Reproduced from Transforming Malaysia: Dominant and Competing Paradigms, edited by Anthony Milner, Abdul Rahman Embong and Tham Siew Yean (Singapore: Institute of Southeast Asian Studies, 2014). This version was obtained electronically direct from the publisher on condition that copyright is not infringed. No part of this publication may be reproduced without the prior permission of the Institute of Southeast Asian Studies. Individual articles are available at <a href="http://bookshop.iseas.edu.sg">http://bookshop.iseas.edu.sg</a>>

## Transforming Malaysia

The **Institute of Southeast Asian Studies (ISEAS)** was established as an autonomous organization in 1968. It is a regional centre dedicated to the study of socio-political, security and economic trends and developments in Southeast Asia and its wider geostrategic and economic environment. The Institute's research programmes are the Regional Economic Studies (RES, including ASEAN and APEC), Regional Strategic and Political Studies (RSPS), and Regional Social and Cultural Studies (RSCS).

**ISEAS Publishing**, an established academic press, has issued more than 2,000 books and journals. It is the largest scholarly publisher of research about Southeast Asia from within the region. ISEAS Publishing works with many other academic and trade publishers and distributors to disseminate important research and analyses from and about Southeast Asia to the rest of the world.

# Transforming Malaysia

Dominant and Competing Paradigms

**EDITED BY** 

ANTHONY MILNER
ABDUL RAHMAN EMBONG
THAM SIEW YEAN



INSTITUTE OF MALAYSIAN & INTERNATIONAL STUDIES (IKMAS)

Malaysia



**INSTITUTE OF SOUTHEAST ASIAN STUDIES** 

Singapore

First published in Singapore in 2014 by ISEAS Publishing Institute of Southeast Asian Studies 30 Heng Mui Keng Terrace, Pasir Panjang Singapore 119614

E-mail: publish@iseas.edu.sg • Website: bookshop.iseas.edu.sg

Jointly with Institute of Malaysian & International Studies (IKMAS) Universiti Kebangsaan Malaysia 43600 UKM Bangi, Selangor Darul Ehsan, Malaysia

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission of the Institute of Southeast Asian Studies.

© 2014 Institute of Southeast Asian Studies, Singapore

The responsibility for facts and opinions in this publication rests exclusively with the authors and their interpretations do not necessarily reflect the views or the policy of the publishers or their supporters.

#### ISEAS Library Cataloguing-in-Publication Data

Transforming Malaysia: dominant and competing paradigms / edited by Anthony Milner, Abdul Rahman Embong and Tham Siew Yean.

- 1. Malaysia—Race relations.
- 2. Malaysia—Politics and government.
- 3. Malaysia—Economic policy.
- 4. Malaysia—Foreign relations.
- I. Milner, A. C. (Anthony Crothers), 1945-

2014

- II. Abdul Rahman Embong.
- III. Tham, Siew Yean.

DS595 T77

ISBN 978-981-4517-91-1 (soft cover) ISBN 978-981-4517-92-8 (E-book PDF)

Cover images: Artist's impression and photo taken by Lin Chew Man. Reproduced with permission.

Typeset by International Typesetters Pte Ltd Printed in Singapore by Mainland Press Pte Ltd

## **CONTENTS**

List	of Tables and Figures	vii
Prefa	ace	ix
Ackn	owledgements	xi
List	of Contributors	xiii
1	Introduction Anthony Milner, Abdul Rahman Embong and Tham Siew Yean	1
2	Race and Its Competing Paradigms: A Historical Review Anthony Milner and Helen Ting	18
3	Knowledge Construction, the <i>Rakyat</i> Paradigm and Malaysia's Social Cohesion <i>Abdul Rahman Embong</i>	59
4	Race Paradigm and Nation-Building in Malaysia Helen Ting	82
5	Race-Based Paradigm in Poverty Eradication and Income Distribution Analysis and Policy Ragayah Haji Mat Zin	111
6	Foreign Workers in Malaysia in the Post-Independence Era: Race Paradigm in State Policy, Academic Writings and Public Discourse Azizah Kassim	143
7	Trade Policy Formulation in Malaysia: Navigating between the Economic and Race Paradigms  Tham Siew Yean	178

Contents

8	National Security Conceptions and Foreign Policy Behaviour: Transcending the Dominant Race Paradigm? K.S. Nathan	202
Inde:	x	224

## LIST OF TABLES AND FIGURES

Tab	les		
5.1	Peninsular Malaysia: Population by Ethnic Groups ('000)	114	
6.1	Five Major Source Countries (2001-10)	149	
6.2	Foreign Workers (FW), Economic Growth and Policy Measures (1970–2010)	151	
6.3	Rationales for Changes in Policy Measures and Instruments (1992–2011)	154	
6.4	Recent Changes in Policy Measures	157	
7.1	Import and Excise Duties for Imports from ASEAN and Non-ASEAN Countries (2010)	191	
7.2	Tariff Reductions in Auto; Auto Components and Parts in Malaysia, under the MJEPA		
Figu	ires		
6.1	Increase in Foreign Population in Peninsula Malaysia, Sabah and Sarawak (1970–2010)	146	
6.2	Number of Foreign Workers in Malaysia, 1993–2019	148	

### **PREFACE**

Seeking to become a high income, developed and united country by 2020, Malaysia seems trapped. It is still viewed as a state searching for a nation — a country deeply divided into ethnic or racial blocs which do not share a national vision. Malaysia's challenge is enormous, as this volume explains. But it is also a challenge of ideas rather than straightforward social fact. The racial structure of Malaysia is in a critical way ideologically created — a paradigm — and the task of building a united nation state and national economy is one that cannot be left entirely to specialists in economics and political institutions.

As can be seen in the run up to, and the aftermath of the 13th general election held on 5 May 2013, the race paradigm has been raised sharply to the fore again as a weapon of mobilization, including by the right wing elements in the ruling UMNO and their supporters. The relevance of the debate on the race paradigm — which is the central theme in this volume — is immediately apparent in these developments. This volume examines the manner in which Malaysia's race paradigm was formulated and promulgated, and achieved dominance. It notes as well the presence and competition — and failure — of other societal paradigms, and then goes on to test whether or not the dominant paradigm is losing influence in specific practical areas of Malaysian life.

The volume focuses on ideas, but recognizes too that paradigms are formulated and contested in a political and economic context. The history of ideas has been neglected in Malaysian studies — and yet, in certain ways, it can help open up new possibilities. The mere reminder that the current Malaysian configuration is a construct — and has been challenged in the past — can be liberating. Examining the race paradigm in process, and in practice — also helps to identify ways in which it might be qualified or

**x** Preface

modified in the future, when economic and political imperatives seem to demand structural challenge.

This volume is the latest in the series of books emerging from IKMAS's collaborative projects under the auspices of the Pok Rafeah chair, and is in line with IKMAS overall framework of globalization and social transformation. It may be recalled that the first chairholder, Professor I.H. Mittelman, who was at IKMAS in 1997 and 1999 collaborated with IKMAS Fellows to produce the book Capturing Globalization, edited by J.H. Mittelman and Norani Othman (2001). The second collaboration — with Professor Joan Nelson who occupied the Pok Rafeah chair from 2006 to 2007 — resulted in the publication of another book entitled, Globalization and National Autonomy: The Experience of Malaysia, edited by Joan M. Nelson, Jacob Meerman, and Abdul Rahman Embong. This book was jointly published in 2008 by the Institute of Southeast Asian Studies (ISEAS), Singapore and IKMAS, Bangi, and won the "Best Copublished Work" award from the ASEAN Book Publishers Association in 2009. It is our hope that the present volume, will provoke serious rethinking and reflections about the kind of paradigm Malaysia needs to guide policy-making and socio-political action to engage with globalization and promote social cohesion. Our objective for Malaysia must be to partake successfully in the process of globalization and transform the country into a competitive high-income nation.

> Anthony Milner, Abdul Rahman Embong and Tham Siew Yean 9 September 2013

## **ACKNOWLEDGEMENTS**

This book would not have been possible without the excellent ideas contributed by Professor Milner, the lead editor of this book. As in the case of research collaborations, vital ideas are frequently exchanged during the series of workshops held to deliberate on the draft chapters for this book, as well as during coffee and lunch breaks or even along the corridors. IKMAS is indeed fortunate to have Professor Milner as he provided the necessary synergy to bring together a collegial project such as this. We are also grateful to the Pok Rafeah Foundation as it is their funding that enabled the establishment and operations of the Pok Rafeah chair, for which Professor Milner was its fourth holder.

As in all previous IKMAS book projects, this book owes its completion to many able helpers. We would like to put on record our thanks in particular to all the administrative and support staff of IKMAS who arranged the numerous workshops and gave assistance in various other ways. We also would like to thank Universiti Kebangsaan Malaysia for partially funding the publication of this book through its annual budget for the Insitute. This book has benefitted tremendously from the comments and criticisms by Professor Terence Gomez from the University of Malaya, and Profesor Abdul Halim Ali, adjunct professor from Universiti Malaysia Sarawak who attended the special workshop held to discuss and comment on the final draft of the book. To both of them, a special thank you. We also would like to thank the two blind reviewers appointed by the publishers for their valuable comments and criticisms. Whilst efforts have been made to improve the various chapters in accordance with the comments and criticisms, mistakes and other ommissions remain, for which we as editors and individual book chapter writers are solely responsible. Finally,

we would also like to thank Lin Chew Man for his creative ideas for our book cover.

## LIST OF CONTRIBUTORS

Abdul Rahman Embong, Ph.D. (Sociology of Development at Universiti Malaya), is Emeritus Professor and Principal Research Fellow at the Institute of Malaysian and International Studies (IKMAS), Universiti Kebangsaan Malaysia (National University of Malaysia). His research focuses on development, middle class, democratization, ethnicity, nation-state and globalization. His books include Southeast Asian Middle Classes: Prospects to Social Change and Democratisation (editor, 2001); State-led Modernization and the New Middle Class in Malaysia (2002); Globalisation, Culture and Inequalities: In Honour of the Late Ishak Shari (editor, 2004), and Malaysia at a Crossroads: Can We Make the Transition? (co-editor, 2011).

Anthony Milner (Ph.D. in History at Cornell University) is Basham Professor of Asian History at the Australian National University and Professorial Fellow at the University of Melbourne. One focus of his research has been the history of ideas and political culture in the "Malay World". His publications include *The Invention of Politics in Colonial Malaya* (2002); Kerajaan: Malay Political Culture on the Eve of Colonial Rule (1982, 2008); The Malays (2011); and Bangsa and Umma: Development of People-grouping Concepts in Islamized Southeast Asia (co-editor, 2011). He was recently coeditor of the report: Our Place in the Asian Century: Southeast Asia as The Third Way (2012).

**Azizah Kassim** (Ph.D. in social anthropology at the School of Oriental and African Studies, University of London) is a Visiting Professor at IKMAS, Universiti Kebangsaan Malaysia (National University of Malaysia). Her current research interests focuses on international migration. Her publications include "Public Universities in Malaysia: Their Development

xiv List of Contributors

and Internationalization", in *Internationalization of Higher Education in Malaysia: Understanding, Practices and Challenges*, edited by Tham Siew Yean (2013); and "Trans-National Migration and the Contestation for Urban Space: Emerging Problems and Possible Solutions", in *Malaysia at the Crossroads: Can We Make the Transition*, edited by Abdul Rahman Embong and Tham Siew Yean (2011).

K.S. Nathan (Ph.D. in International Relations, Claremont Graduate University, USA; LL.B Hons. and LL.M, London) is a Professor and Principal Research Fellow at the Institute of Ethnic Studies (KITA), Universiti Kebangsaan Malaysia (National University of Malaysia). His research interests include Malaysian politics and foreign policy, U.S. relations with Asia, and ASEAN regional security. His publications include: *The European Union, United States and ASEAN: Challenges and Prospects for Cooperative Engagement in the 21st Century* (2002); *Religious Pluralism in Democratic Societies: Challenges and Prospects for Southeast Asia, Europe, and the United States in the New Millennium* (editor, 2010).

Helen Ting (Ph.D. in Political Science, Sciences-Po, Paris) is a Research Fellow at the Institute of Malaysian and International Studies (IKMAS), Universiti Kebangsaan Malaysia (National University of Malaysia). She was a Visiting Fellow at the Institute of Asian and African Studies, Humboldt University in Berlin from September 2012 to January 2013. Her research interests include identity politics, nationalism, gender and inter-ethnic relations. Among her publications are: "Institutional Reforms and Bi-party Political System: Beyond 'Expedient Multiculturalism'", in Malaysia at a Crossroads: Can We Make the Transition? (2011). Her latest book Women in Southeast Asian Nationalist Movement: A Biographical Approach, co-edited with Susan Blackburn, was published in 2013.

Ragayah Haji Mat Zin (Ph.D. in Economics, Vanderbilt University, USA) is a recently retired professor from the Institute of Malaysian and International Studies (IKMAS), Universiti Kebangsaan Malaysia (National University of Malaysia). Her research interests include income distribution, poverty, trade and industrial development. Some recent publications include *Malaysia's Development Challenges: Graduating from the Middle* (co-editor, 2012); "Recent Trends in the Demand of International Students for Higher Education in Malaysia", in *Proceedings of the 2<sup>nd</sup> International Conference on Global Trends and Challenges in Higher Education and Quality Assurance*, edited by Nasir Ahmad Khan (co-author, 2012).

List of Contributors xv

Tham Siew Yean (Ph.D. in Economics, University of Rochester) is a Professor and Principal Research Fellow at the Institute of Malaysian and International Studies (IKMAS), Universiti Kebangsaan Malaysia (National University of Malaysia). Her research interests include free trade agreements, foreign direct investment, services trade and liberalization, especially in private higher education. Some recent publications include *Malaysia's Development Challenges: Graduating from the Middle* (co-edited with Hal Hill and Ragayah Haji Mat Zin, 2012); *Internationalizing Higher Education in Malaysia: Understanding, Practices and Challenges* (editor, 2013), and "Internationalizing Higher Education in Malaysia: Government Policies and University's Response", *Journal of Studies in International Education*, published online, 27 February 2013.