



Malaysia's Dilemma

Recommended Citation

"Malaysia's Dilemma", APSNet Policy Forum, February 21, 2008,
<https://nautilus.org/apsnet/malaysias-dilemma/>

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Introduction

David Martin Jones of the University of Queensland writes that in the Malaysian general election called for March 8th the apparently electorally dominant ruling coalition led by Prime Minister Abdullah Badawi's United Malay National Organization "is worried. More precisely, they are worried about the current state of racial and religious harmony in the multiethnic state." Beyond voters' concerns about inflation, crime, and foreign workers, the country, Jones argues, faces "an enduring problem. The difficulty facing UMNO after renewing its mandate in March will be to renegotiate the terms of its fraying social contract, widen the basis for minority participation whilst more forcefully addressing the problem of judicial corruption. It will not be an easy assignment."

Essay: Malaysia's Dilemma

Malaysian Prime Minister, Abdullah Badawi, has dissolved parliament and called an election for March 8th. Despite his United Malay National Organization (UMNO) led coalition's dominance of the lower house of the federal parliament where the combined opposition holds only 20 of the 219 seats and UMNO and its coalition partner's control of 10 out of the 11 states that constitute the Malaysian Federation, Badawi's UMNO elite is worried. More precisely, they are worried about the current state of racial and religious harmony in the multiethnic state. To any western observer the ruling coalition's concern appears misplaced. The ringgit is strong, and foreign direct investment flows have reached all time highs and seen the economy post annual growth above six percent since 2006. Moreover, in eight parliamentary elections held since 1974 the combined opposition has never achieved more than 50 seats in the 219 seat parliament.

Nonetheless, since its comprehensive victory in the 2004 general election, UMNO has been troubled by a series of 'UnMalay' challenges to its authority. Friction came to a head in the last quarter of 2007. In September a rally of 2000 lawyers called for an inquiry into judicial corruption. A

subsequent and ongoing royal commission into the behaviour of a prominent local lawyer revealed a disturbing picture of judicial cronyism. On 10 November, *Bersih*, a broad based coalition of opposition parties and NGOs calling for fair elections brought traffic in downtown Kuala Lumpur to a halt. More threateningly, on 25 November, the Hindu Rights Action Force (*Hindraf*) brought at least 10,000 Malaysian Indians of Tamil descent onto the streets to protest against their historic mistreatment, first at the hands of British colonialism and then by the postcolonial state. Breaking up the demonstration, the police arrested 245 protesters and indefinitely detained five of the movement's leaders.

Meanwhile, shortly after the announcement of the election on 17 February, police broke up another *Hindraf* rally to present the Prime Minister with a somewhat belated Valentine's Day bouquet of roses with tear gas and water cannon. 9 Indian demonstrators were arrested and Badawi declared such protests to be "not the Malay Way". The largely state-controlled media condemned this season of street theatre and those that, as Deputy Prime Minister Najib maintained, disrupted Malaysian unity by 'fanning the racial fire'. It also attracted unsolicited international attention, notably in India, an increasingly important trading partner, where politicians criticised Malaysia's 'apartheid' system.

What accounts for the current malaise? Rising inflation, rising crime and the presence of two million foreign, and often illegal, workers have certainly not helped UMNO's popularity. But it is the apparent fraying of interethnic relations that has notably heightened political tension. Current anxiety, however, reflects an enduring problem. The postcolonial state has confronted the dilemma of sustaining unity whilst promoting development in a religiously, ethnically and economically diverse society.

What is Malaysia?

The dissonant character of contemporary Malaysian politics reflects the very distinctive and historically contingent factors that have shaped its curious development. Modernizing states, as Ernest Gellner famously observed, require nations. Like other late developing post-colonial arrangements in Pacific Asia nation building has been an often incoherent and anxiety ridden affair. Moreover, unlike other East Asian arrangements, Malaysia had little in the way of tradition upon which to draw. Apart from Islam wafted over from Moghul India by spice traders and the Malacca Sultanate that fell to the Portuguese in 1516, there was no golden age upon which to draw to sustain a Malay identity. Indeed, the very idea of a Malay race and a Malaysian Federation was essentially a British colonial invention.

As if by an invisible hand entrepreneurial activity of Frances Light, Stamford Raffles and John Crawfurd, of the British East India Company established trading stations first at Penang and then by the second decade of the nineteenth century Malacca and Singapore. These Straits Settlements became the dynamic hub of the East Asia trade and attracted wealth and migrants from India and China. In the course of the century, as the Crown took over the company, the Straits Colony assumed an advisory role in its relation with the Sultans of the peninsular. First the Johor Sultanate came under Britannic influence and subsequently the four federated Malay states of Perlis, Pahang, Negeri Sembalan and Selangor. Only after 1909 were the northern Malay states drawn away from the King of Siam's suzerainty. On the eve of the second world war Malaya had the highest standard of living in Southeast Asia, but it was a patchwork arrangement.

By the early twentieth century therefore, the British Crown directly controlled Straits Settlements at Penang, Malacca and Singapore. It also enjoyed an advisory relationship with the four federated and

the five unfederated Sultanates of the Malayan Peninsular. Meanwhile on the East Malaysian island of Borneo the Brooke family were white rajas of Sarawak, whilst the North Borneo Company ran what was to become the Malaysian state of Sabah. This untidy arrangement fell apart during the Japanese occupation of the peninsula (1942-45). Its aftermath witnessed the British Colonial Office first proposing and then abandoning a Malayan Union comprising the federated and unfederated Malay states together with Penang and Malacca, but excluding the largely Chinese island of Singapore and the offshore colonies of Sabah and Sarawak.

It was in the context of the Malayan Union and its subsequent replacement by a Malay Federation in 1957 and then a Malaysian Federation in 1963, that embraced both Sarawak and Sabah, as well as Singapore, that the question of Malay identity and its relationship to an evolving national consciousness arose. In the uncertain world of post-war Southeast Asian politics the very creation of the new state exacerbated regional tension. The Communist insurgency of the Malayan Emergency (1948-58), followed by Confrontation with Indonesia (1963-66) whose first President, Sukarno, objected to a Malaysian Federation, encouraged a siege mentality in the leaders of the new state.

Yet, not only were the boundaries of Malaysia a source of anxiety, the notion of what constituted a Malay, let alone a Malaysian was equally unclear. Traditionally, to be Malay was to be *kerajaan*, or unconditionally loyal to the Sultan. After 1946, however, UMNO's brand of populist nationalism emphasised *bangsa Melayu* (the Malay nation or people). Differently again, to be Malay was to be Moslem. For the more religiously disposed Malays, who eventually formed the backbone of PAS (*Parti Islam se-Malaysia*), the fact that the privileged status of Islam was written into the 1957 constitution intimated the future possibility of an Islamic state.

Related to the uncertain character of Malay identity, there existed the additional problem of establishing the terms of interracial engagement. Between 1955-69, this meant an electoral 'alliance' between UMNO, the Malay Chinese Association and the Malay Indian Congress. This alliance presided over an ethnically and religiously friable community composed in peninsular Malaysia of Malays (55%), Chinese (32%), and Tamil Indians (8%) adumbrated by Ibans, Dayaks and Kadazans (5%) in the East Malaysian provinces of Sarawak and Sabah and comprised of beliefs that traversed the spectrum of spiritual possibility from animism to Islam.

Elite consociationalism initially provided for the political dominance of Malay aristocrats, like post-independence Prime Minister Tunku Abdul Rahman, whose urbane style afforded considerable latitude for Chinese economic influence. This alliance fell apart in the course of the 1960s. The fear that Chinese economic power might translate into political domination prompted Singapore's expulsion from the Federation in 1965. Subsequently, in the wake of elections which saw the Alliance's parliamentary dominance threatened, interracial riots erupted in Kuala Lumpur in May, 1969.

The murky events of May 1969 represented the year zero of the new state. Subsequently, official state ideology or *rukun negara* emphasised the duty of loyalty to ruler and state and animadverted against 'communalism'. To reinforce this, UMNO altered the constitution "removing issues considered sensitive from public discourse" [1] and redrew electoral boundaries in favour of rural, ethnically Malay, constituencies. By 2008, whilst 65% of Malaysians were urban dwellers, 65% of the single member constituencies that comprise the lower house of the 222 seat parliament were located in the rural hinterland where the Malays are ethnically dominant.

Meanwhile the consociational contract was renegotiated to facilitate increased Malay economic

participation. The New Economic Policy (NEP) introduced in 1972 by Malaysia's second Prime Minister Tun Razak addressed what Mahathir Mohamad had controversially identified as *The Malay Dilemma* (1971). The dilemma consisted in what the medically trained Mahathir diagnosed as the eugenic and climatologically induced Malay propensity to an inbred dependence, fatalism and apathy. Mahathir envisaged the NEP redistributing socio-economic goods towards the economically deprived majority Malay and other indigenous communities and through this 'constructive protection' paradoxically constructing a modern, self confident, entrepreneurial new Malay identity.[2]

The renegotiated social contract was, moreover, extended after 1971 to include the East Malaysian states of Sabah and Sarawak. UMNO's capacity to dominate a new multiethnic *Barisan Nasionalis* (BN-National Front) coalition in the Malay interest, maintain a two thirds majority in the federal parliament and, without quite the same urgency, dominate the state assemblies of peninsular and East Malaysia was henceforth central to political stability. Thus despite Badawi and UMNO's claims that they rule in the interest of all races, it is ethnicity and religion not class that is the all determining political cleavage in Malaysian politics.[3] As Mahathir caustically observed in 1971, Malaysia's internal politics were 'racial politics' and its evolving democracy a limited and elite guided one "to ensure that the mutually antagonistic races of Malaysia will not clash." [4]

Malaysia Incorporated and the New Malay

On the basis of this revised contract Malaysia's postcolonial elite has sustained, unlike several of its Southeast Asian neighbours, economic growth with equity and maintained political stability without undue recourse to political violence, or 'extrajudicial killing'. Given the inauspicious conditions that shaped the emergence of Malaysia, this was a not unimpressive achievement. UMNO-sponsored development after 1969 transformed Malaysia from a commodity-based, agricultural economy of six million people into an urbanized manufacturing economy of twenty seven million with a per capita GDP of US\$6,500 by 2007. Significantly, the incursion of the party into economic, social and political engineering facilitated both a concentration and centralization of power and an ideological understanding of the state as an incorporated enterprise association.[5]

The New Economic Policy (1972-90) in particular inaugurated an era of state intervention in resource allocation, production and trade in order to achieve a 30% *bumiputera* stake in commerce and industry by 1991. It was the state too that took the initiative in creating special export processing zones for foreign, primarily Japanese, domiciled companies. After 1981, Mahathir and his favourite financial adviser, Daim Zainuddin, promoted a Malaysia Incorporated strategy creating a *bumiputera* capitalist class through the partial privatization of state-owned banks and industries. UMNO's investment arm, the Renong conglomerate, with its various media, finance, infrastructure and tourist interests, exemplified Mahathir's vision of "how *bumiputeras* could actively participate in business." [6] In 1985, the Heavy Industries Corporation of Malaysia's (HICOM) launch of a national car, the Proton Saga, (really a Mitsubishi Lancer assembled in Malaysia) symbolized the success both of industrialization and the Japan focused Look East strategy.

The evolution of the NEP and, after 1990, the National Development Policy (NDP), also distorted the character of Chinese economic activity. The large Chinese trading conglomerates, like Quek Leng Chan's Hong Leong Group, the Robert Kuok Group and Vincent Tan's Inter-Pacific Group increasingly specialized in finance, tourism, media and transport, enterprises that were mobile, regional and ersatz. These conglomerates cultivated close ties with key figures in the UMNO elite like Mahathir, Daim and Anwar, and functioned as their business proxies. The evolving

developmental coalition co-opted Chinese conglomerates into UMNO business politics, whilst the recently created *bumiputera* enterprises became inured to state dependence. Whilst business became entangled in politics, the government bureaucracy developed an institutional investment in preserving corporate activity from public scrutiny.

The increasing malleability of the constitution and the money politics that became inseparable from the Malaysian electoral process further enhanced single party dominance. The 1957 constitution provided for a *Yang Di-Pertuan Agong* (constitutional monarch) chosen on a five year rotational basis from the nine peninsular Sultans and a Federal Parliament consisting of two houses: a lower house (*Dewan Rakyat*) elected by universal suffrage and an upper house (*Dewan Negara*) representing the nine peninsular and two East Malaysian state assemblies. There are also elections to the state assemblies, usually held at the same time as the Federal election. Thus 8 March will see the 10 million registered Malaysians voting for both 222 single member federal lower house seats and for all the state assemblies with the exception of Sarawak.

Yet despite an initial attempt to create a federal system of checks and balances, the constitution has been amended thirty four times since 1957 and all amendments have increased the grip of the ruling coalition over the executive and the judiciary. This is because, in all elections held after 1969, UMNO and its coalition partners the Malay Chinese Association (MCA) and Malay Indian Congress (MIC) have secured the two thirds majority in parliament necessary to amend the constitution. Indeed in the eight elections held since 1974 the opposition has rarely gained more than forty seats in a parliament that has ranged from 154 seats in 1974 to 219 seats in 2004. Thus because the, the ruling coalition treats both the election and the constitution as a technical device for the political end of justifying its authority, the election result is a foregone conclusion.

By this technique, UMNO eroded judicial independence, undermined the autonomy of state assemblies and the traditional authority of the Sultanate, whilst increasing the authority of the party in general and the office of Prime Minister in particular. During his long tenure of the Prime Ministership, Mahathir, a commoner with an autocratic disposition, deliberately sought to detach the Malay masses from their feudal attachments. As early as 1971 he accused Tunku Abdul Rahman of playing the 'grand vizier'. In 1983, as Prime Minister, Mahathir succeeded in removing the monarch's power to veto parliamentary bills. Analogously, Mahathir manipulated an internal UMNO crisis in 1988 to sack the Lord President of the Supreme Court and two other judges, a decision that still rankles the legal community. Subsequently, the judiciary became directly accountable to the executive. This, together with the Internal Security Act (ISA) permitting detention without trial and the removal of the jury system during the Emergency period, attenuated the rule of law and the possibility of an impartial trial. In the course of the 1980s, a leading critic of Malaysian corporatism observed that parliament, the judiciary, and royalty had surrendered their power to the UMNO executive 'to which everything else in the country is subservient'.^[7]

Alongside a compelling amalgam of incentives and intimidation, building Malaysia Incorporated also required selective ideological recourse to tradition to reinforce party guidance and the rule of the man of prowess rather than the rule of law. Malay loyalty had to be transferred from the Sultans to the state, whilst Islam was syncretically blended with the requirements of the latest development policy, Vision 2020. Ideological guidance, moreover, suited the newly created, and recently urbanized Malay middle classes. Elite demands for *musyawarah* (consensus) and *muafakat* (cooperation) evoked a positive response from this psychologically and economically dependent new class. State-controlled media reinforced this predilection. The government designed mass mobilization campaigns like *Semarak*^[8] and *Malaysia Boleh* (Malaysia Can Do) to enhance 'social

cohesion’.

The assertion of 'Asian values' in the course of the 1990s offered an additional prophylactic to counter the new external threat posed by 'intolerant' western liberal democrats. Indeed, by 1996, then Deputy Prime Minister Anwar Ibrahim could detect an *Asian Renaissance* that provided a veneer of shared but ill-defined Asianness that glossed over internal and regional differences.

Limitations of the Vision

However, the evolution of Malaysian corporatism evoked a countervailing centrifugalism both at the periphery of the new state and within UMNO itself. The continuing appeal of the Democratic Action Party (DAP) to the Chinese population, particularly in Penang, the *Parti Bersatu Sabah* (PBS) of the Christian Kadazans in East Malaysia, or PAS in underdeveloped and Islamic Northeast Malaysia, all reflect intractable racial and religious cleavages. UMNO considers these attachments an internal threat rather than the basis for political pluralism. It reacts with an Asian recipe of repression mixed with judicious conciliation.[\[9\]](#)

This strategy is most apparent in UMNO's dealings with the Islamic party, PAS. Because of its potential national appeal, UMNO considers the PAS brand of Islam its most serious political threat. In the course of the 1980s, Mahathir sought to define Islamic values in a way that both promoted social cohesion and marginalized Islamic radicalism. The recruitment and rapid rise of Anwar Ibrahim who emerged from a background of Islamic activism into the foreground of an UMNO 'vision team' facilitated this strategy. Depicting PAS as rigidly doctrinaire enabled the UMNO leadership to undermine its national standing. Nevertheless, in state elections held since 1990, PAS has managed (just, by a majority of one seat) to retain its regional control of the government of Kelantan.

The underlying propensity to political fragmentation becomes particularly acute in times of economic stress when elite disagreement at the centre reinforces religious and ethnic tension at the periphery. The events of 1997-99 demonstrated this. The summer of 1998 saw a massive sell off on the Kuala Lumpur Stock Exchange, the collapse of the ringgit and Malaysian business more illiquid than Manhattan during prohibition. The crisis questioned the continuing viability of Malaysia Incorporated in a globalized market place. By early September, differences between Prime Minister and Deputy over how to address the economic crisis exacerbated intergenerational tension over Mahathir's reluctance to relinquish power. Anwar and his advisers saw little alternative but to submit to an IMF-style reform of Malaysia's crony capitalism. They also considered political reform a necessary corollary to economic reform. *Reformasi*, they felt, offered the opportunity to democratize the Malaysian political process and redress the 'mute syndrome' that constipated the body politic.[\[10\]](#)

Following his breach with Mahathir, Anwar and seventeen supporters were detained under the ISA. In November, Anwar underwent a form of trial on a charge of 'abuse of power'. Found guilty by state appointed Chief Justice Paul he received a six year jail sentence. The detention of Anwar prompted popular demonstrations for political reform. In the course of 1998, Anwar's wife, Wan Azizah, formed a new party *Parti Keadilan Nasional* (National Justice) that tried to appeal, across ethnic and religious cleavages, for social justice. At the same time, to promote her message, Wan Azizah joined forces with the ethnic and religious based opposition parties, rendering her appeal somewhat

ambivalent. After his release from prison, Anwar assumed de facto leadership of PKI although he is barred from standing for parliament until April 2008. The election of course will be held in March.

Whilst Anwar's supporters perceived that speculation, speculation and the pursuit of expensive visions like the Multimedia Supercorridor had caused Malaysia's recession, Mahathir saw little wrong with the developmental state. Instead, he maintained, Malaysia had been viciously mugged by global hedge funds. Consequently, the economy required currency controls to prevent capital flight rather than IMF style fiscal and economic reform.

The strategy adopted by the new National Economic Action Council demonstrated both the strengths and weaknesses of Malaysian capitalism. Despite an 8 percent contraction in Malaysian GDP in 1997-98, state-imposed currency stability created the space to address foreign debt without recourse to the IMF. Malaysia looked East for liquidity.[\[11\]](#) Japanese loans together with judicious raids on the state pension fund provided the capital necessary to refloat faltering UMNO linked conglomerates.

Fuelled by a cheap currency, external demand for Malaysian electronics the Malaysian economy rebounded strongly. Its resource riches in natural gas and palm oil saw the ringgit strengthen and the Kuala Lumpur Stock Exchange rise to new heights as foreign direct investment returned to the once ailing tiger after 2002. From 2005, Malaysia posted GDP growth in excess of 6 % and is currently viewed by *The Asia Wall Street Journal* [\[12\]](#) as a safe emerging market in an otherwise troubled global economy. If little else, the Malaysian case demonstrates, that structural weakness notwithstanding, the developmental model could survive the challenges of globalization.

However, despite the financial shock to Mahathirnomics, Malaysia's resource rich economy proved surprisingly resilient. As the economy recovered so too did UMNO's prestige permitting the successful transition from Mahathir to Abdullah Badawi in 2002. Badawi (popularly known as *Pak Lah*) exploited the economic turnaround to reassert UMNO's role as defender of both Malay and Malaysian interests at successive UMNO General Assemblies. Thus UMNO portrays PAS support for the restitution of Islamic law as extremist, whilst their 'unholy alliance' with *Keadilan*, and the Chinese Democratic Action Party (DAP) at general elections threatens 'the sacred' social contract between the communities that Badawi maintains, sustains both growth and social harmony.

Yet it is the terms of this contract and its concentration of power in the hands of a narrow political and business elite that has caused recent consternation - amongst the opposition, amongst the urban Chinese and Indian working classes and even amongst normally quiescent constitutional lawyers. *Hindraf's* attempt to assert Hindu rights against official indifference, notably, the insensitive demolition of a Hindu temple in Shah Alam in November, demonstrates a wider pattern of frustration with the limitations of consociationalism. Thus both Chinese and Indian critics of *Barisan* rule consider their representation by the MCA and MIC essentially token. The appeal of the DAP to the Chinese population particularly in Penang, and now *Hindraf* to alienated Tamils whose marginal socio-economic position has become more apparent since 2002, reflect the enduring character of racial and religious cleavages that the UMNO imposed version of racial harmony has only exacerbated. Indeed, consociationalism together with a globalized media that increasingly facilitates minority identification with a rising India and China has only reinforced ethnic association at the expense of a shared Malaysian identity.

This identification of the minority communities with ethno- religious communities beyond Malaysia together with the limited interaction between the different Malaysian communities given the current

construction of Malaysia's political economy will only increase. The media with its Chinese language channels and the popularly available diet of Bollywood movies only serves to reinforce communal rather than shared Malaysian identifications. Meanwhile, increasingly aware of these threats to Malay cultural dominance, the mood amongst the UMNO rank and file is anxious. At its annual general assemblies UMNO delegates have increasingly emphasised the importance of Malayness. In this context, the live broadcasting on television of the 2006 UMNO General Assembly meeting was a community relations disaster. The melodramatic UMNO youth Chairman, and potential next generation leader of the party, Hishamuddin bin Hussein's ceremonial raising and kissing of the symbolic Malay dagger the *kris* to open the assembly followed by speeches in which delegates outbid each other with their desire to spill their last drop of blood to defend Malay dominance rendered Badawi's claim to be Prime Minister of all Malaysians a trifle hollow. It is not surprising, therefore, that despite the strong economic performance UMNO anxiety about social harmony and the sacred social contract together with minority community concern about their place in a united Malaysia will be widely advertised in the election campaign. It will, also, given UMNO's construction of consociationalism, be the source of, rather than the solution to, increasing interracial tension.

This notwithstanding, the Chinese and Indian middle classes, have powerful economic incentives for supporting the UMNO-led coalition in March. Badawi justifiably presents opposition attacks as conducive to communalism and political instability. Given the fragility of post-independence Malaysian identity, and the uncertain global economic climate, pragmatic single party rule remains central to political order and economic growth.

The difficulty facing UMNO after renewing its mandate in March will be to renegotiate the terms of its fraying social contract, widen the basis for minority participation whilst more forcefully addressing the problem of judicial corruption. It will not be an easy assignment.

About the author

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Endnotes

[1] N. Mahmood and Zakaria Ahmad (ed) *Political Contestation: Case Studies from Asia*. Friedrich Naumann Foundation: Singapore 1990 p.34.

[2] In *The Malay Dilemma* Times Singapore 1989, p.31, Mahathir terms the policy 'constructive protection'. In the course of the 1980s, Mahathir preferred the more politically correct notion of affirmative action. See *The Way Forward* London: Weidenfeld and Nicholson 1998 p.79.

[3] As Badawi again reiterated in a speech to Chinese groups in Penang on Sunday, 17, February "we are 'satu hati (one heart)'" , *The Star* 18 Feb, 2008

[4] Mahathir Mohamad "Problems of Democratic Nation-Building in Malaysia" *Solidarity* 6,10 October 1971 p.15.

[5] "To lubricate and stimulate the economy, the idea of a nation incorporated with all parties...cooperating...appealed to us." Mahathir Mohamad *A New Deal for Asia* Kuala Lumpur: Pelanduk 1999 p.89.

[6] E.T. Gomez *Political business: Corporate Involvement of Malaysian Political Parties* Townsville: James Cook University Press 1994 p.8.

[7] Chandra Muzaffar *The NEP, Development and Alternative Consciousness* Aliran: Penang 1989 p.318. Similarly in 1990, the Association of the Bar of New York found that intimidation of the judiciary, growing restrictions on the freedom of the press and the use of the Internal Security Act (ISA), dating from the Malay Emergency, had curtailed peaceful and legitimate dissent. Report of the Committee on International Human Rights of the Association of the Bar of the City of New York, "The Decline in the Rule of Law in Malaysia and Singapore" *The Record* 46, 1, 1991 p.10.

[8] *Semarak*, the Malay for 'glow' or 'lustre' was also an acronym for *Setia Bersama Rakyat* or 'Loyalty with the People'. See Boo Teik Khoo, *Paradoxes of Mahathirism*, Oxford University Press: Oxford p.303.

[9] To pre-empt what the state deemed an unwarranted escalation in communal tension security forces detained 109 people under the ISA including the leader of the DAP Lim Kit Siang.

[10] Shahnnon Ahmad, *Shit*, PAP Sdn Bhd: Kota Baru, 1999, p.iv.

[11] Malaysia borrowed \$5 billion from the Miyazawa Fund and \$1 billion from the Exim bank, Japan also sponsored the successful launch of a Malaysian government bond in May 1999.

[12] Malaysia beckons as safe haven during emerging markets storm *Asia Wall Street Journal* 18 February 2008.

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