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Abstract	This study uses the history of Malaysian democracy to explore questions about the relationship between changing social structures and Islamic discourses in shaping the prospects for further democratization in the Muslim world. Social and historical factors have created incentives for a less authoritarian and more economically successful political economy than in much of the Muslim world, but Malaysia remains at best a semi-democracy. The primary reason for that is a complex structure of ethnic cleavage and ethnic accommodation. However, as economic pressures have undermined the traditional system of ethnic economic preference, the importance of Islamic politics has been a key intervening variable in preventing the emergence of a more liberal opposition to the ruling political coalition.

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Political Islam and Malaysian Democracy

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This study uses the history of Malaysian democracy to explore questions about the relationship between changing social structures and Islamic discourses in shaping the prospects for further democratization in the Muslim world. Social and historical factors have created incentives for a less authoritarian and more economically successful political economy than in much of the Muslim world, but Malaysia remains at best a semi-democracy. The primary reason for that is a complex structure of ethnic cleavage and ethnic accommodation. However, as economic pressures have undermined the traditional system of ethnic economic preference, the importance of Islamic politics has been a key intervening variable in preventing the emergence of a more liberal opposition to the ruling political coalition. The Islamic opposition party maintains a certain competitive political pressure on government policy but makes any serious political challenge less likely, despite growing commonality of economic interest between the new Malay middle-class and sections of the broader population.

Key words: Malaysia; Islam; democratization; historical materialism; democracy

Malaysia provides a useful testing ground for rival interpretations of the persistence of authoritarian politics in the Muslim world. Islam is increasingly important in Malaysian politics and the Islamic resurgence has had a profound impact on Malaysian society. Malaysia remains some way from being a Western-style liberal democracy. However, the social and economic conditions in Malaysia have produced a different kind of politics to that which exists in the Middle East.

Although there are distinct limits to civil and political rights in Malaysia, the government largely rules on the basis of a broad-based legitimacy, rather than repression. There are regular elections, which create political debate and quite widespread participation. There is a reasonably vibrant civil society, which is able to debate and criticize government policy. There is clear evidence that the ruling coalition has responded to expressions of relative electoral discontent by modifying its policies.

The principal problem is that broadly the *same* coalition has won every election since independence. The ruling coalition has certainly made use of the full benefits of incumbency to maintain power, including control over the media (largely in the form of ownership of broadcasters, rather than direct manipulation of the press), fixing electoral boundaries and occasional arrests of opposition politicians. On the whole, however, elections have been free, if not necessarily fair. Dirty tricks of one kind

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or another have helped to secure ruling coalition dominance but that dominance is generally better explained by a combination of reasonably effective and responsive government and a complex system of inter-ethnic relationships that has divided the opposition.¹

Nonetheless, from the 1980s onwards, there have been signs of growing authoritarianism. The 1990s also saw increasing resort to patronage politics. In the wake of the Asian financial crisis in 1997 there were unprecedented levels of political protest and the ruling coalition performed extremely badly in the 1999 elections. At the time, some western commentators saw this as a liberal reaction to growing authoritarianism and corruption. Later, concerns grew at the increasing Islamization of Malaysian politics. The apparent contradiction between these two ways of seeing the aftermath of the crisis presents us with revealing information about the nature of Malaysian politics and the conceptual tools that need to be employed if we are to understand it.

Writers from a broadly Marxist tradition of historical sociology have taken issue with arguments about the cultural exceptionalism of the Islamic world, arguing that political Islam is surprisingly malleable and can adapt itself to a variety of political programmes. If we are to understand the persistence of authoritarian politics, we should look at the development of peripheral capitalism and the ways historical factors have shaped class formation.² This writer broadly shares this approach. The ruling party's tendency towards narrow authoritarian patronage, combined with the changing class structure in Malaysia, points towards greater pressure for liberalization.

Although political Islam is highly malleable, it is not infinitely so. Particular historical conditions may provide incentives to appeal to Islam as part of political legitimization and mobilization. Once that choice has been made, claims to Islamic authority, if they are to be credible, need to be supported by some recognizable form of Islamic rhetoric and practice. Islam is certainly not destiny but it is also not wholly irrelevant. In particular, although Islam is not incompatible with political competition, there is a strong temptation to legislate for religious conduct in a way that does not sit comfortably with liberalism.³ At least in the Malaysian context, Islamism has been more problematic for liberal personal freedoms (mainly for the Malay population) than it has been for debate over 'public' policy. For reasons explored below, the most significant opposition to dominance by the *Barisan Nasional* (National Front) has come from an Islamist opposition party. That creates genuine political competition but not necessarily of a liberal kind. There are conceptions of Islam that do not require this kind of public moral legislation, but Malaysian politicians are not wholly free to choose what constitutes 'Islam'. Islamic authority is increasingly contested at a global level so that conceptions of Islamic practice in one part of the world influence Muslims elsewhere. An Islamic political idiom creates the need to maintain Islamic authority, which cannot be done in total isolation from broader traditions of Islamic thought and practice.

This analysis draws out the relationships between the broad historical sociology underpinning the practice of Malaysian politics, on one hand, and the ways in which themes of Islamic 'resurgence' have been adopted in Malaysia on the other hand. It begins with a general introduction to the factors that have made

post-independence Malaysian political conditions considerably different from those in the rest of the Muslim world. It then looks at the place of specifically Islamic politics within that framework.

Post-independence Politics in Malaysia

Malaysian politics has been profoundly shaped by the ethnic makeup of the country. At independence, Malays made up just over 50 per cent of the population. The remainder were descendents of Indian (20 per cent) and Chinese immigrants (30 per cent) brought to Malaya by the British to work on the plantations and tin mines (respectively). Not only was Malaysia divided ethnically, but ethnic differences also translated into economic segregation. Most Malays were either peasant farmers or an aristocratic elite trained for the civil service by the British. The Indian population remained largely based in rural plantations. The Chinese, however, had diversified to urban economic occupations, particularly medium-scale trade and accounted for a very large proportion of domestically owned industry.⁴

The political settlement at independence was broadly that the Malays would maintain political dominance because of their 'special' position as the original inhabitants of the Malay Peninsula. The Malays were politically strong but economically weak, while the Chinese were economically strong but politically marginalized. The Malays would use their political dominance to advance the interests of the economically disadvantaged Malay population but would do so in a way that did not threaten Chinese business interests too directly in the process, as they were reliant on the dynamism of Chinese capital to create the resources required for Malay betterment. The political correlate of this arrangement was a coalition of conservative, ethnic-based, political parties (the Alliance) representing different ethnic groups but led by UMNO (the United Malays National Organization).⁵ In class terms, it represented an alliance of civil service Malay bureaucrats with an emergent Chinese bourgeoisie.

The conservative character of the coalition was reflected in early economic policy, which was predominantly *laissez-faire*. Although some attempts were made to benefit the Malays directly, the general result was increasing intra-ethnic inequality with few tangible benefits accruing to the broader population. Growing popular disillusionment with the Alliance led to a disastrous election result in 1969 followed by an outbreak of inter-racial violence, which continues to be an extraordinarily important moment in shaping Malaysian politics. The political response to this outbreak of violence was to broaden the governing coalition to form the *Barisan Nasional* (BN), and to adopt a far more assertively pro-Malay economic policy under the banner of the NEP (New Economic Policy). The inter-ethnic alliance that formed the government became a self-consciously consociational form of government, which claimed legitimacy on the basis that only it could hold the nation together.⁶

The NEP aimed to restructure the Malaysian economy to remove the identity between race and economic activity and to increase the Malay share of ownership in the economy to 30 per cent (from about 2.4 per cent in 1970).⁷ It was essentially an attempt to create a Malay middle (and also industrial working) class. This

economic endeavour became the centrepiece of BN policy. To achieve its goals, the government began to play a much larger role in the economy than it had in the past both through state-owned enterprises and the acquisition of shares to be held on trust for the *bumiputera* (indigenous Malay) community. Regulations were introduced to pressure companies into employing Malays and selling artificially cheap shares to them to satisfy ownership quotas. Education quotas and employment quotas in the public service were also important. Although NEP targets were not entirely met, by 1995 *bumiputera* ownership of shares had increased to 20.6 per cent. Poverty reduction was also impressive, although it resulted from broader-based growth rather than redistribution.⁸

Whether or not this programme of inter-ethnic economic redistribution under broadly consociational arrangements should be seen as a success, overall, is a hotly contested issue. The events of 1969 have certainly not been repeated and there was little communal violence even during the economic crisis of 1997–98.⁹ However, there has been a price to pay.

In terms of political economy, the imperative of Malay accumulation has obstructed a fuller liberal separation of political and economic power. The state has self-consciously taken on the role of promoter of Malay interests and that has enshrined the continuing importance of patronage within Malay politics. The emergent Malay middle-class is still heavily dependent on the state and does not, therefore, constitute the counterweight to state power envisaged in liberal theory.

Although the fruits of patronage have been spread fairly widely, the emphasis has been on the ownership of capital (rather than redistribution of income) and that has become increasingly transparent over time. Particularly since the rise of privatization in the 1990s, the focus has primarily been the production of a class of politically well-connected Malay millionaires, who would symbolize Malay prosperity and power, at the expense of a broader programme of promoting economic equity. The pace of redistribution has slowed dramatically since the early 1980s, with only 1.3 per cent being transferred between 1990 and 1995. Part of the background to the events of 1999 is the tendency for UMNO to directly benefit a narrowing range of elite economic actors.¹⁰

Redistributive policy has never had free rein, however. Malay economic power has continued to be overshadowed by Chinese and foreign-owned capital. The broader imperatives of accumulation have prevented the state from pursuing too aggressive a policy of dispossession and Malay accumulation has had to be funded, as far as possible, through broader economic growth.¹¹ Indeed, a broader ideology of Malaysian (as opposed to simply Malay) national development and modernization has been central to the legitimation of BN leadership.¹² UMNO sees itself first and foremost as protector of the Malays but it also claims to be the engine of Malaysian modernization and development. Although the Chinese population has little direct power within the electoral system, it does have a certain structural power, given its ongoing economic supremacy.

The political underpinnings of the state, then, have provided strong incentives to foster the creation of a national (Malay) bourgeoisie. Industrial growth has been quite strong and Malaysia is currently a middle-income country with a per capita Gross

Domestic Product (GDP) of US\$9,512.¹³ However, modernization theorists' expectations of a concomitant move to liberal democracy have not been fulfilled entirely.

The NEP programme has ensured that ethnicity has been the defining principle of economic policy. As a result, it has also remained the key axis of political identity and representation. The middle-class has been divided along ethnic lines, with the Malays heavily dependent on the state and the Chinese too politically vulnerable to take power. Voters have essentially had to choose between accepting the BN agenda or registering protest by voting for the alternative ethnic parties. The BN's claim to offer an ethnically moderate coalition of political parties has made it difficult to organize an opposition coalition since the obvious platform is to be 'more ethnic' than the relevant BN party – and therefore further apart from the other opposition parties. So, the principal Malay opposition is PAS (*Parti Islam SeMalaysia*), which has oscillated between Malay nationalism and Islamism. The principal Chinese opposition party is that DAP (Democratic Action Party), which campaigns on traditional liberal policies but is perceived as Chinese chauvinist, as these undermine the NEP. These parties inevitably find it very difficult to forge a united opposition but there is widespread acceptance that no single-ethnicity party could govern Malaysia legitimately. That is the key to the continuity of BN power.

Within that framework, there is some movement and responsiveness. Analysts of Malaysian politics have described the system as a 'repressive-responsive regime',¹⁴ or a 'syncretic state'.¹⁵ Malaysian politics does not function like a Western democracy but it is responsive to certain kinds of political pressure. Responses take place through negotiation within the central coalition and through moving government policy in response to discontent (it is 'syncretic' in that debate is largely incorporated within the ruling coalition), rather than through a change of government.

The landmark changes of 1969 show how the ruling coalition has been willing to coopt opposition agendas (in this case PAS economic nationalism) and even whole political parties at times (although, as we will see, that was less successful in PAS's case). The core ethnic coalition has avoided any change of power since independence, but it has been possible to articulate political opposition. The BN has sometimes pursued repressive strategies to outlaw particularly threatening or 'extreme' positions (especially anything that threatens the core system of ethnic accommodation), but it has also been willing to diffuse political controversy by responding to opposition initiatives.

Malaysian authoritarianism is not as pronounced as its Middle Eastern counterparts. The governing party has had strong incentives to produce a significant middle-class (to provide a Malay counterweight to Chinese economic power) and has been quite successful in its attempts to do so. Political mobilization on the basis of religion has had a different character from that in the Middle East and has been easier to harness to a capitalist modernizing project. Ethnic differences, however, have prevented a full separation between state and class interests so the state has never approximated very closely to a liberal democratic ideal. Ethnic cleavages have undermined popular opposition to an elite-based political system. However, Chinese economic power places limits on state power and forces a certain degree of responsiveness to non-Malay interests.

Recent changes in the political economy of Malaysia have put the system under some stress, as the ruling party has narrowed the distribution of pro-Malay policies and resorted to increasingly transparent patronage and authoritarianism. There are some formal similarities with what Hinnebusch (in this issue) describes as post-populist authoritarianism in the Middle East. However, the situation in Malaysia is easier because it is not the end-point of the same historical process. There is not the same degree of reaction against secular modernizing leaders (who did a better job of serving the population at large), industrialization has progressed further and more successful economic policy has not created the same levels of distrust from international investors.

Islamic Politics in Malaysia

Islamic politics in Malaysia is largely intra-Malay politics. Malay identity is defined constitutionally partly in relation to Islam and non-Malay Muslims are very much a minority group.¹⁶ Effectively, then, Islamic politics is about competition between UMNO and PAS. However, UMNO's position at the head of the ruling coalition and the fact that no one can imagine a legitimate government without the presence of a Malay party means that this competition is central to the shape of Malaysian politics. Any foreseeable government will be led by one party or the other.

Competition between the two parties is shaped by the broader structure of Malaysian politics, reviewed in the previous section. In a sense, the dynamic is a familiar one of two parties attempting to capture the electoral middle-ground. In Malaysia, however, this process is complicated by the fact that political cleavages take place on more than one axis and the different dimensions do not line up easily. At one level competition is over a more or less all-embracing conception of Islam. At the same time, a vote for PAS is the obvious way for Malays to express any kind of political grievance with the way the governing coalition is operating.

In particular, UMNO–PAS rivalry has tended to operate around two relatively constant pairings. UMNO has combined 'moderate Islam' with a brand of authoritarian Malay populism that held out the promise of a particular share for the Malays as a whole in the country's broader industrialization and development. PAS has paired a more demanding, or certainly more public and political, Islamic piety with a more locally confined grass-roots populism focusing, particularly, on poorer rural Malays (in areas such as Kelantan and Terengganu in the Northeast) and new arrivals in the cities, who still have strong connections with those rural roots.

Although there is a constant core differentiation between the two parties, which revolves around a broadly elite–mass, rural–urban and more–less radical Islamism, there is also space for a certain amount of repositioning between the two in response to circumstances and electoral performance.

The challenge for UMNO is to reconcile its claim to be the champion of the Malays with the fact that its political strength comes from articulating an agenda that remains compatible with inter-ethnic coalition politics and (in particular) is not too threatening to Chinese capitalism. The close identification between Islam and Malay identity means that a 'more Islamic' PAS agenda can be problematic.

UMNO is forced to choose between repressive responses that risk further damaging its Malay support and accommodation of a more explicitly Islamic (or alternatively nationalist) kind that may alienate the non-Malay population.

As an opposition party, the challenge for PAS is to maintain support by showing that it continues to exercise influence in Malaysian politics. On one hand, that involves articulating an agenda that appeals to its core membership in the Northeast of the country, ensuring its continued control over at least one Malay state. On the other hand, there is a risk that a purely rural base will lay it open to allegations of a traditional and backward agenda, something particularly dangerous in the Malaysian political milieu. It therefore also involves trying to reach out to a broader segment of the Malay population, putting pressure on UMNO to be responsive to its agenda at the national level.

These broad strategic objectives can be met in different ways at different times depending on both the behaviour of the other party and the domestic political and socio-economic environment at the time.

Islamic Resurgence and Malay Politics

With that background in place we can return to the main task, which is to explore the dynamics that have driven change and continuity in post-colonial Malaysian politics. This can be achieved through a chronological overview of PAS-UMNO competition.

What we see in the first period is primarily an illustration of the malleability of political Islam in the face of particular social and political conditions. UMNO was able to coopt aspects of the Islamic resurgence that many thought more naturally favoured PAS. In the second period, we see some of the limits to that malleability. This time, political and social conditions had changed in ways that should have made it easier for PAS to capitalize on growing discontent with UMNO. Although it did gain politically in 1999, reluctance to change party ideology meant those gains were reversed in 2004.

From Independence to the 1980s

Before 1969, PAS's programme was essentially one of left-wing populist Malay economic nationalism, expressed through an Islamic idiom. That was particularly clear under Dr Burhanuddin al-Helmi, who presided over the most dynamic phase in PAS's early years and (as well as being a religious leader) had previously been head of the Malay nationalist PKMM (*Parti Kebangsaan Melayu Malaya* or Malaya Malay National Party). It is important to note that PAS was a political party before it was an Islamist movement and, indeed, before the current wave of political Islam took off in the 1970s. The party has therefore never had the kinds of theological debates about the merits of participating in democratic processes that have taken place in Islamic movements elsewhere.

The growth of a more centrally Islamic PAS agenda came in response to later events. The formation of the *Barisan Nasional* in the wake of the 1969 riots and UMNO's move to a much more assertively nationalist agenda significantly

undermined the possibilities for political differentiation in the economic nationalist terms PAS had previously relied on. Even then, PAS leadership initially responded, after much soul-searching and some theological argument, by joining the BN in the early 1970s in the belief that it could best advance its Malay-Islamist agenda from within the political establishment.

It was only in the aftermath of the 1969 riots that the Islamic resurgence (or, locally, *dakwah*) movement began to make its mark in Malaysia. The movement was brought to Malaysia through a combination of contacts made on *Haj* (the annual religious pilgrimage to Mecca) and the influence of Malay students who had come into contact with the teachings of thinkers such as Qutb and Mawdudi while studying overseas. Rapid rural–urban migration and social mobility in the context of expanding urban opportunities for the traditionally rural Malay population provided fertile ground for the spread of the movement in the early 1970s. Increasing anxiety about the ability to forge a coherent modern, urban, Malay identity in the face of perceived vulnerability to Chinese dominance has also been identified as a key factor in the shape the movement took.¹⁷

Officially at least, the *dakwah* movement was largely apolitical. However, some groups, particularly ABIM (Angkatan Belia Islam Malaysia or Malaysian Islamic Youth Movement), were keen to press an Islamic position in public policy debates. In any case, it was clear to all that the resurgence movement promised significant political gains for PAS. Most obviously, PAS already defined itself as an Islamic party, emphasizing a holistic conception of Islam as a *Deen* (a way of life).

In addition, many of the key themes of the resurgence chimed well with the political interests of PAS traditional supporters. Traditionally, PAS's political strength has come from maintaining strong contact with the rural grass-roots.¹⁸ Islamist movements have sought to challenge elitist models of capitalist development, arguing that they are too materialistic and fail to deliver the kind of social justice Islam demands.¹⁹ Emphasis on Islamic jurisprudence also has popular potential. Islamic courts in Malaysia have historically been relatively good at dealing with local issues, particularly family law, in a quick and informal fashion.²⁰

In the early 1970s, PAS continuing membership of the BN limited the extent to which it could capitalize on the political potential inherent in the resurgence movement. It was also suffering from leadership problems, which eventually came to a head during disputes with UMNO over PAS's political leadership in Kelantan towards the end of 1977.²¹ PAS left the BN and Mohammad Asri was replaced by Haji Yusuf Rawi, who was supported by a group of far more radical figures.

UMNO's response to the resurgence also began slowly during the 1970s, although there were moves to coopt and control Islamic discourse from the start. A government Islamic Research Institute was established in 1971 followed by a National *Dakwah* Foundation (1974) and the National *Fatwah* Council (1978), which operated out of the Prime Minister's office.²²

It was only in the 1980s, however, that overtly political struggles for Islamic authority began to emerge. Islamic issues had become increasingly important to UMNO in the late 1970s, partly because of changing public sentiment and partly because the resurgence had influenced UMNO politicians themselves. It was when

Mahathir Mohamad was elected as party leader in 1982 that UMNO began to develop a coherent response to the resurgence.

Ideologically, Mahathir was keen to promote a vision of a progressive Malaysian Islam that married with his broader political programme. As we saw above, the logic of NEP policy was to provide economic opportunities for Malays within a broader drive towards national industrialization and growth. It was about promoting policies that would benefit all but would also particularly benefit the Malays. Mahathir had long argued that the Malays were economically and socially backward and needed special assistance to take part in Malaysian modernization.

Mahathir has wedded this stress on Malay modernization to a particular Islamic vision, which Khoo Boo Teik has summarized in terms of 'the power of learning, the quality of thrift, and, above all, the dignity of work'.²³ Islam's greatness can be re-established only if Muslims regain their lead in technology, skills and military prowess. The danger is that Muslims devote too much time to backward tradition and pointless spirituality: '*Allah Subhanahu Wataala* does not change the fate of a society unless they make an effort to change it for themselves'.²⁴ Islam will not become great purely through prayer or Koran learning.

This conception of Islam clearly struck a chord with elements of the new urban Malay middle-class. Patricia Sloane provides a useful account of the connections between religion and entrepreneurial activity among upwardly mobile Malays. She found that making money was seen as partly a socially valuable activity in which one's own success provided opportunities to extend success to one's fellow Muslims, raising the status and importance of Islam. It was also clear that material success was seen as a sign of having found favour with Allah.²⁵

PAS have tended to argue that this Islamic work-ethic approach is really only lip-service to Islamic ideas. However, UMNO's 'Islam' has not solely been a thinly veiled attempt to encourage values favouring economic accumulation. Spiritual and symbolic matters have also been important. UMNO has been keen to encourage the use of Islamic terminology and salutations, the building of Islamic complexes, international conferences, research institutes, Islamic programmes on radio and television. It is not that spiritual concerns are irrelevant, more that they need to be compatible with Malaysian modernity, particularly in the drive for economic modernization.

To combat any further doubts about the authenticity of its approach, UMNO was keen to emphasize the international recognition it received from other Islamic countries through the Organization of Islamic Conferences (OIC).

Muslim countries throughout the world recognise Malaysia has one of the leading Muslim countries which champion the Islamic cause but only PAS does not want to accept this fact. Countries like Egypt, Saudi Arabia, Kuwait, Iran and those Muslim countries in Africa, had confidence in Malaysia that it would continue to be known in the world as a Muslim country which could achieve more progress according to the principles of Islam.²⁶

That recognition meshed with more concrete policy achievements during the 1980s. Malaysia managed to set up an International Islamic University with support from the OIC. The University and various government-sponsored think-tanks were used to

attract foreign speakers that could lend authority to UMNO's approach. There was also a noticeable shift in foreign policy (although, again, this may have been at least partly symbolic), designed to secure Islamic authority through associations with the wider Islamic world.²⁷

The government also pursued a range of domestic policy measures as part of its Islamic agenda. It set up an Islamic bank and instituted a very thorough set of Islamic financial legislation. It embarked on a programme of updating and extending the Islamic legal system, a process which included a greater willingness to introduce criminal penalties for religious offences, such as alcohol consumption or not fasting during Ramadan.²⁸

An extremely important indication of the credibility of UMNO's Islamic programmes was the success in persuading Anwar Ibrahim, the leader of one of the foremost resurgence groups, to join the party in 1982. That was a political coup that surprised almost everyone in Malaysia and also helped to consolidate UMNO's growing concern with Islamic issues.

PAS's early response to the resurgence movement was less successful in gaining political support. The new leaders that emerged after the party's departure from the BN coalition were from a younger generation, influenced by the *dakwah* movement and the broader radicalism of international Islamism that surrounded the Iranian revolution. Emphasis shifted away from the party's traditional grass-roots agenda and towards 'Islamic' forms of governance.

Internally, the party constitution was amended in 1983 to set up a 15 member Ulama Consultative Council (*majilis syura ulama*) which would scrutinize policy to ensure its compatibility with Islam. Debate with UMNO on Islamic matters took on a much more confrontational tone with both sides calling one another *kafir* (infidel) and some PAS figures declaring a *jihād* (religious struggle) against UMNO. PAS also took on a more pan-Islamic rhetoric in which Malay preference should take a back seat to broader concerns with social justice. The party as a whole continued to favour a democratic route to power but there was also a minority fringe with more revolutionary ideas. The 1986 election campaign, fought on the basis of a radical Islamic appeal and the promise to implement *hudud* (the Islamic criminal code) if it came to power, produced the party's least successful election result ever.

Responding to Resurgence

The 1970s and 1980s, then, saw a notable increase in the significance of Islamic issues in Malaysian politics. Islam became a particularly important part of Malay identity and could not be ignored in attempts to attract Malay votes. The structure of Malaysia's syncretic state, in which there are limited incentives to respond to voter preference to maintain overall regime legitimacy, meant that UMNO had to respond to changed conditions. To that extent ideas that evolved outside Malaysia, in the Middle East and South Asia, had a powerful impact on the construction of domestic political and Islamic authority.

However, UMNO was able to respond proactively and did not simply adapt itself to new conceptions of Islam. The party was surprisingly successful in combining

appeals to Islamic and material interests in a way that helped to it to maintain the support of many Malays who had been influenced by resurgence ideas. It provided a vision of a future Malay identity that was modern, materially successful and assertively Muslim, something that was key in maintaining the support of the emergent Malay middle class. That may have been easier in the Malaysian context than elsewhere in the Muslim world. The 1970s and 1980s were a time of rapid economic growth in Malaysia and it was relatively easy to provide economic and political opportunities for the upwardly mobile bearers of Islamist discourse. The high growth rate also meant that could be accomplished without alienating broader Malaysian society because, even after redistribution, there was enough growth to ensure that living standards kept rising. Resurgent Islam could be wedded in a positive way to the state modernizing project, rather than being left to become of a focus of opposition in the lower echelons of Malaysia society.

UMNO's response to changing conceptions of appropriate Islamic authority and practice was not solely one of cooption, however, the party also had to change in order to maintain its authority. Indeed, some of PAS's electoral difficulties in this period can be seen to spring from the extent to which UMNO adopted large parts of what might have been seen as a naturally PAS agenda. That happened first in 1969 with the adoption of a more assertive Malay economic nationalism and later in the 1980s as UMNO became more involved in promoting Islam. Electoral failure in Malaysia's 'syncretic state', then, may not necessarily imply a total lack of political influence. The resurgence provided a wider audience for PAS criticism of UMNO policy on religious grounds and meant it presented more of a threat to the government. UMNO's proactive response, however, meant that it could maintain its core identity in the face of these challenges through a carefully calculated response that allowed it to enhance its Islamic authority without fundamentally changing its political programme and support base.

PAS's role as opposition party in a system that has been heavily dominated by the BN coalition tended to leave it fighting to carve out a political space that would differentiate its opposition from UMNO's position. In the face of UMNO's capture of the Islamic and Malay nationalist agendas, PAS was forced into a relatively extreme conception of political Islam that seemed to command little support outside the traditional Islamic heartland of the Northeast, which had been marginalized by the broader modernizing project. It struggled to extend its support into the rapidly expanding urban context, limiting its political potential. An ideological scepticism of Malay economic preference as a form of *assabiyah*²⁹ that was at odds with its modernizing 'pure' Islam left it with a political programme that was unlikely to be successful under the social conditions obtaining in Malaysia in the early 1980s.

Overall, the situation in Malaysia provides a marked contrast to much of the middle East, where Islamic radicalism has built on the failures of authoritarian secular modernizing regimes.³⁰ Relatively good governance in Malaysia (rapid poverty reduction, expanding employment opportunities for Malays and so on) has undermined popular support for a more radical agenda within PAS or for the kinds of social movements that might support more violent opposition.

Islamist ideas originating outside Malaysia, therefore, had a powerful political impact. However, their effects were mediated through the political system in a way that emphasized some aspects of the Islamist agenda over others. UMNO managed to channel the resurgence largely into issues of personal morality and private religious observance, with only a limited political expression in support of those goals. Its vision was appealing to a relatively affluent new middle-class in Malaysia. UMNO's success owed a good deal to the political confidence that came from a rapidly growing economy.

'Democratizing Islam' in the 1990s?

During the 1990s there was a 'democratic turn' in the discourses of Islamist parties throughout the Muslim world. Concepts of consultation (*shura*), consensus (*ijma'*) and interpretation (*ijtihad*) that had always been present in traditions of Islamic governance came to be emphasized by a range of Islamist groups across the Muslim world.³¹ As with the resurgence itself, the way this trend manifested itself in Malaysia was shaped by domestic political conditions.

As we saw, the radicalization of the 1980s had created electoral problems for PAS. By the late 1980s, in contrast, an economic recession was creating rifts within UMNO and new ethnic tensions. Both these problems were dealt with in an authoritarian fashion. That began to provide PAS with new political opportunities to grasp some of the support it had failed to capture among the urban lower middle class. However, although some within PAS have been willing to shift towards a conception of their Islamic programme that is compatible with these new opportunities, others have been more reluctant, limiting the party's ability to capitalize on social changes. Islam may be politically malleable in the medium to long term. In the short term, however, the politics of intra-party religious authority and the importance of a vision of a pure, timeless, Islam both make rapid changes in response to political circumstances difficult.

Narrowing Support for UMNO

Developments in the global economy put growing pressure on the forms of economic nationalism that had been connected with Malay preference in the 1970s and 1980s. A serious recession in the late 1980s created a shift in BN economic policy during the 1990s, which narrowed the range of Malays directly benefiting from state policy. The BN reacted to the recession with its own brand of privatization, which included both selling off state-owned industries and shifting to private procurement for many state infrastructure projects. Rather than offering competitive tenders, privatization was harnessed to Mahathir's project of promoting a class of high-profile Malay 'entrepreneurs'. Contracts were awarded and companies sold off to a fairly narrow range of (mostly but not exclusively) Malay-owned conglomerates with good political connections, blurring further the already hazy boundaries between politics and economics in Malaysia. Whether or not one is inclined to accept Mahathir's claim that this concentration of wealth was a rational attempt to channel resources to competent operators ('those who come to us with good ideas' as Mahathir put it) it certainly represented a

narrowing of the scope of NEP redistribution in a period of growing economic inequality.³²

The BN had always been an elite coalition, tending to exclude labour, in particular, from Malaysian politics. However, policy in the late 1990s was particularly difficult to see in terms of a broad-based Malay preference: it began to undermine the credibility of the populist side of BN rhetoric. This narrowing of policy began to create space for a united opposition economic platform.

At the same time, economic pressures created political pressures. External to UMNO, there was a new round of ethnic tension. The most visible trigger was debates about the school system (always a sensitive issue in Malaysia). UMNO dealt with the unease this created and with growing tensions within the party through a mass arrest of opposition politicians and NGO activists under the Internal Security Act (Operation *Lalang*).³³

Perhaps more significantly, external tensions were also creating problems within UMNO itself, culminating in the party splitting in two in 1987. The split was intimately connected with changing economic policy. The core issue was rivalry over the consequences of changed policy for access to power and patronage. One group, headed by Mahathir, favoured a more market-based approach to economic recovery in which Malay preference would be confined to helping a few chosen entrepreneurs with privatization opportunities. The other group, representing smaller Malay businesses and middle-ranking bureaucrats, favoured greater continuity.³⁴ The split altered the shape of Malaysian politics temporarily. It also resulted in a high profile court battle, during which Mahathir dismissed several supreme court judges, undermining judicial independence significantly.

Overall, UMNO's economic liberalization was threatening policies that lent credibility to its claims to look after the economic interests of the population in general, and the entire Malay community in particular. The narrowing of economic policy and the authoritarian turn that accompanied it began to create the conditions for a more democracy-centred opposition. The UMNO split also provided PAS with the potential to form an opposition political coalition, something that had previously proved difficult given the tendency for opposition parties to compete by adopting a more extreme communal agenda than their BN counterpart. PAS formed an electoral pact with the UMNO offshoot, *Semangat '46*, to fight for seats in the Northern Malay heartland.

Although it was not possible to forge a direct relationship between PAS and non Malay-based parties (primarily because of DAP opposition to Islamization of Malaysian politics), *Semangat* did also form a second separate pact with the DAP to fight for urban areas. The pacts were difficult to hold together because, although some attempt had been made to form a common platform revolving around issues of clean government, social justice and democratization, grass-roots activists tended to revert to ethnic-based slogans and campaigning that highlighted the differences within the fragile coalition.³⁵ PAS performed relatively well electorally, recovering from its 1986 losses, but the pacts eventually fell apart before the 1995 election, which saw a landslide victory for UMNO, in a context of economic recovery. Despite their fairly rapid decline, the more ambitious opposition politics that

these coalitions represented continued as a source of potential inspiration to PAS during the late 1990s under the more moderate leadership of Fadzil Noor.

The 1998 Crisis

There are two ways in which one might interpret the events of the late 1980s. One view is that they simply show that the Malaysian state ultimately draws its legitimacy from economic performance. When that performance falters, as it did in the late 1980s recession, political legitimacy suffers, only to be re-established when the economy picks up. Alternatively, one might argue that something more significant is going on: that gradual changes in the Malaysian political economy are pushing Malaysia towards a more narrowly based, crony, state-capitalist alliance, on one hand, and a broadly based popular alliance on the other hand.³⁶ The fact that the next round of political tension took place in the context of financial crisis points to the first view, while the significance of opposition coalition formation on an anti-authoritarian platform points to the second.

The proximate trigger for political crisis in 1998 was Anwar Ibrahim's dismissal from UMNO and imprisonment on charges of sodomy and corruption at the height of the Asian financial crisis. The news was met with a wave of political protest under the banner of *reformasi*. The *reformasi* movement seems to have been driven by a range of complaints. For some, the Anwar affair was the last straw in a growing string of authoritarian abuses on the part of the ruling party. For others Anwar's dismissal was about his willingness to stand up to corruption and elite favouritism in the context of financial crisis. Finally, it was also a deeply insulting and distasteful attack on one of Malaysia's highest profile Islamic figures.

In the current context what matters is that PAS's more democratic agenda, developed during the 1990s, had laid the groundwork for a broad-based electoral coalition – including PAS, DAP, *Keadilan* (literally 'justice', a party formed by Anwar's wife in the wake of his arrest) and *Parti Rakyat Malaysia* (Malaysian People's Party) – that came together on the back of the *reformasi* protests to fight the 1999 elections as the *Barisan Alternatif* (Alternative Front). The *Barisan Alternatif* manifesto emphasized a broadly liberal agenda of human rights, justice, clean government and a restoration of Malaysian democracy.

In the end it was PAS that reaped most of the gains from the alliance. Most analysts estimate that PAS received 60 per cent of the Malay vote. It consolidated its hold in Kelantan and took the state of Terengganu – a performance that it had not equalled since the 1960s. At the same time, the party's membership expanded rapidly, doubling from 400,000 to 800,000 between 1998 and 2002. *Keadilan* collected a modest number of parliamentary seats but, if anything, the liberal DAP performed worse than usual.³⁷

So far, we seem to be seeing an extension of a trend in which PAS responds to political incentives and social changes which give it an opportunity to become a liberalizing force within Malay politics, albeit with an Islamic flavour. PAS's new membership was drawn from a different social background to its core support in the Northeast of the country. It consisted of what one might see as a younger new middle class of Malays from the urban areas, concerned about human rights,

authoritarianism and corruption.³⁸ One might see the democratic turn in PAS's rhetoric as a pragmatic liberal compromise that enabled the party to capitalize on the liberal resentment behind the *reformasi* agenda and facilitated compromise with a broader inter-ethnic coalition.

However, the election victory also created much more difficult issues than one would read off from that kind of narrative of social change. For some within PAS itself, *reformasi* was always about Islam as well as political reform. Indeed, many would dispute the distinction, arguing that the values of justice and fairness are inherently Islamic values. From that point of view, electoral success was a victory for Islamic values and an endorsement of PAS's identity as Malaysia's only truly Islamic party. In other words, victory may have been evidence of growing political competition within the Malaysian system but that did not necessarily point to a linear move towards liberalism.

Instead, success created difficult electoral and theological questions about the appropriate policy for consolidating and building on electoral success. For some the message was about the importance of emphasizing the aspects of PAS's Islamic vision that had a broader (liberal) appeal. For others, however, victory provided a platform from which to push ahead in outlining a concrete vision for a Malaysian Islamic state.

PAS's electoral success also left difficult choices for UMNO. The 1999 election victory was still quite comfortable in terms of seats. However, it seriously damaged UMNO's claims to head the BN on the basis that it represented the majority Malay population. Essentially the same question of interpretation troubled UMNO's response. Was PAS's electoral victory about liberal good governance or a surge in Islamic piety instead? Should UMNO try to rehabilitate its Islamic credentials or should it look to more material or political responses? Could responses be found that didn't alienate UMNO's electoral support in the non-Malay community?

UMNO's early responses were heavily Malay-directed, at the risk of playing into the hands of the liberal opposition. There were attacks on *Suqiu*, a Chinese educational movement, and (probably largely rhetorical) calls for *Keadilan* and PAS to hold talks on 'Malay unity'.³⁹ Elements in UMNO, particularly at state level, also tried to radicalize the party's Islamic agenda. The Johor state government began to prosecute offences that were 'crimes' according to the *sharia* but not according to the national criminal justice system. Perlis also introduced legislation criminalizing apostasy, although central party leadership did not seem to support either of these moves.⁴⁰

UMNO launched a concerted attack on PAS. The government of Terengganu was deprived of oil revenues that had previously been administered by the UMNO administration. Public political rallies were banned (a key means for PAS to communicate to its constituents). The government replaced elected mosque committees in Selangor and stepped up enforcement of its ban on distribution of the PAS newspaper *Harakah* to non-party members. Attempts were also made to link PAS with a somewhat mysterious arms heist in Perak in March 2001 by a local *silat* (Malay martial arts) group called al-Ma'unah.⁴¹

By 2001, there were few signs that this agenda was winning back Malay support. Many Malays felt the oil issue had been deeply unfair and there was widespread suspicion of the government's account of the al-Ma'unah affair, even in the mainstream press.

In the wake of the terrorist events of 11 September 2001, the choice became much easier for UMNO, which switched to a strategy of demonizing PAS as dangerous extremists. The most graphic example being a 'public information broadcast' screened during a by-election in Perlis, which showed pictures of the PAS president juxtaposed with a graphic scene of a woman in a burkah being executed by Taliban gunmen.⁴² A number of arrests of PAS activists also took place under the guise of a crack-down on terrorism in the Southeast Asian region. There is some evidence that very small numbers of Islamic terrorists have been organizing in Malaysia. At the same time, the use of 'security' to justify arrests of opposition political activists has a long history in Malaysia and one should therefore be wary of drawing any link between government statements, or numbers of arrests and prevalence of actual terrorist activity. The 'war on terror' has, unintentionally, become a convenient tool for UMNO in its attempts to suppress and demonize legitimate opposition.⁴³ Mahathir coupled this approach with attempts to push PAS towards the more radical end of its spectrum, by declaring that Malaysia was already an Islamic state and challenging PAS to set out clearly what it would do differently.

PAS sent mixed messages about which direction the party would go following its electoral success. Party leaders associated with the new membership (dubbed PAS *baru* – new PAS by sections of the Malaysian media) emphasized the democratic aspects of PAS agenda. For this group, Islamic governance should be seen as a way of perfecting democracy. So, for example, PAS Secretary General Nasharudin bin Mat Isa, has argued that 'not only will PAS not abolish [the parliamentary system in Malaysia], but on the other hand, will be committed to further strengthen the institution'.⁴⁴ The party promised to provide telecasts of parliamentary debates and to repeal repressive laws such as the notorious Internal Security Act.

However, this shift in emphasis towards a more democracy-friendly agenda is not universally accepted within the party. There is a traditionalist element that places more emphasis on the party's religious leadership. Party statements on this issue can be quite ambiguous. Officially, the *majilis suriyah ulama* (the council of religious leaders) is subordinate to the party's central committee. On the other hand, the *ulama* have been key to government in Kelantan and Terengganu and remain the party's authority on 'religious matters'.⁴⁵ There also seem to be quite different positions within the party in terms of long-standing disputes about the space for *ijtihad* (interpretation) when it comes to implementing the *shariah* or designing an Islamic state.

The controversy was particularly important when PAS (perhaps unwisely) took up Mahathir's challenge and produced a document about what it meant by an 'Islamic state'. Early drafts of the document, which were never published, reflected, broadly, the 'new' agenda. It was 'about searching for a way to ensure Islamic rule flourishes together with democracy and humanism. Terms like civil society, equality, welfare state meritocracy informed the thinking of the authors.'⁴⁶ When the eventual

version was published in 2003, the focus was rather different. Emphasis was on submission to Islam. *All* Malaysian law should come from the *shariah*. Any suggestion that the *hudud* criminal code is inhumane amounts to a questioning of the divine will. *Shurah*, or consultation, only needs to take place where no specific scriptural injunction is available (that is, there are no significant questions about implementation in a particular historical, social and political context). The state is to be God's vice-regency on earth and it is to have absolute sovereignty on that basis.⁴⁷

That document represented a victory for the more conservative religious leadership of PAS. However, it remained a contested vision. On publication, considerable dissent was expressed within PAS, making the split between the 'new' and 'old' wings more visible than ever.⁴⁸ The closest the party came to a resolution of these issues was the argument that it would have one agenda at the state level (the traditional agenda, designed to appeal to supporters in Kelantan and Terengganu) and another agenda for the national arena, which was closer to the PAS *baru* ('new' PAS) view.

Unfortunately for PAS, it was all too easy for UMNO to play on fears that the 'new' agenda was merely a strategy to gain power before introducing a less compromising and less politically appealing hardline stance. UMNO was also helped by Mahathir's retirement, which allowed the party to replace him with Abdullah Haji Ahmad Badawi. Badawi is a 'new face', creating distance from the problems of the late 1990s. He comes from a religious family and has a reputation for piety.⁴⁹ He also sent some early signals that showed a gentle responsiveness to the kinds of liberal complaint that fuelled the *reformasi* movement. On coming to power, he cancelled some 'crony' mega-projects, instituted corruption charges against prominent businessmen and drew on his Islamic credentials to promote an image of clean government.⁵⁰ This combination of UMNO responsiveness and a PAS retreat from the softer *reformasi* agenda combined to produce a landslide victory for UMNO in the 2004 general elections.

Conclusions

This analysis has illustrated the complex interactions between changing political sociology, on one hand, and Islamic ideology on the other hand. A set of imported Islamic ideas have altered the nature of Malaysian politics but they have done so in a way that has been shaped by domestic social and political conditions, particularly the unique Malaysian configuration of ethnic, political and class power. Those conditions have worked against the political radicalism that Islamic resurgence has created elsewhere. However, in the context of the politico-ethnic complex, political Islam also remains a barrier to greater democratization, despite structural changes that have expanded the domestic middle class and aligned the material interests of less affluent Malay and Chinese Malaysians more closely.

Traditionally the state was sustained on the basis of a promise to further the economic interest and power of a broad section of the Malay population, although not to the too-obvious detriment of Chinese capital. The Malay ruling class had strong incentives to deliver on this promise, as it was the safest way to link their purely

political power with a stronger material basis. Their success in delivering benefits to a rapidly urbanizing population was an important factor in UMNO's ability to shape the ways in which the arrival of Islamic resurgence in Malaysia influenced Malaysian politics. The credibility of UMNO's preferred vision of modernist Islam was enhanced greatly by the ability to actually deliver the economic benefits it claimed would further the interests of the Islamic community. Political competition was limited significantly by structural factors and by some dirty tricks, but the regime also seemed to command widespread political legitimacy.

Since the late 1980s, however, that legitimacy has been challenged. Economic liberalization and a government relationship that is increasingly with the higher echelons of the bourgeoisie, rather than the Malay population as a whole, have begun to put UMNO's political support under stress. The elite character of the BN coalition has become increasingly clear and that has made protest more likely. That trend could either promote more radical Islamic opposition, as scepticism of 'secular' forms of government grows, or it could create space for a more class-based liberal alliance, based on the growing overlaps between the material interests of middle-class Chinese voters and a newer middle-class of Malays that is left out of the net of UMNO patronage.

Political incentives in the system point towards PAS adopting the second strategy, as ethnic coalitions continue to be the only viable way to govern Malaysia. However, although this account has adopted a predominantly historical materialist approach, the relationship between ideas and interests is a loose one, not something deterministic or automatic. PAS's emergent political interests are in considerable tension with its self-identity as a particular kind of Islamic movement. The tension makes it difficult for the party to shift strategy and will make forging new alliances difficult. Any shift towards a more fully liberal democracy is not imminent or indeed inevitable.

Even before the publication of the Islamic state document, many Chinese voters were suspicious that PAS's democratic turn was merely an instrumental attempt to gain power, before reverting to socially and politically authoritarian type. The PAS *baru* agenda of human rights and political probity is clearly part of the party agenda. But it continues to be coupled with a social authoritarianism across the party and a political authoritarianism in parts of the party, which leaves it some distance from the secular opposition parties. Electoral signals are quite blunt. Traditional PAS activists (as well as many in UMNO) are likely to interpret UMNO's revived fortunes as being due to Badawi's religious credentials rather than in terms of a clean break from Mahathir's clientelist excesses. Opinion polling is in its infancy in Malaysia, so no-one really knows which was most important.

UMNO and PAS are both tempted, then, to indulge a shared social authoritarianism that supports legislation and high profile government statements on religious and moral issues. Both see social authoritarianism as a vital part of maintaining 'Islamic' authority and identity in post-*dakwah* Malaysia. At worst, there is a very slight danger that this continued competition between the two in an Islamic idiom could result in an increasingly authoritarian UMNO (in an attempt to maintain Malay support, despite delivering fewer economic benefits) and an increasingly radical PAS (as it tries to maintain its Islamic constituency).

However, the strong tradition of ethnic accommodation in Malaysia and political incentives to appeal to more than just the Malay community make a radicalization of Islamic politics an unlikely scenario. Badawi's policies suggest Malaysian politics is currently shifting back in a more inclusive direction, underlining the essential stability of the political system. In that context, PAS continues to play an important role in promoting political debate, competition and responsiveness in Malaysia's semi-democracy. PAS is unlikely to win power. Those that would prefer to see a more liberal politics in Malaysia may be relieved about that. The persistence of vibrant opposition politics in Malaysia, however, is vital if the BN is to feel the kind of pressure that forces self-criticism and continuing attempts to appeal to the electorate at large. A more democratic PAS is important in creating pressure for a more inclusive, cleaner politics. However, in the short term there is little prospect of a *liberal* PAS or, therefore, a broad-based liberal opposition.

There are structural pressures for change in Malaysia but the political structure makes it difficult to overcome the status quo. UMNO continues to be partially responsive to the changing situation, which makes more radical discontent unlikely. PAS remains tied to its traditional support base and conception of political Islam and seems unable to seize on the potential for change. As yet, no other party has succeeded in capitalizing on the potential to forge a Malaysian lower-middle class political movement. The consequence is that, as with other parts of the Muslim world, political struggle is currently more likely to be between a form of republican democracy, on one hand, and Islamic democracy on the other hand, than it is to involve great pressure for Western liberal democracy.⁵¹

NOTES

1. In terms of the democratization literature, Malaysia falls squarely in the category of 'democracy with adjectives'. For a review of authoritarian tactics employed, see William Case, 'Malaysia's Resilient Pseudodemocracy', *Journal of Democracy*, Vol. 12, No. 1 (2001), pp. 43–57; R. Milne and D. Mauzy, *Malaysian Politics under Mahathir* (London: Routledge, 1999). Freedom House gave it a rating of 5 out of 7 (with 7 as unfree) for both political rights and civil liberties at the turn of the millennium. By 2005, it had apparently improved slightly to two 4 ratings (see <http://www.freedomhouse.org>). Reasons for emphasizing the importance of ethnic cleavages, rather than authoritarian tactics, are given below.
2. See Simon Bromley, *Rethinking Middle-East Politics: State Formation and Development* (Cambridge: Polity Press, 1994); Fred Halliday, *Islam and the Myth of Confrontation* (London: I. B. Taurus, 2003); and Hinnebusch (this issue, pp. 373–95).
3. Frédéric Volpi, 'Pseudo-Democracy in the Muslim World', *Third World Quarterly*, Vol. 25, No. 6 (2004), pp. 29–43.
4. J. Putuchear, *Ownership and Control in the Malaysian Economy* (Singapore: University of Malaya University Press, 1960); K. Ratnam, *Communalism and Political Process in Malaysia and Singapore* (Singapore: University of Malaya Press, 1965).
5. Edmund Terence Gomez and Kwame Sundaram Jomo, *Malaysia's Political Economy: Politics Patronage and Profits*, 2nd edn (Cambridge: Cambridge University Press, 1999).
6. It is perhaps worth pointing out that this was also an authoritarian turn – in that opposition was deliberately coopted within the state – but not radically so (relative to President Sukarno's earlier shift to 'guided democracy' in Indonesia, for example). A moderate response may have been possible because opposition revolved around policy issues more than ideology (which drove Indonesian divisions) so accommodation was easier. The incentives provided by the separation between Malay political power and the continuing structural power of Chinese capital may also have been a factor – confiscation of Chinese assets was still likely to be a self-defeating strategy.

7. Gomez and Jomo (note 5).
8. Ibid.
9. Although there were some clashes between Indians and Malays in the *Shah Alam* district of Selangor, on the outskirts of Kuala Lumpur, following a family wedding.
10. Gomez and Jomo (note 5).
11. Ibid.; J. Jesudason, *Ethnicity and the Economy: the State, Chinese Business, and Multinationals in Malaysia* (Singapore: Oxford University Press, 1989).
12. Khoo Boo Teik, *Paradoxes of Mahathirism: an Intellectual Biography of Mahathir Mohamad* (Singapore: Oxford University Press, 1995).
13. By way of comparison some figures for the rest of the Muslim world are Jordan US\$4,320, Egypt \$3,950, Algeria \$6,107 and Saudi Arabia \$13,226 (figures from United Nations Human Development Programme, *Human Development Report*, 2005).
14. H. Crouch, *Government and Society In Malaysia* (Ithaca, NY: Cornell University Press, 1996).
15. J. Jesudason, 'The Syncretic State and the Structuring of Oppositional Politics in Malaysia, in G. Rodan (ed.), *Political Opposition in Industrialising Asia* (London: Routledge, 1996), pp. 128–60.
16. Husin Mutalib, *Islam in Malaysia* (Singapore: Singapore University Press, 1993); Michael Peletz, *Islamic Modern: Religious Courts and Cultural Politics in Malaysia* (Ithaca, NY: Cornell University Press, 2002).
17. See John Funston, 'The Politics of Islamic Reassertion: Malaysia', in Mohammed Ayoob (ed.), *The Politics of Islamic Reassertion* (New York: St Martin's Press, 1981); Zainah Anwar, *Islamic Revivalism in Malaysia: Dakwah among the Students* (Kuala Lumpur: Pelanduk Press, 1987).
18. Hussain S. Ahmad, 'Muslim Politics and the Discourse on Democracy', in Loh Kok Wah and Khoo Boo Teik (eds), *Democracy in Malaysia: Discourses and Practices* (Richmond: Curzon, 2002, pp. 74–107).
19. Gilles Kepel, *Jihad: The Trail of Political Islam* (London: I.B. Taurus, 2002).
20. Farish A. Noor, 'PAS Post-Fadzil Noor: Future Directions and Prospects', *Trends in Southeast Asia*, TRS 8/02 (Singapore, ISEAS, 2002); Peletz (note 16).
21. For details see Crouch (note 14).
22. Shanti Nair, *Islam in Malaysian Foreign Policy* (London: Routledge, 1997); Ahmad (note 18).
23. Khoo Boo Teik, *Paradoxes of Mahathirism: An Intellectual Biography of Mahathir Mohamad* (Singapore: Oxford University Press, 1995), p. 175.
24. Mohamad Mahathir, 'Speech at the 3rd International Seminar on Islamic Thoughts', *Foreign Affairs Malaysia*, Vol. 17, No. 3 (1984), pp. 226–31, cited in Khoo (note 12), p. 167.
25. Patricia Sloane, *Islam, Modernity and Entrepreneurship among the Malays* (New York: St Martins Press, 1999). For interesting anecdotal reports of similar connections between 'modern' resurgence Islam and business, see V. S. Naipaul, *Beyond Belief* (London: Abacus, 1999).
26. Deputy Prime Minister, *Utusan Malaysia*, 12 April 1982, cited in Nair (note 22).
27. Ibid.
28. For a fascinating account of the history and workings of the Islamic legal system in Malaysia, see Peletz (note 16).
29. The term *assabiyah* refers to a variety of tribal or clan allegiances within the Muslim world which are regarded by some Muslims as a distraction from the unity of the faith (for a fuller discussion see, for example, Volpi, note 3).
30. See, for example, M. Jurgensmeyer, *Terror in the Mind of God: The Global Rise of Religious Violence* (San Francisco: University of California Press, 2001).
31. J. Esposito and J. O. Voll, *Islam and Democracy* (Oxford: Oxford University Press, 1996); N. Ghadbian, *Democratization and the Islamist Challenge in the Arab World* (Boulder, CO: Westview, 1997).
32. For much more detail on Malaysian political economy during this period and the new class of political business people that emerged, see Edmund Terence Gomez, *Chinese Business in Malaysia: Accumulation, Ascendance, Accommodation* (London: Curzon, 1999) and Peter Searle, *The Riddle of Malaysian Capitalism: Rent-Seekers or Real Capitalists?* (St Leonards: Allen & Unwin, 1999).
33. Crouch (note 14); R. S. Milne and D. K. Mauzy, *Malaysian Politics under Mahathir* (London: Routledge, 1999).
34. Gomez and Jomo (note 5); K. J. Khoo, 'The Grand Vision: Mahathir and Modernization', in K. W. Loh and J. S. Khan (eds), *Fragmented Vision: Culture and Politics in Contemporary Malaysia* (Honolulu: University of Hawai'i Press, 1992).
35. Jesudason (note 15).
36. There are superficial parallels here with Hinnebusch's description of post-populist authoritarianism in the Middle East (this collection). However, if in the Middle East a narrowing crony state–business

coalition reduces the chances of capitalist opposition to the state, in Malaysia it may create the possibility of a new opposition alliance between newly excluded lower middle-classes and more marginalized groups, auguring greater political competition.

37. There is actually some dispute about this. The general perception in Malaysia is that there was a swing towards the *Barisan Nasional* among Chinese voters who were anxious that a vote for the *Barisan Alternatif* was effectively a vote for PAS (who would lead any BA government). Khoo Boo Teik argues that this claim is too strong. Rather, Chinese voters did not swing away from the BN as much as the rest of the population. The DAP–MCA split among Chinese voters was in fact roughly the same as in 1995, so one should not jump to any simple conclusions about Chinese distaste for PAS. Khoo Boo Teik, *Beyond Mahathir: Malaysian Politics and Its Discontents* (London and New York: Zed Books, 2003).
38. That was not necessarily particularly obvious from election results. Many of the new members ‘returned’ to their *kampung* (home village) to vote, so did not appear as urban voters. This is a strategy PAS has deliberately encouraged. Malaysia’s first past the post electoral system provides incentives to concentrate support into a particular region to maximize the number of seats won. This analysis was presented to the author by both PAS leaders and independent journalists in Kuala Lumpur in 2003.
39. John Funston, ‘Malaysia: Umno’s Search for Relevance’, *Southeast Asian Affairs 2001* (Singapore: ISEAS, 2001); Maznah Mohamad, ‘The Unravelling of a “Malay Consensus”’, *Southeast Asian Affairs 2001* (Singapore: ISEAS, 2001).
40. Ibid.
41. Funston (note 39); Farish A. Noor, ‘“Holy Terror” Revisited’, *Malaysiakini*, Vol. 22, March 2001, available at <<http://www.malaysiakini.com>>.
42. Amrita Malhi, ‘The Pas-Bn Conflict in Islam and Modernity’, in Virginia Hooker and Norami Othman (eds), *Malaysia: Islam, Society and Politics* (Singapore: ISEAS, 2003), pp. 236–65.
43. It is important to be very wary of claims made by more excitable members of the terrorism studies community about the prevalence of Al Qaeda-driven terrorism in the region. See R. Gunaratna, *Inside Al Qaeda: Global Network of Terror* (New York: Columbia University Press, 2002); Z. Abuza, ‘Tentacles of Terror: Al Qaeda’s Southeast Asian Network’, *Contemporary Southeast Asia*, Vol. 24, No. 3 (2002), pp. 427–65. There is, in fact, very little evidence to support claims that terrorist links are anything more than extremely tenuous (even the *Jemaah Islamiya*, responsible for the Bali bombings and active in Malaysia, seems less well connected to Al Qaeda than first thought). One implication of this analysis is that security-driven acceptance of authoritarian tactics in dealing with terror is not only based on false perceptions but also risks creating the conditions for greater political radicalization in the medium term (see, for example, D. Wright-Neville, ‘Dangerous Dynamics: Activists, Militants and Terrorists in Southeast Asia’, *The Pacific Review*, Vol. 17, No. 1 (2004), pp. 27–46).
44. The quotation comes from a question and answer session posted on *Malaysiakini*, 25 June 2003.
45. Author interview with Nasharuddin bin Mat Isa, PAS’s Secretary General, Kuala Lumpur, August 2003.
46. Liew Chin Tong, ‘Pas’ Islamic State: A Tale of Two Versions (Part 2)’, *Malaysiakini*, 3 December 2003.
47. PAS, ‘The Islamic State Document (English Version)’ (Kuala Lumpur: PAS, 2003).
48. There were rumours, for example, that Nasharuddin would be pushed out of his role as secretary general because he was ‘too close to the professionals’ within the party (see ‘PAS ulama: we were denied angels’ assistance *Malaysiakini*, 7 May 2004). At the same time, the PAS *Baru* wing of the party were clearly dismayed about the contents of the document (‘PAS’ Islamic state memo a bomb, *Malaysiakini*, 7 November 2003).
49. Something which clearly concerned PAS leaders interviewed in Kuala Lumpur in summer 2003.
50. See, for example, Khoo Boo Teik, ‘Malaysian politics in 2004: transitions and elections’, *Trends in Southeast Asia*, Vol. 4 (Singapore, ISEAS, 2004).
51. Volpi (note 3).

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