per cent was in the foreign hands. Rather than re-invest the profits and surplus in Malaysia, they were expropriated to generate further development and growth in the metropolitan countries.

Racial inequality

The bases of power of the two major communities in Malaysia are often streamlined by the traditional and most popular notion that Malays hold political power, while Chinese controlled economy. In other words, Malay state and Chinese capital. However, Malays lived in rural areas and Chinese in semi urban and urban areas, but it was the Malays who were poorer than Chinese. 1969-70 almost half of the population lived under poverty in rural areas the share of poor was 59 per cent. Overall 74 per cent of the poor in the country were Malays.³⁹ The Malays were not satisfied with their economic position. It was obvious to them that Chinese were strengthening their political power without reducing their control on economy, while Malays find small share of the cake.⁴⁰ According to statistics, investment in the private sector showed that 90.5 per cent came from the Chinese, 5.9 per cent Malays with 3.6 per cent from the Indians.⁴¹

Though these statistics had their own value, as far as the issue of exploitation was concerned, Chinese landlord and middle man also exploited the poor Chinese, while the Malays absentee landlord and middle man exploited the poor Malays in the rural areas. This fact is ignored by those whose politics has been centered on ethno-racial politics. It also indicates the issue existed both inter racial as well as intra racial exploitation.⁴²

Moreover, attempts were made to analyze Malays economic backwardness. Malay leaders and intellectuals who without any reliable scientific research go to the extent of arguing that Malays are genetically inferior to the Chinese because they prefer cousin marriages. Secondly, the influence of environment on the Malay race, hot and humid climate of the land was not conducive to either rigorous work or even mental activity.⁴³ But, UMNO and State are not impartial among various communities. Common Malay therefore held State leaders responsible for their backwardness. The tensions erupted in the form of violent racial riots in May 1969. The riots shook the Malaysian state.⁴⁴ In these riots more than 2,000 people were killed most of them were Chinese. These riots sent clear cut message to the UMNO that they had lost all legitimacy among Malays. After riots State put tight control of social, economic and ethnic relations. State advocated more openly the Malay interest. A new strategy was put forward in the form of New Economic policy (NEP) in order to satisfy Malays.

The New Economic Policy (NEP)

The NEP as a framework for a long-term plan extended over a period of twenty years (1971-90). The two main objectives of the NEP were to reduce and eradicate poverty regardless of ethnicity, and restructure the society so as to eliminate community identification through economic sectors. The objectives were aimed at integrating the multiracial society of Malaysia. The following were some strategies to eradicate poverty:

1. Modernize the living conditions of the lower income groups in both rural and urban areas.
2. Expand employment opportunities for all Malaysian citizens regardless of race.
3. Encourage participation in sectors of high productive capacity such as business, industries and services.
4. Improve further the productivity of the poor, by increasing their income.

Moreover, following are some of the strategies carried out to restructure society:

1. Raise the people's ownership in the private sector.
2. Build a business society among the *Bumiputras*.
3. Develop areas that have remained backward but are high in potential.
4. Enhance education opportunities within and outside the country.⁴⁵

The purpose of this strategy was to increase the ownership of *Bumiputra* by at least thirty per cent of the total equity in the private sector, so that *Bumiputra* community who was lagging behind in economic ownership gain confidence. OPP2 began with the greater Malaysian plan ended ten years later; the focus was to create balanced development. The balanced development in OPP2 was reaffirmed in the Seventh Malaysian Plan that emphasized not only economic development, but also human development including environment and aspects of humanitarianism.

After OPP2 which ended in 2000, the Government presented another long term plan known as Outline Perspective Plan (OPP3) starting 2001 to 2010 covers the eighth and ninth Malaysian plan. It is a continuation of OPP2 which was also known as National Development Policy (NDP), the new long term plan is known as National Vision policy (NVP). It presented a number of basic principles which are as follows:

1. To build an enduring nation by fostering unity and patriotism enhancing political maturity, building a tolerant society, upgrading the quality of life and strengthen the economy.
2. To create an equitable society by eradicating poverty and reducing imbalances among ethnic groups and territories.
3. To sustain high growth by strengthen poverty and reducing imbalance.
4. To sustain high growth by strengthen growth in financial and cooperate sectors and macro-economic management.
5. To improve competitiveness to face the challenges of globalization and liberalization.⁴⁶

The NEP was introduced in 1970; it was a response towards the social unrest underlay the violence of 13 May 1969, The NEP had two official objectives: poverty eradication of race with economic function. In other words, Malay frustration for their economic backwardness compared with non-Malays. Moreover, the Razak Administration declared that NEP's ultimate goal was national unity and argued that the successful attainment of NEP's twin objectives over two decades, 1970-90 was indispensable to political stability in Malaysia. All subsequent administrations have upheld that position.⁴⁷

The policy of NEP helped to bring political stability in the country, but according to some analysts and experts NEP produced ethnically determined targets of cooperate capital ownership, quotas in employment and allocations of social services and development expenditures which accentuated Bumiputra-non Bumiputra divide.⁴⁸ NEP provided interethnic parity in ownership of cooperate wealth through state's intervention in public enterprises. However, as the State became the agent of Malay activity in the private sector, it developed a new relationship of patronage among the State, UMNO and Malays which served the State's interests in controlling the Malay politics. The Malay's

stake in the economy still depended on the performance of foreign and minority interest made both the State and Malays dependent on these interests.⁴⁹

NEP's main objective was to bring socio-economic change in Malays by introducing a system of quotas and contracts, state funding of Bumiputra. This approach produced a strategy of development by trusteeship managed by a state bourgeoisie rather than a Malay entrepreneurial class. Infact, NEP led to a "subsidy mentality" among Malays that retarded their entrepreneurial zeal.⁵⁰ In the words of the former Prime Minister, Mahathir Muhammad, "The new economic policy does not merely mean the division of property and wealth among *Bumiputras*. It is not merely granting of licenses, tenders or contracts. Instead, NEP means work for *Bumiputras* ---meaningful Malay and *Bumipurtra* a participation in all areas."⁵¹ In other words, Malay nationalism meant workaholicism and complete rehabilitation of the Malays.⁵²

It is obvious that NEP was a reflection of economic nationalism. The program required direct government interaction in the economic, business and commercial sectors to help further economic development rather than allowed capitalist economic system to operate without hindrance. However, this economic nationalism was the nationalism of Malay community rather than the Malaysian community in general. The main effort was to correct the uneasy equilibrium in which political dominance of the Malay community was offset by the economic dominance of the Chinese.⁵³

NEP began to change the face of Malay society.⁵⁴ It increased the size of the Malay urban middle class and extended the control of UMNO and the State over them.⁵⁵ UMNO became a very strong political party. The balancing role that UMNO played between the Malays and minority economic interests gave State leaders increasing powers and room to maneuver. The political and economic relations were institutionalized in the shape of *Barisan Nasional* which also ensured UMNO domination in national politics. The alliance between UMNO and Chinese and Indian parties in alliance produced a stable coalition. But NEP's social and economic successes in the end were short lived. NEP faced new challenges. First, there was a tension between the objective of poverty, eradication irrespective of race and that of restructuring. In ethnic terms, few state supported programmes of poverty eradication were ever targeted at the non- Malay poor. The official position was that poverty was largely a rural Malay issue.⁵⁶ In other words, it was basically a Malay issue and nothing to do with non- Malays. However, restructuring became a political cipher for the State's sponsorship of a Malay capitalist class which would assume the Malay share of wealth. It was argued that restructuring program benefited those Malays of this new class who were politically and bureaucratically well connected members of distributional coalitions, bureaucratic capitals, statist capitalists or bureaucrats and technocrat-politicians.⁵⁷

In addition, State and UMNO leaders developed a vested interest in the growth of companies in which government enterprises held equity, they increasingly supported business interests, leaving Malay rural areas and urban middle and lower middles classes by the waysides.⁵⁸

Second, NEP generated tensions between the State and domestic capital which remained in the public imagination as the tensions between a Malay government and a Chinese private sector. The NEP brought an end to the Alliance-dominated political economy where the State left economies to private capital. The State actively intervened in the economy, injected massive amount of public funds to acquire asset for and on behalf of Malays. Third, serious differences emerged among Malay community on extending the restructuring process beyond 1990 emerged in 80's. The NEP's restructuring exercise was originally premised on distribution taking place within a growth economy. On this point, the split emerged between the pro-growth and pro-distribution elements. The pro-growth group shared a wider concern, traditionally held by non-Malay and foreign capital that excessive State regulation had led or would lead to a contraction in investment in the Malay economy. While, pro-distribution advocators were committed to the retention of the NEP objectives.⁵⁹

There is also a strong enmity among several groups namely Chinese and Indians towards the NEP, which they regard as discriminatory with its exclusionary dichotomizing of Bumiputra and non-

Bhumiputra and also the Islamic resurgence movements which tend to inhabit inter-ethnic and inter-faith interactions.⁶⁰

In all, it is clear that NEP was designed to reduce ethnic tensions. Therefore, NEP did not concern the social tensions within the Malay community. The fall out of NEP was that it aggravated class conflict in Malays. The wealthy Malays who benefited from NEP displayed lavish lifestyle created strong resentment among rural and middle class Malays towards NEP.⁶¹

Later on, these classes especially students and forces in rural areas became anti-UMNO and anti-state. The State was largely secular and it controlled Malays through NEP and championing language and Malay nationalism with re-orientation of “Malaynization with Bumiputraization”.⁶² But, State had assumed a secular Malay identity. The rejection of NEP by Malay rural and middle class open the gate for Western consumerism and domination.⁶³ Thus, it gave State an opportunity to become more authoritative. On the other hand, due to the socio-economic problems created by NEP, strong sections of Malay society switch on Islamic activism.

It can be concluded that Malay politics, political leaders depend exclusively on the support of their communities of origin and therefore the entire political process become communalized. The political participation encourages politicians to appeal to the most easily mobilized communal loyalties and become the defenders of communal interests. Taking the Malaysian experience in perspective, and this can be applied on other multi-cultural and multi-national states of developing world. In other words, communal conflict not class conflict that undermine liberal democratic institutions.⁶⁴

Challenges

The era of 70's witnessed many challenges on ideological and political grounds .i.e. Malay identity, Islam, nationalism, language culture and custom. Moreover, social tensions which were created by NEP designed to address ethnic imbalances not class and regional ones. Thus, Islam was used as a political and social force in order to meet the challenges of social ills created by NEP.

Capitalist development and use of Islam

The process of rapid capitalist development was taken off during Mahathir era (1981-2001). His political ideology revolved around nationalism, capitalism, Islam populism and authoritarianism. All these issues were the core of *Mahathirism*. Furthermore, it shaped Malaysian political scene on three elements. Religion (Islam), tradition and modernity.⁶⁵ Though Mahathir did not play any role in framing NEP, he spoke on intra-ethnic disparities in income, employment ownership and redistribution of wealth more equitable in ethnic terms.⁶⁶ In other words, Mahathir provided the ideological soul to the NEP. In his opinion, the way out for the Malay backwardness was inherited in the capitalist mode of production in Malaysia. The resourceful Malaysia had long been dependent on commodity exports to the industrialized world. Agriculture and mineral commodity which together contributed 88.3 per cent of Malaysia's export in 1960 still accounted for 77.4 per cent of its export in 1980.⁶⁷

Arguing against a continuing dependence on commodities, Mahathir stressed on heavy industrialization. As a Minister of Trade and Commerce from 1978-81, Mahathir marketed Malaysia as a centre for direct investment by the American, European and Japanese manufacturing companies. By doing so he meant Malaysia to achieve the classical take off on to a higher stage of industrialization by way of heavy industrialization drive. He negotiated several large manufacturing joint ventures with Japanese and South Korean multi-national corporations. These were national car project, *Perusahaan*, or National Automobile Industry (PROTON); steel complex, Perwaja Trengganu Sdn.BHD. Two cement plants in Perak and Paula Lankawi and three motor cycle engine factories.⁶⁸

However, Mahathir's heavy industrialization drive have been controversial ever since they were launched. The problems are as follows. First, the domestic market was too small and the products especially automobile and steel had low export potential given the existing gluts for these products in the international market. Second, the absence of economies of scale made it likely that the projects

would require considerable level of subsidy and protectionism which in turn would burden the local consumers. Third, the projects needed massive capital investments and foreign borrowing over long gestation periods which divert funds from the other projects and render profitability highly uncertain. Fourth, the projects would remain overly dependent on foreign technology with a comparatively low degree of local participation in terms of content, expertise and management.⁶⁹

The Chinese businessmen had strong reservations against NEP's restricted economic environment. The Morgan Guaranty Trust Company estimated that capital flight from Malaysia, originated mostly in the Chinese business community totaled about 12 billion US dollar during 1976-85.⁷⁰ Moreover, due to the socio-economic problems created by NEP, it marked increase the Islamic activism. Later on, Mahathir controlled Islam through State and linked with economic development. The period of Islamization (1981-97) witnessed stronger State intervention in economic development. By the close of the 1990's Malaysia per capita GDP was close to 9,500 (having risen by 5.7 per annum on average during 1985-95). From a negative growth rate of one per cent in 1985, the economy grew over 2 per cent in 1986 and about 5.2 per cent in 1987. In the following three years it grew by an average annual growth rate of 9.1 per cent. According to the Government budget report, unemployment decreased from 8.3 per cent to 6 per cent. The State spent 20 per cent of the national budget on education.⁷¹ From the beginning of recession in 1985-90 the value of manufacturing exports rose nearly fourfold and reached 48.05 billion RM with an annual employment rate rose by 12 per cent. In the manufacturing, capital investment into all industrial projects rose to 28.17 billion RM compared to 5.69 billion RM in 1985. Foreign investment in 1990 amounted to 17.63 billion RM compared to only 959 million RM in 1985. According to Malaysian Institute of Economic Research (MIER), Malaysian economic growth in 1990 reached the rate of 10 per cent, the highest in South East Asia.⁷²

The secret of Mahathir's success was that he saw the solution of the crisis in rapid growth and development, which would increase the size of the economic pie, thus, relieving tensions between the ethnic communities as well as with the Malay community.

On political front, the challenge to the ruling oligarchy in the late 70's came from the Islamic opposition. Mahathir understood the challenge, thus he used Islamic ideology as a potential tool for authority of the State. He knew that Islamism had a strong social base in Malay society, he utilized Islam as a means to pursue capitalist development. Additionally, Mahathir argued that it was a moderate Islamic UMNO and State that could provide ethnic peace. Furthermore, through a moderate Islamic image of UMNO, Mahathir controlled radical Islam of PAS and in this process ethnic peace materialized and also provided economic interests as well as those of Malays. Non Malays accepted moderate Islamism as a necessary step to contain radical Islamism.⁷³

Mahathir put forward the same argument regarding foreign investment, which was the crux of Mahathir's growth strategy. He suggested that foreign investment had to be in accordance with Islam. Mahathir was perhaps the first UMNO leader who fully conceptualized the meaning and potential of reinventing the secular-post colonial state as an Islamic state.⁷⁴ His policies like "Look East and buy British last", criticism on Western values and imperialism had given him strong support from the Islamic constituencies. In the process, the Government was convened with the impact of Islamic activism against foreign investment which damaged Malaysia's international image. Malaysia became the world's largest exporter of component assembled and tested mainly in electronics and then mainly for American firms.⁷⁵

Malaysia was thus highly dependent on the global economy and the US in particular. Islamic radicalism viewed in the West with great concern. Throughout 1980's and 1990's Malaysia kept distance from the radical influence of Middle East. The Government formulated multi-pronged strategy to contain radical Islam. It sought to co-opt moderate Islamist forces, marginalize extremists and regulate all Islamic activities. In order to formulate this strategy the Government marginalized PAS and other *Dakwah* Movements, but opened towards *Angkatan Belia Islam Malaysia* (ABIM) which was the Islamic Youth movement of Malaysia. Later on, Mahathir co-opted Anwar Ibrahim, the leading light of ABIM. Thus, ABIM supplied Islamic legitimacy to UMNO, and provide it with intellectual and organizational tools to control Islam. Moreover, Anwar Ibrahim's most important

contribution to UMNO and the State was to legitimize the conceptual foundations of Mahathir's Islamization initiative. Anwar consented with Mahathir that PAS's ideology was a threat to ethnic peace and likely to cripple economic growth and political stability.

Anwar became an articulate spokesman of *Mahathirism*. Both had reduced Islamic views on economic issues to concerns for human dignity a broad concept that allowed capitalist development. Accumulation of wealth and capitalism would be acceptable as they would not degrade human dignity.⁷⁶

This approach became popular with urban Malays who understood the importance of cultural pluralism to economic stability and prosperity. But, PAS apposed it out rightly and wanted to introduce its own brand of Islam, based on exclusionist approach. On the other hand, State compromised between Islamization and open society, by pushing Islamism Malays but keep Malaysia pluralist open. In other words, Chinese and Malay had a right to engage in activities that were prohibited in Islamic law, such as gambling, consumption of alcohol, patronizing bars and clubs. These activities would be available in Malaysia, but technically for the minorities only. The government bans Malays from such activities but finally it was up to Muslims to adopt a "moral filter" and avoid harmful activities.⁷⁷

In conclusion, the Islamization period in Malaysia lasted for two decade (1979-97). Lacking a strong ideology , State leaders used Islam a tool to control sate and society. Islamization was not so much about Islam as it was about the State. The State controlled Islamic radicalism by initiating its own brand of Islam. Moreover, Islamizaiton served the State's goal of economic growth and development. On political front, the State successfully divided Islamist forces and co-opted some of them. Islamization in Malaysia produced a strong ruling party and state institutions -- whose interaction and cooperation ensure state power.⁷⁸

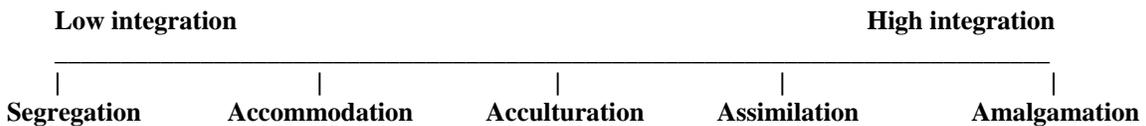
Unity and national integration

The biggest challenge for any multi-ethnic and multi-racial state is to keep national unity and integration. National unity generally means to unite various diversified groups living in one physical entity. The concept of integration refers to a process of uniting groups having different socio-cultural merge into common norms, values and interests. In the case of Malaysia, it has passed the initial stage of nation building process. In other words, the State has united the Society on the basis of economic and political participation. However, the process of integration has yet to be achieved.

The process of integration

The process of national integration can be analyzed on the basis of five elements started from low integration to high integration. In between these two, five elements are important. These elements are: segregation, accommodation, acculturation, assimilation and amalgamation.

Process of integration



Segregation: In this process ethnic groups cut off from others or condition of being socially or racially excluded or separated. The example is South Africa during Apartheid period, presently the state of Israel.

Accommodation: In this process ethnic groups conscious of other's norms, cultures and values and also protect its own culture. However, they live in peace and harmony and respect each others. At the Government level, each ethnic group sends its representatives in order to safeguard the political and economic interests of the group. The example is India where dozens of ethnic groups accommodate each other. The same is true with Malaysia as well.

Acculturation: This is process when minority group accept the cultural norms of majority group and at the same time without changing the original elements of culture, which means merging of cultures. The example is the former Soviet Union, where various ethnic groups accepted the cultural norms of Russian nation, which was a domineering and well defined nation.

Assimilation: This is a process when minority ethnic group culturally absorb into a dominate society through friendship and close connection.

Amalgamation: The most advance stage when different ethnic groups and races mix, unite and forma new culture and race . The most important amalgamation haven taken place through inter-marriages among ethnic groups and races.⁷⁹

Analyzing all five processes we will try to analyze at what stage in Malaysian society has entered. In order to answer this question we have to understand the history of ethnic relations in Malaysia.

1. **Stage of coexistence:** At this stage, different races live together but rarely communicate. They contact among them only limited to economic matters. The Malaya passed this stage during British era.
2. **Stage of frequent external contact:** Gradually, various communities frequently contact with each other but were still unable to establish mutual understanding among themselves. This era was started during British rule and lasted up to the time of independence.
3. **Stage of compromise:** At this stage communities became politically and economically conscious of their common interest and ready to give mutual concessions.
4. **Stage of unity:** In this process the communities' compromises cooperate as much as possible in social, economic, cultural and political spheres. But, the cooperation is still external at this stage.
5. **Stage of integration:** This is the most advance stage where all races cooperate with a sense of belonging and strong ties among them. Their relations not only based on interests, but also sense of responsibility and share the same values.

The Malaysian society has passed the stage of contact and after independence entered the stage of compromise. The classical example was the National Alliance which won elections in 1956. As far as national identity is concerned, there are two schools of thought. The first school of thought believes that Malaysians should accept the fact that plurality of society should be protected. Unity can be achieved even in a pluralistic society. They believe in the concept of Malaysian Malaysia (Malaysia for Malaysians). Whereas, on the contrary, the second school of thought believes that to create a united society the groups concerned, need to be assimilated so that eventually a new Malaysian identity is formed with similarities among them. They probably have same language, values and way of life. This can be achieved through a process of socialization such as the same system of education, using the same language, and practicing the national ideology known as Rukan Negara. Presently, the State following this way. The State is of the opinion, that national consciousness must be nurtured rather than ethnic consciousness, because if ethnic consciousness remains strong national consciousness, will remain weak.⁸⁰

Historically, the ethnic relations in Malaysia can be seen in terms of relations of conflict, competition and cooperation. Conflict relations referred to the event of 13 May 1969 when Malay and Chinese clashes which resulted in the death of two thousand people. Competitive relations referred in competition in

education, student quota, employment culture etc. whereas relation in cooperation is portrayed in political sphere (National Assembly).

Challenges for national Integration

National integration is an important factor for development. But, there are three factors which negatively affected the process of national integration. These are biases, communalism and ethno-centrism.

Biases: This is an unreasonable attitude for or against something. In other words, one sided judgment and pre-conceived notions for others.

Communalism: This is an attitude of favoring on the basis of one's own ethnic community. In Malaysia, this phenomenon is quite obvious in economic, political spheres whereby an ethnic group shows favoritism towards those from within the group.⁸¹

Ethno-centrism: This attitude refers one's own group is superior to others in cultural and social spheres. Related to above mentioned obstacles, there are six other factors involved in this process. First, ignorance about other ethnic groups. It means limited understanding of others. Second, limited socialization among different ethnic groups which resulted in limited exposure. Third, Communal politics. Unfortunately, still Malaysian politics is based on communal parties. Fourth, socio-economic differences among ethnic groups. Fifth, cultural differences and finally segregation.

Strategies toward unity and national integration

The State has taken three major steps in order to achieve unity and national integration. These are political, economic and cultural spheres.

Political measures: Certain laws and acts are passed in the Parliament to settle problems related to unity. The Constitution contains a number of clauses oriented towards racial equality such as allocations that provide protection to certain communities. Second. Acts passed by the Parliament to safeguard the interests of the races. Among them is the Sedations Act aimed at preventing the individual from raising sensitive issues in public. The position of Malay as the official language cannot be questioned in Public. Moreover, the position of Malay rulers, the status of Islam as the official religion, the special rights of *Bumiputra* and the citizenship rights of the non- *Bumiputras* are also not allowed to be question in public. Third, the Internal Security Act (ISA) is aimed at protecting the country's interests and internal security. The act empowers the government to arrest and detain whomsoever that is thought to create internal security problem. Such individual can be jailed or detained without trial for at least two years. The same too with the trade Union at University act that restrict the activities of certain groups from voicing or acting in a manner that creates problems in the country. Fourthly, the Alliance, the *Berisan Nasional*, a multi-racial organization succeeding managing communal control.⁸²

Economic efforts: It is the most and serious problem and a serious obstacle to create unity. The Government formulated economic policies such as giving loans, licenses and work contracts to Malays. The aim is to achieve the Government's objectives of making sure the *Bumiputra* community gets the control of thirty per cent of the capital in the country.

Social and cultural efforts: The Government implemented the social and cultural approach by encouraging the sharing of values among the races. In 1971, national culture was introduced in the country. In Malaysia, the national culture is founded upon the Malaya cultures with the in corporation of elements form other cultures found in the Country.

The basis of racial and ethnic unity in Malaysia

In order to understand the basis of racial and ethnic unity, the State outlined the following basic principles.

Sharing of political power: The political experience of Malaysia shows that the three main ethnic communities' untied together and formulated political unity through ethnic based political parties on the basis of sharing the political power.

Democratic government: The other important factor which contributed stability in ethnic relations is the system of governance based on parliamentary democracy since 1957. Freedom to voice against discrimination in the Constitution and balance between freedom and regulation makes good inter-ethnic relations in reality.

Economic growth: Economic growth also played an important role in forging unity. Continuous economic growth in the past decades made it possible to reduce the gap among the communities in terms of economic differences and economic claims. The government is capable of managing effective economic programs in which a large section of the Malay agricultural community was to transform into a middle class community. Cooperation between government and private sector in the growth of the economy is to ensure the communities in the country to enjoy the economic prosperity together.

Cultural compromise: Cultural compromise is also an important basis in bringing racial unity. Though Malay is the official and national language, languages also used widely in different sections of society. In some way, Malay culture is clearly practiced, but the traditions of other cultures continue to be practiced. Thus cultural diversity is a reality and strength in the building of Malaysian nation.

The National Ideology: *Rukan Nigara*

Malaysia got independence through peaceful struggle. The racial forces agreed to forge alliance in order to give the message that unity can be achieved through diversity. But, the 1969 general elections hurt the racial unity when riots broke out on 13 May 1969. The then government constituted a special committee to formulate national ideology. The riots of 1969 taught many lessons to Malaysian political leadership. These were: the value of democracy, physical and social gaps among races, post Second World War animosity when Japanese occupied Malaya, experience during colonial administration which let two layer polarizations economic and political which further thickened racial prejudice.

In 1969 the rural poverty was forty per cent. The economically less fortunate who had been disgruntled over their fate took the opportunity to use the violent situation to express their anger.⁸³ In this scenario, *Rukan Nigara* was formulated. The five main objectives were:

1. Achieving the greater unity among the people.
2. Maintaining democratic way of life.
3. Creating a just society in which the nation's wealth can be engaged together in a fair and equitable manner.
4. Ensuring a liberal attitude towards the rich and diverse cultural traditions.
5. Building progressive society which shall be oriented towards modern science and technology.

The five objectives were directed towards developing a modern and progressive nation where the people together enjoy the nation's riches in a fair and just manner, in a peaceful environment, respecting each other, despite ethnic and cultural differences.

The principles of Rukan Negara

In order to achieve the five objectives mentioned above, five principles have been set up to guide the behavior and actions of individuals and their inter-relationships within groups. These five principles are

1. Belief in God.
2. Loyalty to King and country.
3. Upholding the Constitution.
4. Rule of Law.

5. Decorum and Morality.⁸⁴

Rukan Nigara provided the basis of the role of an individual in society and still contributing the well being of the multi racial society in Malaysia.

Development plan and vision

Malaysia launched a unique development policy based on to improve the quality of life of the people. The process of development is a very complex phenomenon. The scholars are divided over the definition of development. Some focus on political and social development, while some on economic side of development. The matter of fact is that the development is a multi- dimensional process in which a balance must be created among social, political, economic and psychological development of state and society.

In the Malaysian context, the New Economic Policy (NEP) had become the first long term plan known as Outline Perspective phase 1 (OPP1) followed by the second long term plane (OPP2) and the third long term plan (OPP3) .The aim of these policies were the target for the country's development aiming national unity target for the country's development aiming national unity and racial integration. Moreover, the objective is also to raise the status of the citizens of Malaysia as a nation that is developed, progressive, and harmonious as envisaged in Vision 2020.

Malaysia inherited the remnants of the colonists development policies. The states since independence formulated national development objectives set in the national development policies. So far Malaysia has gone through the five year development planes. First Malaysian plan(1956-60); Second plan(1961-65); Third plan(1966-70); Fourth plan(1971-75); Fifth plan(1976-80); Sixth plan(1981-85); Seventh plan(1986-90); Eighth plan(1991-95); Ninth plan(1996-2000); Tenth plan(2001-2005).

The national development plan can be divided into four main phases of development: planning prior to the New Economic Policy NEP outline OPP1, OPP2 and OPP3. These long term phases cover several five year development plans. Every phase had its own definite policies and focus on theme of development. The policy and focus has objectives followed by implementation strategies to ensure the attainment of the objectives. Generally, the national development objectives and strategies do not display outstanding differences from one stage to another. It is more a continuation and improvement of what has done before. Whatever, the theme or policy given, the ultimate objective is the same, that is, to relate national unity through socio-economic development.

Vision 2020

The vision is not a concrete policy but a slogan raised by the government to empower citizens to transform Malaysia into a develop nations. It means not only from economic aspect, but increasing per capita and keeping account of diversity of races, religion historical and cultural background, customs and eastern values as well. It is hoped that Malaysian society will have a strong moral and ethical values and live in an environment that is democratic, liberal and tolerant, caring, fair in economic distribution, progressive prosperous and be in full control of an economy that is competitive, dynamic, active and resilient.⁸⁵

There are eight challenges behind vision 2020.

1. To create Malaysian nation that is united and has a common objective.
2. To create a society that is free, peaceful and advanced, confident of its own capabilities, successfully pound and strong in facing problems.
3. To create and develop a democratic society that is mature and practices a shared philosophy.
4. To create a moral and ethnical society with strong religious and spiritual values.
5. To create a society that is tolerant and liberal and free to practice its won customs, culture and religions.

6. To create a scientific and progressive society that is forward looking and farsighted and thus be able to contribute in improving civilization based on science and technology.
7. To create a society that is fair in the distribution of national wealth regardless of race.
8. To create a prosperous society with a competitive economy.

The above mentioned objectives can be achieved and defended with the close cooperation between State and Society as a whole, taking historical experiences into consideration and as the base for expediting the attainment of the objective.

Challenges

In 1997, South East Asia pushed into financial crisis. The crisis led to a direct confrontation between Mahathir and Anwar. Anwar favored the implementation of IMF prescriptions. It means reform and restructuring of economy, withdrawal of government support for failing business and banks and an end to lucrative government patronage of industrial projects. All these measures directly affected Malay industrial elites and capitalists that had been carefully nurtured by Mahathir's government. Obviously, Mahathir opposed IMF perceptions. In short, Mahathir who had been supported by the powerful sections of Malay state overcame the crisis. He dismissed Anwar from his official positions, charging him with financial mismanagement, corruption, abuse of power and sexual misconduct.⁸⁶

Anwar's episode had broad implications for relations of State with Islam. The alliance between Mahathir and Anwar kept Islamism under State control and fixed in a moderate position. After the end of the alliance there is a greater possibility that Islamism would drift towards more radicalism. Moreover, the crisis also sharpened the division between business elite and pro- Islamist middle classes. After Anwar's dismissal abyssm opened between business elite and pro- Islamist forces in UMNO . Mahathir and the UMNO had chosen the business elite. Naturally, the pro- Islamist middle class constituency was alienated from UMNO and became the strong supporter of Anwar. Thus, with the end of Mahathir-Anwar alliance, Islam once again became an anti-establishment force.⁸⁷

However, this conflict played a major role in the elections. Though the National Alliance retained the majority in the parliament (winning 148 of the 193 seats), UMNO did poorly in the northern Malay dominated states, and its total number of seats declined from eighty-eight in 1995 to seventy two.⁸⁸ PAS retained its position in Northern part of Malaysia. Malay votes were divided between PAS and UMNO. In the words of Mahathir, "72 of the Malay representatives are from the government and 32 from the Opposition. If only other 21 seats are won by the Opposition parties, they will get 53 and UMNO 51. To get 21 seats is no longer that difficult ---- it is necessary to have at least 97 seats ---- can a weak government such as this protect the Malays who are still very weak?"⁸⁹

The triumphant victory of PAS in the 10th General Elections was indeed a blow to *Barisan Nasional* particularly UMNO. The elections witnessed four cabinet ministers from UMNO being defeated at the polls by some unknown PAS candidates. PAS also made history in the election when its party chief Fadzil Noor (late) was appointed as Leader of the Opposition in the Parliament. For the first time in the history of an independent Malaysia, Malay from a Malay- Muslim party was chosen the Opposition leader, a post previously held by the leader of DAP or other Chinese parties.⁹⁰

The elections results endorsed the argument that the collapse of the Mahathir- Anwar alliance brought PAS in the political process and Islam to the centre of national politics. Furthermore, it also put a dent on *Mahatherism* – which is an ideology and belief system. *Mahtherism* revolved around progress, development, modernization, economic development, self determination, national sovereignty and modernist Islam. Anwar was identified as a main pillar of *Mahatherism*'s Islamic credentials. The exit of Anwar was a major blow to *Mahatherism* which was left open and vulnerable to attack from outside.⁹¹

Internal politics within Malaysian politics

Internally, Malays are divided on ideological lines. Two trends can be witnessed easily in Malay politics as far as the concept of development is concerned. On the one hand, the liberal concept represented by UMNO (NEP and Vision 2020) are the reflections of his concept. Vision 2020 can be summarized as a combination of Asian nationalism and capitalism.⁹² On the other hand, the concept of *Shariat* (Islamic state) advocated by PAS. Moreover, PAS stress on *Hudud* and *Qisas* law which have been practised in Nigeria, Saudi Arabia and Pakistan. Thus, Malay nationalism is divided into two ideological streams. First, Malay nationalism integrated with liberal secular tradition and second, Malay nationalism intertwined with religion.

New Malay dilemma

The culture of Malay and behavior is simple to search for easy way out. Hard work, risk taking and being patient is not a part of their culture. Malay with other *Bumiputras* make up to 60 per cent of the country's population, but their share in economy is less than 30 per cent.⁹³ Former Prime Minister Mahathir Mohammad criticized the Malay attitude and termed it new Malay dilemma. He pointed out the first dilemma is that Malays are always depending on others for support especially from the Government. The second dilemma focuses on religious fundamentalism and democracy. He stated that though Malaysia is a democratic country, but if a wrong party elected to form a government than "it is possible that prosperity, stability and racial harmony would be destroyed".⁹⁴

In order to control the second dilemma, Government politicized Islam by formulating policies and laws that position UMNO a committed to Islamizing nation, despite the more popular perception attributing political Islam to PAS. Religion and race featured prominently since they have always defined politics in Malaysia.⁹⁵ Moreover, UMNO's government used September 11 event for domestic politics. The government controlled media showed September 11 footage of World Trade Centre juxtaposed with the activities of Malaysia's opposition parties. In the weeks leading to a January 2002 by elections, they carried a one minute presentation showing Taliban member executing a female prisoner, again juxtaposed with scenes relating to Malaysian opposition parties.⁹⁶

However, the most important element in the government approach to these issues since September 11, 2001, has been UMNO's attempt to demonstrate itself as a more Islamic as PAS. On September 2001, Mahathir declared that Malaysia was an Islamic state.⁹⁷ Endorsing it again, in parliament and at UMNO's General Assembly in June 2002, he declared that not only Malaysia is an Islamic country, but it was a fundamentalist Islamic state.⁹⁸ He also supported public flogging for those faced guilty of incest and projected himself as a leading international spokesman for moderate Islam. The statement from Mahathir opened a new discourse in the academic circles in Malaysia that whether Malaysia is an Islamic state or a Muslim state.⁹⁹

However, balancing international and domestic interests often proved difficult and leads to contradictions. For example, at an OIC conference in April 2002, Mahathir gained Western applause for describing Palestinian suicide bombers as "terrorists" but in the face of local audience four days later by saying they were "legitimate terrorists".¹⁰⁰

Besides, these contradictions, the fact of matter is that in the Muslim World, Malaysia is the first country after Turkey that got away from lethargy and poverty. With over 30 billion dollars in reserve, 18th world trading nation, foreign debt reduced from 45 billion dollars to 43 billion dollars, and the employment rate of 4 per cent. 30 million tourists in 2002, with 10 billion dollars investment despite world economic crisis, with a State administration of one million--Malaysia is considered an economically stable state.¹⁰¹

Besides, the judiciary was under the spotlight. The announcement early in the year that there was a backlog of over 700,000 cases did little to alleviate gaining cynicism about the state of the Institution. The Hong Kong based Political Economic Risk Consultancy ranked the Malaysian legal system as one of the five worst in Asia.¹⁰² To hide these facts, Government controlled media, but, public rejected Government's policy. The online newspaper *Malaysiakini*(initially funded by the Southeast Asian

Press Alliance to promote press freedom), average 100,000 hits a day. It registered 319,000 hits within minutes of the August 8, 2000 announcement of Anwar guilty verdict.¹⁰³

On economic front, in the 2001 Index of Economic Freedom published jointly by the Wall Street Journal and the US think tank the Heritage Foundation, Malaysia slipped to the 75th position, rendering it “mostly unfree” from its previous “mostly free” ranking. Malaysia plunged 57 place from 1995-2001. The Berlin based Transparency International lowered Malaysia’s ranking in its corruption Perception Index to 36th position from 32nd. (1999-2000).¹⁰⁴

Having achieved these objectives, Malaysia faces extreme challenges on domestic front. Malaysia’s development policies focused on three objectives. First, to develop the economy, second, redistribute wealth and reallocate opportunity and integrate ethnically divided society. The ruling BN has over the years implemented selective liberalization economy, educational and cultural matters. Presently, new political trends emerged on Malaysia’s political horizon. These are democratization, elimination of inequalities beyond ethnic context and religious governance.¹⁰⁵ Ethnic based democratization leads to ethnic capitalist development which bound to generate more contention and controversy than poverty alleviation. In this process, an urban consumerist culture infused Malaysia with a materialistic sense of belonging.¹⁰⁶ Holding and winning regular elections are vital to BN’s maintenance of its semi-authoritarian democracy. In between elections, the State absorbs mainstream ideology and co-opts social and political actions into its fold, thereby pre-empting an effective Opposition and curtailing civil and political consciousness.¹⁰⁷

However, authoritarian modes cannot sustain both economic progress and social development over the long terms. There is a need for some degree of openness, especially when the achievements of industrialization and development become more widely and deeply spread.¹⁰⁸ These trends are directly effecting the young generation aged 15 to 39 comprises 42 per cent of the population.¹⁰⁹ This generation has grown up in the stable urbanized, industrialized and modernized atmosphere where they enjoyed broaden education integrated into the concept of multi-ethnic Malaysia, although still highly conscious of the ethnicity. Paradoxically, the young also inclined toward more Islamized and some ways more polarized generation. Although political discourse has become less ethnically fused in post-1969 Malaysia, racial differentiation has also become more pronounced and institutionalized.¹¹⁰ Awareness of ethnic and religious identity has grown stronger, amidst the muffling of political discourse on these matters.¹¹¹

Moreover, the Middle class is a by- product of NEP, naturally divided on racial lines materially contained and dependent on the State support. Because of it, the middle class will not be an agent of democratic change or modernization.¹¹² The trans-ethnic consumerism takes roots in Malaysia and the Middle class has a wide choice in consumer lifestyles and consumption has become available without the philosophical and political underpinnings of liberalism and individual autonomy.¹¹³

In this scenario, Islam has been a pillar of identity and solidarity. The rise of Malay Islamic devotion based on four factors. First, Islamic resurgence in the shape of Iranian revolution, wane of ethnic nationalism in Malaysia as a whole. Second, the diminishing position of the Malay language as a mainstay of Malay identity. Third, rising status of Malaysia as a leading developing Muslim country.¹¹⁴ Finally, ideological dilemma of post-colonial state and society.

On domestic front, economic neglect of Northern region which is rural and country’s heartland, where large Malay-Muslim population resides, over the years turned away from UMNO and now strongly favors PAS which has an Islamic agenda. However, BN portrays Malaysia as a developmentalist state and it is oft- said that economic growth is a license for authoritarian governance, that stability must be perpetuated without the disturbance of public dissent. In short, ethnic politics is still highly effective. Islam has become increasingly politicized and utilized for rallying support or raising anxiety. Development and ethnic co-existence in Malaysia look set to unravel more changes in times ahead.¹¹⁵

Malaysia under Abdullah Badawi

Besides, having achieved these objectives, Malaysia faces extreme challenges. Abdullah Badawi took charge of the premier- ship in October 2003. He listed three big challenges. First, corruption, second, Economic imbalances along racial lines, and finally Malaysian mindset, attitude and mentality.¹¹⁶ His premiership was less than five months old when he dissolved parliament and called for the general elections. (The eleventh general elections in the country). The last elections in 1999 were held under severe crisis. The Deputy Prime Minister Anwar Ibrahim was sacked along with lot of financial scandals. The Malaysian voter gave *Barisan Nasional* 41 parliamentary seats and a whole state to the Opposition. The BN lost the northern state of Terengganu to PAS, which also won 26 parliamentary and 98 state seats. The Democratic Action Party (DAP) won 10 parliamentary and 11 State seats, while National Justice Party led by Anwar Ibrahim's wife won 5 parliamentary and 5 state seats.

Keeping the results of these elections in perspective, the elections of 2004 were described as a test of Badawi's acceptability by Malaysians in general and his party's constituency of ethnic Malays in particular. The BN (coalition of 14 multi ethnic parties led by UMNO) took 199 parliamentary and 453 state seats. The Opposition only got 20 parliamentary seats. PAS was reduced to just 6 parliamentary seats lost entire leadership including PAS President Hadi Awang. The DAP increased its share to 12 seats, and took up the leadership role of the Opposition in parliament. The BN has now 90.8 per cent of the seats in parliament and 62.37 per cent of the popular vote.¹¹⁷

The strategy of Abdullah Badawi's team for elections worked on various aspects. First, to portray Badawi's personality as a polite consensual, unlike his predecessor Mahathir whose leadership style was deciding, demanding and deriding.¹¹⁸ Second, the team commissioned surveys and polls which showed that Malaysians are young- 76 per cent under 40 years old. Respondents selected the economy as the most important national issue, religion came at the sixth number of priority after transition of power, education, social problems, domestic political stability and national security and peace.¹¹⁹ Over 60 per cent of respondents agreed with the statement that political parties that champion the interests of specific races are no longer relevant.¹²⁰ Finally, the voter liked Badawi's style of leadership which is inclusive and frequents statements that "he was the leader of all Malaysians" is up to the aspirations of the Malaysian people. On National Day he stated: "Let all citizens of Malaysia, without feeling unfair, without feeling sidelined, irrespective of race or religion, rise to become statesmen in our land. We are equal, we are all Malaysians. No individual in this county is more Malaysian than another".¹²¹

All these positive developments in Malaysian politics indicating different trend and a new phase of the state-society relationship. Abdullah Badawi's priorities are : combating corruption , ensuring a better public delivery system, reforming the police force, improving the quality of education, prudent fiscal policies , re-emphasizing the rule of law, transparency and discipline cooperate governance, and making agriculture a major component of his new economic thrust so to alleviate poverty.¹²² Moreover, Abdullah announced that the Government could no longer afford to subsidize the programme after over 30 years of doing so. With the establishment of a solid well educated Malay Middle class as one successful outcome of NEP, Abdullah's administration focusing to establish the principle of meritocracy in education and competing instead of quotas and preferences in business so as to enable Malays to excel and succeed. This initiative is in the line of contemporary trends in contemporary international relations in which competency and hardworking is the only criteria to excel internationally.

Domestically, in order to eliminate ethnic and religious differences, Abdullah's government initiated National Service (NS) program that targets better racial integration, mobilizing over 85,000 youth in 2004. All these efforts show the Government's seriousness regarding ethnic integration. Moreover, the cabinet also came up with a compulsory course for ethnic studies that will be offered in all Malaysian universities in order to understand the issue in more objective manner.

On economic front, Malaysia's GDP grew by 7.1 per cent in 2004, the fastest pace since 2000. Despite a considerable slowdown to 5.6 per cent growth in the fourth quarter, the final figures for 2004 were beyond by strong in the first two quarters of the year, including first quarter growth of 7.6 per

cent amongst the highest in the region.¹²³ The Private investment also increased during 2004 and all major sectors registered positive growth (Private sector contributed 6.2 percentage points to overall economic expansion).

In the manufacturing sector, both export and domestic oriented industries expanded strongly due to the upturn in global electronics as well as stronger domestic demand. The services sector experienced strong expansion and contributed 57.4 per cent of the GDP in 2004, driven mainly by higher consumer spending amidst rising disposable incomes, increased trade-related activities as well as higher tourist arrivals. Out of the total of 15.7 million tourists, there was an all time record of tourists from Singapore who spent the highest amount ever- over more than 17.5 billion R.M (4.61 billion dollars) in foreign exchange. Malaysia experienced a 50 per cent increase in tourist arrivals compared with 2003.¹²⁴ The sustained strong expansion of the agriculture sector to 8.5 per cent of GDP in 2004 was driven by higher production of crude palm oil and rubber as well as food related crops, and good prices for agriculture products. Focusing on agriculture sector was also because of Malaysia's food import bill, which was almost 20 billion RM (53 billion US dollars) in 2004, up from RM 11.4 billion in 2000, the cumulative result of the single minded focus on manufacturing as the vehicle for import substitution form the mid 70's.

Net international reserves registered an increase of RM83.1billion or 21.9 US billion to RM 253.5 or 66.7 billion US dollars by the end of 2004. It indicates stronger export performance as well as substantial inflows of foreign direct Investment (FDI) . This was a record net inflow of 15.4 billion RM compared to 12.1 billion RM in 2003, and this was attributed by the Central Bank to higher FDI inflows and portfolio funds.¹²⁵

Under Abdullah the GNP has increased to 46.6 per cent from 50.2 per cent in 2003. The debt service ratio improved to 4.3 per cent in 2004(6.2 per cent in 2003. After eight years of growing deficits, the decline of the Federal government's deficit to 4.3 per cent of the GDP from 5.3 per cent in 2003 reflected prudent measures demanded of the administration and its related institutions.¹²⁶ Additionally, because of the reform agenda, Malaysia descent from 37 to 39 in Transparency International's Corruption Perceptions Index. Moreover, the poverty rate was reduced to 5 per cent compared with 49.3 per cent in 1970.¹²⁷ However, Malaysia was given the dubious distinction of being the country with the worst income disparity in Southeast Asia. According to the UN Human Development Report for 2004, the richest 10 per cent in Malaysia controlled 38.4 per cent of the country's economic income as compared to the poorest 10 per cent controlling 1.7 per cent. Malaysia's top 10 per cent of the population is 22.1 per cent times richer than the poorest 10 per cent, an income gap higher than those of Singapore (17.7), the Philippines (16.5), Thailand (13.4), Vietnam (8.4) and Indonesia (7.8).¹²⁸

Besides, projections of Malaysia in 2005 are more modest. Nevertheless, GDP of 5-6 per cent would still make it the fastest growing economy in Asia behind China and India. Currently, Malaysia classified as medium human development country (on HDI list Malaysia is on 57 which is considered a medium scale on the HDI scale).¹²⁹ Compared to top 5 countries, Malaysia's achievements in health and education are exemplary. Federal government expenditure on education is 20.6 per cent in the year 2004.¹³⁰

Besides, the challenges facing by Malaysia, the fact is that Badawi's agenda to reform Malaysia has a solid backing of the people of Malaysia, whose strong desire is to see vision 2020 practically in terms of one Malaysia.

Lessons for Pakistan

Pakistan as an independent state came into being on August 14, 1947. Being a multi-cultural and multi-ethnic state, Pakistan has been since then, facing the problems of ethnic and ideological chaos, which have resulted in economic turmoil and political instability. Per capita GDP of Pakistan is around 1,890 dollars and it is on 143 on Human Development Index. This categorizes Pakistan in the low human development list.¹³¹

In Pakistan, the State has outranked the creation of nation, rather than the nation preceding the creation of state. Islam was the only so-called binding force which united both Eastern and Western part. After the separation of East Pakistan, Islamic ideology became questionable. Ethnic nationalism emerged from the ashes of East Pakistan crisis. The new Pakistan after 1971 was politically bifurcated on ethnic lines. Later on, military-bureaucratic establishment over-centralized the state structure of Pakistan. In other words, Pakistan was created on the basis of a separate Muslim identity, which soon dissipated into various ethnic movements challenging the centre for an equitable and just share of power and resources. In this regard, East Pakistan and the Baloch nationalist movements for autonomy in the 70's, the demand for the Sindhudesh in 80's and the Muhajir movement in 90's are particularly important.

Pakistan tried both democracy and dictatorship but failed. Inept dictators and bad democrats; a cycle defining the history of Pakistan. Moreover, the Islamic challenge was complemented with rising ethnic tensions. Throughout Zia's era, (1977-88), the ethnic sentiments and politics gained ground in Sindh, Balochistan and NWFP. The State tried to neutralize these forces by using Islam as a tool to crush these forces.

Islamization in post colonial state Pakistan

Colonialism changed the post colonial state with attitudes and ambitions that have redoubled its desire for hegemony and yet made its attainment more elusive.¹³² The colonial ideology suggested that the colonial state had to be separated from the people, based on a totally different and superior set of values and committed to change society, over which it ruled in its own image.¹³³ The colonial policy followed indirect rule through chiefs and landlords which further reinforced and bifurcated state-society relations.

Furthermore, State wanted to manage society and the economy through statism, which limit market forces and influences on non state actors. In other words, State wanted to hegemonize economic growth. In Pakistan, the State decided to institutionalize Islamic ideology which provided total hegemony and opportunity for economic betterment. The State focused on religion in order to maximize state power by inducting Islam as a state ideology with broad implications for its power and hegemony.

In 70's and 80's the Pakistani State systematically introduced Islamic system in the country. Islam strongly influenced those who have been dissatisfied by the economic and political achievements after achieving independence, as well as those who had been alienated from the State. On the other hand, Islamization allowed State to crush political opposition especially the ethnic forces and expand state power and capacity.¹³⁴ The process of Islamization of society occurred under the aegis of the State that became the agent of Islamization and undertook this effort in close collaboration with Islamist forces.

Pakistan turned to Islam at a time of profound crisis before the ruling establishment. Pakistan faced strong and popular Islamist movement of 1977 which demanded order of the Prophet (Nizam-i-Mustafa). The Islamic challenge was complemented with the rising ethnic tensions in the country which State believed could be continued through greater reliance of Islam.¹³⁵ The State made a strategic choice: to champion the cause of Islam in order to shore up in authority and legitimacy, outmaneuver its opposition and gain stability. The State chose to manage Islamization rather than rely on Islamist forces to spearhead it. The State proved willing to give up on secular ideology by Islamizing the public sphere, it brought Islam into the public arena and established a massive control over its flow in society and politics.¹³⁶

Pakistan at a time of its independence had an unstable nation which made State very insecure. It confronted a huge challenge of state and nation-building in a fractured society without strong social institutions. Moreover, on ideological front, the secular nationalism was very weak which provided a political space to religious forces that were determined to use Islam as a basis of state ideology. In this scenario, the military establishment became the only viable option and became a source of power for the State. The State then switched over to Islamization which helped to reinvent the post-colonial state and its relation to society. So the state replaced colonial ideology of the state with Islamic ideology.

The issue of ethnicity in historical context: 1947-69

In Pakistan, bureaucratic elite inherited the colonial state and ruled over society through the same channels of power as the British. Military and bureaucracy dominated Pakistan's politics. Before partition, the Punjabis and Pathans were prominent in the Indian military. After independence half of that military's officers and soldiers came to Pakistan, ensuring a say for a military in the new state's politics.¹³⁷ The military and bureaucracy were the colonial institutions, their attitudes towards politics, social control and government were those of the colonial era. The British policy in undivided India was focused on law and order rather than participation. This attitude of the colonial masters inherited in the minds of military and bureaucracy.

Thus, the State became a military-bureaucracy condominium in which the political class was the junior partner.¹³⁸ In addition, tribal leaders and landlords constituted a powerful social organization. The landed elite of the Punjab, Bengal and Sind supported Pakistan movement and in so doing guaranteed their influence on the future state. The Pakistani State was from its inception a weak one. Its roots in the provinces which it had inherited were feeble. These provinces had little in common for the only fact that the majority of the population was Muslims. Their economies were not linked and were instead tied to the central grid of Indian economy from which they were now cut off. Moreover, these provinces are ethnically different from each other (in terms of language, culture and history).

The new state faced massive problems i.e. refugees, economic turmoil and war with India which led to the concentration of power in the hands of bureaucratic and military elite.¹³⁹ In this scenario, in order to get social control, State made political alliance with landed elite and tribal leaders and on ideological front, turn to Islam to control socio-economic and political problems. The alliance between military and bureaucracy and the political elite helped to establish the State. The state leaders advocated strong central government, but political elite through whom they ruled favored a weak centre.¹⁴⁰ The conflict between these two forces had deeply influenced Pakistani politics which latter on affected on democracy and deep rooted ethnic division.

The ruling establishment found it very difficult to effectively contend with tensions between Punjabis and Muhajir elite and Bengali and Sindhi nationalists in the provinces. The problem that confronted the political centre immediately after the partition was to keep East Pakistan at bay in order to avoid its domination and how to produce an ideology capable of keeping the country together under the control of West Pakistan elite comprises Punjabis and Muhajirs for the most part. The East Pakistan was physically apart from the West Pakistan; India was in between the two flanks. East Pakistan was more populace than West Pakistan at the time of first census in Pakistan in 1951; there were 41.9 million in East Pakistan and 33.7 million in West Pakistan.¹⁴¹

Right from the beginning, East Pakistan demanded greater representation and equal distribution of resources from the centre. The State rejected these demands which ultimately alienated Bengali population from the State. The State found it difficult to resolve the issue of language, fundamental socio-economic issues, land reform, ethnic, linguistic and class conflicts, quickly surrendered to the temptation of mobilizing symbolisms in the services of state formation. This attitude of the stated opened the doors for Islamic political parties to influence on national politics. Initially, the secular state resisted this trend, but, later on, compromised with the original concept of Pakistan as a thoroughly secular state. The government adopted the objectives of resolution demanded by the Islamic forces as a statement of intent with regard to the future constitution.¹⁴²

The resolution formally introduced Islamic concerns to constitutional debates and committed Pakistan to greater Islamization. As a result, by the end of the first decade of Pakistan's existence, Islamic forces were fully included its political process and had moved to appropriate the national political discourse from the state.¹⁴³ However, the State never formalized a workable arrangement with Islamic forces, frictions and confrontations started between the two in the political discourse. The State did not formulate any clear policy regarding Islam until 1958, when military under the command of General Ayub Khan took over the power.

Coup of 1958

Ayub's regime was comprised with secular elements and justified the coup as an effort to save the State from an Islamic take over.¹⁴⁴ He attempted to strengthen State institutions and to expand their control over society, economy and politics. Once freed of its shackles, the state would be able to do away with the encumbrances of ethnic conflict and Islamic activism, and to embark on development.¹⁴⁵ Ayub Khan was enabling to extricate either ethnic conflict or Islam from Pakistani politics. He chose to crush the first and manage the second. Ayub's era saw the emergence of linkage between Islam and state power and alienation of ethnic forces from the centre. However, during 1958-62, he tried to use Islam for socio-economic development purposes, by portraying Islam as progressive forces and to use it to justify development. In other word, the state accepted Islam, but only if it would control its interpretation, institutions and politics. Later on, Islamic forces challenged the interpretation of state's Islam which later on rejected by the masses.

During 60's host of problems emerged which challenges Ayub's regime. These were unequal distribution of wealth, middle class and poor facing economic exigency, corruption, defeat in the 1965 war with India, Left and Islamist forces challenged state's ideological position, pro-democracy movements demanded end of authoritarian rule, ethnic forces especially in East Pakistan demanded autonomy. Under these pressures Centre collapsed and Ayub Khan resigned in 1969, and delivered power to General Yahya Khan.

Pakistan 1969-77: ethnic conflict and class conflict

The decade of authoritarianism gave rise to ethnic and class conflict. The rise of Bengali nationalism in East Pakistan, and Sindh nationalism in West Pakistan and moreover, class conflict emerged in West Pakistan. Yahaya Khan, who took power from Ayub Khan accepted these challenges and took refuge in Islam. He believed that Islam was the only ideology which would not only release the pressures, but also silence the opposition and in this way kept Pakistan under one fold. But Islamic solidarity failed to reduce the intensity of Bengali nationalism.

In this background, genral elections were held in 1970. Awami League emerged as the single largest party in East Pakistan, demanded broad autonomy. In West Pakistan, People's Party won 81 out of 138 seats. After the elections, Bhutto and military refused to allow Awami League to form government and deliver power to East Pakistan, pushing that province to succession.¹⁴⁶ In reaction, Awami League turned to violence, the Military then used brute force which resulted in the loss of East Pakistan and its defeat to India.

After the military debacle of East Pakistan, Yahya Khan handed over power to Bhutto's PPP. Bhutto promised to implement fundamental changes in the country. He also promised to disenfranchise the structures of power that Pakistan had inherited from the colonial era, i.e. To distribute wealth from the dominant ethnic groups and provinces to the smaller ones, equal distribution of power between powerful groups and masses. He combined socialist rhetoric with Islam, talking and used the term Islamic socialism and in this way again involved Islam in politics. Moreover, the loss of East Pakistan feared the country to further disintegration along ethnic lines. Thus, provided an excuse for the state to take refuge in the shadow of Islamic solidarity. Throughout 70's Pakistan became palpably more Islamic conscious. (The constitution of 1973 is the clear evidence in this regard). Moreover, Bhutto's policy to develop close ties with Middle Eastern rulers, hosted first Islamic summit in the hope that these actions would give his regime an Islamic legitimacy.

On domestic front, the government sponsored International *Serah* (Life of the Prophet) conference in 1976, made Arabic language compulsory in primary education, switch over national holiday from Sunday to Friday and establishment of the ministry of religious affairs. He even dubbed Pakistan's nuclear weapon as "the Islamic bomb".¹⁴⁷ Besides, these drastic measures, Islamic forces never accepted Bhutto as

an Islamic ruler. They built Islamic Opposition against him and confronted throughout 70's. By the end of the Bhutto era, these forces were in a position to make a direct bid to control State.

On the other hand, Bhutto faced tough resistance in NWFP and Balochistan. He used strong tactics to dismiss the two non-People's Party provincial governments. Against his action, turmoil started in Balochistan Baloch resisted and a brutal guerilla war broke out, which pitched the Baloch tribes against the Pakistan army. The army action in Balochistan sharpened the ethnic feelings among Balochs. The opposition blamed Bhutto in bringing back military into politics. Thus, Bhutto's era failed to reverse the erosion of State authority that had followed the fall of Ayub Khan and the loss of East Pakistan. His socio-economic programme faced a strong opposition, at the end, Zia-ul-Haq, the then Chief of Army staff took power through a military coup in order to save Pakistan from the power struggle between Islamism and the State.¹⁴⁸

Pakistan 1977-99

General Zia ul Haq initiated a broad-based Islamization scheme that had a profound impact on Pakistan's society and politics. He tilted Pakistan's politics toward right of Centre in order to eliminate People's Party from the political scene of Pakistan. Additionally, ethnic challenge confronted the State which again reinforced the tendency to rely on Islam to organize national politics. The Bhutto era had clearly aggravated ethnic tensions in Pakistan. The domination of ethnic politics had marginalized the Muhajirs and the Punjabis who were cautious of rising ethnic tensions and wanted to see national politics away from the ethnic concerns. The Nizam-e- Mustafa (rule of Prophet's system) had mobilized these communities focused on democracy and Islam versus Bhutto's secularism and autocracy. Thus, ethnic concerns were evaporated for the time being from the political debate which had an additional advantage for Zia regime. But, regime worried about the ethnic undercurrents in Sindh, NWFP and Balochistan,¹⁴⁹ appealed to Islam in the hope to contain rising ethnic tensions and bring stability to Pakistan in the name of Islamic solidarity. In sum, in the name of Islam the military continue to control over Pakistan and downplay the Punjabi domination of the state. Throughout Zia period (1977-88) growing importance of ethnic politics in these three provinces deviated from, and perhaps accounted for, the state's preoccupation with Islam.¹⁵⁰

Moreover, Zia brought ideological changes in the State's institutions. For example, he opened Military's institution to Islam.¹⁵¹ He encouraged soldiers to pray and fast and also distributed religious literature. On regional front, turmoil in Afghanistan transformed the political map of the region. Zia took full advantage of this development, by supporting Mujahideens who were fighting against the Soviet troops and thus gained international support. On the other hand, he funded Madarsas (religious schools) which later on not only provided social and political base to his regime, but also became the breeding ground for the religious zealots which fractured the very fabric of Pakistani society.¹⁵²

Although these efforts played an important role for his political survival, ethnic tensions during his rule had a great impact on Pakistani politics. The Sindhis who lost out with the fall of Bhutto, showed resistance in the shape of Movement for the Restoration of Democracy (MRD). As a result, PakistanI politics became polarized between pro-Zia forces (military, Islamist and the private sector) and the PPP allies (landed elite, ethnic parties and Shiis.¹⁵³

Pakistan :Democratic era of 1990s

Pakistan in 1990's faced tremendous problems. Ethnic tensions in Sindh (civil war in Karachi), collapse of law and order and sectarian violence undermined the authority of State and dysfunction the democratic governments. During this decade Benazir Bhutto of PPP and Nawaz Sharif of Muslim League formed governments. Both of them were unable to control the rising tensions on political and economic fronts. Nawaz Sharif tried to use Islam like Zia ul Haq to augment power. He wanted to concentrate power under Prime Minster's control. He forced the resignation of President, dismissed Chief of the Army Staff and about to do the same again when he was ousted from the power in a coup of 1999. Genral Pervaz Mushraff took the control of the State apparatus.

The turmoil of 9/11 took place, when Musharaff was the ruler of Pakistan. This external shock changed and radicalized Pakistan's politics. Under international pressure Pakistani state cut off its links with the religious and sectarian groups and fought the war against terrorism along with international community.¹⁵⁴ Being multi-ethnic State, Pakistani State facing challenges on ethnic and ideological grounds. As a post-colonial State, it has weak institutions. The State, right from the beginning, involved religion in politics in order to run the government smoothly and at the same time controlled the ethnic forces. The separation of East Pakistan was a big blow to the Islamic solidarity; the new Pakistan faced two challenges. First, from the ethnic forces and second from the religious forces. The State tried its best to create a balance, but failed to achieve this objective. The Baloch and Sindhi nationalist movements are the clear cut examples in this regard. Moreover, the Urdu Speaking population in urban Sindh(popularly known as Muhajirs) also showed strong reservations against the centre.

Presently, the State again facing challenges on three fronts. First, International pressure to fight against terrorism and to crush religious extremist forces which in past was supported by the State. Second, the rising power of the religious and sectarian forces (the religious forces have formed two provisional governments in NWFP and Balochistan). Finally, the ethnic issue which again turned to violence.

Concluding remarks

Malaysia and Pakistan are facing the problems of what post-colonial, multi-ethnic societies are facing today i.e. Ethnicity, state-society relations, authoritarian nature of ruling establishment and economic problems. Though Malaysia is trying to develop itself in all these spheres, its politics are revolving around race and religion. Besides, these hitches Malaysia has taken some positive steps in state and nation building process. Moreover, it is facing big challenges i.e. corruption, economic imbalances along racial lines, intra ethnic feuds and Islamic revivalism but the continuity in democratic process shows that the State is committed to reform all these problems through democratic means. On economic front, Malaysia has a strong export performance as well as substantial inflows of foreign direct investment.

On the other hand, Pakistan since independence has been facing ethno-socio-economic chaos which resulted in political instability. There is only one lesson which Pakistan can learn from Malaysia that is the continuity of democratic process and investment in human development rather than non-development sector which creates friction in state-society relations.

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