

**Refugee Review Tribunal  
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**RRT RESEARCH RESPONSE**

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**Questions**

- 1. Please provide updated information on the situation in Malaysia for ethnic Chinese. Are there reports of the mistreatment of ethnic Chinese by government authorities?**
- 2. Is there a record of anti-Chinese behaviour in Pahang?**
- 3. Are ethnic Chinese denied access to universities? What is the situation in Pahang specifically?**

**RESPONSE**

- 1. Please provide updated information on the situation in Malaysia for ethnic Chinese. Are there reports of the mistreatment of ethnic Chinese by government authorities?**

Human rights commentators like the US Department of State, Amnesty International and Freedom House have expressed few or no concerns about the treatment of Malaysia's ethnic Chinese population in their most recent annual reports and it would not appear that Malaysia's ethnic Chinese community have been adversely affected by any significant outbreaks of violence or intimidation in recent years. While the minority ethnic Chinese community does not enjoy the level of access to government employment, education and pricing benefits made available by legislated quotas for *Bumiputras* (Malays and indigenous ethnic groups) it continues to be reported that Malaysia's ethnic Chinese are generally more affluent and better placed to access private university education in Malaysia than the ethnic Malay majority. Nonetheless, it may be of interest that a number of studies have commented on the manner in which many in Malaysia's ethnic Chinese community reportedly continue to feel threatened by the memory of the 1969 anti-Chinese riots and/or marginalized by pro ethnic Malay affirmative action policies and the authoritarian manner in which Malaysia is governed by the United Malays National Organisation (UMNO) through the larger *Barisan Nasional* (BN; also: National Front or NF) coalition (for information on attitudes within

Malaysia's ethnic Chinese community towards their situation, see: 'CPPS Policy Factsheet: national Unity' 2008, Centre for Public Policy Studies (Malaysia), website, August <http://www.cpps.org.my/reports/factsheets/National%20unity%20factsheet.pdf> – Accessed 21 September 2009 – Attachment 9; and: Yoong, S. 2009, 'Malaysia racial ties fragile 40 years after riots', *Associated Press*, 11 May – Attachment 20; for concerns with regard to the authoritarian and pro-Malay stance of the UMNO-led government, see: Soong, K.K. 2008, 'Racial conflict in Malaysia: against the official history', *Race & Class*, vol. 49: no. 3, pp.33-53 – Attachment 7; Brauholtz-Speight, T. 2008, 'Policy responses to discrimination and their contribution to tackling chronic poverty', Chronic Poverty Research Centre, January [http://www.chronicpoverty.org/uploads/publication\\_files/CPR2\\_Background\\_Papers\\_Brauholtz-Speight.pdf](http://www.chronicpoverty.org/uploads/publication_files/CPR2_Background_Papers_Brauholtz-Speight.pdf) – Accessed 21 September 2009 – Attachment 8; and: Pepinsky, T.B. 2009, 'The 2008 Malaysian Elections: An End to Ethnic Politics?', *Journal of East Asian Studies*, vol.9: no.1, pp.87-120 – Attachment 3; for recent human rights reports, see: Amnesty International Report 2009, *Amnesty International Report 2009: Malaysia*, 28 May <http://thereport.amnesty.org/en/regions/asia-pacific/malaysia> – Accessed 21 September 2009 – Attachment 19; Amnesty International Report 2008, *Amnesty International Report 2008: Malaysia*, 28 May – Attachment 18; Amnesty International Report 2007, *Amnesty International Report 2007: Malaysia*, 25 May – Attachment 17; US Department of State 2009, *2008 Human Rights Report: Malaysia*, 25 February – Attachment 14; US Department of State 2008, *Country Reports on Human Rights Practices for 2007 – Malaysia*, 11 March – Attachment 15; US Department of State 2007, *Country Reports on Human Rights Practices for 2006 – Malaysia*, 6 March – Attachment 16; and: Freedom House 2009, 'Freedom in the World 2009 – Malaysia', Refworld website, 16 July <http://www.unhcr.org/refworld/topic,45a5fb512,45a5fbc32,4a6452a048,0.html> – Accessed 21 September 2009 – Attachment 12; for the economic situation of ethnic Chinese in Malaysia, see: Hodgson, A. 2007, 'Malaysia – wealth gap along ethnic lines', *Euromonitor International*, 16 April [http://www.euromonitor.com/Malaysia\\_wealth\\_gap\\_along\\_ethnic\\_lines](http://www.euromonitor.com/Malaysia_wealth_gap_along_ethnic_lines) – Accessed 21 September 2009 – Attachment 13; and Aihara, A. 2009, 'Paradoxes of Higher Education Reforms: Implications on the Malaysian Middle Class', *International Journal of Asia Pacific Studies*, vol. 5: no.1, pp.81–113 – Attachment 5; Da, W.C. 2007, 'Public and Private Higher Education Institutions in Malaysia: Competing, Complementary or Crossbreeds as Education Providers', *Kajian Malaysia, Jld*, vol.25: no.1, June – Attachment 6; Collins, A. 2006, 'Chinese Educationalists in Malaysia: Defenders of Chinese Identity', *Asian Survey*, April, vol.46: no.2, pp.298-318 – Attachment 4).

For an overview of the available source information, see below:

- [Background on politics and ethnicity in Malaysia;](#)
- [Recent human rights assessments on Malaysia;](#)
- [Commentary on matters of ethnicity in Malaysia in recent news reports;](#)
- [Analysis of Malaysia's March 2008 elections;](#)
- [Previous Research.](#)

### **Background on politics and ethnicity in Malaysia**

Malaysia's Centre for Public Policy Studies, a non-government research group involving a range of academics, maintains an ongoing interest in matters relating to governance and

national unity in Malaysia. An August 2008 fact sheet provides extensive statistical data on governance, demography and ethnic attitudes in Malaysia. Pertinent extracts follow:

- Malays and other bumiputra comprise 65% of the population; Chinese make up 26%, and the Indians 8%. (2000 census)
- 60.4% of Malaysians are Muslim, 19.2% are Buddhist, 9.1% are Christian, 6.3% are Hindu, 2.6% follow Confucianism/Taoism/ another traditional Chinese faith, and 2.4% practice other faiths. (2000 census)
- 93% of Malays attend national schools, 90% of Chinese attend Chinese vernacular schools, and 70% of Indians attend Tamil vernacular schools. (Prime Minister's address to the 2004 Malaysian Education Summit)
- 41% of Malaysians either describe national unity as "superficial" or "imposed", or believe there is no national unity at all in Malaysia. (Merdeka Centre Ethnic Relations Perceptions Poll)
- 25% believe that Malaysians from different ethnic groups are drifting apart rather than becoming more united, and 15% believe that the situation will only worsen over the next decade. (Merdeka Centre Ethnic Relations Perceptions Poll)
- There is a clear correlation between age and mixing outside one's own ethnic group; younger Malaysians are likelier to say they find it difficult to relate with those not from their own racial background, and less likely to say they like mixing with people of a different race. (CPPS Minda Muda study)
- 22% do not have any friends from ethnic groups other than their own. Of those who do, 60% rarely or never take meals with their friends from other ethnic backgrounds. (Merdeka Centre Ethnic Relations Perceptions Poll)
- Roughly 2/3rds of young Malaysians' close friends are primarily from the same ethnic group or religion as them. (CPPS Minda Muda study)
- Only 57% of Malaysians believe that government policies should focus on promoting interests common to all Malaysians, with 25% believing that government policies should focus on the interests of specific ethnic groups. (Merdeka Centre Ethnic Relations Perceptions Poll)
- 75% of young Malays can say they have never been treated unfairly on account of their race; however, only 45% of their Chinese peers and 49% of the Indians say the same. For religious discrimination, the same figures stand at 82% for the Malays and 53% for others. (CPPS Minda Muda study)
- Recent polls suggest that ethnic inequality is the 2nd-most pressing issues faced by Malaysians, at 17%, with only price hikes and inflation considered more pressing, coming in at 20%. 63% are somewhat or very dissatisfied with government efforts to address ethnic inequality. (Merdeka Centre Voter Opinion Poll 4th Quarter 2007)
- Loose employment quotas apply to large establishments, which must employ staff in the same proportions as the overall ethnic composition of the country. Similar quotas also apply to the boards of directors for a number of firms. Civil service positions are subject to even more stringent quotas; a common and targeted ratio is 4 bumiputra to 1 non-bumiputra.

- There are overt bumiputra preferences in public procurement, where construction contracts, etc. are frequently given to bumiputra-controlled firms without an open tendering process. Government policy is to encourage GLCs to follow government procurement procedures, extending the preferences to the commercial sector. In a controversial move, Maybank in 2007 announced it would only utilise law firms with a bumiputra ownership stake of 51% or more; after public outcry, the policy was rolled back.
- Price discrimination, whereby the government subsidises bumiputra contractors' bids, is also a frequent practice. All new real estate developments are required to provide a certain discount for bumiputra buyers. Shares in initial public offerings (IPOs) meant for bumiputra ownership are also frequently sold at a discount.
- Ethnic stereotyping is prevalent, with 58% of Malaysians saying Malays are lazy, 65% saying Chinese are greedy, and 58% saying Indians cannot be trusted. (Merdeka Centre Ethnic Relations Perceptions Poll)
- 40% of Chinese and Indians believe they are second-class citizens. A vast majority of Malaysians – 94% – however say that no matter how difficult ethnic relationships sometimes get, Malaysians should consider themselves lucky to live here (Merdeka Centre Ethnic Relations Perceptions Poll) ('CPPS Policy Factsheet: national Unity' 2008, Centre for Public Policy Studies (Malaysia), website, August <http://www.cpps.org.my/reports/factsheets/National%20unity%20factsheet.pdf> – Accessed 21 September 2009 – Attachment 9).

Should they be of interest, Malaysia's Centre for Public Policy Studies also maintains fact sheets on Malaysia's police and judicial system, and these are supplied as Attachment 10 and Attachment 11 ('CPPS Policy Factsheet: Police' 2008, Centre for Public Policy Studies (Malaysia), website, August <http://www.cpps.org.my/reports/factsheets/Police%20factsheet.pdf> – Accessed 21 September 2009 – Attachment 10; 'CPPS Policy Factsheet: Judiciary' 2008, Centre for Public Policy Studies (Malaysia), website, August <http://www.cpps.org.my/reports/factsheets/Judiciary%20factsheet.pdf> – Accessed 21 September 2009 – Attachment 11).

A 2008 study published in the journal *Race & Class* provides a recent assessment of the situation of ethnic Chinese in Malaysia. Authored by Kua Kia Soon, director of the Malaysian human rights monitor Suara Rakyat Malaysia (Suaram) and principal of Malaysia's New Era College, the study provides an overview of the manner in which Malaysia's ethnic relations have, according to Soong, been shaped by the memory of the anti-Chinese "race riots" of May-July 1969 and the UMNO-led regime's framing of affirmative action for bumiputras as the only means by which to avoid a recurrence of such ethnic violence. The 2009 study points to the intensification of ethnic tensions by UMNO actions in August 2000, March 2001 and throughout 2006, as significant recent examples of how "the ruling political elite of Malaysia continues to invoke the spectre of racial conflict to justify its own control of power, its use of censorship and detention without trial, and the 'special privileges' it accords to its own section of society". Extracts follow:

#### Racism and the state since 1969

Since 1969, there have been a number of occasions on which the bias displayed by the police and the army in dealing with the rioters of the 'May 13 incident' seemed to repeat itself. On these occasions, the atypical inertia of the police and the defence forces has again raised questions about their about their culpability. Moreover, over the last twenty years the youth

wing of the UMNO, the de facto ruling party since 1969, has taken advantage of this selective police inaction to carry out campaigns of intimidation against those who demand civil rights. In 1987, as racial tension mounted over the UMNO's appointment of unqualified senior assistants and principals to vernacular Chinese primary schools, UMNO youth organised a rally at the Sultan Sulaiman Stadium in Kuala Lumpur, during which racist and seditious slogans were carried on banners which read, 'May 13 has begun' and 'Soak the kris in chinese blood'. UMNO leaders who were on stage to fan the flames of communalism included the then UMNO youth chief and present deputy prime minister Najib Razak. More recently, there was the assault on the 1996 Second Asia Pacific Conference on East Timor at Asia Hotel, Kuala Lumpur, by a 600-strong mob of UMNO youth. It took the police two hours to arrive, by which time the mob had torn down the dividing door of the conference hall and was harassing conference participants. Then, instead of apprehending the mob for its violent criminal actions, the police arrested some fifty-nine conference participants who had been its victims.

The resort to such tactics to disrupt democratic forums continues to the present day. On 18 August 2000, some 300 UMNO youth members boorishly demonstrated in front of the Selangor Chinese Assembly Hall in Kuala Lumpur over the Chinese Associations' 1999 Suqiu election appeal for civil rights. They threatened to burn down the Assembly Hall. The most recent racial incident, targeted on this occasion against the Malaysian Indian community, was at Kampung Medan, Petaling Jaya, from 8-23 March 2001. In all, six people were killed and over a hundred suffered serious injuries. It took the Royal Malaysia Police fifteen days to restore order while a small band of armed thugs went on a rampage. A recent publication highlighting this affair has been banned by the authorities.~When we compare this surprising ineptitude with the speed with which the same police force dispersed tens of thousands of reformasi demonstrators after Anwar Ibrahim's detention in 1998, a pattern of connivance emerges. To date, the Kampung Medan incident remains a state secret and there has been no public inquiry conducted by the government or Suhakam, the National Human Rights Commission.

On 15 March 2006, some fifty UMNO youth members delivered an 'ultimatum to the Kelana Jaya MP, Loh Seng Kok, at his service centre. The MP had spoken in parliament on the concerns of non-Muslims in the country, including, among other things, that history books had ignored the contributions of non-bumiputras and only emphasised Islamic civilisation. Loh had suggested a religious department be set up to help resolve religious misunderstandings. These suggestions had not raised any controversy in the House but the UMNO youth members threatened to take action against the MP if he failed to respond to their letter within days. Then, on 14 May, the police asked for an inter-faith forum in Penang, organised by the Article 11 coalition on 'Federal constitution: protection for all?', to be abandoned after it was disrupted by an unruly mob, who claimed that it was 'anti-Islam'. When another forum on the issue was organized by the NGO coalition in Johore Baru on 22 July, a similar mob tried to disrupt the proceedings. The racist taunting by delegates at the UMNO general assembly, broadcast live on television in November 2006 was a rude shock for many, even though such diatribes have been standard fare at UMNO assemblies for some years (Soong, K.K. 2008, 'Racial conflict in Malaysia: against the official history', *Race & Class*, vol. 49: no. 3, pp.33-53 – Attachment 7).

A January 2008 background paper authored by Tim Brauholtz-Speight for the Chronic Poverty Research Centre also notes the significance of the "the Malay-dominated" government's 1971 New Economic Policy as a reaction to the "large-scale ethnic Malay anti-Chinese riots [of 1969 which] left almost 200 dead". Brauholtz-Speight offers several possible reasons for why "there was little backlash from the Chinese population", including "the benefits of rapid economic growth" and the fact that "many Malay Chinese people were keenly aware of their vulnerable status as a minority and the violence they had suffered in

1969 when attempting to publicly improve their political position”. According to Braunholtz-Speight, the memory of the violence in 1969 “still resonates in Malaysian politics”. Extracts follow:

In Malaysia, the government adopted the “New Economic Policy” in 1971, with an explicit goal “to accelerate the process of restructuring the Malaysian economy to correct economic imbalance, so as to reduce and eventually eliminate the identification of race with economic function”, and to eradicate poverty. The majority of poor people at that time were ethnic Malays, who mostly lived in the rural areas. The NEP set targets for Malay ownership of companies and employment in different sectors, made support available for Malay businesses and developmental economic programmes targeted at the very poorest households. It was combined with investment in health and education services in rural areas and tertiary education quotas for ethnic Malays. By the 1990s the ratio of ethnic Malay/Bumiputera incomes to ethnic Chinese incomes had improved, although it was still unequal: however, poverty had been reduced very substantially.

...there was little backlash from the Chinese population. This may be explained in a number of ways: a) the benefits of rapid economic growth were spread widely and all social groups saw living standards rise substantially and poverty decline, with little consequent feeling of economic insecurity to fuel social tensions; and/or possibly b) many Malay Chinese people were keenly aware of their vulnerable status as a minority and the violence they had suffered in 1969 when attempting to publicly improve their political position. Indeed, while the Chinese were not as a group poor, the May 13th riots in Malaysia are an example of a majority backlash against change in favour of a minority.

...This can certainly be seen as an example of the kind of success possible by pursuing an integrated policy programme across different areas. However, other factors played a part. Redistribution in favour of the Malay majority occurred in a context of sustained rapid economic growth. This both created resources for public investment and probably helped minimise tensions between the Malay majority and the Chinese and India minorities who were not beneficiaries of the NEP: poverty fell and mean incomes grew among all ethnic communities of Malaysia over the NEP period.

The socio-economic context of the programme were the persistent inter-ethnic (and to some extent urban-rural) income inequalities. Ethnic tension became politicised, and finally a trigger for government action on May 13th 1969 when, following electoral gains for Chinese and Indian dominated opposition political parties, large-scale ethnic Malay anti-Chinese riots left almost 200 dead. After some internal struggles, the Malay-dominated government initiated the NEP in 1971, rebranding itself as the “National Front” (Barisan Nasional). “May 13th” still resonates in Malaysian politics, and the riots appear to have been a severe shock to “business as usual” that convinced a faction of the elite that successfully realising a developmentalist vision for Malaysia was contingent on inter-ethnic peace, and that this in turn could only be delivered through eliminating Malay economic grievances by genuine poverty reduction. It is notable that, unlike in neighbouring Indonesia, the 1997 economic crisis was not accompanied by large-scale outbreaks of violence against Chinese Malaysian people and their economic interests.

Malaysia’s first-past-the-post electoral system has produced substantial parliamentary majorities for the Barisan Nasional in every election since 1971 (with actual vote ranging from 40-60%). The dominance of ethnic Malays in government and in the population (c2/3), coupled with the events of 1969 and authoritarian controls on freedom of expression may have served to check potential dissenting action among non-Malay communities. However, there is protest among indigenous forest peoples who feel their wishes are excluded from the government’s agenda, and the persistence of vertical inequalities may suggest policy change is needed (Braunholtz-Speight, T. 2008, ‘Policy responses to discrimination and their

contribution to tackling chronic poverty', Chronic Poverty Research Centre, January [http://www.chronicpoverty.org/uploads/publication\\_files/CPR2\\_Background\\_Papers\\_Braunholtz-Speight.pdf](http://www.chronicpoverty.org/uploads/publication_files/CPR2_Background_Papers_Braunholtz-Speight.pdf) – Accessed 21 September 2009 – Attachment 8).

It continues to be reported that the Chinese minority enjoy a level of wealth and standard of living above that of the majority of the Malaysian population. According to an April 2007 *Euromonitor International* report: “The communities coexist in relative harmony, but the wealth gap among them is grave. Despite making up 60% of the population, Malays own just 19% of the economy, trailing far behind the minority ethnic Chinese, who make up only a quarter of the population but hold 40% of the economy”. Extracts follow:

In Malaysia, the ethnic Malay majority is trailing far behind the Chinese minority in terms of economic wealth. The government’s policy aimed at addressing the economic imbalances has hampered the country’s competitiveness, undermined investor confidence as well as leading to skill shortages and decelerating consumer spending.

#### Issue

Despite the government’s policy of affirmative action, ethnic Malays who make up 60% of the population hold only 19% share of the Malaysian economy. The government has been giving concessions and subsidies to Malay businesses in many sectors, but this policy creates a restrictive business environment, undermines investor confidence and leads to skills shortages.

#### Importance

- Malaysia has low poverty levels, but the wealth gap exists along ethnic lines:
- With a population of 26.6 million in 2006, Malaysia is ethnically diverse with Malay, Chinese, Indian, Thai and Eurasian peoples;
- The communities coexist in relative harmony, but the wealth gap among them is grave. Despite making up 60% of the population, Malays own just 19% of the economy, trailing far behind the minority ethnic Chinese, who make up only a quarter of the population but hold 40% of the economy;
- In 1970, the government initiated an affirmative-action programme, which aims at addressing economic imbalances between Malays and other ethnic groups. At the time when the programme was launched, Malays held only 2.4% of the country’s economy, compared to 27% by the Chinese;
- The government has spent vast sums of state funds as well as awarding state contracts, concessions, subsidies and lucrative monopolies to Malay businesses. Malays are required to own at least 30% of businesses in many sectors. Furthermore, the government guarantees university places for Malay students and gives preference to Malays for government jobs;
- Since the 1997-1998 Asian financial crisis, Malaysia’s economic growth has been relatively sluggish. Real GDP growth averaged 5.4% per year during 1999-2006, lower than the average annual rate of 9.5% during 1990-1996.

The wealth disparities and the affirmative action have a range of implications for businesses, the labour force and the larger economy:



- The government's tight control over business ownership, requiring Malays to own at least 30% of every business, restricts foreign investment and undermines investor confidence. The government's preferential treatment to Malay businesses is also against the principles of an open economy, as it fails to create a level playing field for Malay and Chinese (and other ethnic) businesses;
- Affirmative action has in effect shielded ethnic Malays from competition, making them less entrepreneurial in comparison to ethnic Chinese. As a result, only a fifth of all companies in Malaysia are Malay-owned. Meanwhile, many Malay businesses tend to sell government concessions to non-Malays for quick gains;
- Thanks to the affirmative action policy, Malays do not face strong competition for either education or jobs whilst Chinese are normally not given the same opportunities. This has failed to produce a pool of educated and skilled workers who can compete on a global stage, leading to slow productivity growth and severe skill shortages especially in technology-oriented manufacturing;
- As Chinese are not given equal access to higher education and employment, many of them go abroad to study and remain outside Malaysia to work. This "brain drain" of qualified and skilled Chinese workers has contributed to the problem of skills shortages;
- ...Although the affirmative action policy has succeeded in reducing poverty among Malays, it underlines the perception of serious ethnic tensions. This worries foreign investors because it insinuates a potentially unstable political and business environment. In neighbouring Indonesia, economic disparities had sparked anti-Chinese race riots in 1998 at the height of Asia's financial crisis (Hodgson, A. 2007, 'Malaysia – wealth gap along ethnic lines', *Euromonitor International*, 16 April [http://www.euromonitor.com/Malaysia\\_wealth\\_gap\\_along\\_ethnic\\_lines](http://www.euromonitor.com/Malaysia_wealth_gap_along_ethnic_lines) – Accessed 21 September 2009 – Attachment 13).

## **Recent human rights assessments on Malaysia**

The US Department of State's most recent report on human rights in Malaysia would not appear to detail any reports of communal violence against Malaysia's ethnic Chinese in recent years. Perhaps the most significant event to be noted as a concern by the US Department of State involved the arrest by police of "a journalist for the Chinese-language paper" who was arrested under the powers of the Internal Security Act after reporting "on a speech by Ahmad Ismail, a local UMNO party leader, in which [Ismail] described Malaysian-Chinese as 'squatters' and 'immigrants'. ...The public reaction, including the Malaysian Chinese Association's threat to leave the ruling National Front coalition, forced the government to release her within 18 hours of her detention." Beyond this, few events of concern are noted involving ethnic Chinese citizens of Malaysia (though the trafficking of foreign ethnic Chinese women into Malaysia for prostitution is noted). More generally, the US Department of State notes that "ethnic Malays and the indigenous groups of the eastern states of Sabah and Sarawak (collectively, bumiputras)" benefited from government legislated affirmative action quotas "in housing, home ownership, awarding of government contracts and jobs, educational scholarships, and other areas"; and that: "Nonbumiputras regularly complained about these preferences, arguing that government subsidies for disadvantaged persons should be dispensed without regard to race". Extracts follow:

The constitution provides for equal protection under the law and prohibits discrimination against citizens based on sex, religion, race, descent, or place of birth. However, the constitution also provides for the "special position" of ethnic Malays and the indigenous



groups of the eastern states of Sabah and Sarawak (collectively, bumiputras), and discrimination based on this provision persisted. Government policies and legislation gave preferences to bumiputras in housing, home ownership, awarding of government contracts and jobs, educational scholarships, and other areas. Nonbumiputras regularly complained about these preferences, arguing that government subsidies for disadvantaged persons should be dispensed without regard to race.

...Journalists were subject to arrest, harassment, and intimidation due to their reporting. For example, Tan Hoon Cheng, a journalist for the Chinese-language paper *Sin Chew*, reported on a speech by Ahmad Ismail, a local UMNO party leader, in which he described Malaysian-Chinese as “squatters” and “immigrants.” On September 12, police detained Tan under the ISA because “her life was threatened,” according to the home minister. The public reaction, including the Malaysian Chinese Association’s threat to leave the ruling National Front coalition, forced the government to release her within 18 hours of her detention.

...In 2006 the minister of higher education stated that the nation’s 17 public universities employed few nonbumiputra deans. At the Universiti Malaya, 19 of 20 deans were bumiputras; in many other universities, deans were exclusively bumiputras. They also accounted for more than 90 percent of the country’s almost 1.15 million civil servants at the end of the year. The percentage has steadily increased since independence in 1957.

...According to police and ethnic Chinese community leaders, female citizens who were victims of trafficking were usually ethnic Chinese, although ethnic Malay and Indian women also were exploited as prostitutes. NGOs estimated that fewer than 100 Malaysian women were trafficked abroad during the year and that the number had declined in recent years (US Department of State 2009, *2008 Human Rights Report: Malaysia*, 25 February – Attachment 14).

The US Department of State’s reports of 2007 and 2006 were also similarly without any significant concerns with regard to the situation of ethnic Chinese, though it was noted in these years that “NGOs accused the police of profiling female Chinese nationals as potential prostitutes, following several highly publicized arrests” (US Department of State 2008, *Country Reports on Human Rights Practices for 2007 – Malaysia*, 11 March – Attachment 15; US Department of State 2007, *Country Reports on Human Rights Practices for 2006 – Malaysia*, 6 March – Attachment 16).

Freedom House published its most recent assessment of human rights in Malaysia in July 2009. With regard to the situation of ethnic Chinese the only incident of concern, as in the US Department of State’s most report for 2008, has been the arrest of a Chinese journalist, who was released shortly after being detained.

The ruling Barisan Nasional (BN) coalition lost its long-standing two-thirds parliamentary majority in the March 2008 general elections. The BN also lost control of five state governments to the opposition. Amid rising prices and the perception that the government was disconnected from the people, a large number of protests and demonstrations took place during the year. Some were halted by the police, but many were allowed to proceed. The year also featured more open political discussion in the media. However, the authorities again invoked the draconian Internal Security Act and the Sedition Act in September, arresting an opposition lawmaker, a journalist, and two bloggers.

...Racial tensions between the Malay majority and Chinese and Indian minorities have played a central role in Malaysian politics and economics since the country’s founding. Independence was premised on a social contract, enshrined in the constitution, that granted citizenship to the non-Malay population in exchange for special rights and privileges,

especially in education and economics, for all bumiputera (Malays and other indigenous peoples). After the outbreak of race riots in 1969, in which thousands of Chinese homes and businesses were destroyed and more than 180 people were killed, the government declared an 18-month state of emergency and tightened restrictions on free speech, assembly, and political organizations.

...Though it remained in power, the BN continued to falter. In September, reported anti-Chinese remarks by a senior UMNO politician stirred dissent among the ethnic Chinese elements of the ruling coalition, and the journalist who initially reported the comments was arrested under the Internal Security Act (ISA). Following that arrest, opposition lawmaker Teresa Kok and controversial blogger Raja Petra Kamarudin were also arrested under the ISA. The arrests were widely condemned both within and outside the BN, and all three detainees were eventually released. A series of peaceful marches in support of Raja Petra, the last to be released in November, proceeded without police interference (Freedom House 2009, 'Freedom in the World 2009 – Malaysia', Refworld website, 16 July <http://www.unhcr.org/refworld/topic,45a5fb512,45a5fbc32,4a6452a048,0.html> – Accessed 21 September 2009 – Attachment 12).

Amnesty International's 2009, 2008 and 2007 human rights reports for Malaysia do not detail any significant concerns, in terms of serious mistreatment, with regard to the situation of Malaysia's ethnic Chinese (though the ongoing benefits received by ethnic Malay's though affirmative action for Bumiputeras is commented upon under the 'Discrimination' section of the report). Extracts follow from the most recent report:

Racial discrimination remained institutionalized in Malaysia, particularly in government-backed "affirmative action policies" for Bumiputeras (Malays and Indigenous Peoples from Sabah and Sarawak) in land ownership, employment and education, which in some cases resulted in the complete exclusion of other groups.

There was a public outcry in August after a state official proposed that the University Teknologi Mara (UITM) allocate 10 per cent of university places to non-Malays. The university, home to 120,000 students, has been open only to Malays for the last five decades. The Prime Minister and the Minister of Higher Education rejected the proposal (Amnesty International Report 2009, *Amnesty International Report 2009: Malaysia*, 28 May <http://thereport.amnesty.org/en/regions/asia-pacific/malaysia> – Accessed 21 September 2009 – Attachment 19; see also: Amnesty International Report 2008, *Amnesty International Report 2008: Malaysia*, 28 May – Attachment 18; Amnesty International Report 2007, *Amnesty International Report 2007: Malaysia*, 25 May – Attachment 17).

### **Commentary on matters of ethnicity in Malaysia in recent news reports**

The relationship between Malaysia's majority Malay and minority Chinese and Indian communities is regularly a topic of discussion in the Malaysian press. Examples of recent reports of this nature appear below.

On 11 May 2009 Sean Yoong of the *Associated Press* reported on ethnic relations in Malaysia under the headline 'Malaysia racial ties fragile 40 years after riots'. Yoong's article warns that in the context of recently mooted proposal for "a partial rollback" of government affirmative action programs for the majority ethnic Malays, Malaysia's "uneasy racial detente is coming under stress". The report relates that: "Several Malay ruling party officials have pledged to defend affirmative action 'to the last drop of blood'; that "a top Malay newspaper urged Malays last month to 'rise and unite'; and the fears of a "57-year-old" ethnic Chinese who was a victim of the violence of 13 May 1969 and "who locks herself at home every May

13 for fear of breaking down in public if the memories overwhelm her”. Nonetheless, the report also relates that “some Malays agree that it is time to at least review affirmative action so that it benefits all the poor”; and that while “most people still have friends predominantly of their own race, there is interethnic interaction and respect”. Extracts follow:

The last time Lee Hung Poh walked unassisted was 40 years ago, before a bullet fired in the heat of Malaysia’s worst race riots sliced through her spine and shattered her future.

Neither the 57-year-old Lee nor her country has ever completely recovered.

To be sure, Malaysia, a Southeast Asian nation of 27 million people, has been remarkably stable since the weeklong mayhem that began May 13, 1969. But as the country marks the 40th anniversary of the riots, its uneasy racial detente is coming under stress.

Ethnic Chinese and Indians, the two largest minorities, have become more vocal in demanding racial equality in part because of growing economic hardships, and Indians staged unprecedented public protests in November 2007. Mindful of the mounting disenchantment, a new prime minister is proposing a partial rollback of a main legacy of the riots, an affirmative action program for the majority Malays.

If change goes smoothly, it may be for the better. As Malaysians have grown wealthier and better educated, they have demanded a more open discussion of race, and the government has acquiesced to a degree. But the shift is also stirring old passions – the Malays and Chinese in particular don’t fully trust each other – and therein lies a risk.

Several Malay ruling party officials have pledged to defend affirmative action “to the last drop of blood,” and a top Malay newspaper urged Malays last month to “rise and unite.”

“All of us want peaceful lives, nobody wants to fight each other. But you read the newspaper and keep seeing problems with racial issues,” said Lee, who locks herself at home every May 13 for fear of breaking down in public if the memories overwhelm her.

The bloodshed of 1969, which took at least 200 lives, erupted when Malaysia was still emerging from the legacy of colonial rule, only a dozen years after attaining independence from Britain.

...Complaints about affirmative action and religious disputes – such as the demolition of Indian Hindu temples on illegal sites by Malay authorities – became more apparent during the tenure of former Prime Minister Abdullah Ahmad Badawi, who governed for five years from October 2003. He is credited with allowing more space for discussions of long-sensitive issues in the government-controlled media and on independent Internet forums.

“There has been a maturing of Malaysian democracy in trying to resolve disputes,” said Denison Jayasooria, a researcher at the Institute of Ethnic Studies at the National University of Malaysia. “What people want is more public openness and intellectual discussion on race.”

The wider freedoms led to clearer expressions of dissent, such as a street protest in Kuala Lumpur two years ago where tens of thousands of Indians demanded economic fairness. Police quelled the protest with tear gas, and five organizers were jailed under a security act that allows indefinite detention without trial. All five have been freed, two in April and three on Saturday.

Minorities also voiced their discontent through the ballot box. In the March 2008 general elections, Chinese and Indians overwhelmingly voted against the long-ruling National Front coalition, which now governs with its lowest parliamentary majority in more than 50 years.

Abdullah took the blame for the loss and stepped down, handing power to his deputy Najib Razak.

...Nonetheless, even some Malays agree that it is time to at least review affirmative action so that it benefits all the poor. Advocates of this include Nazir Razak, the prominent banker brother of new prime minister.

Najib, who took power in early April, says affirmative action is still needed but can be diluted. Last month, he scrapped a requirement for 30 percent Malay ownership in several sectors, such as health and transport, to lure foreign investment to the floundering economy.

He also mounted a massive publicity campaign called “1 Malaysia” to promote racial solidarity and made several surprise appearances at religious festivities of Indians.

...The recent disputes about race have raised concerns about upsetting what has long been a delicate balance. As Ibrahim puts it: “On a people-to-people level, the relationships feel quite positive. There is the sentiment that everyone has a shared fate. Agitating the situation would only ruin it for everyone.”

In the capital of Kuala Lumpur, office workers from all races work together relatively amicably. Lunch crowds include Chinese women in skirts and Malay women draped in multicolored, loose-flowing dresses. Very often, they can be seen tucking into “dosa” rice pancake and curry, an Indian favorite.

Though most people still have friends predominantly of their own race, there is interethnic interaction and respect. For example, many Chinese avoid eating pork in the presence of Malay companions.

“There are still racial and religious differences, but there’s no widespread chaotic situation,” said Jayasooria, the National University of Malaysia researcher. “It’s a live-and-let-live situation, where nobody will be shouting at other races on the street” (Yoong, S. 2009, ‘Malaysia racial ties fragile 40 years after riots’, *Associated Press*, 11 May – Attachment 20).

In August 2009 *The Straits Times* provided an overview of, and commentary upon, a recent outbreak in the Malaysian press of what it labeled: “race rhetoric”. Pertinent extracts follow:

MALAYSIANS are used to race rhetoric in the media but the tone has become sharply provocative this month, particularly in the Malay daily Utusan Malaysia.

A series of columns by Mr Noor Azam, a former political secretary to former prime minister Mahathir Mohamad, and Dr Ridhuan Tee Abdullah, a senior lecturer at the Defence University, has provoked outrage among minority communities.

The columns have also resulted in a war of words between the mass-selling Utusan and a few major Chinese papers, most notably Nanyang Siang Pau and Sin Chew Daily.

The temperature had been building up over the last few months, but has only recently reached a near boiling point. This newspaper has learnt that non-Malay parties in the ruling Barisan Nasional coalition have mentioned their concerns about the media exchanges.

Some of the most strongly worded comments in Utusan came in a two-part column by Mr Noor that ran on Aug 12 and 13. In it, he said that Malaysia’s political power and wealth are being grabbed by the non-Malays.

...In reaction to Mr Noor's comments, Sin Chew's deputy editor-in-chief Tay Tian Yan chided Utusan for harbouring delusions of Malays being persecuted.

'Utusan's delusion is getting stronger by the day. If it's not treated, it will cause chaos,' he wrote, describing Mr Noor's views as 'exaggerated' and 'absurd'.

He suggested, no doubt tongue-in-cheek, that the Prime Minister's Office should ascertain how much Utusan has contributed to Prime Minister Najib Razak's '1Malaysia' vision by carrying such articles.

Mr Tay also suggested that Dr Koh Tsu Koon, Malaysia's minister in charge of unity, should study what Utusan has done for national unity.

'Thankfully, the majority of Malays, Chinese, Indians and other people are sane, and they treat Utusan as a joke,' wrote Mr Tay.

Besides Mr Noor's articles, Defence University's Dr Ridhuan's articles in Utusan also caused controversy. It began after he remarked unsympathetically about the status of the unborn child of opposition political aide Teoh Beng Hock in a column.

Mr Teoh had yet to marry his pregnant fiancée when he died mysteriously last month during an investigation into graft. Despite that, his family and fiancée requested that the baby carry his surname – a suggestion Dr Ridhuan objected to. The Chinese papers reported that Mr Teoh's family demanded an apology from Dr Ridhuan for his comments.

...Other commentaries in the Chinese papers took issue with the timing of Dr Ridhuan's comments, saying that it was insensitive, having been made while the family was still grieving. They also criticised Utusan for publishing such articles.

But Dr Ridhuan was not done. In a subsequent column, he said he had begun to realise how hypocritical some members of his race could be. Dr Ridhuan is a Chinese who converted to Islam (Wee, T.C. & Hong, C. 2009, 'Race rhetoric provokes war of words', *Straits Times*, 21 August – Attachment 21).

In August 2009 *The Star* reported on various reactions to the Malaysian government's proposal to drop the "race column" requiring Malaysian citizens to identify their ethnic identity in government forms. Extracts follow:

The Cabinet is looking into dropping the 'race' column in official forms and documents. While some are for it, saying it could help promote the one Malaysia concept, others are less enthusiastic.

WHAT race are you?" is a question often asked of Malaysians in the country.

And forms of all kinds, official or otherwise, almost always ask us if we are Malay, Chinese, Indian or lain-lain (others).

...While many have become used to the race categorisation and are proud to be identified with their race, there is, however, a number of people who are uncomfortable with it and feel there is no need for such a distinction.

Salmiah Ishak and her husband Johan Ahmad made a conscious decision not to fill in the race category on the form when they registered the births of their two children. But the National Registration Department filled it in for them anyway.

“We didn’t want our kids to identify themselves as a particular race. Race is not important to us as much as being true to one’s self,” explains Salmiah, an urban Malay who just turned 40.

...But for others like Datuk Reezal Merican Naina who is the president of Gabungan Pelajar Melayu Semanjung (GPMS), identification of race is important. And Reezal believes kampung folk will feel it if the requirement to declare one’s race is omitted from forms.

“What is wrong with having a race column in forms? It shows our identity,” he says, adding that it does not make sense to drop the race column in forms while the school system remains segregated into national Malay, Chinese and Tamil schools.

He feels people should appreciate that they are Malay, Chinese, Indian or whichever other ethnic group they belong to and still feel Malaysian.

...Tan Sri Lee Lam Thye, for one, believes it is a good first step in the long process of nation building.

A member of the National Unity Advisory Panel, Lee points out that during his time, race relations were far better than now, where racial polarisation is pretty obvious in schools and universities.

Doing away with the requirement to state one’s race when applying for licences, permits, housing or other things, he says, would help eradicate divisiveness and racial compartmentalisation.

“It helps the Government create a conducive climate to reset as Malaysia – instead of Malay, Chinese, Indian. Since the Government is promoting a One Malaysia concept, we should do away with the race column. There is only one race – the Malaysian race,” he says, adding that 52 years after independence it is only fitting that Malaysia moves forward to mould a Bangsa Malaysia.

...Director of the Institute of Ethnic Studies, UKM, Prof Dr Shamsul Amri Baharuddin advises some caution.

He points out that the race classification system affects many things and has its functions, and that the categories are useful for different reasons – like economic distribution to determine who gets what and how much.

“It is a demographic map of the country and has economic and political value. It has diverse interpretation and meaning. I don’t mind if they scrap it with good reason but they have to be very clear about the reason. Don’t do it out of pressure or fear,” he advises.

...Datuk Dr Denison Jayasooria, principle research fellow Institute of Ethnic Studies, UKM doesn’t think so.

He believes there is no way that the Malays would lose out because they are the dominant community. Even if you remove the race category when giving out help and base it on need, the largest community helped would still be the Malays because of their sizeable numbers, he reasons.

Even so, he notes that Malays are no longer disadvantaged like they were back in 1957 and 1969. There are many Malay academics, lawyers and highly qualified professionals who have made it on their own through their hard work (Habib, S. 2009, ‘The race to 1Malaysia’, *The Star*, 30 August

<http://thestar.com.my/news/story.asp?file=/2009/8/30/focus/4573828&sec=focus> – Accessed 21 September 2009 – Attachment 22).

For further examples of other recent news reports discussing the issue of the ethnic divide in Malaysia, see Attachments 23 to 27 ('Race row rocks Malaysia' 2008, *Al Jazeera*, 11 September – Attachment 23; Manthorpe, J. 2009, 'Unexplained death fuels ethnic tensions in Malaysia', *Vancouver Sun*, 27 July – Attachment 24; Hong, C. 2008, 'Race issues surface in Malaysian politics again', *Straits Times*, 4 August 2008 – Attachment 25; Malaysian Heart 2009, 'Responding to BN Inspired Racism and Prejudice', *Malaysia Today*, 26 August <http://mt.m2day.org/2008/content/view/26101/84/> – Accessed 21 September 2009 – Attachment 26; Lunjew, J. 2009, 'Race? What's that?', *The Star*, 29 August <http://thestar.com.my/lifestyle/story.asp?file=/2009/8/29/lifefocus/4522906&sec=lifefocus> – Accessed 21 September 2009 – Attachment 27).

### **Analysis of Malaysia's March 2008 elections**

Since the completion of Malaysia's March 2008 elections a number of studies have appeared which have discussed the result of the national and state level polls in terms of ethnic politics in Malaysia. Three such studies are overviewed below along with a risk assessment by the *Economist Intelligence Unit*.

In February 2009 the *Economist Intelligence Unit* provided analysis on the issue of whether the results of the March 2008 election might pose any risk of political instability for Malaysia. Overall the *Economist Intelligence Unit* expects the political situation in Malaysia "to remain in flux over the forecast period as the leader of the opposition Pakatan Rakyat (PR) alliance, Anwar Ibrahim, continues with his strategy to persuade ruling Barisan Nasional (BN) legislators to switch to the opposition camp to engineer a change in government". The report also relates that: "the gap between the races has widened noticeably over the past decade"; that: "[r]esidents continue to define themselves in the first place by race, rather than by a Malaysian identity"; and that the man who led the Malaysian government to the polls in 2008, Abdullah Badawi, "has been unable to control growing religious and racial tension" (noting that in November 2006 "he failed to halt the display of racism and Islamic zeal at the party congress, which upset the Chinese and Indian parties, the two senior partners of the BN"). Even so, the *Economist Intelligence Unit* does not note any outbreaks of violence or unrest along ethnic lines. Extracts follow:

The political situation is expected to remain in flux over the forecast period as the leader of the opposition Pakatan Rakyat (PR) alliance, Anwar Ibrahim, continues with his strategy to persuade ruling Barisan Nasional (BN) legislators to switch to the opposition camp to engineer a change in government. The BN won the March 2008 general election, but its majority was cut from two-thirds at the last parliament to a simple majority. The PR is actively seeking the cooperation of 29 or more BN legislators in its efforts to form a new government, but Mr Anwar faces a number of obstacles before realising his political ambitions. A forthcoming trial over a sodomy allegation made by a former aide could derail Mr Anwar's plans to seize power from the BN. At the same time that Mr Anwar is trying to court BN legislators, the United Malays National Organisation, the dominant party in the BN, has been trying to persuade members of the PR to join its ranks.

### **SCENARIOS**

UMNO adopts a conservative approach to Islam



Moderate likelihood; High impact; Intensity =12

The greatest risk to political stability centres on what type of strategy UMNO employs to try and woo back support from the ethnic Malay, a significant proportion of which voted for parties from the PR opposition alliance. The 2008 election result highlighted the deep dissatisfaction felt by the ethnic minorities to issues regarding race, religion and rising prices. However, the mobilisation of a large protest vote by non-Malays would not, on its own, have been enough to inflict losses on the UMNO, which saw the number of its seats cut from 110 in the last parliament to 79. UMNO had hoped to count on the support of ethnic Malays, especially in Malay-dominated states, such as Kelantan, Kedah and Terengganu, but it lost seats to the opposition in all the three states. Although Malays make up some 65% of the population, they account for over 80% of registered voters in some parliamentary constituencies. In previous elections, UMNO was at pains to stress its Islamic credentials. Interestingly, UMNO's main rival for the Malay vote--the opposition Parti Islam se-Malaysia--dropped its insistence on Islamic rule in its election manifesto, though this may have been an attempt to widen its appeal to electorates before the election. If UMNO chooses to adopt a more conservative Islamic approach, they also risk alienating the Chinese and Indian communities further. In an attempt to scupper Mr Anwar's political ambitions, UMNO has admitted to holding talks with PAS about Malay unity. It is unclear what UMNO has promised PAS in these talks, but what is clear is UMNO's determination to hold onto power, even if it means making overtures to its political rivals. At stake is the 23 seats currently held by PAS, which if it decides to align with UMNO, would give the BN a two-thirds majority in parliament. Whatever UMNO or PAS decides to do, Islamisation will remain central to the political debate in Malaysia.

Social unrest threatens political stability

Moderate likelihood; Moderate impact; Intensity =9

Political tensions could come to the surface and prompt anti-government protests in the months ahead. These could be sparked by the forthcoming trial of Mr Anwar over a sodomy allegation made by a former aide in June 2008. In Malaysia, sodomy is a criminal offence that carries a maximum sentence of 20 years imprisonment. If Mr Anwar is found guilty, his supporters will register their protest in the form of mass demonstrations on a scale similar to those witnessed in 1998 when he was dismissed from the post of deputy prime minister. The sodomy charge was later overturned in 2004. An example of the opposition's capacity to mobilise support was witnessed in February, when hundreds of PR supporters gathered outside the state assembly in Perak to protest against a change in the chief minister of the state. The PR won control of the state assembly in the March 2008 general election, and until February 5th was led by Mohammad Nizar Jamaluddin, the Menteri Besar (chief minister) of Perak and a member of the opposition alliance. On February 5th, the sultan of Perak formally asked Mr Mohammad to step down after four assemblymen from the ranks of the PR resigned, leaving the PR with a minority representation in the state assembly. Companies should also be aware of the potential for tension in the current political climate. However, despite the size of the likely protests, the police are expected to maintain control at all times.

...Anwar Ibrahim succeeds in forming a new government

Low likelihood; Low impact; Intensity =4

There is a risk that Anwar Ibrahim, the figurehead of the opposition alliance, Pakatan Rakyat, could persuade enough ruling Barisan Nasional (BN) parliamentarians to switch sides to enable him to form a new government. The outcome of the 2008 election has left Mr Anwar in an unprecedented position to challenge the political establishment. The general election dealt a heavy blow to the ruling BN coalition, as opposition parties won a record 82

parliamentary seats (out of 222), 30 seats shy of a simple majority. Although the BN retains a majority, its position has been weakened, and an emboldened opposition senses an opportunity. On September 17th 2008, a small party from Sabah with two members of parliament, the Sabah Progressive Party (SAPP), became the first party to leave the ruling coalition since the March 2008 election. Following this change the BN is composed of 13 political parties with a total of 138 parliamentary seats, down from 140 before the defection. Although SAPP has indicated that it will remain an independent party, its deep dissatisfaction with the ruling coalition suggests that it might vote against the government in the event of a no-confidence being brought by the opposition PR. The parliamentary arithmetic changed again in January, following the failure of UMNO to retain the Kuala-Terengganu seat at a by-election there. The PR now needs only 27 BN legislators to vote against the current administration to win such a motion, although the support of more BN legislators that this would be needed to guarantee the PR's survival in government. The parliamentary arithmetic is likely to change again with another two by-elections due in April. The impact on the business environment of a government headed by Mr Anwar will be low primarily because it would continue to implement business-friendly policies. Indeed, should Mr Anwar manage to form a new government, his pledge to abandon bumiputera policies favouring ethnic Malays would be a major gain for competition policy.

## BACKGROUND

(Updated: November 21st, 2008)

### Political Forces

Race is the major defining feature of the political system: all major political parties are organised along racial lines. Malaysia has been ruled by coalition governments since independence, but in reality the BN coalition is totally dominated by UMNO and is unlikely to lose power. UMNO controls the Election Commission, which supervises elections and checks electoral rolls, and the redrawing of constituency boundaries. Because of rock-solid support for the BN in Sarawak and Sabah, the BN coalition seems almost impossible to dislodge.

UMNO, the party of Malay nationalists in the colonial period, remains the most important of the Malay parties. In the March 2004 election it regained the majority support of the Malay section of the population, which it had lost in the 1999 election. The president of UMNO invariably serves as the prime minister and UMNO members hold the deputy prime minister and key cabinet posts. Elections to the UMNO supreme council determine the leadership succession. The party voting system makes it difficult to challenge an incumbent leader but encourages bribery for other positions.

UMNO's position within the BN coalition is disproportionate to the number of votes it attracts (only 35.9% of votes cast in March 2004). This reflects the subservient position of the Chinese parties (the Malaysian Chinese Association, or MCA, and the Parti Gerakan Rakyat Malaysia, or Gerakan) and the Indian party (Malaysian Indian Congress, or MIC), which goes back to independence in 1957. Chinese and Indian community leaders accepted the notion of Malay special rights and the special status of Islam in exchange for citizenship.

PAS is the alternative to UMNO for the Malay population. It is an ultra-conservative Islamic party and a haven for Malay protest votes, offering a greater devotion to Islam and possibly also a stronger commitment to Malay nationalism than UMNO. From its inception, PAS has intended to set up an Islamic state and introduce Islamic law. Its intention of creating an Islamic state presents a major obstacle to the building of a coalition of opposition forces.

PAS is allied to the PKR in an opposition alliance, the Barisan Alternatif, or BA. The PKR has continued with the political reform agenda that started with the 1998 reformasi demonstrations, but its members have become increasingly disillusioned with their de facto leader, Mr Anwar. After the March 2004 election the PKR was left with only one seat. The left-of-centre, largely ethnic-Chinese DAP is the largest opposition party. Although low in parliamentary seats, the opposition gathered 34% of the vote in the 2004 election, down from 40% in 1999.

The entitlement of the bumiputera to special rights is laid down in the constitution. UMNO regularly warns other parties not to question Malay special privileges, the position of Islam or relations between the different races; those who do will be accused of sedition. The political system has remained stuck in this mode for over 50 years. But the gap between the races has widened noticeably over the past decade. Residents continue to define themselves in the first place by race, rather than by a Malaysian identity.

#### ...Political Development

Dr Mahathir retired in October 2003, after 22 years of strong leadership as prime minister and UMNO president. His successor, Abdullah Badawi, called an election on March 21st 2004. The polls were preceded by anti-corruption measures and promises of further action that attracted strong public approval. The BN gained a spectacular election victory, winning nine-tenths of the available 219 parliamentary seats, the coalition's best-ever result. UMNO recovered the majority support of Malay voters, while PAS lost control of the state of Terengganu.

Mr Abdullah failed to build a strong power base after his election victory. His leadership has been weak and policy has drifted. Many of the prime minister's candidates for key posts within UMNO were defeated at the first post-election party congress in 2004, which was heavily tainted by bribery. A further sign of Mr Abdullah's weakness was UMNO's vote in July 2005 to strengthen the bumiputera policies. Another example of Mr Abdullah's weak leadership came in November 2006, when he failed to halt the display of racism and Islamic zeal at the party congress, which upset the Chinese and Indian parties, the two senior partners of the BN. The fight against corruption has been an empty promise: no high-level politicians or civil servants have been prosecuted.

While more tolerant of dissent and criticism, Mr Abdullah has been unable to control growing religious and racial tensions. Creeping Islamisation, religious intolerance and racial prejudice alarmed non-Muslim ministers in the BN cabinet to such an extent that, in an unprecedented move, they called on the prime minister in January 2006 to defend the rights of the religious minorities. However, the request was withdrawn after loud protests from Malay and Islamic organisations and the media. During 2006 the government began to tighten its control over the media, especially on subjects such as Islam and race. In mid-2007 it clamped down on Internet critics, who regularly expose corruption scandals in government circles.

Dr Mahathir's mounting dissatisfaction with his successor finally led in August 2006 to a call for his replacement. Divisions deepened with revelations of past and present scandals. Dr Mahathir's challenge threw UMNO into disarray but Mr Abdullah, with his powers of incumbency, was never at risk. Dr Mahathir's failing health also cut short his campaign ('Malaysia risk: Political stability risk' 2009, *Economist Intelligence Unit*, 25 February – Attachment 28).

The manner in which ethnic Chinese and ethnic Indian voters appeared to desert the Chinese and Indian parties allied with UMNO in the recent March 2008 election is the subject of a July 2008 study produced by Andreas Ufen of Hamburg's German Institute of Global and Area Studies. Ufen's study estimates that: "[t]he swing vote from the BN to the opposition

amounted to five percentage points among the Malays, and thirty and even thirty-five percentage points among the Indians and the Chinese, respectively". In addition to analyzing the March 2008 election result, the study also comments upon the manner in which UMNO has, according to Ufen, led the governing Barisan Nasional through a system of patronage which includes ethnic Chinese parties like MCA and ethnic Indian parties MIC as client coalition members. According to Ufen the electoral dominance of the UMNO and its Barisan Nasional coalition is partly explained by the manner in which the government has asserted control over the administration of elections and the media to an extent which "puts the opposition at a great disadvantage". Ufen goes on to discuss the results of the March 2008 election and the manner in which, "despite the limited competitiveness of elections, the opposition was, unexpectedly, able to strip the federal government of its two-thirds majority and to assume government power in five of the thirteen states". Ufen then predicts that the Barisan Nasional's loss of its two-thirds majority will mean that "[t]he opposition can now achieve more transparency, launch an effective fight against corruption, and reintroduce local elections in Kedah, Kelantan, Penang, Perak, and Selangor"; noting that: "[b]ecause the BN has lost its two-thirds majority, the opposition is now able to block constitutional amendments". Ufen explains the result, in part, as a reaction against "spectacular corruption cases, the deterioration of interethnic and interreligious relations", and the heavy handed response of the government and police to opposition rallies in lead up to the elections. Extensive extracts follow:

#### The Electoral and the Party Systems

Malaysia has a bicameral parliament. The first chamber, the Senate, is rather insignificant. The second chamber is the House of Representatives (Dewan Rakyat), the members of which are elected through a plurality vote in single- member constituencies for a maximum term of five years. The governing coalition, the National Front (Barisan Nasional, BN), has won every election since national independence in 1957. As mentioned above, elections in Malaysia are competitive only to a certain extent, which puts the opposition at a great disadvantage. The constitution provides for an independent Election Commission, but in reality this commission is largely controlled by the government. Constituencies are delineated in favor of the BN through gerrymandering and malapportionment. There are also indications that the BN greatly benefits from postal votes and that multiple voting occurs due to faulty electoral rolls. In addition, the BN parties hold sway over the major newspapers, the national TV stations, and the most important radio stations. Consequently, the media covers almost exclusively the BN election campaigns. Open debates on TV are unusual. The government is usually not criticized; instead, confrontations within the opposition are highlighted. The latter's publications, such as Harakah, The Rocket, and so on, are subject to numerous restrictions. Moreover, organizational freedom, freedom of assembly, and the right to demonstrate are restricted.

The BN is headed by UMNO and currently includes fourteen parties, each one usually representing a specific ethnic group, that is, in the first instance, the Malay majority (53.4 percent of the population) or the Chinese and Indian minority (26.0 percent and 7.7 percent, respectively). The most important of these parties are, besides UMNO, the Malaysian Chinese Association (MCA), the Parti Pesaka Bumiputera Bersatu, or United Traditional Bumiputera Party (PBB), the Malaysian Indian Congress (MIC), and the Parti Gerakan Rakyat Malaysia, or Party Gerakan (Gerakan). Due to the massive financial resources at the disposal of the governing parties, they have been able to set up a tight patronage network and have made use of it especially during elections. Local, state, and national budgets as well as private and state enterprises that support the parties have allowed the establishment of an extensive machinery. Furthermore, delegates of local councils are appointed and usually belong to BN parties.

In the past, the opposition has always been fragmented. The 1999 elections signified a prominent exception, as the most important opposition parties, namely, PAS (Parti Islam SeMalaysia, Pan-Malaysian Islamic Party), the DAP (Democratic Action Party), and the PKN (Parti Keadilan Nasional, National Justice Party; since 2004: PKR, Parti Keadilan Rakyat, People's Justice Party), created the Alternative Front (Barisan Alternatif, BA). But in 2001, the DAP left the alliance and the BA split.

In most parts of the country, the opposition is characterized by organizational weaknesses. The opposition does not dispose of any public funds at the state and federal levels either. Only in those states where PAS could gain a majority and fill executive positions is the situation more favorable. PAS is the only well-institutionalized opposition party, owing to the networks of religious leaders, which extend down to the village level.

### Developments Prior to the Elections

Before the March 2008 elections, most observers expected the BN to lose a few seats, but not its two-thirds majority. Back in 2004, the governing coalition was able to achieve one of its greatest victories in more than five decades. The BN won 198 of 219 seats in the national parliament and 505 of 552 seats at the federal level. UMNO obtained 109 mandates, the MCA 31, and the MIC 9. In total, the BN won 64.4 percent of the votes, 7.2 percentage points more than in 1999. UMNO candidates came first in 109 of 117 constituencies (93.2 percent). In 1999, they obtained merely 48.6 percent of the seats they had contested. UMNO candidates also gained 303 of 383 seats at the federal level. PAS, on the other hand, lost the election in the state of Terengganu and has since had only seven seats in the national parliament (six after by-elections). The PKR had only one member of parliament (MP). The DAP was the only opposition party that reached its goal, with twelve delegates in the national parliament.

One of the main reasons for the BN success in 2004 was the popularity of Prime Minister Abdullah Badawi, who had taken office in October 2003. He maintained a leadership style different from that of his autocratic predecessor, Mahathir Mohamad. Badawi is an orthodox Muslim and comes from an influential Malay family of ulama (Islamic scholars). Soon after assuming office, he introduced a number of reforms. After 2004, however, it became obvious that he had failed to live up to his promises of fighting corruption and poverty and of improving the tense relations among religious and ethnic groups. More importantly, expensive prestige projects were mostly not abolished.

...In addition to these spectacular corruption cases, the deterioration of interethnic and interreligious relations was widely debated in the Malaysian public. At the UMNO party congress in July 2005, delegates voted for the continuation of the disputed pro-Bumiputera policy. This means affirmative action in favor of the "sons of the soil," that is, Malays and members of some smaller indigenous ethnic groups. At the last few congresses, Malay chauvinism has become more obvious: Minister of Education Hishammuddin, chairman of the UMNO youth organization, wielded a keris (dagger) as a sign of Malay supremacy (Ketuanan Melayu). Ethnic minorities have regarded such developments with a strong feeling of inquietude.

Malay chauvinism and the resulting instrumentalization of Islam induced nine non-Muslim ministers to present a memorandum expressing their concern about the tense interreligious relations. They argued for a reassessment of the laws that affect the rights of religious minorities. After much protest, the ministers were forced to withdraw their memorandum.<sup>18</sup>

...The Reformasi movement was revived through political parties and, moreover, with protest movements organized by civil society that employed new media. An alternative public was the result. Malaysiakini, for example, is the only daily newspaper that features open reports and is available online. Besides, blogs have become increasingly popular in recent years.

Those by Raja Petra Kamaruddin, opposition politicians such as Anwar Ibrahim and Lim Kit Siang (DAP), Marina Mahathir (daughter of the former prime minister), human rights activist Malik Imtiaz Sarwar, Susan Loone, M. Bakri Musa, Ronnie Liu, James Wong, Kassim Ahmad, and others are particularly critical of mainstream politics. Video clips on YouTube also constitute a new forum for dissident voices.

...During the weeks ahead of the 2008 elections, there were two events that catalyzed the emergence of a broad opposition movement. On November 10, 2007, at least thirty thousand people participated in the largest demonstration in Kuala Lumpur since the Reformasi era. ...The police used tear gas and water cannons against the demonstrators. Two weeks later, at another protest on November 25, 2007, ten to thirty thousand people were led by the Hindu Rights Action Force (Hindraf) onto the streets of Kuala Lumpur in order to protest the discrimination against the Indian Hindu minority. ... Again, the forbidden demonstrations were violently broken up by police. Moreover, on December 13, 2007, five organizers were arrested under the draconian Internal Security Act on the grounds of endangering national security.

...Results

At first glance, the election results do not appear to be spectacular, considering that the governing coalition was able to retain a significant majority of seats in the national parliament. Yet, against the background of the decades-long rule of the BN, the results are astonishing. In West Malaysia, the BN obtained only 49.8 percent of the valid votes. UMNO lost thirty seats in the national parliament alone (see table 1). The MIC lost six of nine Dewan Rakyat seats and thirteen of nineteen seats in state parliaments. Samy Vellu was not the only one to be defeated after thirty-four years; his deputy G Palanivel and the vice presidents S Sothimuthan and S Veerasingam, also the leaders of the youth and women's organizations, respectively, all lost their seats. The predominantly Chinese Gerakan party has governed Penang since 1969, but this time could not win any seat. The MCA gained a majority only in fifteen of forty constituencies at the federal level and thirty-one of ninety constituencies at the state level.

Nevertheless, the BN won 51 percent of the votes and 63 percent of the seats at the federal level. Its victory was based on a solid dominance in three states: Johor, UMNO's power base, and the East Malaysian states, Sarawak and Sabah, where the BN won thirty of thirty-one and twenty-four of twenty-five mandates, respectively, for the national parliament. At the state level, the BN was particularly successful in Sabah (fifty-six of fifty-seven seats), Perlis (fourteen of fifteen seats), and Johor (fifty of fifty-six mandates).

For the opposition, victory in five of thirteen states was even more important than the eighty-two seats in the national parliament. It won twenty-two of thirty-six seats (PAS, sixteen; PKR, five; DAP, one) in Kedah, thirty-nine of forty-five (PAS, thirty-eight; PKR, one) in Kelantan, twenty-nine of forty (DAP, nineteen; PKR, nine; PAS, one) in Penang, thirty-one of fifty-nine (DAP, eighteen; PKR, seven; PAS, six) in Perak, and thirty-six of fifty-six (PKR, fifteen; DAP, thirteen; PAS, eight) in Selangor (see table 2). PAS not only kept its majority in Kelantan, which it has had since 1990, but also appointed the new chief minister in both Perak and Kedah. The government in Penang is led by the DAP, and the government in Selangor by the PKR.

In contrast to the last elections, opposition parties had notable success in constituencies with a heterogeneous ethnic composition ("mixed seats") because the majority of the Chinese and Indian populations voted against BN parties. This was the case, for example, in Wangsa Maju (Kuala Lumpur), Kelana Jaya (Selangor), and Balik Pulau (Penang). A survey from late January, conducted by the Merdeka Centre, illustrated that only 38 percent of the Indian and 42 percent of the Chinese population were satisfied with Badawi's performance. According to

Ong, in West Malaysia, 58 percent of Malays but only 35 percent of Chinese and 48 percent of Indians voted for BN candidates. The swing vote from the BN to the opposition amounted to five percentage points among the Malays, and thirty and even thirty-five percentage points among the Indians and the Chinese, respectively. It is not yet clear whether the results are due to protest votes or whether they signify a genuine change in electoral behavior (Ufen, A. 2008, 'The 2008 Elections in Malaysia: Uncertainties of Electoral Authoritarianism', *Taiwan Journal of Democracy*, vol.4: no.1, July, pp.155-169 – Attachment 2).

Cornell University's Thomas B. Pepinsky has published an extensive study of the March 2008 elections and the ongoing issue of ethnic politics in Malaysia. Pepinsky's study discusses a number of the explanations put forward to account for the poor performance of the *Barisan Nasional* in the recent election. Pepinsky concludes from a statistical study of the regional voting patterns that the UMNO still retains the support of most Malays and that the inroads made by the opposition into the *Barisan Nasional*'s parliamentary pre-eminence have been made as a consequence "of non-Malays in peninsular Malaysia rejecting the BN and voting for secular opposition parties". Pepinsky considers a number of possible reasons for this outcome, including: recent economic hardships; corruption scandals; episodes of well publicized UMNO ethnic-Malay chauvinism; heavy handed government and police crackdown's on opposition demonstrations; and increased public debate through new online media. While not ruling out the influence of these various factors Pepinsky concludes by suggesting that the moderation of Abdullah Ahmad Badawi (who was the Prime Minister of Malaysia in the lead up to the March 2008 election) played a critical role in the outcome insofar as Abdullah's unwillingness to employ the tools of the authoritarian state to the extent of his predecessors ("Mahathir (1981–2003) and Abdul Razak Hussein (1970–1976)") effectively allowed the opposition into the race. Pepinsky concludes that the resulting backlash against UMNO allies like the ethnic Chinese MCA and ethnic Indian MIC will see these groups attempt to re-establish their respective ethnic credentials within a balance of power in which the UMNO is much more dependent upon its junior coalition allies. Pepinsky also suggests that Malaysia may be headed for further political re-alignment and that the "BN's main fear as of October 2008 is that enough members of parliament (MPs) will defect to the opposition that the BN will lose power altogether". Extensive extracts follow:

The Malaysian general elections of March 8, 2008, were a landmark event in the country's political history. For the first time since 1969, the ruling coalition failed to gain more than a two-thirds majority of seats in the lower house of the Malaysian parliament. In five of eleven state elections on the Malay peninsula, opposition parties denied the incumbent coalition even a simple majority. These results stunned international observers and many Malaysians alike. Foreign media deemed the results a "political earthquake" ... While the Barisan Nasional (BN, National Front) has formed a government and its simple majority in the parliament allows it to pass legislation, for the first time in Malaysia's history it will not be able to change the Malaysian constitution at will. These results are heartening for the prospect of electoral democracy in Malaysia and a shock to its long-standing electoral authoritarian regime.

...the dramatic decrease in the BN's parliamentary majority does not appear to be the result of economic grievances, generational shifts, intraparty factionalism, or any whole-scale rejection of the BN. Rather, it is the result of non-Malays in peninsular Malaysia rejecting the BN and voting for secular opposition parties. The United Malays National Organisation (UMNO) still retains the support of most Malays, and the Islamist opposition still struggles to make significant inroads outside of its historical bases of support.

...the regime has historically ruled by favoring ethnic Malays over non-Malays, in particular over the country's large ethnic Chinese and Indian minorities. To maintain a supermajority, though, the regime has always depended on its coalition partners' ability to win some number



of seats. UMNO's primary opposition is the Pan-Malaysian Islamic Party (PAS), whose Islamist platform UMNO uses as a foil to attract the votes of peninsular non-Malays (who are almost uniformly non-Muslim) to the BN. Prior to the twelfth general elections, Malaysia's comparatively moderate prime minister Abdullah Ahmad Badawi did not pursue this strategy of pitting opposition parties against one another to nearly the same degree as had his predecessors. Consequently, non-Malays' grievances against the BN boiled over at the polls, as Chinese and Indian voters rejected the BN when confronted with secular opposition parties that toyed with ending preferences.

#### ...The Context and the Results in Brief

Malaysian voters on March 8, 2008, cast ballots in two races. Throughout the country, voters elected representatives to the lower house of the Malaysian parliament (Dewan Rakyat, DR). In the eleven states of peninsular Malaysia and the East Malaysian state of Sabah, voters elected representatives to their state assemblies (Dewan Undangan Negeri). Elections for the Sarawak state assembly were held in 2006, while the Federal Territories of Kuala Lumpur, Putrajaya, and Labuan do not have state assemblies. The vast majority of contests were head-to-head races between one BN candidate and another nominated by one of the country's main opposition parties. Malaysia is a constitutional monarchy with a British-style parliamentary government, so parliamentary elections determine which party or coalition of parties will form the country's government.

The dominant party in the incumbent BN coalition is the UMNO, a strictly Malay party. UMNO's main junior partners on the peninsula are the Malaysian Chinese Association (MCA) and the Malaysian Indian Congress, along with the multiethnic Malaysian People's Movement (Gerakan) and the tiny People's Progressive Party (PPP). A number of small local parties are based in East Malaysia, although UMNO is active in Sabah, the only state where non-Malay indigenous Malaysians (bumiputras) may join the party. Challenging the Barisan Nasional in the 2008 election were three main opposition parties: PAS, the Democratic Action Party (DAP), and the People's Justice Party (PKR). These parties had joined a coalition known as the Alternative Front (Barisan Alternatif, BA) to contest the 1999 general elections. However, the BA failed to make the progress that many had hoped that it would and dissolved in 2001 when tensions arose between the Islamist PAS and the social democratic DAP due to the former's advocacy of Islamic law in Malaysia. Despite the BA's dissolution, the DAP, PKR, and PAS coordinated informally during the nomination process to ensure that only one opposition candidate challenged each UMNO incumbent.

...In retrospect, several developments in the fall of 2007 and early 2008 indicated growing dissatisfaction with the BN. These developments suggest several hypotheses that might explain how and why the BN lost its supermajority. The political scandals just mentioned are one obvious point of departure, as they undermine Abdullah's image as Malaysia's "Mr. Clean." Accordingly, one explanation for the March 8 outcomes is that corruption and scandals at the highest level of Malaysian politics drove voters to reject the BN regime.

Ethnic relations also made headlines prior to the March 8 elections. Indians – a relatively small and disenfranchised group – were incensed by the regime's heavy-handed response to a series of peaceful protests by the Hindu Rights Action Force (Hindraf). Hindraf advocates for Indian rights in Malaysia and opposes the destruction of Hindu temples, a practice that it claims is organized by radical Islamists with government backing (Pillay 2007). Several Hindraf leaders were arrested and charged with sedition in November 2007, and security forces disbanded a peaceful demonstration in Kuala Lumpur several days later, arresting dozens of protesters (Asia Times, November 27, 2007). After the sedition charges were dismissed by the courts, five Hindraf leaders were detained under Malaysia's Internal Security Act (ISA), which provides for indefinite detention without legal recourse. Shortly

after Abdullah dissolved parliament in February 2008, Hindraf leaders began to urge ethnic Indians to vote against the BN (The Hindu, February 17, 2008).

Ethnic tensions extended beyond the complaints of Indian Malaysians. Since the promulgation of the New Economic Policy in 1971 (Faaland, Parkinson, and Saniman 2003), “race” has been a central consideration for every policy decision. Long a bone of contention between the BN regime (which, led by UMNO, strongly supports pro-Malay policies) and its opponents (which oppose them as discriminatory), the regime’s pro-Malay stance became a central opposition issue in the wake of the 2005 UMNO party meeting, during which education minister and staunch UMNO loyalist Hishamuddin Hussein brandished a *keris* (a traditional Malay dagger). This use of violent imagery angered many and illustrated the opposition’s campaign against the BN’s policies (Noor 2008). Along with the Hindraf affair, it suggests that ethnic grievances may explain the March 8 results.

...Perhaps more important is that the BN regime has the tools at its disposal to discourage its challengers. In previous instances of political turmoil, the regime resorted to economic favoritism, ethnic intimidation, political coercion, and low-level electoral fraud to protect its rule (see Crouch 1996; Hilley 2001; Hwang 2003; Milne and Mauzy 1999). The BN’s predecessor, the Alliance, navigated still greater political turmoil (1969–1971) by suspending parliament altogether (see von Vorys 1975, 259–390). Under Mahathir, political institutions increasingly channeled the demands of a powerful executive (Slater 2003), and in the wake of the 1997–1999 crisis, the regime tightened its grip further (Case 2004).

...Overall, state assembly elections roughly parallel parliamentary elections, with the BN component parties’ retaining just under 61 percent of all available seats. PAS did slightly better overall in state elections, capturing 16.4 percent of assembly seats against 10.4 percent of parliamentary seats; PKR fared slightly worse, capturing 7.9 percent of assembly seats against 14 percent of parliamentary seats; and the DAP did about the same.

... One very important conclusion from the state assembly results in Table 2 is that with the exception of Kelantan – where PAS has long held a majority – no opposition party captured a simple majority of seats in a state assembly. Kedah, Perak, Penang, and Selangor must be led by coalition governments. Moreover, the types of coalitions that are sufficient to form a government vary by state. In Kedah, the natural coalition is between the dominant PAS and PKR – DAP has almost no support. By contrast, in Penang, the DAP is dominant and its natural coalition partner is PKR. Selangor and Perak are more evenly divided and require three-party coalitions to form any government (in Selangor, just barely). As I discuss later, this has important implications for opposition parties’ political strategies, in particular the structure of their postelection coalition.

...The first claim often made about the election results is that the non-Malay parties of the BN were the big losers in the March 8 elections. Table 4 confirms this.

Of the 103 parliamentary seats that UMNO contested on the Malay peninsula, it won sixty-five, almost two-thirds of them. By contrast, the other peninsular BN parties won less than one-third of the seats that they contested. In state elections, the difference between UMNO and other BN party success is even starker; UMNO won over two-thirds of the state seats that it contested, while other BN parties lost more than seven out of ten of the seats they contested.

... Relative to one another, the March 2008 elections were a qualified success for UMNO and a disaster for other peninsular BN parties.

Several analyses of the 2008 election results have seized upon an economic explanation for the BN’s relatively poor showing, linking the BN’s failure to short-term economic hardship experienced by all Malaysians and to inequality across ethnic groups in particular.

...We may also examine the proposition that the BN's loss is attributable to non-Malays' voting against the incumbent regime – versus the broader claim that all Malaysians rejected the regime. The former interpretation is far more common, but the latter interpretation has received limited attention among longtime observers of Malaysian politics (see Welsh 2008b). We can start by examining the data that do exist – the ethnic composition and vote returns of each parliamentary district – to see if districts with more Malays (or Chinese or Indians) were more or less likely to elect a BN politician.

...The results indicate that in both state assembly and parliamentary elections, as the percentage of Malays in an electoral district increases, the likelihood of a BN victory increases. By contrast, as the percentage of Indians and Chinese increases, the likelihood of a BN victory decreases substantially.

... The picture that these results paint is one of the BN's enjoying more success among highly Malay districts, and the opposite in highly non-Malay districts. Given that the vast majority of PAS victories were in the heavily Malay districts of Kedah and Kelantan, Malays must have voted overwhelmingly for the BN outside of these states to have produced these findings.

While these results are suggestive, they do not allow us to ascertain whether or not individual Malay (or Chinese or Indian) voters fled BN parties. This is known among statisticians as the "ecological fallacy." For every district, we know only the distribution of ethnic groups and the distribution of support for the BN versus the opposition. The former is simply the percentage of the district that is ethnic Malay, Chinese, and Indian, and the latter is the percentage of votes that went to the BN versus an opposition party. But even if we know that a hypothetical district with 100 voters is 80 percent Malay and returns an 80 percent vote for UMNO, and we know that all voters voted, we cannot know if this is because all Malays voted for UMNO and no non-Malays did, or because non-Malays (twenty voters) voting for UMNO and only 75 percent of Malays ( $75 \times 80 \text{ percent} = 60 \text{ voters}$ ) did. This is a particularly serious challenge in Malaysia, where parties have clear ethnic bases but coalitions field only one candidate regardless of the extent of a district's ethnic heterogeneity.

...a statistical technique known as EI (for "ecological inference") allows us to estimate average individual-level support for the BN by ethnic group using the aggregate data available (King 1997).

...This is the strategy that I adopt here. A generalization of EI to handle more than two ethnic groups (see Rosen et al. 2001) yields both an estimate of support for BN parties by ethnic group and a measure of the uncertainty associated with that estimate. Table 10 presents a list of estimates broken down by party contesting and allows differential turnout rates in each district to affect the estimates.

UMNO was able to garner over half of all Malay voters in the districts in which it ran – even when running against PAS. In MCA and MIC districts, an interesting contrast emerges. In districts where MCA ran, Malays appear to have voted for them at a substantially higher rate than they did for MIC candidates in districts where it ran. This suggests a lingering hostility to the DAP among Malays, one reflected in the fact that over 96 percent of Malays are estimated to have voted for the BN in districts where the DAP fielded a candidate! It is certainly true that in several urban constituencies, some Malays must have voted for opposition candidates in order for them to prevail (The Edge, March 13, 2008). But by and large, Malays remain the key constituency for BN parties.

...The estimates also suggest fascinating behavior among non-Malays. Ethnic Chinese voted primarily for UMNO in the districts where UMNO ran. In 2008, PAS ran a campaign opposing pro-Malay chauvinism in national politics while deemphasizing its Islamist platform. Still, when UMNO ran against PAS, an estimated two-thirds of ethnic Chinese

votes went to UMNO. This certainly reflects resistance to PAS's historically Islamist platform, one customarily portrayed as hostile to non-Muslim Malaysians. Ethnic Chinese appear to have broken for both PKR and the DAP in substantial numbers; only about a third of Chinese voters are estimated to have voted for the MCA. These results accordingly confirm that among opposition parties, PAS still has difficulty attracting Chinese votes, whereas the PKR and DAP do not.

Ethnic Indians also appear to have rejected PAS overwhelmingly. And, in districts where the MIC fielded candidates, only three in ten Indians are estimated to have voted for them. In general, these estimates speak to a wholesale rejection of the BN by ethnic Indians, one apparent regardless of the BN party running. Indians appear to be somewhat more comfortable with PKR candidates than with DAP candidates, reinforcing that the PKR platform attracts more of a multiethnic vote than the DAP's.

...If rejection of the BN by non-Malay voters on the peninsula explains the BN's diminished majority, what explains non-Malays' rejection of the BN? The answer cannot be simple ethnic favoritism, as this has long been the strategy through which the regime gained support from Malays. Why now, after nearly four decades, has the very strategy of regime maintenance that has been so successful failed? Some observers have suggested that the Malaysian voter today is different from the Malaysian voter of yesteryear. For instance, Malaysian voters may be more "sophisticated" now than ever before (Ong and Welsh 2007). The regime's hands-off stance toward the Internet – which enables online journalists to report on the BN in ways not possible in traditional media (Gan 2002) – may have played a key role in opposition organizing. While these observations may be true, I suggest that what has changed is the willingness of the current elites to employ the tactics that have protected it at election time – specifically, those that shore up its support among the non-Malay community. I attribute this to the leadership style of Prime Minister Abdullah himself.

A historical perspective on the March 8 results illustrates this point. Abdullah is no doubt more of a moderate figure than two of his predecessors as prime minister, Mahathir (1981–2003) and Abdul Razak Hussein (1970–1976). ...Mahathir went to great lengths to use the tools available to them to prevail at the ballot box – lambasting soft-liners and liberals as tools of the West, jailing the BN's opponents, deploying the BN's resources to turn out supporters and suppress the opposition vote, and using the Malaysian media to argue that a DAP or PKR victory would upset the country's delicate ethnic balance and might empower a radical Islamist opposition (see Crouch 1996; Hilley 2001; Hwang 2003; Milne and Mauzy 1999; Weiss 2000). In the past, these tactics have kept non-Malays on the peninsula from turning out against the BN in large enough numbers. The BN's 2008 campaign featured none of these until after the elections.

### The Consequences

In the immediate aftermath of the elections, some Malaysians feared the government might use mass celebrations to intervene and reverse the election results (see, e.g., Ooi 2008). This has not come to pass. Instead, BN leaders accepted the election outcomes and currently face the challenges of ruling with a decreased parliamentary majority. These results will have important effects on Malaysian politics over the coming years, both on party politics within UMNO and the BN and on the party strategies of the newly empowered opposition. The BN's main fear as of October 2008 is that enough members of parliament (MPs) will defect to the opposition that the BN will lose power altogether.

...The mechanics of ruling with a smaller majority also introduce new dynamics into BN politics. The support of BN component parties in East Malaysia is more critical than ever before for the BN, as BN parties hold just 52 percent of parliamentary seats from the

peninsula. BN MPs from Sabah and Sarawak will likely play a far larger role in Malaysian national politics than they previously have.

...On the peninsula, the BN struggles to maintain its former image of multiethnic solidarity. Without sustained effort to rebuild themselves, the non-Malay parties will no longer be viable “sidekicks” for UMNO, and the BN’s ability to rule will suffer. In multiethnic Penang, where the PKR and DAP routed the MCA and Gerakan, Khoo Boo Teik sums up the challenge neatly (if coarsely): “Stop playing ‘Kapitan China’ and ‘Kapitan Keling’ (no insult intended) to UMNO’s ‘Tuan Melayu,’ or be irrelevant” (Khoo 2008).<sup>5</sup> The preceding analysis shows that MCA’s weakness is not among Malay voters (who still prefer it overwhelmingly to the DAP) but among its own communal constituency. MCA president Ong Ka Ting has been surprisingly assertive since the election, advocating the rights of non-Muslims who have converted to Islam to then convert back, and emphasizing the MCA’s rejection of Islamic law for non-Muslims (New Straits Times, May 1, 2008). These positions aim to show that MCA can advocate for Chinese rights from within the BN, their perceived failure to do so being a part of the DAP’s recent success. Of course, such appeals to Chinese constituents have long been a staple of MCA’s message. The BN’s decreased majority means that MCA must find new ways to draw voters to it, and away from the DAP.

Far more difficult is the position in which Gerakan and MIC find themselves. To remain relevant at all, they must reconnect with their core constituencies. For the MIC, this means the Indian community that so clearly turned against the BN. But in some contrast to the MCA, the preceding analysis finds that the MIC has difficulties attracting all Malaysians, not just Indians. It is not clear what the future holds for the MIC (Pepinsky, T.B. 2009, ‘The 2008 Malaysian Elections: An End to Ethnic Politics?’, *Journal of East Asian Studies*, vol.9: no.1, pp.87-120 – Attachment 3).

A May 2009 paper also provides a further discussion of the history of ethnic politics in Malaysia in the context of the recent March 2008 Malaysian elections. Produced by Dr Jayum A. Jawan (Universiti Putra Malaysia) and Dr Mohammad Agus Yusoff (Universiti Kebangsaan Malaysia) the paper is predominantly presented in the style of an extended opinion piece which speculates about the nature and future of Malaysia’s national character. The paper also provides a general overview of: the ethnic and political orientation of Malaysia’s major political parties; the result of the 2008 national election; and trends within Malaysian voting. Malaysia’s various political parties are detailed as follows:

**NF (National Front or Barisan Nasional)** has been in power since its formation in 1976. Before that, NF was known as the Alliance Party (or Parti Perikatan). NF was formed to accommodate the entry of **PAS (Pan Islamic Party)** and **SNAP (Sarawak National Party)** into the coalition; both were opposition parties in the Peninsula and Sarawak respectively.

...**MCA (Malaysian Chinese Association)** is a Peninsula Chinese party, while **Gerakan (Parti Gerakan Rakyat Malaysia)** is a Chinese dominated/ led, multi ethnic party. Both parties are Peninsula based. However, MCA has expanded into Sabah in the early 1990s, while Gerakan is basically a Penang based party that has ruled the Island state until March 2008.

**PPP (People’s Progressive Party)** is a prominent political party in the 1960s and is based basically in the central region of the Peninsula. It is also another multi ethnic party in the Peninsula that is dominated and led by a leader from one ethnic community. It has basically disappeared from the political scene until the late 1990s when it suddenly re-emerged and resurrected as well when its president was given a nominal position as a senator and later elevated to deputy federal minister.

**DAP (Democratic Action Party)** is a national multi ethnic party, but its leadership is dominated and led by Chinese, with significant support from Indian leaders. In its struggle to be an alternative to MCA and Gerakan in representing Chinese in particular, DAP political fortune saw a dramatic change in 2008 when it thrashed both MCA and Gerakan in Penang to claim the right to form the state government.

**People's Pact (or Pakatan Rakyat)** is a loose coalition of PKR, DAP and PAS. In 2008 general elections, they took between them, five states, including retaining the state of Kelantan under PAS. Penang state government was led by DAP and PKR became its marginal partner. In Selangor, PKR led the state government and the strong political backing came from DAP that was compensated with the position of speaker of the state assembly as well as having one of its member named senior executive council member because the general public sentiment was against a Chinese being appointed a Deputy Menteri Besar (Deputy Head of the State Executive Council (as in Deputy Chief Minister)). Similarly, DAP had to also be contented in Perak when the Pact took the state too. In this state, the marginal partner of the Pact, PAS, took the Menteri Besar's post although the party had the least number of members of the state assembly compared to DAP and PKR. DAP had the largest number of state assembly seats. To appease the DAP, the party's Tronoh assemblyman, V. Sivakumar, was appointed State Assembly Speaker, while another member, state assemblywoman Hee Yit Foong, was appointed the former's deputy. In addition, the DAP's state leader, Ngeh Koo Ham, was named senior executive councilor after failing to be eligible to the post of Menteri Besar as well as Deputy Menteri Besar due to state by laws (Jawan, J.A. & Yusoff, M.A. 2009, 'The 2008 Malaysian General Elections: Implications for Ethnic Relations', *World Civil Forum* 2009, COEX, Seoul, South Korea, 5-8 May 2009 [http://www.wcf2009.org/program/download/088\\_S3-I08-2\\_Jayum\\_A\\_Jawan.pdf](http://www.wcf2009.org/program/download/088_S3-I08-2_Jayum_A_Jawan.pdf) – Accessed 15 September 2009 – Attachment 1).

The results of the recent 2008 elections are discussed in Awan and Yusoff's study as a major shift in Malaysia's political power relations which could have implications for ethnic politics more generally. As in the Pepinsky and Ufen studies, Awan and Yusoff infer from the results that ethnic Chinese support for the opposition was intensified in the lead up to the March 2008 elections; noting that: UMNO government partners "such as MCA...only managed to win 6 Chinese seats from the 26 the party was allocated to contest", "Gerakan was whitewashed in all 10 Chinese seats the party contested, [and] another two Chinese seats were lost by MIC and PPP". The study also notes that the candidates of ethnic Chinese parties allied with the UMNO were often reliant upon the support of ethnic Malay voters in order to win office. Among the examples noted in this regard is that of "MCA Women leader, Ng Yen Yen, who is now a Vice President, [having] won a parliamentary seat from Raub (Pahang) where Malay formed 50% of the voters". Extracts follow:

Politics in Malaysia is negotiated through ethnic line. Ethnicity has been the major factor that orchestrated relations between Malays, Chinese and Indian in the former Federation of Malaya. The dominance of this factor did not change when Malaysia was formed through the merger of the Federation of Malaya, Singapore, Sabah and Sarawak in 1963. Singapore left the Federation in 1965 because the former could not get used to Malay and indigenous centric politics at the expense of its (Singaporean) Chinese population.

...About fifty years on, the peoples of Malaya/ Malaysia were awakened in early 2008 to a possible change in how relations between the various ethnic communities might be structured and carried out thereafter. This possible change was heralded by the dawn of a new political scenario following the general elections of 2008. In that elections, for the very first time since Malaya attained independence in 1957 or after Malaysia was formed in 1963, the national ruling coalition (national front [NF]) had failed to win its usual two-thirds parliamentary majority. For the first time also, the backbone of the national ruling coalition, UMNO (United

Malays National Organization), lost its simple majority based on the total number of parliamentary seats the party won from states in the peninsula.

In the Peninsula, the NF coalition contested in 126 Malay seats, 102 through UMNO and 26 through its various Peninsula based partners such as MCA in 14, MIC in 7 and Gerakan in 3. The NF managed to pull through in 77 Malay seats in which UMNO won 64 and in another 13, these seats were won by its partners the MCA (9), MIC (2) and Gerakan (2) (Table 1). Forty-nine Malay seats were taken by the opposition. PKR (People's Justice Party) took 25 and PAS 24. The 77 Malay seats won by UMNO and its partners represented a very slim Malay mandate for the coalition and UMNO. Meanwhile, the Malay mandate obtained by UMNO in the Peninsula was not at all augured by the weak performances of its Peninsula partners such as MCA that only managed to win 6 Chinese seats from the 26 the party was allocated to contest. Gerakan was whitewashed in all 10 Chinese seats the party contested, while another two Chinese seats were lost by MIC and PPP. While UMNO's mandate from the Malay community was weak after the 2008 parliamentary elections, the NF mandate in the Peninsula as a whole was also equally weak and rather vulnerable. Together, Peninsula based NF managed to secured only 84 seats out of the 165 available from the Peninsula states. The national mandate to form the government was only tenable through 54 seats delivered by the coalition's partners from Sabah and Sarawak. Component parties from Sabah and Sarawak almost swept all 25 seats in Sabah and 31 seats in Sarawak. One parliamentary seat from each state was lost to the DAP.

The results of the 2008 general elections bred new reactions from many quarters in the country. The first and immediate reaction was the general agreement that the results of the 2008 elections heralded a new era in Malaysian politics. This is specifically the appearance of a competitive party system in which the ruling party is not absolutely dominance as it had been for the last forty-five years. For now, there is not only an appearance of a two party system, but an emergence of a possible multiple party systems as both coalitions, either the ruling (NF) or the opposition (People's Pact), appear to be on treading on shaky ground.

...The Chinese role in all these new developments that transformed the Malay voters must be one that amplified these changes that was enveloping the Malay society. Chinese and to some extent, Indian support, have not always been with the ruling coalition. Most leaders of the MCA and also Gerakan have won parliamentarian seats based on help from the Malay voters. For example, many top MCA leaders who won their seats in the 2008 have won them from areas where Malay formed substantial number of the registered voters there. But it is these communities that are taking the opportunities to drive home many salient points of contestation that have long been suppressed. Now, they appeared to have reached a critical point and just exploded. But Chinese political support in the Peninsula has never generally been with the ruling coalition, either for the Alliance until 1976 and for the NF thereafter). It has always generally been with opposition, especially the DAP. The exception to this is in the state of Penang where the Chinese MCA and Chinese-led multi-ethnic Gerakan have gained control of the state government until 2008.

...MCA Women leader, Ng Yen Yen, who is now a Vice President, had won a parliamentary seat from Raub (Pahang) where Malay formed 50% of the voters; former MCA Secretary-General and a brother of former MCA President Ong Kah Ting, Kah Chuan won his seat in Tanjong Malim (Perak) that has 51% Malay voters; former MCA Vice President, Fong Chan Onn won Alor Gajah (Malacca) that has 58% Malay voters, MCA Youth Leader, Wee Ka Siong won Ayer Hitam (Johor) where Malay constituted about 56% of the voters there. Even the present MCA president, Ong Tee Keat, is elected from a Malay plural area of Pandan (Selangor) where Malay voters comprised 48% of the registered voters and Chinese 45% (Jawan, J.A. & Yusoff, M.A. 2009, 'The 2008 Malaysian General Elections: Implications for Ethnic Relations', *World Civi Forum 2009, COEX, Seoul, South Korea, 5-8 May 2009*



[http://www.wcf2009.org/program/down/088\\_S3-I08-2\\_Jayum\\_A\\_Jawan.pdf](http://www.wcf2009.org/program/down/088_S3-I08-2_Jayum_A_Jawan.pdf) – Accessed 15 September 2009 – Attachment 1).

## Previous Research

Previous research has been completed on the situation in Malaysia for ethnic Chinese as follows:

- *Research Response MYS32252* of 3 September 2007 provides information on the situation in Malaysia for ethnic Chinese, and any reports on the mistreatment of ethnic Chinese by government authorities and within the judiciary (RRT Research & Information 2007, *Research Response MYS32252*, 3 September – Attachment 29);
- *Research Response MYS30607* of 11 September 2006 provides background on the relationship between Malaysia's ethnic Chinese community and the Royal Malaysian Police Force (RRT Country Research 2006, *Research Response MYS30607*, 11 September – Attachment 30);
- *Research Response MYS17186* of 3 March 2005 provides information on the situation in Malaysia for ethnic Chinese at that time, including the situation in regard to education (RRT Country Research 2005, *Research Response MYS17186*, 3 March – Attachment 31).

## 2. Is there a record of anti-Chinese behaviour in Pahang?

No information could be located which referred to the state of Pahang, or its capital of Kuantan, as being host to any episodes of anti-Chinese behaviour in recent years. Pahang has been in the national spotlight on a number of occasions in recent months for the strict enforcement of certain aspects of Islamic law amongst Muslim citizens. It would not appear, however, that such conservative adherence to Islamic personal law has affected local non-Muslims in any significant way. Available news reports on the activities of ethnic Chinese in Pahang in recent years are generally suggestive of an active and inclusive atmosphere for Pahang's ethnic Chinese minority. According to a March 2008 publication on the Pahang state government website: Pahang "has [a] multi-racial population that consists of the Malays, 1,022,200 or 1.022 million people; Chinese, 234,700 people; other races, 72,400 people; Indian, 67,900 people; others, 10,600 people; and non-citizens, 75,800 people" (for Pahang's appearance in the news for conservative Islamic codes, see: Amnesty International 2009, 'Malaysia sentences another to caning under Shariah law for drinking alcohol', 15 September <http://www.amnesty.org/en/news-and-updates/news/malaysia-sentence-another-caning-shariah-law-drinking-alcohol-20090915> – Accessed 21 September 2009 – Attachment 32; for inclusiveness of the Chinese minority, see: 'Panel to have Malay, Chinese, Indian chamber reps' 2009, *The Star*, 11 September <http://thestar.com.my/metro/story.asp?file=/2009/9/11/southneast/4665726&sec=southneast> – Accessed 21 September 2009 – Attachment 33; 'Only a responsible Government can carry out responsibility effectively' 2008, Pahang government website, 9 February [http://www.pahang.gov.my/index.php?option=com\\_content&task=view&id=209&Itemid=33&lang=en](http://www.pahang.gov.my/index.php?option=com_content&task=view&id=209&Itemid=33&lang=en) – Accessed 21 September 2009 – Attachment 34; for politically and socially active Pahang Chinese, see: Teng, Y.Y. & Kam, R. 2009, 'Inti CEO takes on tycoon for Hua Zong presidency', *The Star*, 19 September <http://thestar.com.my/news/story.asp?file=/2009/9/19/nation/4751207&sec=nation> – Accessed 21 September 2009 – Attachment 35; "Congestion" at Chinese school eased'

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<http://thestar.com.my/news/story.asp?file=/2009/8/7/nation/4472124&sec=nation> – Accessed 21 September 2009 – Attachment 36; for the March 2008 statistics, see: ‘Pahang... Peaceful State Prosperous People’ 2008, Pahang government website, 26 March [http://www.pahang.gov.my/index.php?option=com\\_content&task=view&id=98&Itemid=2&lang=english](http://www.pahang.gov.my/index.php?option=com_content&task=view&id=98&Itemid=2&lang=english) – Accessed 21 September 2009 – Attachment 37).

A March 2008 article sourced from the website of the Pahang state government provides the statistical information on Pahang’s various ethnic communities. The report notes that, generally, “Chinese and Indian communities...have a higher number of population residing in the urban areas compared to the rural areas”, although the only district of Pahang with an ethnic Chinese majority is the rural district of Cameron Highlands, also the smallest district in Pahang by population, “which has 35,600 people with Chinese, 14,000 people; Indian, 6,700 people; Malay, 5,600 people; other races, 5,400 people; others, 100 people; and non-citizens, 3,800 people”. Extracts follow:

Pahang is the biggest state in the Peninsular Malaysia with land width of 3.6 million hectares or just over one fourth (or 27.3 percent) out of the 13.2 million hectares of the Peninsula’s area.

...Multi Racial Live In Peace, United

Just like other states, Pahang has multi-racial population that consists of the Malays, 1,022,200 or 1.022 million people; Chinese, 234,700 people; other races, 72,400 people; Indian, 67,900 people; others, 10,600 people; and non-citizens, 75,800 people.

Therefore, Pahang’s population is 68.9 percent Malay; 15.8 percent Chinese; 4.9 percent other races; 4.6 percent Indian; 0.7 percent others; and 5.1 percent non-citizens.

By district, Kuantan has the most population namely 420,300 people with Malay, 305,000 people; Chinese, 79,400 people; Indian, 15,100 people; other races, 4,900 people; others, 2,000 people; and non-citizens, 13,800 people.

This is followed by Temerloh with 152,600 people, with Malay, 99,500 people; Chinese, 22,600 people; Indian, 13,700 people; other races, 7,900 people; others, 1,500 people; and non-citizens, 7,500 people.

Population By District

Rompin has 133,400 people with Malay, 101,900 people; other races, 13,000 people; Chinese, 2,000 people; others, 1,600 people; Indian, 900 people; and non-citizens, 13,900 people.

Maran has 132,900 people with Malay, 120,700 people; Chinese, 3,900 people; other races, 1,900 people; Indian, 1,400 people; others, 500 people; and non-citizens, 4,500 people.

Pekan has 123,900 people with Malay, 98,400 people; other races, 13,500 people; others, 2,900 people; Chinese, 1,000 people; Indian, 400 people; and non-citizens, 7,600 people.

Bentong has 114,900 people with Malay, 54,400 people; Chinese, 39,400 people; Indian, 12,200 people; other races, 3,400 people; others, 500 people; and non-citizens, 5,000 people.

Jerantut has 94,900 people with Malay, 74,000 people; Chinese, 10,600 people; other races, 3,000 people; Indian, 2,600 people; others, 300 people; and non-citizens, 4,300 people.

### Only Cameron Has Chinese As Majority

Bera has 93,900 people with Malay, 54,600 people; Chinese, 22,300 people; other races, 4,700 people; Indian, 4,500 people; others 500 people; and non-citizens, 7,200 people.

Raub has 92,400 people with Malay, 47,000 people; Chinese, 31,900 people; Indian, 6,900 people; other races, 3,700 people; others, 300 people; and non-citizens, 2,600 people.

Lipis has 88,900 people with Malay, 61,100 people; other races, 10,900 people; Chinese, 7,600 people; Indian, 3,500 people; others, 300 people; and non-citizens, 5,500 people.

Finally, the district with the smallest number of people is Cameron Highlands which has 35,600 people with Chinese, 14,000 people; Indian, 6,700 people; Malay, 5,600 people; other races, 5,400 people; others, 100 people; and non-citizens, 3,800 people.

### Malay Population Higher In The Rural Areas

Out of the 1,483,600 people or 1.484 million population of this state, the number of people living in the rural areas exceeds the population in the urban areas. Population for the rural areas is 831,700 people or 56.1 percent while for the urban areas is 651,900 people or 43.9 percent.

In terms of racial group fraction, the Malays mostly reside in the rural areas numbering as many as 599,100 or 72 percent out of the total rural population of this state which is 831,700 people.

Within the Malay race group itself which numbers 1,022,200 people, those living in the rural areas are 599,100 people which are a high percentage of 58.6 compared to 423,100 people or 41.4 percent who lives in the urban areas.

The Chinese and Indian communities, however, have a higher number of population residing in the urban areas compared to the rural areas.

Out of the total Chinese community amounting to 234,700 people, for example, its urban population is 157,500 people or 67.1 percent while those residing in the rural areas number to 77,200 people or 32.9 percent.

Meanwhile, for the Indian community with the population of 67,900 people, its urban population is 39,900 people or 58.8 percent while those residing in the rural areas number to 28,000 people or 41.2 percent ('Pahang... Peaceful State Prosperous People' 2008, Pahang government website, 26 March

[http://www.pahang.gov.my/index.php?option=com\\_content&task=view&id=98&Itemid=2&lang=english](http://www.pahang.gov.my/index.php?option=com_content&task=view&id=98&Itemid=2&lang=english) – Accessed 21 September 2009 – Attachment 37).

### **3. Are ethnic Chinese denied access to universities? What is the situation in Pahang specifically?**

#### **Ethnic identity and university education in Malaysia**

A 2009 study of higher education in Malaysia has appeared in *The International Journal of Asia Pacific Studies* authored by Akihito Aihara, a doctoral candidate at the University of London. The study provides extensive statistical data on the manner in which ethnic Chinese students have been disadvantaged, while not being excluded entirely, from a matriculation program which favours Bumiputera students applying for entrance to government universities in Malaysia. The study also provides figures on the large proportion of Malaysian ethnic

Chinese students who have sought higher education overseas and who have, since the formation of private universities in Malaysia, formed the bulk of the students studying within Malaysia's non-government universities. Extracts follow:

In Malaysian history, higher education has always occupied an important position in socio-economic terms. The New Economy Policy (NEP) introduced in 1971 posited that education would influence future socio-economic positions (Faaland, Parkinson & Saniman 1990; Malaysia 1976). For achieving the goal of restructuring society, the government introduced the ethnic quota system at public higher education institutions and considerably controlled the provision of educational services. For the former, the ruling coalition, Barisan Nasional (BN, or National Front), reached an agreement on the proportion of the quota in 1979: 55 percent for Bumiputera, 35 percent for Chinese, and 10 percent for Indians and others (Boo 1998: 52). And for the latter, private involvement in higher education, types of curriculum, and student activities were under the strict government control (Mukherjee & Singh 1985; Thomas 1986), whereas the medium of instruction was converted to Malay by 1983 (Chai 1977; Malaysia 1984: 348). All these were made possible by the government intervention justified for the ostensible purpose of social stability and, in particular, the Constitution (Amendment) Act in 1971 and the University and Universities Colleges Act (UUCA) of 1971 (Lee 1996; Malaysia 2002).

As a result, the proportion of Bumiputera students at public higher education institutions increased throughout the NEP. In 1970, Bumiputera accounted for 53.7 percent of the total enrolments at local public higher institutions, and it increased to 65.3 percent in 1988 (see Table 1). This means that they accounted for more than the 55 percent quota. On the other hand, non-Bumiputera households, particularly affluent households, tended to send their children to higher institutions overseas (Selvaratnam 1988). For, many non-Bumiputera "candidates who are qualified on academic criteria to enter the country's local universities were rejected on ethnic grounds and are therefore forced to seek an overseas higher education." (ibid: 189) This can also be seen as a reflection of the government's switch from exam-based admission to quota-based admission (Selvaratnam 1989). Throughout the 1980s, Chinese and Indian students tended to choose overseas institutions, and as of 1988 they represented 69.2 percent of Malaysian students studying overseas (see Table 1).

...In the mid-1990s, the Parliament passed and the government enacted five education-related acts, all of which affect both public and private higher education in some way or another.

...With the introduction of these acts, doors were now opened for private sector to participate in higher education. It was expected to expand places at higher education institutions and to produce a qualified labour force to match industrial demands (Malaysia 1996: 339), while cutting "the country's overseas education bill of RM2.5 billion (USD1 billion) a year" (International Herald Tribune 13 February 1996).

...the number of private universities increased from 0 in 1995 to 16 in 2001, and that of private colleges from 156 in 1992 to 690 in 2001 (Kementerian Pendidikan Tinggi 2000, quoted in Lee 2004: 444). Since the number of public higher education institutions increased more modestly, the proportion of private institutions out of the total higher educational enrolment began to increase after 1995. According to Figure 2 that uses the sample of those aged between 20 and 29 years old, it reached at around 40 percent of the total enrolment by 1999. Furthermore, the proportion of non-Bumiputeras at domestic higher education institutions increased over the 1990s. ...The proportion of Malays dropped dramatically from 57.3 percent in 1995 to 48.5 in 1999, while those of Chinese and Indians increased from 32.4 percent to 38.9 percent and from 6.6 percent to 9.4 percent respectively. Thus, it can be surmised that the private institutions absorb Chinese and Indian students who tended to enrol overseas higher education institutions so that the proportions of Chinese and Indians at

domestic institutions increased by 1999. Significantly, the Asian financial crisis that hit Malaysia from 1997 onwards may have accelerated this trend.

...A remarkable, but hardly surprising, finding can be found in Figure 4 which uses the sample of the five age groups (between 20 and 24 years old) in the light of the private sector involvement from the mid-1990s onwards. Contrary to the Bumiputera dominance at public higher education institutions, non-Bumiputeras make up the majority of students at private ones. Figure 4 reveals that between 1995 and 1999 Chinese and Indians represented 70 percent of the total enrolment at private higher education institutions. For non-Bumiputeras that tended to choose overseas education during the NEP period, private higher education seems to serve as its substitute. And the Asian financial crisis that had tremendous economic impacts on households can be deemed to accelerate the trend. Above all, these findings support the first hypothesis: “while Bumiputeras (including Malays) tend to enrol public higher education institutions, non-Bumiputeras are more likely to choose private institutions” (Aihara, A. 2009, ‘Paradoxes of Higher Education Reforms: Implications on the Malaysian Middle Class’, *International Journal of Asia Pacific Studies*, vol. 5: no.1, pp.81–113 – Attachment 5).

A June 2007 study by Wan Chang Da of Penang’s Universiti Sains Malaysia provides the following background on higher education in Malaysia with regard to ethnicity:

...another interesting finding in Malaysia’s higher education sector is racial segregation between the institutions. Malaysia is a multi-ethnic country comprising of 60% Bumiputeras (Malays and Indigenous), 23% Chinese, 7% Indians and the remaining 7% consisting of other ethnic groups.

Retrospectively, the ethnic composition in the Malaysian higher education landscape has experienced tremendous changes. Before 1970, the Chinese were the predominant ethnic group in public universities. In 1971, subsequent to the racial riots of 1969, the government introduced the New Economic Policy (NEP) with its two thrusts of ‘eradication of poverty’ and ‘restructuring society and economic balance’ (Sato, 2007: 8). Resulting from the implementation of the affirmative action policy of NEP, the racial composition in universities was required to reflect the racial structure of the larger society (Tham, 1979: 334). Since then, the racial composition in public universities has changed and the Bumiputeras became and continues until today to be the predominant ethnic group in public institutions.

Tham (1979: 348) and Sato (2007: 13) further remarked that due to restricted educational opportunities for the non-Bumiputeras in public institutions, particularly the Chinese community, these students left the country to pursue tertiary education in overseas universities. In 1980, almost 61% of Malaysian students overseas were ethnic Chinese. With the massive growth of private institutions from the 1990s onwards, the non-Bumiputeras began to switch from pursuing their tertiary education in overseas universities to private institutions in the country. Therefore, as Ahmad Mahzan and Noran Fauziah (1999) noted, the growth of private higher education institutions were partly contributed by the limited avenue for deserving students (of other ethnic groups) whom were denied entry to public institutions to pursue post-secondary education, as about 95% of the clientele in private institutions is made up of non-Bumiputera students (Da, W.C. 2007, ‘Public and Private Higher Education Institutions in Malaysia: Competing, Complementary or Crossbreeds as Education Providers’, *Kajian Malaysia, Jld*, vol.25: no.1, June – Attachment 6).

A discussion of education issues for Malaysia’s Chinese minority is provided in a March/April 2006 study authored by Allan Collins of the University of Wales, Swansea. Collins’s study is specifically concerned with the issue of language in Malaysian education and the relationship between the governing UMNO-led Barisan Nasional coalition and the

Dong Jiao Zong (DJZ), a Malaysian ethnic Chinese educational organisation “responsible for the administration and running of some 1,281 Chinese primary schools in Malaysia”. Of university study nationally across Malaysia the study notes that: “At the tertiary level, public universities teach via Bahasa Malaysia, while private universities use English. Three private Chinese colleges use Mandarin”. Extracts follow providing further background on education and ethnicity issues in Malaysia.

The present Malaysian educational system comprises primary, secondary, and tertiary institutions. The primary school level comprises parallel systems of National Primary schools and National-type Primary schools. Both are government funded and use the national curriculum; they are differentiated by language of instruction. In National Primary schools, the medium is Bahasa Malaysia (Malay language); in National-type Primary schools it is either Mandarin Chinese or Tamil. After six years of primary education (ages 5–11), students proceed to either public or private secondary school. Public secondary schools use Bahasa Malaysia as the language of instruction; the Independent Chinese Secondary Schools (ICSS) are self-funding private schools where Mandarin is used. Other private secondary schools exist, such as the Islamic religious schools where Arabic and Bahasa Malaysia are the mediums of instruction; these are government funded. At the tertiary level, public universities teach via Bahasa Malaysia, while private universities use English. Three private Chinese colleges use Mandarin. In both primary and secondary education, the teaching of English is compulsory.

The educational system at the primary level therefore reflects the ethnic diversity in Malaysia, with Chinese (24%) and Indian (7%) groups constituting the minority and Malays (58%) the majority. At the secondary and tertiary levels, the dominant position of the Malays is acknowledged, with their language used as the medium of instruction. Bahasa Malaysia, the country’s national and official language, has not always held such a dominant position: its strengthening at the expense of Tamil and especially Mandarin has generated fear in the Indian and Chinese communities that their identity has no long-term future in Malaysia. The current linguistic structure of education was brought to fruition through three Malaysian Education Acts (1957, 1961, 1995–96). In each case, Chinese educationalists perceived the acts as threatening to their ability to replicate a Chinese identity for future generations.

In 2002 the DJZ faced, and continues to face, the greatest challenge yet to the maintenance of Mandarin as the medium of instruction in Chinese primary schools. This challenge is the introduction of English-language instruction for math and science in all primary schools. The government’s policy was announced in July 2002, adopted in November, and implemented in 2003.

The government’s reason for reintroducing the colonial language as a medium of instruction is that officials believe it is essential for Malaysians to master English to assure economic prosperity in a highly competitive global economy. The use of English for primary-level math and science is known as the 2:4:3 formula: two periods for English, four for math, and three for science. Throughout 2002 English instruction was portrayed as a vital element in strengthening Malaysia’s economy and thus a matter of national interest. The DJZ’s reaction was predictably hostile. It accused the government of seeking to change the character of Chinese primary schools by curtailing mother-tongue education; it urged the Chinese community to block the plans. Given the increased use of English that these plans entailed in Chinese primary schools, the DJZ’s concern that Mandarin would be relegated to something akin to a foreign language was understandable (Collins, A. 2006, ‘Chinese Educationalists in Malaysia: Defenders of Chinese Identity’, *Asian Survey*, April, vol.46: no.2, pp.298-318 – Attachment 4).

## **Ethnic Chinese and university education in Pahang**

Very little information could be located about the specific situation in Pahang with regard to university education for ethnic Chinese. The Pahang state capital of Kuantan hosts the government funded Universiti Malaysia Pahang. Information on the demographics of the Malaysian students attending this university could not be located. It may nonetheless be of interest that it has recently been reported that Universiti Malaysia Pahang has become a popular destination for foreign Chinese students seeking a university education in Malaysia (Low, K. 2009, 'Chinese students flock to UMP in Kuantan', *The Star*, 30 January <http://thestar.com.my/news/story.asp?file=/2009/1/30/southneast/3104791&sec=southneast> – Accessed 21 September 2009 – Attachment 38).

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