Socioeconomic Development and Ethno-Cultural Diversity: State Policy and the Evolvement of Pluralism in Malaysia

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It is undeniable that Malaysia has made impressive progress in both economic development and social reconstruction since the tragedy of the 1969 racial riots. Nevertheless, the threat of interethnic mistrust looms large and wide. It could both be the scourge afflicting poor states, as well as the sword of Damocles even in times of prosperity. While the transformation of Malaysia from a rural-agrarian to a rapidly industrializing economy has been miraculous, the hectic pace of development has also brought about new social issues that have captured the concerns of the policy-makers and the people. For example, ethnic segregation had seemed to grow more and more pronounced at all levels of education, which may have in the main contributed to increasing occupational segregation by ethnicity. This paper represents a critical exploration of such an enigma by scrutinizing the dialectics of post-NEP development and reflecting on the following: How far has the country actually progressed in terms of ethnic relations since the watershed events of May 13th, 1969? How far is this multiethnic society different now compared to the unmistakable racial “corporateness” and interethnic “separateness” that Furnivall observed in his classic study of 1948? In what ways have ethnic relations been reshaped by three decades of preferential policies favouring the demographic majority and the form of ethnic democracy adapted for the unique Malaysian society?

INTRODUCTION

The political and socioeconomic problems confronting multiethnic societies have in recent years attracted increasing attention not only of the politicians and academics, but also the public at large, mainly due to the impact of reethnicization of social segments and the widening of inequalities in Eastern Europe and the Balkan conflicts after the collapse of communism. Although ethnic diversity is not an exclusive feature of the developing countries, it is nevertheless critically relevant to them, since economic deprivation or desperate poverty “unduly heightens sensitivities and breeds a general atmosphere of unreasonableness and distrust, making it immensely more difficult to attain solutions to outstanding problems on the basis of a reasonable give and take” (Vasil, 1984: 1-2). Thus said, one should be mindful that the threat of ethnic unrest is not solely the bane of third world countries. The Economist observed in 1965 that the sizzling ethnic tension in Malaysia and Singapore at that time coincided with a week of race
riots in Los Angeles, as well as ethnic violence in southern Sudan (cited in Ehrlich and Feldman, 1978: 1). The threat of interethnic mistrust looms large and wide. It could both be the scourge afflicting the poor nations, and the sword of Damocles even in times of prosperity.

MALAYSIA: ETHNIC DIVERSITY AND STATE ACTION

The seed of Malaysia's ethnic problem (masalah kaum) today was sown in the late nineteenth century when large-scale Chinese immigration began after the British forced free-trade treaties upon some rulers in the Malay Peninsula to control tin supplies. Chinese presence in Malaya (as the peninsula was called), however, preceded British colonialism. The earliest record of a Chinese settlement there (in Melaka, Malaya’s earliest sultanate) was found in a 1613 treatise by de Eredia, a Portuguese. There is a Ming-dynasty Chinese tomb dated 1622 in Melaka (Tan, 1984) and there are also other epigraphic records (grave-stones, ancestral tablets, etc.) pointing to the existence of a Chinese settlement in Melaka during the seventeenth century. However, large scale Chinese influx did not occur until the expansion of the tin mining industry in British Malaya in the mid-nineteenth century, which was followed by the importation of Indian labour to work in the rubber plantations. In retrospect, in a both controversial and provocative manner, Gordon (1968: 27) placed the blame for today’s communal problem on the former colonial power: “The British may be historically responsible – or rather irresponsible – for it is they who allowed the wholesale penetration of the Malayan mainland by aliens, aliens in nationality, language and culture, without any policy of assimilation. It is they who built an economy without building a nation; it is they who brought forth the ‘cult of efficiency’ regardless of the national repercussions.”

Ethnic Corporateness and Superordinate-Subordinate Power-Size Configuration

Though some scholars (e.g. Zainal Kling, 1984: 172) questioned whether post-colonial Malaysia still qualified as a plural society (masyarakat majmuk) as defined by Furnivall (1948) or Lofchie (1968), taking into consideration the changes that had taken place since independence after the demise of the colonial “divide and rule” policy, the country is still often considered to be a plural society par excellence. In fact, one can argue that Malaysia in the days that led up to the 1969 ethnic strife more appropriately belonged to the category of “deeply divided societies” consisting of various ethnic groups that can be defined as “corporate groups”. A “corporate group” is defined by Weber (1947 trans.: 145) as a “social relationship which is either closed or limits the admission of outsiders by rules”. It possesses a formalized system of authority, a concept Fried (1947) and Fortes (1953) later applied to descent groups. The corporateness of ethnic groups in Malaysia is marked by their relative stability. As a contrast, the Chinese community in Thailand, for example, is a non-stable corporate group (Zenner, 1967) whose members are less resistant to assimilation, because of the absence of religious barriers and because in early days Chinese women could not immigrate to Thailand. Therefore interethnic marriage became a necessity. In the case of Malaysia, religious boundaries play the most important role in perpetuating the practice of endogamy that serves to maintain ethnic group separateness over time. The importance of this factor is evident in the prevalence of interethnic marriage in the early days, resulting in the emergence of the “Straits Chinese” or “Baba-Nyonya” community, in the absence of the present legal requirement for the conversion of the non-Muslim partner in an interethnic marriage to Islam. Moreover, as Zenner (ibid.) remarked, one
development in the modern world has been “the constitution of the dominant ethnic group in a state as a corporate ethnicity”.

While corporateness hinders social interaction and leads to racial stereotyping, another aspect of the numerical structure of ethnicity refers to the role played by the relative size of ethnic groups in the societal power structure. The superordinate-subordinate relationship in a multiethnic society is related to the concept of “minority”. It avoids some of the definitional problems accompanying the concepts of “race” and “ethnicity”, especially those related to the nature and significance of different types of group markers. The concept of “minority”, instead, focuses on the size and strength of the groups involved, in terms of variations in the economic, political and social balance of power. Wirth (1945: 347) defined a minority as “a group of people who, because of their physical or cultural characteristics, are singled out from the others in the society in which they live for differential and unequal treatment, and who therefore regard themselves as objects of collective discrimination”. This definition has been criticized because it makes the existence of minorities completely dependent on the feelings of minority group members, despite his caveat that minorities "objectively occupy a disadvantageous position in society" (ibid.: 348). Wirth’s emphasis on the disadvantageous social position of the minority leads to his neglect of the latter's numerical relationship to the wider society. For him, collective perception of their distinctive disadvantages is the decisive criterion that distinguishes minorities from other subordinate populations irrespective of their number, nature and disadvantage, as a people “whom we regard as a minority may actually, from a numerical standpoint, be a majority” (ibid.: 349).

To put the Malaysian situation in context, a power-size configuration of ethnic groups is constructed below (Figure 1), which is similar to Moscovici’s diagram of group power-influence configuration (Moscovici, 1985: 26). Based on this paradigm, a typology of multiethnic societies can be constructed, as illustrated in Figure 2.

### FIGURE 1
**POWER-SIZE CONFIGURATION OF ETHNIC GROUPS**

<table>
<thead>
<tr>
<th>Power</th>
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- **Jd** = dominant demographic majority (Schermerhorn’s (1970) “majority group”)
- **Js** = subordinate demographic majority (“mass subjects”)
- **Nd** = dominant demographic minority (“elite”)
- **Ns** = subordinate demographic minority (“minority group”)

For XML conversion:

- **Jd** = dominant demographic majority
- **Js** = subordinate demographic majority
- **Nd** = dominant demographic minority
- **Ns** = subordinate demographic minority
Excluding case 4, Figure 2 shows a threefold typology of multiethnic societies. Case 2 represents a \(Jd-Ns\) type of society which combines a subordinate demographic minority with a dominant demographic majority. Case 3 is an \(Nd-Js\) society in which the numerical majority is dominated by a demographic minority. The subordinate-superordinate intergroup relationship in a society with no obvious demographic majority – an \(Nd-Ns\) society – is represented by case 1.

MALAYSIA: THE ETHNICITY-CLASS INTERFACE

With the typology of Figure 2 in mind, one can discern an important numerical aspect in maintaining ethnic corporateness among the Malaysian Chinese. Unlike the case of Indonesia, the Chinese in Malaysia are sufficiently sizeable not to constitute a demographic minority in the strict sense of the term. At independence in 1957, the demographically dominant ethnic group – the Malays, together with the aboriginals, constituted about 50 per cent of the population of Malaya (the Peninsula and the predominantly Chinese Singapore which later left the federation in 1965), followed by 37 per cent Chinese, 11 per cent Indians and 2 per cent others. The figures today are as follows: 65 per cent \textit{Bumiputera} (52 per cent Malays and 13 per cent Peninsular Aboriginals/Borneo Natives), 26 per cent Chinese, 8 per cent Indians and 1 per cent others (see Figure 4 below for ethnic distribution by state). \textit{Bumiputera} (“prince of the land; son of the soil”) is an official collective term grouping together the Malays, the aboriginals and the natives of Sabah and Sarawak (both on the Borneo island) after these two regions joined the Peninsula in 1963 to form Malaysia. All Malays in Malaysia are by legal definition Muslims while the non-Malays are mostly non-Muslims.

Although the population of Malaysia consists of three major ethnic communities, it is often recognized as a bi-ethnic society, in terms of its intergroup power relationships. While ethnicity is essentially non-territorially based, it is as true today as Furnivall’s observation (1948: 304) half a century ago that, even where the ethnic groups are adjacent, they tend to maintain their separateness. They remain divided by the reinforcing cleavages of language, religion, customs, education, areas of residence and, though decreasingly, type of occupation. While ethnic diversity affects the role of the State, one of its manifestations being the trend and pattern of budgetary policy, it is not the ethnic composition \textit{per se} but its interaction with the
socioeconomic structure of the society concerned that really matters. The Weberian approach views ethnic group as being not “natural” (as kinship group is) but “rational” and primarily political, in the sense that “ethnic membership does not constitute a group; it only facilitates group formation of any kind, particularly in the political sphere”, while it is “primarily the political community, no matter how artificially organized, that inspires the belief in common ethnicity”. (Weber, 1968 trans.: 389)

FIGURE 3
ETHNIC DISTRIBUTION OF MALAYSIA

FIGURE 4
ETHNIC COMPOSITION OF MALAYSIAN STATES

(a)                   (b)

Source: Malaysian Department of Statistics, 2000 Population and Housing Census
Today, studies on intergroup relations usually see ethnicity not as a “given” of social existence, but a political construct linked directly to power relations and resource competition. Take the case of Malaysia. According to Cheah (1984), the Malay ethnic identity (bangsa Melayu) was a creation after 1939 in response to the perceived threat from the increasingly politicized immigrants from China and India. The notion of a Malay race had therefore hitherto been absent, as Cheah elaborated:

... the Malays rose to confront what they considered threats posed by the immigrant races to their rights, but the Malays themselves had not been united as a race or a "bangsa", and moreover they had not found a way to solve differences among themselves ... [Such differences] were nurtured by the strong provincial feeling among the "provincial Malays" (such as the Kelantan Malays, Perak Malays and so on), DKA Malays (those of Arab descent) and DKK Malays (those of Indian descent) ... [There were also] tribal divisions, such as the Bugis, Minangkabau, Javanese, etc. (Translated from Cheah, 1984: 83)

The first open suggestion of a “Malay people” (orang Melayu) came only in 1939 when Ibrahim Yaacob (or I. K. Agastja by his Indonesian name) championed the notion of a unified Malay race across Malaya and Indonesia which he christened Melayu Raya or Indonesia Raya. The boundary marker of ethnicity was thus mobilized to meet the rising need of identity investment for economic/political purposes (the “situation theories” of ethnicity, see Barth, 1969). A further stage of political ethnicization came after the 1969 riots in the creation of the “Bumiputera” race (kaum Bumiputera, as defined earlier). In a different setting, Heiberg (1979) made similar observation that for political purposes, descent has never been regarded by the Basques in Spain as a sufficient criterion for ethnic inclusion. “Basqueness” is measured instead in terms of adherence to certain morally-loaded political and social prescriptions, or more specifically, whether one is a Basque nationalist. Thus it is as an instrument for political mobilization that ethnicity often plays a key role in the interplay between group activities and public policy. By the same token the importance of the ethnic factor in understanding the role of the State in Malaysia does not diminish the significance of contention between social classes.

POLITICS AND ETHNIC RELATIONS IN MALAYSIA: A HISTORY OF EVOLVEMENT

The first decade after independence saw the ascendance of the class fraction often called “bureaucrat capitalists” or “statist capitalists” (Jomo, 1986: 244). The United Malay National Organization (UMNO) which dominated the ruling Alliance coalition – the other members were the Malayan Chinese Association (MCA) and the Malayan Indian Congress (MIC) – was born as a coalition of different Malay organizations formed specifically in opposition to the British proposal in 1946 to establish a Malayan Union with citizenship laws granting equal rights to all persons domiciled in the country. The proposal, from the Malay point of view, denied that Malaya belongs to the Malays and the granting of equal rights to the non-Malays would cause the disappearance of the special position and privileges of the Malays. As a result of the Malay protest, the Malayan Union project was replaced by the Federation of Malaya Agreement that recognized the special position of the Malays as the indigenous people of the country and
dropped the principle of *jus soli* with regard to citizenship of the non-Malays as stipulated in the former proposal.

After the formation of the Federation of Malaya, and subsequently Malaysia incorporating former British colony on the Borneo island (except the enclave of Brunei), a distinctive feature of the local society is the absence of the Malay bourgeoisie. The ruling coalition at this stage represented an alliance of class interests, sharing a common stake in the preservation of the capitalist order. Instead of mounting a challenge against the more established capitalist interests, during the first decade after independence these ruling “administrators” were constrained by the “Alliance contract”, often represented in the formula: “politics for the Malays, the economy for the Chinese”. While such simplistic representation was essentially false, since Malays with significant political power comprised only a small minority while only a small proportion of Chinese possessed considerable economic assets, it did capture the tone of the apparent compromise underlying the post-colonial government’s policies (Jomo, *ibid.*: 246).

Meanwhile, contradictions generated between such incompatible class fractional identity and ethnic allegiance bred discontent and instability. Husin (1984) provided an simplified illustration of such contradictions. With M denotes Malay, C Chinese, E élite and Ms masses respectively, the vertical division shows the Malay-Chinese ethnic grouping, while the horizontal one indicates the élite-masses socioeconomic class grouping, three types of relations are evident in Husin’s model: *vertical relations*, between Malay élite and their masses (a), and Chinese élite and their masses (b); *horizontal relations*, between Malay élite and their Chinese counterpart (c), and Malay masses and their Chinese counterpart (d); *diagonal relations*, between Malay élite and Chinese masses (e) and Chinese élite and Malay masses (f). Intra-ethnic relations are shown by vertical arrows, inter-ethnic ones by the horizontal and diagonal. According to Brass (1985: 49), the term “élite” is not a substitute for “class”, but refers to formations within ethnic groups (e.g. the aristocratic class) and classes (e.g. the secular élites) that often play critical roles in ethnic mobilization. Each of these élites may choose to act in terms of ethnic or class appeals. What determines their action is neither their ethnicity nor their class, but rather their specific relationship to competing élites in struggles for control over their ethnic group, or in competition with persons from other ethnic groups for scarce political and economic benefits and resources.

Although the economy in this period remained a laissez-faire system, it was marked by specialization of economic activities along ethnic lines. Most Malays continued to live in rural areas, playing their traditional roles as padi farmers, fishermen and rubber smallholders. The majority of the Chinese population were concentrated in urban and semi-urban areas, engaging in trade and commerce or working in tin mines. Most Indians, on the other hand, were rubber estate workers, the rest being mainly professionals. The type of cohesive forces - common economic and political interests - working among the élites was conspicuously missing among the masses. In Husin’s words, economically the Malay and Chinese peasants may belong to a common “class in itself”, but they do not enjoy much opportunity to act politically as a “class for itself” (Husin, 1984: 28; Husin, 1975, pp. 169-170). On the other hand, ethnic segments in each class (“élite” or “masses” in Husin’s formulation) are connected to similar segments in other classes, via the vertical “ethnic lines” which, as Otite observed in the case of Nigeria, “provide opportunities and protection to weaker and grassroots people” due to the fact that there is less social distance among classes within an ethnic group than across ethnic groups (Ottie, 1979: 102). Such vertical ethnic “connection” also generates the phenomenon of clientelism. Ironically, the Malaysian ruling élites – whose obvious class identity often overshadows, if not transcends, ethnic differences – have been antagonistic towards a political philosophy based on class, preferring
instead to adopt race-conscious policies (or “group-centred” strategies of affirmative action and preferential treatment) rather than race-neutral (or individual-centred and “colour-blind”) alternatives (Edwards, 1994: 55).

The post-colonial consociationalism was thus plagued with severe contradictions, while official suppression and proscription of class-based organizations (e.g. the Communist Party of Malaya) and ideologies transcending ethnic lines led inevitably to increasing political mobilization on such lines. In such a situation, as Adam (1985) observed in South Africa, “few prospects exist for a traditional consociational élite-cartel which is based on a de-ideologized integration by deference”. Since the grand élite coalition of the divided segments “hinges on the acceptance of controversial alliances and disappointing compromises by the grass-roots following...tolerance threshold towards ambiguous manoeuvring by group representatives stands much lower once those represented have become mobilized” (Adam, 1985: 285). Against the backdrop of a harsh economic environment, growing inequality and increasing unemployment, frustrations felt by the nascent Malay bourgeoisie and those with such class aspirations were increasingly directed at the already entrenched, most visibly Chinese, bourgeoisie, as well as at the UMNO-led Alliance which was perceived not to have done enough for them. The visibly ethnic patterns of employment and the strong identification of ethnicity with class led to a displacement of class-based frustrations by ethnic ones. Furthermore, while class mobilization may act to override ethnic distinctions, ethnic mobilization can obliterate internal class distinctions (Brass, 1985: 23). After the virtual elimination of the legal Left in the mid-and late 1960s, essentially racialist political ideologies went unchallenged. As a result, with the fact that only a segment of the Chinese (the capitalist class) together with the Malay administrative-political élite benefited most from the earlier rapid economic growth being ignored, the deteriorating socioeconomic and political situation in the 1960s was increasingly interpreted in ethnic terms, with the State becoming the greatest resource sought by élites in conflict and ethnicity being a “symbolic” instrument to wrest control of this resource, paving the way to the racial riots of 1969.

Mutually Reinforcing and Crosscutting Cleavages

In the linking of ethnic fragmentation to class differentiation, the extent to which various ethnic cleavages cut across the socioeconomic ones is a particularly important factor underlying the tragic events of 1969 for, as Lijphart remarked on religious cleavage, if the cleavages crosscut to a high degree, the different groups “will tend to feel equal … on the other hand, [if] the two cleavages tend to coincide, one of the groups is bound to feel resentment over its inferior status and unjustly meager share of material rewards.” (Lijphart, 1977: 75)

The grave consequences of non-crosscutting ethnic and socioeconomic cleavages are evident in the case of Northern Ireland and pre-1970 Malaysia. Such cases seem to vindicate Newman's proposition that “[t]he greater the degree of reward disparity and social segregation between a dominant and a subordinate group, the greater the likelihood that conflicts between them will be relatively intense” or even violent (Newman, 1973, pp. 158-159). Newman, however, also proposed that while conflicts in this case tend to be intense, they are relatively infrequent due to limitation in intergroup contacts and the resource deprivation of the subordinate group. This is the case where each social conflict situation produces exactly the same pattern of domination and subordination. Dahrendorf (1959) called this phenomenon “superimposition” of conflict, which reflects the coinciding of cleavages stated above. Infrequent it may be, the ascent by an economically subordinate group to political dominance proved to be a fertile ground for turning
suppressed grievances into open intergroup strife which in May 1969 led to the severe ethnic conflict on the streets of Kuala Lumpur and elsewhere in the country.

The “New Realism” and “Coercive Consociationalism”

The aftermath of the riots saw the replacement of the Alliance by the National Front (a considerably expanded grand coalition), the Constitution (Amendment) Act 1971, revisions to the Sedition Act “entrenching” ethnically sensitive issues (citizenship, Malay as national language, Islam as official religion, Malay special rights, the Malay Rulers) in the Constitution, and prohibiting the questioning, even in Parliament, of these issues. A “new realism” was called for – meaning a reformulation of the terms of consociation into accommodation essentially on the terms of the demographic majority: as Mauzy (1993: 111) put it, “the fiction of a government of nearly equal ethnic partners was no longer maintained”. Brass (op. cit.: 23) observed that interethnic class collaboration may take two forms: a limited, informal economic collaboration or identity of interests that does not extend to social and political relationships where ethnicity may remain primary, or one involving more institutionalized relationships where élites from different ethnic groups collaborate on a regular basis to preserve both ethnic separateness and interethnic élite dominance in relation to the subordinate classes. Crossing the watershed of 1969, the Malaysian political scene moved from the latter to the former. The political realignment resulting from the “new realism” was termed by Mauzy (op. cit.) “coercive consociationalism”. This is what Sammy Smooha (who proclaimed the limitation of the explanatory powers of the two conventional models of multiethnic democracies, majoritarian and consociational, due to the deviation from the ethnic-neutral position of the State) proposed as a third regime type called “ethnic democracy” (Smooha, 1990) in which while individual civil rights are enjoyed universally and certain collective rights are extended to ethnic minorities, the State is institutionally dominated by the majority. This is a regime type which Rumley and Yiftachel (1990) believed succeeded in maintaining stability in a country with “homeland” majority-immigrant minority ethnic composition, but failed in bi-ethnic “homeland” states and regions like Cyprus, Sri Lanka and Northern Ireland, where the ethnic sentiments of both groups are equally intense (Yiftachel, 1992), leading to violent backlash against government-mandated preferential policies favouring the majority.

Public Policy in an “Ethnic Democracy”

After the 1969 election and riots there came a drastic reorientation of some government policies and programmes. Thus commenced the third phase of planning that spanned the period of the Second (1971-1975), Third (1976-1980) and Fourth (1981-1985) Malaysia Plans, which began with the launching of the First Outline Perspective Plan (OPP1, 1971-1990) involving an enlarged, more interventionist role for the State. The new development strategy, the New Economic Policy (NEP), officially possessed two major objectives. First, it aimed to reduce and eventually eradicate poverty, by raising income levels and increasing employment opportunities for all Malaysians, irrespective of race. Secondly, it sought to accelerate the restructuring of Malaysian society by correcting economic imbalances in order to reduce and eventually eliminate the ethnic division of labour (Outline Perspective Plan, 1971-1990: 1). Specifically, it was expected that by the year 1990 “at least 30 per cent of the total commercial and industrial activities in all categories and scales of operation should have participation by Malays and other indigenous people in terms of ownership and management” (Second Malaysia Plan, 1971-1975: 158). To achieve the second prong of the NEP, it was envisaged that the State will “participate
more directly in the establishment and operation of a wide range of productive enterprises” (ibid.: 7). This was to be accomplished through wholly-owned enterprises and joint ventures with the private sector. Direct participation by the government in commercial and industrial activities was a significant departure from past practice. The objective of an interventionist role of the State was to establish new industrial activities in selected growth centres and to create a Bumiputera commercial and industrial community.

Public expenditure allocation in Malaysia illustrates well how the question of class may come into conflict with ethnicity-based considerations in the formulation of State policy. Allocation decision has been, above all, heavily influenced by the uneven emphasis placed upon the restructuring strategy at the expense of the poverty eradication prong of the NEP. It is interesting to note that demographic majority of the country should still be the principal beneficiaries of an alternative ethnic-neutral, class-based, policy concentrating on poverty eradication since the majority of the poor belong to this ethnic group. However, advocates of the NEP would be quick to suggest that the long-run elimination of historical identification of ethnicity with class (both in employment pattern and capitalist ownership, as reflected in the simplistic and misleading representation of a “Chinese capitalists v Malay peasants” paradigm) will implicitly highlight class rather than ethnic divisions.

The growing emphasis during the 1970s and early 1980s on one of NEP’s two major objectives, viz. to “restructure society” so as to abolish the identification of ethnicity with economic function (the other being poverty eradication), was reflected in a concerted effort to create, expand and consolidate the Malay capitalist and middle classes through extensive use of the public sector and State intervention. Besides employment and education, such restructuring mainly concerns the redistribution of stock ownership in the modern corporate sector which involves only a small minority of the population, thus reflecting the dominance of capitalist interests in defining supposedly ethnic ones (Jomo, 1989). Another observer, Sowell (1990), questioned the effectiveness of NEP’s aim to narrow the income gap between the Malays and the Chinese. To begin with, part of the Chinese relative affluence compared with the Malays, which forms the moral basis for these preferential policies, in fact “reflects the greater urbanization of the Chinese and to that extent overstates the real economic differences, in so far as urban dwellers pay for some goods that rural dwellers supply for themselves” (p. 49). As Sowell observed, in 1984, after more than a decade of preferential policies, the Chinese continued to outnumber the Malays absolutely in such private sector occupations as doctors, engineers, accountants, architects and lawyers. The Malays were even outnumbered by the small Indian minority in callings such as dentists and veterinary surgeons (ibid.: 51, computed from Fifth Malaysia Plan data). One explanation of these puzzling trends is to see NEP, instead of an inevitable development of a simple interethnic rivalry, as representing a new stage in the horizontal inter-“ethclass” contention.

**Horizontal Inter-Ethclass Contention**

The concept of “ethclass” was first proposed by Gordon (1964: 53) to help explain the relevance of ethnicity and class to how people interact and develop their primary group relations. Gordon defined ethclass as “the portion of social space created by the intersection of the ethnic group with the social class” (Gordon, 1978: 134). Such view is to see “ethnicity” and “class”, as Hall (1980) did, not as a dichotomy, but related in such a way that neither can be fully understood through discrete modes of analysis. Hall’s view, which was presented in his influential 1980 paper, considers “race” and “class” as forming part of a complex dialectical
relation in contemporary capitalism, and was thus summed up by Solomos (1986: 92): “‘Race’ has a concrete impact on the class consciousness and organisation of all classes and class factions. But ‘class’ in turn has a reciprocal relationship with ‘race’, and it is the articulation between the two which is crucial, not their separateness.

According to Gordon, people from the same social class but different ethnic groups have behavioural similarities in common, while people from the same ethnic group but different social classes share a sense of peoplehood or historical identification. Only when people are from the same ethnic group as well as social class do they share both behavioural similarities and historical identification and thus develop a sense of participational identity. Husin’s illustration of the race and class relations in Malaysia thus presents four ethclasses – Malay élite (ME), Chinese élite (CE), Malay masses (MMs) and Chinese masses (CMs). Before the 1969 election and riots, as Husin rightly pointed out, the horizontal inter-ethclass relations, which resulted in the “hands off” approach of the State in the economy, was principally characterized by a common desire to minimize conflict and attempts to accommodate members from each other into their respective spheres of predominance:

Some members of the Chinese elite are absorbed into the political power structure dominated by the Malay elite ... On the other hand, members of the Malay elite, especially those who have retired from senior positions in administration and politics are welcomed by some Chinese businessmen as directors in their economic ventures. Common political and economic interests, already strong among them, are further strengthened by social and sporting activities and membership of exclusive clubs consonant with their social prestige. (Husin, op. cit.: 28)

Such interethnic class affinity noted by Husin finds resonance in Gordon’s hypothesis that social class is more important than ethnic group in determining one's cultural behaviour and values (Gordon, 1964). However, hiding under this fragile façade of accommodation, resource competition between the nascent Malay bourgeois class and its aspirants and the established Chinese capitalists foreboded increasing conflict horizontally across the ethclasses. “Almost by definition ethnic groups are competitive for the strategic resources of their respective societies”, Skinner (1975: 131) asserted, because they are sociocultural entities that consider themselves distinct from each other and, according to Cox (1970: 317), most often view their relations in actual or potentially antagonistic terms.

Moreover, Otite (1975: 128) observed that conflicts that occur between ethnic groups have a strong tendency to divide élites along ethnic lines, thus undermining the class ties transcending their ethnic differences, though similar conflicts also occur in other class strata, as Johnstone (1976) suggested regarding the South African situation, and Rex pointed out in the case of Britain: the “capitalist class has created basic distinctions between employed and unemployed”, a framework in which workers from one ethnic group “fight for their own interests against ... workers [from another ethnic group]” (Rex, 1986: 76). It is in this perspective that Toh (1982: 448) saw NEP basically as “a manifestation of the initial victory registered by the Malay petit-bourgeois class in its previous contention with the other dominant capitalist classes”, with the “restructuring” prong as a consolidated effort backing the ascending Malay bourgeoisie and petty bourgeoisie using public funds and the State machinery on a massive scale.
The official term “restructuring” has never meant altering the socioeconomic relations between classes or strata, but rather an intervention in such horizontal inter-ethnic relations. Nevertheless, as Jomo (1986: 302) observed, the most acute interethnic conflict resulted from NEP’s “affirmative action” occurs among the so-called “middle-class” (or “petty bourgeoisie”), mainly over educational, employment, business and promotional opportunities and facilities. This is not surprising given that the common political and economic interests and social activities shared by the Malay and Chinese bourgeois class, which effectively inject an element of accommodation and collaboration into inter-ethnic class rivalry, was conspicuously absent from the relationship between the middle-classes of the two ethnic groups. Besides, the very nature of middle-class concerns – education, jobs, promotions – also has broader popular appeal than the narrower concerns of the bourgeoisie, such as the 30 per cent target of the NEP or the industrial Coordination Act. All this resulted in an inter-ethnic rivalry which is far more acute at the middle-class level than at the upper-class one, and has wider ramifications in the total society.

Toh concluded in his thesis that efforts by the Malaysian State to restructure employment have an element of class-biasedness in that the bulk of the efforts, particularly those operating on the supply side, are concentrated on creating a high-income-earning class of Malay managers, executives and professionals as well as a middle class of sub-professionals and technicians (p. 449). Echoing Rabushka’s (1974) argument, Toh also contended that the ostensibly ethnically biased role of the Malaysian State, deemed necessary to eliminate the ethnic division of labour as a source of ethnic conflict, in turn further intensified racial contention, in a process he called “the dialectics of post NEP development” (p. 450).

ETHNIC SEGREGATION IN THE SCHOOL SYSTEM

One of the factors accounted for the perpetuation of considerable social distance between ethnic groups lies in the school system. Take the example of the Chinese-medium schools. Originally founded by the Chinese community through private donations from within the community, these primary schools have since the country’s independence in 1957 become part of the National Educational System (See Tables 1, 2 and 3). However, to retain the Chinese language as medium of instruction, these “National-type” schools are not owned by the government whose educational policy is Malay monolingual. They are categorized as “government-aided” and only eligible for limited “matching grants” for development purposes. Financial support from the Chinese community itself is therefore crucial for their continuous survival.

Since 1970, the issue of Chinese primary schools has always been used as symbol for ethnic mobilization and sending one’s children to these schools is increasingly viewed as an expression of Chinese ethnicity. The prospect of these schools being converted into Malay-medium ones, a threat posed by clause 21(2) of the Education Act 1961 (which ominously reads: “Where at any time the Minister is satisfied that a National-type primary school may suitably be converted into a National primary school, he may by order direct that the school shall become a National primary school”), has been regarded as a direct menace to the Chinese ethnic identity.
### TABLE 1
**NUMBER OF GOVERNMENT-AIDED SCHOOLS, 1976-2004**

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<tr>
<th>Year</th>
<th>Malay-medium “national” schools</th>
<th>English-medium schools</th>
<th>Chinese-medium “national-type” primary schools</th>
<th>Tamil-medium “national-type” primary schools</th>
<th>“National” schools (special)</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>788</td>
<td>1231</td>
<td>2172</td>
<td>2295</td>
<td>2737</td>
<td>4549</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>105</td>
<td>100</td>
<td>251</td>
<td>318</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>684</td>
<td>1159</td>
<td>943</td>
<td>1022</td>
<td>988</td>
<td>1307</td>
</tr>
<tr>
<td></td>
<td>547</td>
<td>741</td>
<td>888</td>
<td>784</td>
<td>606</td>
<td>579</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

**TOTAL**

2124 3231 4254 4419 4331 6435 6652 6859 7057 7326 7562

Source: Kuppusamy (2005).

### TABLE 2
**NUMBER OF GOVERNMENT-AIDED SCHOOLS IN MALAYSIA BY STATE AND MEDIUM OF INSTRUCTION**

<table>
<thead>
<tr>
<th>STATE</th>
<th>Chinese-medium “national-type” primary schools [SRJK(C)]</th>
<th>Tamil-medium “national-type” primary schools [SRJK(T)]</th>
<th>Malay-medium “national” schools [SK/SRK]</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perlis</td>
<td>–</td>
<td>–</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Kedah</td>
<td>5</td>
<td>8</td>
<td>83</td>
<td>96</td>
</tr>
<tr>
<td>Penang</td>
<td>1</td>
<td>–</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>Perak</td>
<td>32</td>
<td>9</td>
<td>59</td>
<td>100</td>
</tr>
<tr>
<td>Selangor</td>
<td>1</td>
<td>–</td>
<td>36</td>
<td>37</td>
</tr>
<tr>
<td>Federal Territory</td>
<td>4</td>
<td>–</td>
<td>50</td>
<td>54</td>
</tr>
<tr>
<td>Negri Sembilan</td>
<td>1</td>
<td>–</td>
<td>14</td>
<td>15</td>
</tr>
<tr>
<td>Melaka</td>
<td>–</td>
<td>–</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Johor</td>
<td>–</td>
<td>–</td>
<td>61</td>
<td>61</td>
</tr>
<tr>
<td>Pahang</td>
<td>3</td>
<td>–</td>
<td>37</td>
<td>40</td>
</tr>
<tr>
<td>Terengganu</td>
<td>1</td>
<td>–</td>
<td>122</td>
<td>123</td>
</tr>
<tr>
<td>Kelantan</td>
<td>–</td>
<td>–</td>
<td>29</td>
<td>29</td>
</tr>
<tr>
<td>Sabah</td>
<td>12</td>
<td>–</td>
<td>657</td>
<td>669</td>
</tr>
<tr>
<td>Sarawak</td>
<td>9</td>
<td>–</td>
<td>547</td>
<td>556</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>69</td>
<td>17</td>
<td>1722</td>
<td>1808</td>
</tr>
</tbody>
</table>

Source: Sia (2005: 50), Jadual (Table) 2.5.
Another important development within the Chinese community since the 1970s has been the revival of the independent Chinese secondary schools. In 1962, all Chinese secondary schools were forced to choose between conversion to either Malay-medium “National” secondary schools or English-medium “National-type” ones (which were later also converted into Malay-medium) and be eligible for government assistance or to be independent and ineligible for government funding. The majority of them converted. Problem thus arises for the Chinese primary school leavers due to their inability to cope with the Malay language requirements in the “National-type” secondary schools. The Independent Chinese Secondary Schools (ICSS) Movement since the 1970s is aimed at remediying this situation. Completely funded by donations from the Chinese community, these independent schools which total 60 at present, together with the Chinese primary schools, have always been viewed as the last bastion of Chinese ethnic identity.

### TABLE 3
**NUMBER OF GOVERNMENT-AIDED PRIMARY SCHOOLS IN MALAYSIA BY TYPE OF AID**

<table>
<thead>
<tr>
<th>Type of school</th>
<th>Type of aid</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Full</td>
<td>Part</td>
</tr>
<tr>
<td>Malay-medium “national” schools [SK]</td>
<td>3807</td>
<td>10</td>
</tr>
<tr>
<td>Malay-medium “national” schools [SRK]</td>
<td>925</td>
<td>315</td>
</tr>
<tr>
<td>Chinese-medium “national-type” primary schools [SRJK(C)]</td>
<td>402</td>
<td>887</td>
</tr>
<tr>
<td>Tamil-medium “national-type” primary schools [SRJK(T)]</td>
<td>150</td>
<td>391</td>
</tr>
<tr>
<td>“National” schools [Special]</td>
<td>25</td>
<td>1</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>5309</strong></td>
<td><strong>1604</strong></td>
</tr>
</tbody>
</table>

Source: Sia (2005: 41), Jadual (Table) 2.3.

The development of the vernacular schools in Malaysia (see Table 3) shows how in addition to diverse preferences about the quantity of public provision, tastes are also differentiated regarding the kind of service consumed. Private production of quasi-public goods is a response to the latter differentiation, if it is not accommodated by government production. A prominent good in this category is education. As Collins (1975: 87) remarked:

Schools everywhere are established originally to pass on a particular form of religion or elite class culture, and are expanded in the interests of political indoctrination or ethnic hegemony. In these situations, education is nothing more than ethnic or class culture, although it can be taught to those who are not born into it.

The present ethnic segregation in the Malaysian school system recently came into the limelight again in a 2004 announcement by the Malaysian Prime Minister that only two percent of Chinese students attended government schools. Likewise, it was estimated that only a small percentage of non-Chinese students (about 60,000) attended Chinese vernacular schools.
Inevitably, as Malaysian students of various ethnicities leave schools, they tend to bring along with them the effect of their inadequate interethnic socialization in their earlier educational environment.

Hence, one particular aspect of public policy – and the societal response it engenders – in a multiethnic polity that deserves attention is that pertaining to education. As one of the most important contributors to cultural distinctions, education can be seen as pseudoethnicity – “a subcase of the same processes that also produce ethnicity” (Collins, 1975: 86). James (1987, 1993) examined the relationship between demographic diversity and the relative size of the public and private sectors in the provision of education. She argued that one motivation for private spending on schools is heterogeneous demand stemming from cultural diversity. McCarty (1993: 227) cited the example of Catholic and “fundamentalist” schools in the United States which exist apart from the public school system as evidence that, minority groups dissatisfied with publicly provided goods that suit the tastes of the majority of voters, may create private markets for them. Each of these sources of private supply is motivated by ethnoreligious differences and ethnolinguistic diversity – for instance, the Chinese “independent” schools created and supported by private funds from the Malaysian Chinese community resistant to the monolingual national educational policy.

**TABLE 4**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Malay-medium “national” schools</td>
<td>56904</td>
<td>164528</td>
<td>441567</td>
<td>502032</td>
<td>743275</td>
<td>1372426</td>
<td>2236428 + 2375093 +</td>
<td></td>
</tr>
<tr>
<td>English-medium schools</td>
<td>32141</td>
<td>45174</td>
<td>130360</td>
<td>196190</td>
<td>223961</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Chinese-medium “national-type”</td>
<td>47411</td>
<td>139191</td>
<td>310458</td>
<td>352345</td>
<td>413270</td>
<td>588317</td>
<td>615688</td>
<td>647784</td>
</tr>
<tr>
<td>primary schools</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tamil-medium “national-type”</td>
<td>22820</td>
<td>33954</td>
<td>50766</td>
<td>63917</td>
<td>77192</td>
<td>73513</td>
<td>89040</td>
<td>96129</td>
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<tr>
<td>primary schools</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>“National” schools (special)</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>1996</td>
<td>1880</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>159276</td>
<td>382847</td>
<td>933151</td>
<td>1114484</td>
<td>1457698</td>
<td>2034256</td>
<td>2943152</td>
<td>3120886</td>
</tr>
</tbody>
</table>

* Figures include pre-school enrolment.  
+ Figures up to the year 1971 were for West Malaysia only.  
Source: Kuppusamy (2005).

**Education as Pseudo-Ethnicity**

Besides the other effects and ramifications of preferential policy, the NEP period also witnessed important development in conflict regarding the provision of education in Malaysia, a country where the issue of education has always been a flashpoint in interethnic relations. For instance, while the October 1987 crackdown owed more to intra-ruling party struggle than any other factors, its pretext has been the heightening racial tension ensuing from the Chinese community’s protest against the appointment of non-Chinese speaking principals to “government-aided” Chinese primary schools. However, private provision of education, such as
the Independent Chinese Secondary Schools Movement which has kept alive the 60 independent Chinese secondary schools in Malaysia completely funded by donations from the Chinese community, in an ethnically diverse society is not a unique phenomenon.

**Ethnic Relations in Tertiary Educational Environment**

After examining the issue of ethnic segregation in the school system, this section moves to look at the issue of ethnic social distance by focusing on the Malaysian tertiary educational environment as a microcosm of the Malaysian society.

**FIGURE 5**
PERCENT CAN ACCEPT OTHERS AS SPOUSE

**FIGURE 6**
PERCENT CAN ACCEPT MEMBER OF OTHER ETHNIC GROUP AS SPOUSE, RELATIVE’S SPOUSE, ETC.
Ethnic interactions are to a large extent influenced by individual attitudes towards people of different ethnic groups. In a multiethnic country like Malaysia, it is important to know how people from different ethnic groups feel towards one another, the reasons for ethnocentrism and what can be done to promote racial harmony and social cohesion. The notion of ethnic “exclusion” can be seen in terms of social distance that can be defined as the feeling of separation between individuals or groups. The figures that follow shows part of the findings of a survey conducted in 2002 on undergraduates (Jahara, Tey, Yeoh, Sulochana and Lee, 2004).

The survey results shown here are based on a modified version of the Bogardus social distance scale that asks the respondents to indicate their willingness to interact with various ethnic groups in certain social situations, which represent several levels of social distance. The five items employed here involve an increasing social distance as one moves down the list from whether the respondent will accept a member of a particular group as one’s spouse, to close kinship by marriage to one’s relative, as a regular friend, as a neighbour, and as a colleague. Social distance is an important issue as it can often be self-fulfilling. When someone says that he or she cannot accept a certain group it is quite certain that he or she will avoid contacts with members of that group. As a result, the unfavourable stereotypes one holds towards that “out-group” are highly unlikely to be broken down, and this certainly does not augur well for inter-group harmony.

Figure 5 shows that there is a rather high level of unwillingness to personally marry someone of a different ethnicity. A slightly less, but still strong, unwillingness exists to accept a member of such “out-groups” as spouse of one’s relative. In general, the respondents in this survey are willing to accept someone from ethnic groups not their own beyond the taboo of extending kinship ties (Figure 6). Even so, there exist quite remarkable differences among the sub-groups. One’s willingness to accept members of different “out-groups” to a certain tie is influenced by many factors, ranging from the presence or absence of personal stereotyping to the degree of cultural differences, dietary prohibition, the requirement for religious conversion, and the like.

**Historical Geography of Ethnicity**

Ethnic interaction among students is to a large extent influenced by their place of origin and socioeconomic background. An important piece of background information of the 2002 undergraduate survey is the kind of home state they come from – whether multiethnic or mainly monoethnic.

Multiethnic states are defined here as those with a degree of ethnic diversity above 50 percent, and mainly monoethnic states are those with a degree of ethnic diversity below 50 percent, with the exception of the Borneo states of Sabah and Sarawak. The degree of ethnic diversity is here measured by the index of ethnic fractionalization (EFI) that indicates the probability that a randomly selected pair of individuals will belong to different ethnic groups (Yeoh, 2003b: 28), which varies from 0 (completely homogeneous) to 1 (completely heterogeneous). The index is constructed through the computational procedure of Rae and Taylor’s (1970) index of fragmentation (F), which is identical to Rae’s (1967) measure of party system fractionalization and Greenberg’s (1956) measure of linguistic diversity. Based on the 2000 population census data, the groupings of the multiethnic states and mainly monoethnic states are shown in Figure 7.
In terms of social distance, in general, the 2002 university student survey found that a significantly higher percentage of respondents from multiethnic states, in comparison with those from mainly monoethnic states, are more willing to marry members of ethnic groups which are not their own (Figure 8). The former are also more willing to accept members of other ethnic
groups to marry their relatives. State differences can also be observed with respect to the next three categories of social distance indicators although the differences are less substantial (Figure 9). Such findings point to a higher degree of social distance among respondents from mainly monoethnic states, *vis-à-vis* those from multiethnic states, towards members of other ethnic groups.

**FIGURE 9**

PERCENT CAN ACCEPT MEMBER OF OTHER ETHNIC GROUP AS SPOUSE, RELATIVE’S SPOUSE, ETC., BY STATE OF ORIGIN

CONCLUDING REMARKS

This paper has examined the various theoretical and empirical aspects of ethnic relations and public policy in Malaysia. However, one final note needs to be made before ending this paper. As could be observed in the history of ethnic relations in Malaysia, one can hardly be oblivious to the effect of the economic environment on the relationship between public policy and ethnic conflict. That economic situations play an important role in interethnic conflict seems obvious. Collins (1975, pp. 389-390) believed that the more severe a (political/economic) crisis, the greater the tendency for groups to coalesce along the lines of collective interests and the society to polarize into two-sided conflicts. Van Evera (1994: 9) claimed that the public become receptive to scapegoat myths (which are more widely believed) when economic conditions deteriorate. The pattern of ethnic conflict caused by scapegoating may not be solely a racial problem, but may partly result from social class differential and the economic environment. In the case of Malaysia, Mauzy (1993) noted that rapid economic growth could be the most important variable in explaining the absence of ethnic violence (as occurred in Lebanon and Sri Lanka) in response to preferential policies that led to growing ethnic polarization. Every non-Malay she interviewed between October and December 1990 cited the continued possibilities of
making money as the chief reason why there has been no ethnic violence in Malaysia” (ibid.: 127).

To sum up this paper, it has been noted that while the population of Malaysia consists of three major ethnic communities, in terms of intergroup power relationships, it has always been recognized as a bi-ethnic state – a special, problematic type of multiethnic state, with a dual segmentation that entails a constant tension between “a [majority] hegemony or a precarious balance ... [and leads] easily to an interpretation of politics as a zero-sum game” (Lijphart, 1977: 56) – especially in view of its mutually reinforcing phenotypical, ethnolinguistic and ethnoreligious cleavages. This is not just a plural society par excellence as it has always been considered, but also, especially in the years leading up to the 1969 ethnic strife, a “deeply divided society” (Yeoh, 2003a, pp. 89-91) in which deep-rooted ethnic mistrust, closely interfacing with the politico-economic superstructure, more often than not makes many a best-intentioned effort in promoting interethnic harmony and national integration a futile endeavor. While ethnic relations have probably improved since Furnivall’s seminal study of 1948 and the turbulent days of the late-1960s, it is apparent that much still needs to be done in the years to come.

REFERENCES


