

# Authoritarianism, Elections and Political Change in Malaysia

*Edmund Terence Gomez & Jomo KS*

Contrary to arguments by modernization theorists that economic development transforms social structures, contributing ultimately to greater democracy, authoritarianism persists in Malaysia despite economic development and the emergence of a sizeable middle class. This essay analyzes how authoritarianism has been perpetuated and discusses why the middle class will not play a reforming role. It argues that democracy, if it is to emerge, may emanate from the severe factionalism in Malaysia's dominant political party, UMNO.

**T**HERE SEEMS TO BE A CONSENSUS THAT ECONOMIC DEVELOPMENT transforms social structures, encouraging new forms of social and political mobilization, advancing civil society, regime change and often involving greater democracy (Diamond et al. 1993; Huntington 1991; Haggard & Kaufman 1992; Rueschemeyer et al. 1992). In Malaysia, however, there does not appear to have been such a strong link between economic development and greater democratization mainly because the social and political changes due to economic liberalization have not created the necessary political will or desire among leaders of the long-standing ruling coalition, the *Barisan Nasional* (BN, or National Front), to permit greater political liberalization. Instead, political power remains largely concentrated in the hands of one party within the BN, the United Malays' National Organization (UMNO), which has seen internal concentration of power by an authoritarian executive led by Prime Minister Mahathir Mohamad. Much of the literature on the links between economic development and political liberalization emphasizes the reforming

---

EDMUND TERENCE GOMEZ and JOMO KS are members of the Faculty of Economics and Administration at the University of Malaya.

role of the emerging middle class; for various reasons discussed below, the Malaysian middle classes have not pursued such reforms.

In Malaysia, the supposed requirements of economic development have been used to legitimize authoritarianism, specifically increased executive dominance (over the other arms of government) in the Mahathir era. This authoritarianism, often justified by the need to maintain interracial

**Their supposed 'Asian' forms of democracy have never been defined by Mahathir, Lee or Suharto and, in fact, seem to mean different things to each of them.**

harmony in multi-ethnic Malaysia, has involved extensive limitations on civil liberties, such as freedom of the press, assembly and expression (Crouch 1996a; Munro-Kua 1996). Mahathir — and other apologists of authoritarian rule, like Singaporean Senior Minister Lee Kuan Yew and former Indonesian President Suharto — have also justified limiting democratic space by arguing that the local political system has

evolved and should evolve on the basis of different values than those of Western liberal democracy. Their supposed 'Asian' forms of democracy have never been defined by Mahathir, Lee or Suharto and, in fact, seem to mean different things to each of them. For Mahathir, it is principally an alternative to liberalism, while for Lee, it integrates convenient aspects of Confucianism, communitarianism and authoritarianism.

While 'Asian democracy' stresses values, democracy of the Western liberal tradition stresses rights. In the former, there is a negation of the rights of the individual, ostensibly to protect the rights of the community (Freeman 1996). This is often justified by cultural relativist arguments. It has been claimed, for example, that historically, Malaysian — and, in particular, Malay — social and political structures have been authoritarian, hierarchical and highly stratified. Malay political culture emphasizes loyalty to the ruler rather than individual freedom and rights, and tends to deny adversarial relations and to favor order over conflict.

There are, undoubtedly, cultural peculiarities of any society which shape its political system. And while most Asians would acknowledge that there are values which can be distinctively identified as Asian, Kim Dae Jung of South Korea, Aung San Suu Kyi of Burma and even Fidel Ramos of the Philippines would probably hold differing views of the implications

of Asian values for democracy from those propagated by Mahathir, Lee or Suharto. Rather, it appears that the Asian democracy propagated by the latter three Southeast Asian leaders has emerged as an alternative to the democracy spreading in the rest of East and Southeast Asia — the Philippines, Thailand, Taiwan and South Korea. If once such leaders feared the domino effect of communism, they now seem to fear the domino effect of democracy. Cultural relativism has thus emerged as a means to justify authoritarian rule and limitations on civil liberties, democratic rights and independent political expression, mobilization and organization.

For instance, though Malaysia's BN is said to represent consociationalist political leadership, with more than a dozen parties in it, the coalition is clearly dominated by UMNO. The BN's consociationalism thus has to be qualified as it does not involve much power-sharing. Lijphart (1977) argues that four elements are necessary for a consociational style of government to be seen as democratic: first, it should be a government by a coalition of the political leaders of all important minorities; second, there must be mutual veto powers among significant minorities; third, important minorities should be proportionately represented; and fourth, there should be considerable autonomy and self-rule for important minorities. In a democratic consociationalist-type government, small parties have some real power in the government. In the BN, all the parties are clearly subordinated to UMNO.

The electoral system in a consociationalist state would normally involve proportional representation with the emergence of many parties in parliament — and in government — reflecting the diverse character of a country's population and their interests (Lijphart 1977). Proportional representation does not and is unlikely to exist in Malaysia. Instead, extensive gerrymandering of constituencies in the first-past-the-post electoral system has been effective in enhancing UMNO's and thus the BN's dominance of parliament (see Rachagan 1993). The fragmentation of opposition parties, which requires them to compete as much with one another as with the BN, has allowed the ruling coalition to retain its two-thirds majority in parliament — this enables the BN to amend the Constitution at will — with much less of the popular vote.

Although the conventional view is that political contests between parties can lead to greater democratization, the political contests of most sig-

nificance in Malaysia are those within UMNO. Since the 1980s, UMNO politics has been characterized by serious factionalism, precipitated by competition among rival distributional coalitions involving party leaders. This factionalism can thus have a major impact on political change. It will be argued here that in view of the manner in which the political system has come to be structured — which has limited the avenues for meaningful inter-party political competition — factionalism within UMNO, precipitated by business rivalries among party leaders, become most decisive in the Malaysian political system.

#### POLITICS, ETHNICITY AND DEVELOPMENT

THE persistence of ethnic orientations among politicians has been due to the elimination of the parliamentary left in the mid-1960s, and with it, more ideological debate in Malaysian politics (see Muhammad Ikmal 1996). The legitimacy of ethnic mobilization has sustained ethno-populism, re-

**The persistence of ethnic orientations among politicians has been due to the elimination of the parliamentary left in the mid-1960s, and with it, more ideological debate in Malaysian politics.**

sulting in the inability of leaders who advocated inter-ethnic solidarity to receive much support. With limited ethnic interaction, there have been fears among all ethnic communities that in multi-racial political organizations, their interests would be marginalized. Since the British insisted that independence would only be granted to a multi-racial coalition, the Alliance was formed by UMNO and the MCA in 1952, with the MIC joining two years later. The success of this collaboration was reflected

in the results of Malaya's first federal elections in 1955, when the Alliance lost only one of the 52 seats contested.

Malaya's economic development priorities after 1957 were largely influenced by the considerations behind the Alliance's formation and the agreements reached with the British to achieve Independence. While the MCA leaders saw little threat to their economic interests in the private enterprise system which they helped safeguard by their participation in the Alliance, the British were protected against nationalization of their vast investments in their former colony. Generally *laissez-faire* policies were pur-

sued, while import-substituting industrialization and agricultural diversification were encouraged. Since UMNO derived the bulk of its political support from rural Malays, rural development was given emphasis. As the government also had to contend with the problems of Malay poverty and limited involvement in the modern capitalist economy, modest, but increasing, ethnic affirmative action policies were pursued during the 1960s.

With insignificant Malay economic gains soon after independence, from the mid-1960s, UMNO came under growing criticism from within party ranks for the government's failure to close the inter-ethnic economic gap, prompting the call for greater state intervention in the economy. This led to growing concern among the Chinese that these public enterprises would eventually encroach into the economic sectors they controlled. There was also increasing Chinese dissatisfaction with the MCA over the party's reticence in checking growing pro-Malay state intervention in the economy. This exacerbated popular discontent with the Alliance, resulting in its worst electoral performance ever in the 1969 general elections, with the Alliance retaining control of the federal government with a severely diminished majority. Communal tensions ran high as the results were perceived in some quarters as reflecting and resulting in a diminution in UMNO's — and hence, Malay — political hegemony. Tensions heightened during 'victory' processions held by opposition parties and UMNO in Kuala Lumpur. 'Racial taunts' eventually triggered off race riots in the capital on 13 May 1969.

With the riots partly ascribed to the inequitable distribution of wealth between Malays and Chinese, in 1970 the government introduced the New Economic Policy (NEP), an ambitious 20-year social engineering plan to achieve 'national unity' by 'eradicating poverty irrespective of race', and by 'restructuring society' to achieve inter-ethnic economic parity between the predominantly Malay *bumiputra* (or 'sons of the soil') and the predominantly Chinese non-*bumiputra*. The NEP entailed partial abandonment of the previously more *laissez-faire* style of economic management in favor of greater state intervention, primarily for ethnic affirmative action, including the accelerated expansion of the Malay middle class, capital accumulation on behalf of the Malay community, and the creation of Malay capitalists. This was to be attained by increasing *bumiputra* corporate equity ownership from a mere 2.4 percent to 30 percent and by reduc-

ing the poverty level from over 50 percent to 15 percent by 1990. Many measures were taken to achieve these goals: improving access of the poor to training, capital and land; changing education and employment patterns among Malays, through scholarships and ethnic quotas favoring Malay entry into tertiary institutions; requiring companies to restructure their corporate holdings to ensure at least 30 percent *bumiputra* ownership; and by allotting publicly-listed shares at par value or with only nominal premiums to *bumiputras*.

The rationale for greater state intervention in the economy was also developmentalist, with the aim of inducing growth and structural change. The NEP's positive discrimination favoring *bumiputras* was justified on the grounds that this was necessary to redress colonial neglect and underdevelopment of *bumiputras*. The government argued that greater inter-ethnic economic parity was vital to ensure stability and economic growth, but placated non-*bumiputra* misgivings about the NEP by assuring them that since redistribution would be undertaken in a growing economy, no community would feel any sense of deprivation.

To a large extent, the NEP has been successful in achieving its goals, aided by the growth of the Malaysian economy at an average of 6.9 percent per annum between 1970 and 1990. By 1990, public sector asset accumulation on behalf of *bumiputras*, government regulation of business opportunities and investments and preferential policies for *bumiputra* businesses had all helped to augment *bumiputra* equity in the corporate sector to 19.3 percent, a remarkable increase despite being considerably short of the NEP's 30 percent target. The Chinese share of the corporate sector also rose from 27.2 percent in 1970 to 45.5 percent in 1990, while foreign ownership of corporate equity fell substantially to 25.4 percent. Of the 19.3 percent *bumiputra* share, *bumiputra* individuals held 14.2 percent and government-owned trust agencies the balance.

Poverty had also been cut down to a remarkable 17 percent nationwide in 1990. The identification of race with economic function had also been largely reduced. With greater state involvement in the economy and rapid growth, significant social changes had transpired, involving considerable transformation of inter- and intra-ethnic occupational structures. Growing involvement in middle class occupations — as compared to working class and agricultural occupations — over the past three de-

## Malaysian Corporate Wealth

Ownership of Share Capital (at par value)  
of Limited Companies in Malaysia, 1970, 1990, 1995 (percentages)

Ownership Group	1970	1990	1995
<i>Bumiputra</i>	2.4	19.3	20.6
<i>Bumiputra</i> Individuals & Institutions	1.6	14.2	18.6
Trust Agencies	0.8	5.1	2.0
Non- <i>bumiputra</i>	28.3	46.8	43.4
Chinese	27.2	45.5	40.9
Indians	1.1	1.0	1.5
Others		0.3	1.0
Nominee Companies	6.0	8.5	8.3
Foreigners	63.4	25.4	27.7

Sources: Third Malaysia Plan, 1976-1980; Seventh Malaysia Plan, 1996-2000.

## Ethnicity and the Workplace

Employment by Occupation & Ethnic Group in Malaysia, 1990 (percentages)

Occupation	<i>Bumiputra</i>		Chinese		Indians		Others	
	('000)	(%)	('000)	(%)	('000)	(%)	('000)	(%)
Professional & Technical	350.4	60.3	178.6	30.8	44.8	7.7	7.0	1.2
Administrative & Managerial	54.1	33.3	95.3	58.7	8.6	5.3	4.4	2.7
Clerical	354.7	54.9	238.1	36.9	50.5	7.8	2.6	0.4
Sales	274.2	36.0	429.8	56.5	49.7	6.5	7.6	1.0
Services	473.9	61.5	207.7	27.0	81.8	10.6	6.9	0.9
Agricultural	1431.1	76.4	295.1	15.8	131.4	7.0	14.9	0.8
Production	887.0	48.5	737.6	40.4	195.9	10.7	7.3	0.4

Source: Sixth Malaysia Plan, 1991-1995.

grades, and the increasing number of *bumiputras* in middle class occupations were particularly conspicuous.

In spite of the rapid changes of the two NEP decades, some features of the economy have persisted. For instance, although the NEP helped to develop a significant Malay middle class, *bumiputras* still dominate peasant agriculture and have increased their domination of the public sector. Gov-

ernment attempts to redistribute ownership of corporate stock have been effective, and several studies have argued considerable underestimation of the actual *bumiputra* share of corporate wealth (see Jomo 1990; Gomez 1990, 1994; Gomez & Jomo 1997). Income inequality and wealth differences among all communities, including *bumiputras*, have also increased; small farmers, for example, still account for most of those in poverty (Jomo 1990). The Chinese continue to dominate wholesale and retail trade, despite considerable inroads by *bumiputras* (*Malaysian Business* 1991). As a community, Indians have failed to achieve any significant increase in their share of corporate stock. While conceding that poverty is still widespread among *bumiputras*, even non-Malay political leaders in the BN have argued that poor non-*bumiputras* have benefited least from the NEP (see Gomez 1994).

#### POLITICAL PARTIES IN MALAYSIA

AFTER the Alliance's dire performance in the 1969 general elections, UMNO's president, Tunku Abdul Rahman, who was perceived by party members as not supportive enough of state efforts to promote Malay economic interests, was eased out of office. His deputy, Abdul Razak Hussein, one of the primary architects of the NEP, enlarged the ruling coalition, to form the *Barisan Nasional*, which was launched in January 1973. Most opposition parties — including the main Malay opposition party, *Parti Islam SeMalaysia* (PAS, or Pan-Malaysian Islamic Party), the *Gerakan Rakyat Malaysia* (Malaysian People's Movement) and the People's Progressive Party (PPP) — were brought into the BN, convinced by UMNO's argument that rival political parties needed to transcend partisan differences to come together to forge a nation torn asunder by the racial strife of May 1969.

The BN's enlarged system of consociationalism was an effective means to consolidate electoral support on the basis of both ethnicity and class. By the 1990s, UMNO's main bastions of support were still the peninsula's rural Malays and Sabah's rural Muslim-*bumiputras* (the party does not have a presence in Sarawak). The MCA helps the BN marshal Chinese business and middle class support, while the MIC has been more successful in mobilizing broader Indian support. The nominally multi-racial, but largely Chinese Gerakan has been able to complement the MCA in attracting Chinese support, especially from the middle classes.



UMNO's BN initiative has meant that the Chinese support enjoyed by the Gerakan has diminished the MCA's influence, while the incorporation of PAS, whose influence was primarily in the predominantly Malay states in the north of the peninsula, enhanced Malay electoral support. UMNO's refusal to allow PAS to increase the number of seats it won in 1969 in the subsequent general elections of 1974 further strengthened UMNO hegemony in the coalition; PAS eventually returned to the opposition in 1978.

'Power-sharing' within the BN, as Mauzy (1993) has noted, was, in effect, 'accommodation on essentially Malay terms'; UMNO leaders have often asserted that the party could rule alone, but prefers to 'share' power in the interests of national unity. The government has asserted that it is precisely this system of consociationalism within the BN which has enabled it to manage and resolve ethnic problems, thus contributing to ethnic coexistence. Malay hegemony through UMNO within this political arrangement has been justified on the grounds that it represents the interests of the largest but economically disadvantaged ethnic community (see Chee 1991).

In 1996, there were 14 constituent parties in the BN. The BN's formal objectives are broad, ranging from fostering and maintaining a united Malaysian nation, to striving for a fair and just society, and promoting material as well as spiritual development. The objectives of the UMNO, MCA and MIC are based on 'ethnic ideologies' (Brown 1994). In view of the bourgeois orientation of these parties' leaders, such ethno-populism has camouflaged class dominance. This has also enabled these parties to represent their leaders as ethnic patrons (see Hua 1983).

The Gerakan, established in 1968, is the only BN party with more conventional ideological pretensions, inherited from its ostensibly social democratic origins. The core ideological tenets of the Gerakan are based on non-communalism, ethnic, religious and cultural tolerance, a mixed economy involving public ownership of the key means of production, and a liberal democratic system. However, the Gerakan's leadership and membership is predominantly Chinese, and it draws its primary support from the Chinese (Means 1976). Thus, the Gerakan has difficulties securing non-Chinese support, a problem exacerbated by the strong multi-racial orientation it professes in its policies. The Gerakan's main influence is in Penang,

where the party has provided the state leadership since 1969, even after joining the BN.

The leading Sarawak-based BN component party, the *Parti Pesaka Bumiputra Bersatu* (PBB, or United Bumiputra Party), is a *bumiputra*-based party formed in 1973 and long led by Melanaus following a merger of *Parti Pesaka* (a small non-Muslim *bumiputra* party) with *Parti Bumiputra* (a predominantly Muslim *bumiputra* party). PBB's long-standing president, Abdul Taib Mahmud who is also Sarawak's Chief Minister and a former federal cabinet member, has become dominant in the state and maintains a close relationship with senior UMNO leaders, particularly Prime Minister Mahathir. PBB was the dominant party in the *Barisan Tiga* (Tripartite Front), also comprising two other Sarawak-based BN component members — the Chinese-based Sarawak United People's Party (SUPP) and the Iban-based Sarawak National Party (SNAP). SUPP was the state's first legal party, formed in 1959 and open to all races, but predominantly led by Chinese; its original membership, however, has included Malays, Ibans and Dayaks (Means 1976). Though a member of the BN, another Sarawakian party, the *Parti Bangsa Dayak Sarawak* (PBDS, or Sarawak Dayak People's Party), a Dayak-based breakaway from the SNAP, had the unique position of remaining an opposition party at state level. The PBDS subsequently sought and gained admission into the state ruling coalition after faring badly in the state elections in 1991. None of these parties has any influence outside Sarawak.

In Sabah, the turnover of parties from the BN has been high. The former BN component members which once led the Sabah state government but are now in the opposition include the United Sabah National Organization (USNO) (1963-76) and the *Parti Bersatu Sabah* (PBS, or United Sabah Party) (1985-94); the *Bersatu Rakyat* (Berjaya, or United People), which ruled Sabah from 1976 to 1985, is nearly defunct, though technically still a BN member. Among the current Sabah-based BN members are the Dusun-based *Angkatan Keadilan Rakyat* (AKAR, or People's Justice Movement) and the Chinese-based Liberal Democratic Party (LDP), both minor parties with limited influence. In 1994, several newly-formed Sabahan parties were accepted into the BN fold, notably the Chinese-based Sabah Progressive Party (SAPP) and the Kadazan-based *Parti Bersatu Rakyat Sabah* (PBRS, or United Sabah People's Party) and the

*Parti Demokratik Sabah* (PDS, or Sabah Democratic Party). All these parties are led by former PBS leaders, most of whom defected in 1994, when it became clear that the PBS was losing control of the Sabah state government. Although the PBS narrowly won the 1994 Sabah state elections, following the defection of some of its assemblymen to the BN, the coalition secured control of the state government and a member of UMNO — making its electoral debut in the state — was appointed chief minister (Gomez 1996a). The new parties established by former PBS leaders have limited support in Sabah, especially among the Kadazan, while UMNO, having made significant inroads in the state after 1990, appears to have consolidated Muslim *bumiputra* support in the state.

Although the BN is the governing coalition, it cannot be construed of as an actively functioning party. The activities of component parties within the BN are individually geared toward their particular target groups. The BN's Supreme Council meetings, comprising leaders of all component parties, are held infrequently, usually only before a federal or state election.

This suggests that the role of the BN's Supreme Council as the main governing body is merely perfunctory with discussions on policy matters among leaders of the BN minimal, and major decisions made by a select group of BN leaders, mainly from UMNO, before being passed on for endorsement, usually at cabinet level.

Since leaders of most of the BN component parties are represented in the cabinet, this forum doubles as the main avenue through which inter-party and inter-ethnic consultations are regularly held and differing viewpoints expressed. However, in view of UMNO's hegemony in the executive, and since representation in the cabinet is the sole prerogative of the prime minister, and given the heavy reliance of component peninsular and Sabah parties on UMNO to secure victories in elections, it is doubtful if inter-party consultations are conducted on an equal footing.

This suggests that a distinction should be made between cooptation and power sharing within the BN (McGarry & O'Leary 1993). Although Mahathir, like his predecessors, has stressed that power sharing exists within the ruling coalition — according to Mahathir, 'power sharing in BN means giving our power to the minority groups so they can have a meaningful part to play in all our deliberations and decisions' (*Business Times* 1995) — it is more a case of UMNO coopting other parties to project the

impression of representativeness and multi-racialism to legitimize its claim to remain in power in a multi-ethnic society.

*The Opposition.* The Democratic Action Party (DAP), established in 1966, was constituted from the rump of Singapore's ruling People's Action Party (PAP) after the separation of the island republic in August 1965. Espousing the PAP's commitment to the creation of a democratic, socialist Malaysia, the DAP stresses the principles of racial equality more than social and economic justice. The DAP emphasizes the need for greater democratization, arguing that the true spirit of democracy in a multi-ethnic society is expressed through racial equality, mutual respect and tolerance. The DAP stresses the need for a level playing field for all ethnic communities in politics, business and education. Not unexpectedly, the DAP does not have much Malay support. Even though its membership is open to all Malaysians and it has a multi-racial leadership, the DAP is seen as a 'Chinese' party, buttressed by the commonly-held perception that it primarily raises Chinese concerns.

By consistently exposing corruption in government and promoting transparency and accountability, the party has managed to garner sizable urban, non-Malay middle class support. This has meant that the party has been the target of some of Malaysia's repressive legislation. Many of the DAP's top leaders have been detained under the Internal Security Act (ISA), which allows for long-term detention without trial. The DAP's long-standing secretary-general, Lim Kit Siang, has been detained twice, in 1969 and in 1987, for almost two years on each occasion, ostensibly for inciting racial tension. In view of the popularity of the party's newspaper, *The Rocket*, probably the most important and effective means of dissemination of the DAP's perspective, the government has limited the paper's circulation to party members.

The Islamic party, PAS, a breakaway UMNO faction formed in 1951, is the main opposition party with the capacity to undermine UMNO's influence among rural Malays. Following a radical leadership change in 1982, PAS began adopting a more Islamic stance. Current leaders are primarily Islamic-educated *ulama* (religious teachers) and the party's influence is limited mainly to the northern Malay heartland states of Kelantan, Terengganu, Kedah and Perlis. PAS first secured a majority in the Kelantan

legislature in 1959 and governed the state until 1978. PAS also gained control of the Terengganu state government after the 1959 general elections, but ceded control of the state in 1961 following defections from the party to UMNO. During the 1990 general elections, PAS swept back to power in Kelantan with the aid of the newly-established Malay party, *Parti Melayu Semangat 46* (Semangat, or Spirit of '46 Malay Party), led by the Kelantan prince, Razaleigh Hamzah, the former finance minister and a long-standing UMNO vice-president. PAS' 1990 electoral performance in Terengganu also improved appreciably following its collaboration with Semangat. Although PAS retained control of Kelantan in the 1995 general elections, and obtained a marginal increase in support in Terengganu and Kedah, by continuing to stress its desire to establish an Islamic state, the party's influence on the west coast of the peninsula, and in Sabah and Sarawak, is scant, even among Muslim *bumiputras*, thus restricting its ability to achieve power at the federal level.

Among the opposition, PAS has the most strongly defined ideological position. It is committed to the formation of an Islamic state and, accordingly, espouses policies and ideas supposedly rooted in the religion. Adopting this Islamic posture, PAS has been offering Malaysians, and Muslims in particular, a society reformed through legislative changes based on religious tenets. For PAS, the establishment of an Islamic state will bring about spiritual upliftment and lead to the development of a more just, democratic, moral, principled and socially conscious society, devoid of repressive legislation and unhealthy activities such as gambling. All of PAS' ideas and motivations stem from its Islamic foundations as the party perceives it. Democratic ideals, the party believes, are only acceptable within a secular context since such ideals would automatically be a feature of a system which is inherently just within an Islamic theocratic state (Jesudason 1996).

The multi-racial PBS was formed in 1985 by dissidents from Berjaya, a member of the BN that had control of the Sabah state government then. Led by Joseph Pairin Kitingan, a Kadazan, the PBS came to power just a year after its inception, mainly with the support of the Kadazan community.

The *Parti Rakyat Malaysia* (PRM, or Malaysian People's Party) has a small membership and limited influence. Inaugurated in 1955, and hoping to derive support from rural peasants, it has, more recently, made some

inroads among the urban working class. The PRM has not been able to win an electoral contest since it secured one parliamentary seat and three state seats in the 1969 general elections. In the elections of 1982, 1990 and 1995, the PRM collaborated with other opposition parties, including the opposition coalition *Gagasan Rakyat Malaysia* formed in 1990, but failed to secure representation either in the Federal Parliament or in any of the State Assemblies.

Gagasan Rakyat had its roots in UMNO factionalism. In 1987, an UMNO faction, led by Razaleigh, then Trade and Industry Minister, alleged that most government contracts and business opportunities were being distributed to Mahathir's close ally, then Finance Minister Daim Zainuddin. These allegations justified Razaleigh's decision to contest the

**Mahathir's narrow margin of victory in the 1987 UMNO party elections proved to be a defining moment in Malaysian politics as it precipitated a series of authoritarian measures by Mahathir to consolidate his position.**

party presidency. In the elections, Mahathir narrowly clinched victory, securing merely 51 percent of the votes of the delegates to the UMNO general assembly (Shamsul 1988). This proved to be a defining moment in Malaysian politics as it precipitated a series of authoritarian measures by Mahathir to consolidate his position. Within the next year, more than 100 government critics were detained under the ISA, some newspapers had their licenses revoked, members of the judiciary, includ-

ing the Lord President, were removed from office through questionable means, and UMNO was declared an 'illegal' party in a ruse to establish a new UMNO firmly under Mahathir's control (Lee 1995). Mahathir immediately formed a new party, *UMNO Baru* (New UMNO), which provided him with the opportunity to deny his critics membership in the new party. Razaleigh and his loyalists formed *Semangat 1946* (Spirit of 1946, the year of UMNO's establishment) and crossed over to the opposition.

What appeared to be a politically expedient move by Mahathir to rid UMNO of his opponents led to the emergence of the most organized opposition to the BN since the latter's formation. With *Semangat* in the opposition, two coalitions emerged under its leadership. *Semangat* formed an electoral pact with the DAP, the PRM and the Indian-based All Malaysian

Indian People's Front (IPF), a breakaway MIC faction. The BN-like multi-racial coalition, Gagasan Rakyat, primarily contested parliamentary and state seats on the West coast of the peninsula, where constituents were from all ethnic communities. On the East coast, where the constituencies are dominated by Malay Muslims, Semangat combined forces with three Islamic parties — PAS, *Barisan Jamaah Islam* (Berjasa, or Islamic People's Front), and *Hizbul Musliman Malaysia* (Hamim, or Malaysian Muslim Party) — to form *Angkatan Perpaduan Ummah* (APU, or Community Unity Movement) (Khong 1991).

The chief reason for the establishment of two separate coalitions was the inability of the Islamic-based PAS and the DAP to find common ground (Khong 1991). The DAP was particularly opposed to PAS' intention to form an Islamic state, while PAS was not willing to renounce this goal. When both opposition coalitions were formed just before the October 1990 general elections — APU was formed on 5 June 1990 and Gagasan Rakyat on 11 October 1990 — it was the first time in the history of Malaysian politics that all opposition parties were united and led by an established ex-UMNO Malay leader, Razaleigh. Midway through the campaign period for the general elections, the PBS defected from the BN to the opposition, giving the Gagasan Rakyat control over the Sabah state government even before it contested its first elections.

The new opposition coalitions proved formidable adversaries to the BN. The APU resoundingly defeated the BN in Kelantan, securing victory in all the state's parliamentary and state seats. The Gagasan Rakyat narrowly failed to secure control of the Penang state government. The BN's performance in the other states, however, was much better, enabling it to retain its two-thirds majority in parliament, albeit by a mere seven seats. The BN's victory was due to its effective use of funds, government machinery and the leading newspapers as well as television and radio networks (Khong 1991).

Subsequently, federal funds to the Kelantan and Sabah state governments were reduced. This led some PBS leaders to advocate closer ties with the BN, ostensibly to secure more federal funding for development, but probably also for personal reasons. After PBS defection to the opposition, some PBS leaders alleged that they were being victimized by the federal government. Some PBS leaders, including Kitingan's brother, had

been detained under the ISA for almost three years. Kitingan was charged and found guilty of abusing his powers to channel a RM1.4 million construction contract to family members. Although found guilty, Kitingan was only fined RM1,800 for the offense, just RM200 short of the amount which would have disqualified him from running for office (FEER 1994).

PBS left the Gagasan Rakyat and attempted to return to the BN; its application was rejected and the BN secured control of the Sabah state government following the 1994 state elections through questionable means, although the PBS had narrowly secured victory (see Gomez 1996a). Despite the PBS reduced electoral support during the state elections in 1994 and the defection of key leaders to the BN, the results of the 1995 general elections showed that the PBS still commanded sizable non-Muslim support, especially among the Kadazans and Chinese (see Gomez 1996b). This sequence of events revealed UMNO's use of federal government influence to undermine the PBS and its leaders at state level.

The decision of the PBS to withdraw from the Gagasan Rakyat signaled the latter's decline despite the serious electoral threat that the Semangat-led opposition coalitions had posed to the BN in 1990. Semangat was increasingly unable to sustain cooperation among the opposition parties due to political differences, while the DAP, Semangat and IPF were themselves encumbered with internal problems, with the latter two wracked by defections to the BN. In 1995, the IPF, languishing in the opposition, attempted to return to the BN while the DAP exited from the Gagasan Rakyat, claiming that continued membership in the coalition was being construed by its supporters as tacit support for PAS' idea of an Islamic state. In the 1995 general elections, these opposition parties contested under their own banner, with some even competing against each other — particularly the DAP and the PBS in Sabah and in Penang — which, in some cases, split the votes sufficiently to enable the BN to secure victory (Gomez 1996b). Meanwhile, Semangat struggled to sustain support among the electorate, performing less brilliantly in the 1995 general elections. As Semangat's problems with PAS in the Kelantan state government mounted, Razaleigh returned to UMNO in 1996. The ambitious Razaleigh was probably aware that he would be unable to make further political progress, let alone secure the premiership from outside UMNO by



seeking the cooperation of opposition parties professing disparate ideologies. Semangat had difficulty sustaining its membership as many members, denied access to state rents, defected to UMNO. With the deep rifts within UMNO, by transferring Semangat's supposed 200,000 members to the party, Razaleigh hoped to strengthen his own chances of making a political comeback within UMNO. Since the smaller parties in APU were dwarfed by PAS and since the Gagasan Rakyat depended primarily on Razaleigh's leadership to be seen as an effective alternative to the BN, both opposition coalitions are unlikely to sustain themselves and will probably disappear with Semangat.

The founding of the multi-racial Gagasan Rakyat had been predicated on the knowledge of its component members that they would be independently unable to broaden their support. Thus, the leaders of the DAP, professedly multi-racial in outlook, found it imperative to work with the Malay-based Semangat and the Indian-based IPF, whose heads were former leaders of the BN, with whom they differed greatly in terms of political orientation. Although the Gagasan Rakyat fared rather well in the 1990 general elections, the disparate interests of its component parties, especially their leaders, eventually contributed to its collapse.

#### FREE, BUT NOT FAIR ELECTIONS

PARLIAMENTARY and state elections are held regularly in Malaysia. Municipal elections were conducted regularly until 1964 when they were discontinued after it became apparent to the Alliance that it was in danger of registering embarrassingly high losses in urban areas. Federal and state elections are run on a first-past-the-post basis in single member constituencies. Although the costs incurred in conducting an election are borne by the government, individual candidates or parties are responsible for funding their own campaigns. Voting is not compulsory, but the principle of universal suffrage applies to all Malaysians above the age of 21.

Since the first federal elections in 1955, parliamentary elections have been conducted without fail, as constitutionally required, and electoral participation by eligible citizens has been consistently high. In the federal elections held between 1959 and 1990, voter turnout ranged between 70 and 78.9 percent, while the turnout in state elections during the same pe-

riod ranged between 71.7 and 78.9 percent (NSTP Research and Information Services 1994).

Elections are competitive in that a number of parties compete in the electoral process — any party registered with the Registrar of Societies is eligible to contest an election — and the outcome of an election can bring about a change of government. By subjecting the choice of government to the electoral process at regular intervals under such conditions, the BN has been able to legitimize its right to rule, especially since the BN has been voted out of office on a few occasions in state-level elections. However, federal-state disputes have occurred in Sarawak (in 1966), Kelantan (in 1977) and Sabah (in 1994), resulting in the rather undemocratic or questionable removal of elected governments from office; in Kelantan and Sarawak, states of emergency were declared by federal government leaders to wrest or secure control of the state governments, while in Sabah, the re-elected PBS government was toppled with the crossover of some of its members to the BN, reportedly with the inducement of substantial monetary favors and the promise of ministerial appointments at the federal or state levels (Means 1976; Gomez 1996a).

All the 10 federal-level elections that have been held since 1955 have been won by the UMNO-led Alliance or BN coalitions. On all occasions, except in 1969, a two-thirds majority was secured in Parliament. However,

**The major factors at play during a campaign which helped the Barisan Nasional retain government control are commonly termed the 3M's — money, media and machinery.**

the BN cannot honestly claim that its consistent electoral support proves its continued popularity. The manner in which campaigns are conducted tends to heavily favor the BN, thus undermining government claims that elections are fairly conducted. The major factors at play which helped the BN retain government control are commonly termed the 3M's — money, media and machinery. This has involved

complaints about the BN's excessive use of funds, abuse of their control of Malaysia's leading newspapers as well as television and radio networks, and misuse of government machinery (see Chandra 1982; Sakaran & Hamdan 1988; Khong 1991; Gomez 1996b).

## Performance at the Polls

Results of Federal Parliament Elections, in Malaysia, 1955-1995

YEAR	1955	1959	1964	1969	1974	1978	1982	1986	1990	1995
Alliance	51	74	89	74						
BN <sup>1</sup>					135	130	132	148	127	162
PAS <sup>2</sup>	1	13	9	12		5	5	1	7	7
DAP				13	9	16	9	24	20	9
Socialist Front		8	2							
PPP <sup>3</sup>		4	2	2						
P. Negara		1								
P. Malaya		1								
UDP			1							
PAP			1							
Gerakan <sup>3</sup>				8						
USNO				13						
SCA				3		1				
SNAP <sup>3</sup>				9	9					
SUPP <sup>3</sup>				5						
Pesaka				2						
S46									8	6
Pekemas					1					
PBS									14	8
Ind.		3		1		2	8	4	4	
TOTAL	52	104	104	144	154	154	154	177	180	192

<sup>1</sup> In 1973, the Alliance was enlarged and renamed the BN.

<sup>2</sup> PAS was part of the BN for the 1974 general elections.

<sup>3</sup> These parties joined the BN after the 1969 elections except for SNAP which joined after the 1974 elections.

Source: New Straits Times, 23 April 1995.

In the case of the media, legislation to control the press has been effective in curbing dissent and criticism of the BN government's performance in office. Indirect and direct control by some BN component parties and individuals over the private media — the private radio and television net-

works and the major Malay, Chinese, Tamil and English newspapers — and the government's direct control of Radio and Television Malaysia (RTM) have also been abused to cast the opposition in an unfavorable light. UMNO has a direct majority stake in Utusan Melayu Bhd which publishes the influential Malay newspapers, *Utusan Malaysia*, *Mingguan Malaysia* and *Utusan Melayu*. The private television network, TV3, and The New Straits Times Press Bhd, which publishes the English newspapers, *The New Straits Times* and *Business Times* and the Malay newspaper, *Berita Harian*, were controlled by businessmen closely associated with former UMNO Deputy President and Deputy Prime Minister Anwar Ibrahim (Gomez 1994). The MCA's investment arm, Huaren Holdings Sdn Bhd, has a controlling interest in Star Publications Bhd, which publishes the popular English tabloid, *The Star*, while *The Sun*, another English tabloid, is controlled by Vincent Tan Chee Yioun, a businessman with strong ties to the UMNO elite. Most of the Tamil press is controlled by MIC leaders, while some of the leading Chinese newspapers, including the *Nanyang Siang Pau* and *The China Press*, are controlled by the Hong Leong Group, which has close business ties with UMNO-linked companies. *Sin Chew Jit Poh*, the country's best-selling Chinese newspaper, is controlled by a Sarawak-based tycoon who was also a BN senator (Gomez 1994).

Given the ownership of the mainstream media, opposition members have repeatedly complained that they are unable to get their manifestos advertised during campaign periods, while their statements are usually taken out of context when carried by the press. The opposition has also claimed, on numerous occasions, that press reports of their activities have been blatantly false. Major newspapers are, however, used to carrying full page advertisements of the BN's manifestos and accomplishments, while the views of government leaders are given wide and favorable coverage (Sakarān & Hamdan 1988; Khong 1991; Gomez 1996b).

The BN abuses government machinery in several ways. Although the Election Commission decides the length of the campaign period, by ensuring that it is kept very short — normally just over a week — ostensibly in the interest of maintaining ethnic harmony, this has greatly benefited the BN. Since the ban on open rallies before the 1978 general elections, such campaigning has to be kept indoors. Yet, BN leaders blatantly campaign at huge rallies while ostensibly officiating at official government functions.

Through their control of the federal government, BN leaders often promise funding development projects and threaten financial cuts, reinforced by their distribution of state largesse to the electorate just before and during the campaign period.

Probably the most common allegation made during elections is that funds are used to buy votes, which has caused campaign expenditure to greatly exceed the stipulated maximum of RM50,000 for a parliamentary constituency and RM30,000 for a state seat. Before the 1990 general elections, it was reported that the BN was prepared to spend an average of RM1 million in each parliamentary constituency (FEER 1990). Though such allegations usually come from the opposition, on occasion, the BN has made similar complaints against the opposition. Following the 1990 general elections, a BN member filed a case in court alleging that a successful Semangat parliamentary candidate in Terengganu had used funds to secure votes, which the court deemed true, thus disqualifying the winner.

Vote-buying was apparently still rampant during the 1995 general elections. There were numerous allegations by the opposition that votes were secured through the distribution of funds and gifts in the states of Kelantan, Terengganu and Kedah, and in some urban constituencies in Perak and Kuala Lumpur. In Kelantan, PAS alleged that there were candidates who spent almost RM5 million to secure support, with voters paid between RM500 and RM1,000 each (Gomez 1996b). All candidates are required to file the total funds used during the campaign with the Election Commission following the elections, but they are not required to divulge the sources of their funds.

Although the Election Commission is also responsible for reviewing the division of parliamentary and state constituencies, the electorates in these constituencies have always been disproportionately smaller in predominantly *bumiputra*, rural areas compared to the mainly Chinese-majority, urban constituencies. Thus, while Malays accounted for just 55.2 percent of the total electorate in 1990, such electoral boundaries favor the BN, particularly UMNO, whose main support is from rural Malays. This has been a key factor behind the BN's consistent victories in federal-level elections (Crouch 1996b; Gomez 1996b). In the 1960s, *bumiputra*-majority constituencies constituted 57 percent of all parliamentary seats; by the early 1980s, this had risen to 65 percent. The overrepresentation of Sabah and

Sawarak *bumiputras* has also enhanced *bumiputra* dominance in Parliament. In 1990, although only 16.5 percent of the population resided in Sabah and Sarawak, the 48 constituencies in these two states constituted 27 percent of the seats in Parliament; *bumiputras* in the Borneo states, particularly Sarawak, have tended to support the BN. This has meant that any party in the peninsula which could command the support of most *bumiputras* would be able to control the federal government, and if it collaborated with *bumiputra* parties of some influence in Sabah and Sarawak, it would also be able to command a comfortable majority in parliament (Crouch 1996b). By 1994, UMNO had secured a strong base in Sabah in Muslim *bumiputra*-majority constituencies, while its relationship with PBB, Sarawak's long-standing ruling party, was particularly strong. Such gerrymandering has meant that even if the opposition garnered strong electoral support in terms of the total number of votes cast, the number of seats it would secure in Parliament would be much less. In the 1990 general elections, although the opposition obtained 48 percent of the total votes cast, it secured only 29 percent of the 180 parliamentary seats. In the 1995 polls, the opposition secured 35 percent of the vote, but only 15 percent of parliamentarians.

#### THE DEMOCRATIC MIDDLE CLASS?

DESPITE growing concentration of power in the executive arm of government, there is little evidence of much tension between the large multi-ethnic middle class that has emerged and the authoritarian state, or of growing demands for political liberalization among the Malay middle class. Rather, as the results of the 1995 general elections indicated, the BN still enjoys a high degree of popular support, while much of the middle class believe that there has been commendable economic performance, as well as success in reducing poverty, raising real incomes and diminishing wealth disparities among ethnic communities because of the existence of a strong state (see Gomez 1996b). Mahathir probably also invokes his regime's success in promoting economic growth to justify his authoritarian style of governance; he has stated, 'nobody cares about human rights so long as you can register annual growth rates of 8.5 percent' (TWR 1993).

Moreover, there is still only limited inter-ethnic cooperation among middle class Malaysians due to ethnic polarization; this has, to date, inhib-

ited more effective mobilization of this class. The bulk of the middle class in Malaysia is quite materialistic and unlikely to face the avoidable risks of seeking reforms. There is little evidence that the growing access of young Malaysians to higher education has led to a significant increase in democratic values and practices, as has been the case in other parts of Southeast and East Asia. This process is hampered by the rather repressive University and University Colleges Act, which forbids students from any form of unapproved (that is, non-government) political participation.

The limited reformist orientation of the middle class may also be due to the fact that the access of most *bumiputras* to higher education has been facilitated by state scholarships and ethnic quotas. Furthermore, much of the *bumiputra* middle class is either still employed by the state or state-owned enterprises, or views the bureaucracy and UMNO as stepping-stones for upward social mobility; many still conceive of UMNO and the state as protectors of their interests, politically and economically.

Undoubtedly, liberalization policies, including privatization, which have entailed diminishing the role of the state in the economy, and the recent emphasis on private-sector led growth have been well received by the Chinese, particularly its urban, middle class members. Although government patronage has persisted with privatization, greater inter-ethnic business cooperation has been enhanced between those Chinese capable of fulfilling contracts and those Malays who can secure them. Economically, Mahathir has realized the utility of mobilizing Chinese capital for his modernization drive. Politically, such development of inter-ethnic economic cooperation has given him unprecedented electoral support from non-*bumiputras*, particularly urban middle-class Chinese (see Gomez 1996b).

Non-*bumiputras* have also gained more from and hence been more appreciative of the cultural liberalization measures instituted by Mahathir since the mid-1980s, especially his promotion of English language use. There has been greater tolerance for non-Malay cultural expression, espe-

**There is little evidence that the growing access of young Malaysians to higher education has led to a significant increase in democratic values and practices, as has been the case in other parts of Southeast and East Asia.**

cially when politically expedient. Mahathir, for example, lifted long-standing restrictions on the lion dance and liberalized travel restrictions to China before the 1990 general elections. Since Malaysian Chinese have historically been as concerned with maintaining their economic, educational and cultural rights as their political rights (Lee 1987), the move by the government toward economic and cultural liberalization, though unaccompanied by greater political and civil liberties, has been politically expedient and attractive.

Yet, greater intra-ethnic problems among the Malays have been evident in the UMNO split, which led to the formation of Semangat, as well as current factionalism within UMNO. Such factionalism may bring about greater democratization. Already, *bumiputras* — primarily, but not exclusively, rural Malays — are assessing the BN government's performance, not only in terms of economic growth, but also by its capacity to prevent or deal with social ills and maintain a more decent level of probity and transparency (see Gomez 1996b).

Some of the problems that have emerged among Malays appear to have to do with Mahathir's vision of development for Malaysia. His emphasis on creating a *bumiputra* capitalist elite and of industrialized modernization is not consistent with the agrarian populist basis of UMNO. The Malay peasantry, long the backbone of UMNO, appears increasingly alienated from this vision (see Gomez 1996b). Mahathir's former deputy, Anwar, tried to project a more populist vision with his greater attention to such needs. These different emphases of these two leaders are a reason for perceived differences between them, though more sympathetic observers argue that their roles are complementary. Yet, despite repeated denials of any rift between Mahathir and Anwar, UMNO remains deeply factionalized. In these circumstances, and given the concentration of power within UMNO, if greater political liberalization is to emerge, it may depend primarily on machinations within UMNO.

#### UMNO FACTIONALISM: THE ROAD TO DEMOCRACY?

BELLONI and Beller define a faction as 'any relatively organized group that exists within the context of some other group and which (as a political faction) competes with rivals for power advantages within the larger group of which it is a part' (quoted in Goldman 1993). The cooperation that leads to



the formation of factions, usually led by recognized leaders, tends to be short-lived and normally for 'the purpose of influencing the decisions and conduct of the party organization as a whole' (Goldman 1993).

Persistent factionalism within UMNO is closely tied to the party's hegemonic position. UMNO factionalism has also usually been precipitated by economic issues. When Tunku Abdul Rahman was eased out of the presidency, it was related to the limited development of Malay capital after a decade of independence. In 1987, when Mahathir was almost defeated as UMNO president, wealth concentration among an UMNO elite was cited as the reason for the contest. Through UMNO's control over state resources, party leaders have patronized groups and individuals in return for support within the party. Patronage politics has long been the primary means through which a strong grassroots base is created in the party. The distribution of economic favors to develop a grassroots base led to their increased use in UMNO elections and the development of the phenomenon popularly referred to as 'money politics'. This has involved distributing cash and gifts, offering expenses-paid trips to members and providing business opportunities in return for votes (Gomez 1990, 1991, 1994). In the 1984 UMNO elections, the total money spent to secure support was allegedly well in excess of RM20 million (Milne 1986). Within a decade, during the 1993 UMNO elections, the money spent during the campaign had increased by more than ten-fold, to an estimated RM200-300 million (Gomez & Jomo 1997).

Money politics has also become rampant in the contests for other positions in UMNO's Supreme Council and in the election of branch and division leaders. In 1985, one politician was willing to spend as much as RM600,000 in his bid to become division chairman. In a bid for a similar post in 1985, one candidate allegedly spent RM6 million. The desire for funds to climb the party hierarchy increased during the 1980s and 1990s, contributing to growing ties between business and politics, and exacerbating rent-seeking by politicians. The search for economic rents that could be disbursed to secure support had fueled growing friction among party leaders for access to state resources.

Such patronage has facilitated the meteoric rise of a new breed of well-connected Malay businessmen who could not have gained anything close to their current wealth without political patronage. The business interests

of the Prime Minister's sons and of Anwar supporters as well as widespread ownership of corporate stock by business protégés of Daim Zainuddin are obvious (see Gomez & Jomo 1997). Such political patronage became the means to raise large amounts of money for use in the political process, especially for party and federal elections (see Gomez 1996a). This eventually led to growing frustration as well as accommodation among members of the business community, both Malays and non-Malays, over the rapid rise of such politically well-connected businessmen; it has also meant that the business community has become increasingly fragmented, structurally and politically.

Given UMNO leaders' access to state rents, many businessmen began to enter mainstream UMNO politics by vying for and securing posts in the party's Supreme Council and as division heads. This led to a gradual change in the composition of UMNO's grassroots leadership. Dominated mainly by rural teachers since UMNO's formation in 1946, businessmen began to gain control of party branches and divisions by the 1980s. In 1981, teachers still made up 41 percent of delegates to UMNO's annual general assembly; this dropped to 32 per cent in 1984, and declined further to 19 percent in 1987. By 1987, businessmen constituted 25 percent of delegates, while elected representatives made up 19 percent. By 1995, almost 20 percent of UMNO's 165 division chairmen were millionaire businessmen-cum-politicians (Wawancara 1995).

The use of patronage to develop a strong coterie of politically-aligned businessmen and a large grassroots base, the abuse of money in party elections and the growing influence of businessmen in politics were all obvious during the 1993 UMNO elections, when Anwar Ibrahim ousted Ghafar Baba as deputy president. Anwar's faction, calling themselves the 'Vision Team', captured most key party posts by arguing that with rapid economic development and the growth of a Malay middle class, UMNO itself had to change. They called on members to embody their modern vision; for them, the era of the 'New Malay' had arrived.

Though their conceptualization of the 'New Malay' remained nebulous, it implied that the pursuit of wealth was a social virtue, enhancing the already increasingly materialistic outlook of UMNO members; greed became good. However, there was growing discontent within UMNO over the fact that the gains made by individual members from their political af-

filiations had been spread very unevenly. Finally, Mahathir was forced to denounce this new culture, calling it the 'culture of greed', which was dividing the party against itself (NST 1994).

After the 1993 UMNO elections, very pronounced pro- and anti-Anwar factions emerged. While the pro-Anwar faction mainly comprised a younger breed of politicians eager to displace senior politicians, the anti-Anwar factions were generally led by more senior politicians wary of Anwar's meteoric rise in the party. Anwar, who had only been recruited into UMNO in 1982, had been a prominent critic of the BN and the long-time president of the non-governmental organization, *Angkatan Belia Islam Malaysia* (ABIM, or Malaysian Islamic Youth Movement).

Anwar's supposed recruitment of old ABIM colleagues into his UMNO inner circle had led to growing anxieties, even from within his own 'Vision Team'. Such factors soon contributed to the disintegration of Anwar's 'Vision Team', whose members, despite their sweeping victory in the 1993 party elections, were fearful that such developments threatened their future in UMNO. The rapid disintegration of the 'Vision Team' confirmed widespread speculation that its members had combined forces before the party elections because it was politically expedient to do so rather than due to some shared vision for Malaysia. This has led to the emergence in UMNO of several mutually non-exclusive factions.

Although Mahathir was not challenged for the presidency during the 1993 UMNO elections, it was widely believed that Anwar was emerging as the most powerful politician in the country, subtly laying siege on the Prime Minister. It was believed that Mahathir, unlike Anwar, had not spent enough time cultivating the grassroots, leaving a vacuum that had been filled by the energetic Anwar and his ambitious younger men. From 1995, however, Mahathir moved decisively to consolidate his presidency as a precaution against any attempt by Anwar's supporters to challenge him for the presidency.

Mahathir consolidated his position through a series of actions. Before the 1995 general elections, Mahathir dispatched some Anwar allies in the federal cabinet to the state level, or vice versa, and sent some of his own loyalists to contest state constituencies, which would enable them to be appointed as *Menteri Besar* (Chief Minister) later; the *Menteri Besar* has much control over UMNO members at the grassroots level in the state. The

list of BN candidates for the elections found a number of Anwar's associates sidelined — including some from ABIM who had hoped to be fielded instead of other UMNO members. In the post-elections cabinet, Anwar's opponents and rivals were promoted to senior portfolios while his allies were restricted to non-influential ministries or to the backbenches.

Mahathir also brought about changes within UMNO to protect his position, even proposing changes to the party Constitution. When UMNO had been reconstituted as *UMNO Baru* in 1988, its new Constitution had a provision which gave every nomination by a division for the post of president and deputy president 10 bonus votes; these bonus votes would be added to the number of votes the candidates received during the elections at the general assembly, clearly favoring the incumbents. Since Anwar's faction had demonstrated in 1993 the success with which money and organization could be used to usurp positions once thought unassailable because of the bonus votes, Mahathir proposed that the bonus votes provision be reviewed and that a code of ethics to curb money politics be drawn up, which can be used to act against those who threaten Mahathir's position. Half a year before the 1996 UMNO elections, a new rule was introduced, requiring candidates wishing to contest party posts to declare their intentions well in advance, thus blocking a possible late challenge. As the elections approached, even campaigning was banned; Mahathir justified it

**Though UMNO may be badly factionalized, it appears to be held together by Mahathir's seemingly unassailable grip on the apex.**

as 'the party's way of ensuring fairness to all because there are some candidates who can afford to campaign while others cannot.... Banning campaigning is to level out the opportunity for all' (FEER 1996).

This series of actions in UMNO and in the cabinet reinforced Mahathir's political dominance, making it extremely dif-

ficult for anyone to topple him from within UMNO. The competition among factions was fought out at lower party echelons, in the contests for the vice-presidencies, for control of the youth and women's wings, and at divisional and branch levels. Though UMNO may be badly factionalized, it appears to be held together by Mahathir's seemingly unassailable grip on the apex.

During the 1996 UMNO elections, although election results at division and branch levels suggested that members aligned to Anwar had secured grassroots control, none of the three directly elected vice-presidents were seen as particularly close to Anwar. Mahyuddin Yassin — Anwar's closest ally among the incumbent vice-presidents who had also secured the most votes in 1993 — was embarrassingly defeated, coming in sixth among the seven candidates contesting the post. However, the leadership of the UMNO youth and women's wings were secured by those in Anwar's camps. The overall impression that emerged from the election results suggested evenly-divided strengths within the party.

The impact of such factionalism on the future of Malaysian politics is difficult to gauge. It is possible that if such factionalism intensifies, another faction may break away, which may lead to the establishment of another broad-based opposition coalition. Such an alternative may not be attractive given the experience of such breakaway factions in the opposition, as evidenced by the demise of Semangat. Other breakaway UMNO factions — including the one led in 1951 by Onn Jaafar, UMNO's first president — have similarly failed to undermine UMNO. On the other hand, since the increasing difficulty of reaching compromises among factions may exacerbate instability in government, Mahathir may centralize even more power in his own hands. The frustrations of Anwar's supporters in such circumstances may increase, especially since Mahathir continues to show no sign of relinquishing power. However, much will depend on their ability to persuade Anwar to take on Mahathir for the UMNO presidency — an unlikely scenario in the near future given how effectively Mahathir checked the possibility of such a challenge in 1995 and 1996.

There are a number of reasons why factions within UMNO may emerge as key players insisting on more transparency and accountability in Malaysia. First, the emergence of the new Malay middle and business classes with state patronage continues to contribute to friction over access to rent opportunities, which has led to intensified challenges for senior party posts. Some leaders even use the argument of the need for greater transparency to justify their decisions to contest party posts. Second, the ambitions of those in the middle and business classes vying to climb the UMNO hierarchy may compel them to use their business influence, espe-

cially control over the media, to expose various types of transgressions, both moral and illegal, to discredit their opponents. Already, there have been numerous exposés in the mainstream press of corruption and conflicts-of-interest involving UMNO leaders, particularly those not aligned to Anwar.

Such UMNO factionalism may increase demands in UMNO for greater change, changes in the leadership, increased political participation and for more transparency and accountability. Some of those who feel marginalized believe that they can operate better in a more level playing field. Thus, they may desire to alter intra-ethnic allocation to enhance their access to state rents. Thus, in the event of an economic downturn, which may greatly reduce the rents that can be distributed, UMNO factionalism may be difficult to be contain.

The Malaysian case indicates that the continued institutional viability of ethno-populism has been a major impediment to democratization. However, significant class divisions have emerged among the Malays, and since social problems arising from rapid modernization have primarily effected this community, the opposition PAS appears to be gaining ground among rural Malays by arguing that with the rise of decadent materialism, at the expense of spiritual and moral values, a political system based on Islam is the only solution to the country's social problems (see Gomez 1996b); in the long term, this might threaten Mahathir from outside UMNO. Within UMNO, the factionalism that persists in the party and the direction that it will take appears to be Mahathir's most immediate problem, particularly in the event of a long-term economic decline. If this factionalism persists in UMNO, it may give rise to situations that may enhance democratization in Malaysia.

#### REFERENCES

- Brown, R. 1994. *The State and Ethnic Politics in Southeast Asia*. London: Routledge.
- Business Times*. 1995. 24 March.
- Chandra Muzaffar. 1982. The 1982 Malaysian General Elections: An Analysis. *Contemporary Southeast Asia* 4 (1): 86-106.
- Chee, S. 1991. Consociational Political Leadership and Conflict Regulation in Malaysia. In Stephen Chee (ed). *Leadership and Security in Southeast Asia: Institutional Aspects*. Singapore: Institute of Southeast Asian Studies.
- Crouch, H. 1996a. *Government and Society in Malaysia*. Ithaca: Cornell University Press.

- Crouch, H. 1996b. Malaysia: Do Elections Make a Difference? In RH Taylor (ed). *The Politics of Elections in Southeast Asia*. Washington D.C.: Woodrow Wilson Center Press and Cambridge: Cambridge University Press.
- Diamond, L; J Linz & S Lipset (eds). 1993. *Democracy in Developing Countries, Volume Three: Asia*. Boulder: Lynne Rienner.
- Far Eastern Economic Review* (FEER). 1996. 25 April.
- Far Eastern Economic Review*. 1994. 27 January.
- Far Eastern Economic Review*. 1990. 5 July.
- Freeman, M. 1996. Human Rights, Democracy and 'Asian Values'. *The Pacific Review* 9(3): 352-66.
- Goldman, R. 1993. The Nominating Process: Factionalism as a Force for Democratization. In G Wekkin et al. (eds). *Building Democracy in One-Party Systems: Theoretical Problems and Cross-National Experiences*. Westport: Praeger.
- Gomez, E & Jomo KS. 1997. *Malaysia's Political Economy: Politics, Patronage and Profits*. Cambridge: Cambridge University Press.
- Gomez, E. 1996a. Electoral Funding of General, State and Party Elections in Malaysia. *Journal of Contemporary Asia* 26 (1): 81-99.
- Gomez, E. 1996b. *The 1995 Malaysian General Elections: A Report and Commentary*. Singapore: Institute of Southeast Asian Studies.
- Gomez, E. 1994. *Political Business: Corporate Involvement of Malaysian Political Parties*. Townsville: James Cook University of Northern Queensland.
- Gomez, E. 1991. *Money Politics in the Barisan Nasional*. Kuala Lumpur: Forum.
- Gomez, E. 1990. *Politics in Business: UMNO's Corporate Investments*. Kuala Lumpur: Forum.
- Haggard, S & R Kaufman (eds). 1995. *The Political Economy of Democratic Transitions*. Princeton: Princeton University Press.
- Hua Wu Yin. 1983. *Class and Communalism in Malaysia, Politics in a Dependent Capitalist State*. London: Zed Books.
- Huntington, S. 1991. *The Third Wave: Democratization in the Late Twentieth Century*. Norman: University of Oklahoma Press.
- Jesudason, J. 1996. The Syncretic State and the Structuring of Oppositional Politics in Malaysia. In G Rodan (ed). *Political Oppositions in Industrializing Asia*. London: Routledge.
- Jomo KS. 1990. *Growth and Structural Change in the Malaysian Economy*, London: Macmillan.
- Khong, K. 1991. *Malaysia's General Elections 1990: Continuity, Change, and Ethnic Politics*. Singapore: Institute of Southeast Asian Studies.
- Lee, H. 1995. *Constitutional Conflicts in Contemporary Malaysia*. Kuala Lumpur: Oxford University Press.
- Lee, K. 1987. Three Approaches in Peninsular Malaysian Chinese Politics: The MCA, the DAP and the Gerakan. In Zakaria Ahmad (ed). *Government and Politics in Malaysia*. Singapore: Oxford University Press.
- Lijphart, A. 1977. *Democracy in Plural Societies: A Comparative Exploration*. New Haven: Yale University Press.

- Malaysia. 1996. *Seventh Malaysia Plan, 1996-2000*. Kuala Lumpur: Government Printers.
- Malaysia. 1991. *Sixth Malaysia Plan, 1991-1995*. Kuala Lumpur: Government Printers.
- Malaysia. 1976. *Third Malaysia Plan, 1976-1980*. Kuala Lumpur: Government Printers.
- Malaysian Business*. 1991. 16 January.
- Mauzy, D. 1993. Malaysia: Malay Political Hegemony and Coercive Conso-  
ciationalism. In J McGarry & B O'Leary (eds). *The Politics of Ethnic  
Conflict Regulation*. London: Routledge.
- McGarry, J & B O'Leary. 1993. Introduction: The Macro-Political Regulation of  
Ethnic Conflict. In J McGarry & B O'Leary (eds). *The Politics of Ethnic  
Conflict Regulation*. London: Routledge.
- Means, G. 1976. *Malaysian Politics*. London: Hodder & Stoughton.
- Milne, R. 1986. Malaysia — Beyond the New Economic Policy. *Asian Survey*  
26(12): 1366-1382.
- Muhammad Ikmal Said. 1996. Malay Nationalism and Malay Identity. In Ikmal  
Said & Zahid Emby (eds). *Malaysia: Critical Perspectives — Essays in Honor of  
Syed Husin Ali*. Kuala Lumpur: Malaysian Social Science Association.
- Munro-Kua, A. 1996. *Authoritarian Populism in Malaysia*. London: Macmillan.
- New Straits Times* (NST). 1995. 23 April.
- New Straits Times*. 1994. 20 October.
- NSTP Research and Information Services. 1994. *Elections in Malaysia: A Hand-  
book of Facts and Figures on the Elections 1955-1990*. Kuala Lumpur: The New  
Straits Times Press.
- Rachagan, Sothi. 1993. *Law and the Electoral Process in Malaysia*. Kuala Lumpur:  
University of Malaya Press.
- Rueschemeyer, D; E Stephens & J Stephens. 1992. *Capitalist Development and De-  
mocracy*. Cambridge: Polity Press.
- Sakaran Ramanathan & Mohd Hamdan Adnan. 1988. *Malaysia's 1986 General  
Elections: The Urban-Rural Dichotomy*. Singapore: Institute of Southeast Asian  
Studies.
- Shamsul AB. 1988. The Battle Royal: The UMNO Elections of 1987. *Southeast  
Asian Affairs 1988*. Singapore: Institute of Southeast Asian Studies.
- Third World Resurgence* (TWR). 1993. August.
- Wawancara*. 1995. December.