Incorporating a Malaysian Nation

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What value remains in the concept of economic nationalism? As Michael Heilperin defined it in 1960, economic nationalism referred to “the desire to plan the economic life of the country as independently as possible of the condition of the world economy” (1960:20). Heilperin’s analysis echoes back to old battles between mercantilists and the liberal economists, whose arguments over trade and tariffs Eric Hobsbawm has summarized (1990:24–31). The concept of economic nationalism reached a particular florescence after World War I, sufficient to warrant its own volume in publisher H. W. Wilson’s 1933 series of “timely topics” called The Reference Shelf (Hodgson 1933). Through the depths of the 1930s depression and the return of substantial tariff barriers, to the import substitution policies followed by many of the postcolonial new nations, the considerable literature concerned with “economic nationalism” describes the shifting alignments of economic and political borders (Burnell 1986; Johnson 1967; Simonds and Emeny 1935). Tracing these debates outlines an international history of the possibilities for social affiliation during the age of nation-states.

Economic nationalism takes on a particular importance in a society like Malaysia where it is difficult to locate a more conventional modern national ensemble. Several years ago, Malaysian academic and politician Goh Cheng Teik described his country’s population as being one where “deep in our heart of hearts, we are still ethnic. We are Malays, Chinese, Indians, Ibans, Melenas, Kadazans or Bajaus, not Malaysians” (1994:5). As Goh suggests, a major challenge for articulating Malaysian nationalism is the country’s prominent ethnic divisions. The state’s rigid maintenance of the country’s ethnic divide—commonly simplified to the population percentages of 65 percent Malay, 25 percent Chinese, and 10 percent Indian—has ruled out either blood or national kinship as a binding concept. In Malaysia, the nature metaphors of roots and land so common to nationalist description are ethnically exclusive, since those of Malay descent are divided from other groups by their claim to be bumiputera (sons of the soil). Even the name of the national language is a point of debate—whether it should be called Bahasa Malaysia (Malaysian Language) or Bahasa Melayu (Malay Language). If nations are narrations, finding a metaphorical language to describe Malaysians has been elusive.
The frequency of claims that Malaysians are a group, who share no group, points to a desire for supraethnic nationalism. As writer Rehman Rashid points out, Malaysians are still like "siblings separated at birth" (Far Eastern Economic Review 1999:48). An important way to more substantively enact this desire is in the idiom of economics. This is not surprising given Malaysian fluency in the language of business and finance, certainly the most elaborated public discourse in the country. Perusing the shelves of a Malaysian bookstore, the rack of magazines for sale in a bus or train station, or the pages of its major newspapers reveals this economic primacy. The money used for purchasing any of these print commodities further suggests the prominence of economics in marking a common Malaysian life: The iconography of the RM100 note, for example, depicts the Proton (Malaysia's "national automobile") on its assembly line along with a close-up of its engine. Other denominations feature the telecommunications sector, Malaysia Airlines, and a Petronas oil platform. According to the country's national bank, the currency is meant to reflect "Malaysia's economic development and aspirations toward developed nation status" (New Straits Times 1998f). The circulation of money picturing the trappings of Malaysia's private companies performs more than what it signifies and provides a corporeal form of Malaysian nationalism.

The congruence and disjuncture between the representational realms of "economy" and "nation" offer one course of exploring the history of Malaysian nationalism. There has been growing scholarly interest in analyzing the historical process by which the economy appeared as a separate, measurable entity in European society (Mitchell 1995; Tooze 1998). A suggestive essay by Susan Buck-Morss describes the 18th-century discovery of a discrete economic realm as an Enlightenment project that proposed market exchange as the "fundament of collective life." Social life was conceived as economic life for "it was not the political notion of nationalism but the economic notion of a collective based on the depersonalized exchange of goods upon which, historically, the liberal-democratic tradition rests" (Buck-Morss 1995:439). Collecting economic statistics was a crucial technology for abstracting the national significance of exchange, and statistics further helped to articulate this invention of the "economy" with that of the "nation." J. Adam Tooze argues that in 19th-century Germany "the political boundaries of the nation provided a framework within which individual business activity could be conceived of as part of a wider 'economic system'" (1998:213). The utility of economic statistics for the nationalist imaginary was to give exchange ("economic activity") a national character beyond the local or regional but contained within the state's borders. Over a century and a half after Frederick List published his 1841 book National System of Political Economy (1974), this reified "national economy" continues to connect economic practice to the boundaries of nation-states.

The overlap of economic and national domains took on heightened importance in the 20th century. Walter Benjamin, charting out his arcades project, described the expansive power of the economic. In one of his aphorisms, he insisted that "Marx lays bare the causal connection between economy and culture.
For us, what matters is the thread of expression. It is not the economic origins of culture that will be presented, but the expression of the economy in its culture” (Benjamin 1999:460). To analyze one site of such cultural expression, Satish Deshpande uses the term *imagined economies* to expand Benedict Anderson’s seminal work on nationalism. According to Deshpande, locating an economic realm within national borders “is an important, perhaps even the primary, source of raw material for the nationalist imagination” (1993:7). Contemporary developments suggest that this raw material is a growing resource. As the language of economics saturates contemporary social life, more and more societies are caught in what Gayatri Spivak calls “the untrammeled financialization of the globe” (1997:468). Though the expression of economic metaphors in the social imagination is now a banal occurrence, the particular form of such language is specific to a particular society.

The Malaysian state’s long-standing emphasis on economic growth has aimed at completely reshaping a society split by ethnic divisions into one integrated through an imagined national economy. One condition of possibility is economic ferment. In the scholarship examining the cultural consequences of Asia’s industrialization, the term *new rich* (often used as synonymous with “middle class” and “bourgeoisie”) signifies the beneficiaries of Asia’s boom (Kahn 1998; Pinches 1999; Robison and Goodman 1996; Shamsul 1999). In Malaysia, growing affluence provides the parameters for conceiving a Malaysian nation. Economic growth, once the means toward a national culture, language, and kinlike ties—the ground for Malaysian nationalism—is becoming the primary model of Malaysian nationalism. In this article I show this progression through four parts. First, I track the passage of an economic Malaysia from its late-colonial development as a plural society to one restructured under what was called the New Economic Policy (NEP). Next, I consider the elite rhetoric of Malaysia Incorporated, which describes the corporate form meant to embody a unified Malaysian partnership between the state and the country’s large companies. I then examine the government’s expansive plans for Vision 2020, which include becoming a “fully developed country” marked by the creation of a “Malaysian People” (in Malay, *Bangsa Malaysia*). These policies gaze to the future for sustenance rather than to the past. In the late 1990s, Bangsa Malaysia emerged in contrast to the growing number of foreign workers in the country; its premature political appearance in the protests of 1998 contradicted the state’s deferral of national unity to the future. Finally, I show that Malaysian nationalism flourishes in this economic realm precisely as it appears to be apolitical, more a financial nationalism that promises Malaysians future prosperity rather than rights to public assembly and expression.

Commodities, currency, and labor together provide a means for valuing a Malaysian nation in a way different from the closed borders of economic nationalism. Deshpande finds the “current conjuncture” of neoliberal restructuring as one where in India “the nation is being disarticulated from the economy” (1993:6). One measure Deshpande cites for this change is the rhetorical shift in India away from the Indian citizen to the new figure of the cosmopolitan
consumer. Yet the term *economics* is a "notoriously flexible metaphor" (Heinzelman 1980:x). Given its different colonial experience and organization of anticolonial nationalism, Malaysia’s "national economy" is more compatible with porous borders. As I argue, the country’s large inflow of foreign direct investment and substantial immigrant labor help articulate Malaysian nationalism rather than compromise it. To the degree that Malaysia’s national value is measured on international markets, a substantial instability is built into the conception of Malaysian national wealth. The fears of such instability perhaps explain the considerable attractiveness of the older concepts of economic nationalism, with their dreams of impermeable borders. How does a nationalism conceived in an economic idiom fare amid triumphant globalization and chronic financial crisis?

**Colonial Society?**

Under colonial conditions the Malay peninsula developed economic borders but not an integrated society. British Malaya’s 20th-century role as the world’s producer of tin and rubber (and as a foreign exchange earner for Britain) made economic relations paramount. The development of the colony’s roads, ports, mines, plantations, and especially its immigration policies thoroughly reworked the peninsula’s natural and social landscape. Meticulously kept imperial accounts of Malayan production, consumption, and exchange created economic boundaries for the territory: British planners referred to the peninsula and the Borneo territories as the “Malayan Currency Area” (King 1957:80). Unlike Germany, the industrial power that Tooze analyzes, however, British Malaya’s economy was imperial rather than national. Walter Mignolo describes this difference as an aspect of the “coloniality of power,” one that “underlines nation building in both local histories of nations that devised and enacted global designs as well as in those local histories of nations that had to accommodate themselves to global designs devised with them in mind but without their direct participation” (2000:43). The Malayan peninsula’s century-long subordinate integration into the world economy was not designed to articulate a national polity.

The British design of colonial Malaya instead split peninsular society through a division of both administration and of labor. European capital came to Malaya seeking tin—entrepreneurs later found that the rich soil was well suited to the cultivation of rubber. Rather than take on complete colonial control, Britain administered the Malay states through their sultans, who maintained their political claim to their states in name if not in fact. The territory was left divided between ten different governments in three separate administrative entities (maintained nearly to the end by London’s conservatism). These splits were reflected in the segmented workforce. The Malay population was involved in agriculture and rubber smallholding, while vast numbers of Chinese and Indian immigrants arrived to work the tin mines and rubber plantations or they took over the service sectors of petty trade and moneylending. Visitors recognized this heterogeneous Malaya as a fundamentally economic
As travel writer Ashley Gibson put it, after alighting in Penang: “The Romance of Industrial Progress? You mutter that you did not travel 10,000 miles from Birmingham in search of that” (1928:21). By the 1930s, Malay newspapers warned of census returns showing a Malay population in British Malaya no larger than the immigrant population and emphasized that immigrants controlled the cash economy.

Malaya’s industrial structure left an enormous challenge for anticolonial nationalists. The colonial scholar J. S. Furnivall developed an influential analysis of their predicament when he argued that the tropical dependencies were “plural societies” with “the structure of a factory, organized for production, rather than that of a State, organized for the life of its members” (1939:450). In his view, the Southeast Asian colonies were only “kept alive, as it were, by artificial respiration, by pressure exercised mechanically from outside and above” (Furnivall 1956:8). In the case of British Malaya, Furnivall had difficulty even imagining a name for the postcolonial political entity to replace the old regime run from London via Singapore (1946). A primary problem for nationalists was that any imperial attention to postcolonial Malaya’s political viability came late (Emerson 1942). Historian Timothy Harper’s analysis of Malaysia’s “colonial inheritance” details how the huge expansion of the late-colonial state to fight the communist rebellion engendered a plethora of nation-building efforts in British Malaya—the health, education, and public-welfare initiatives that the stingy prewar colonial state had only provided piecemeal (1999). Combined with the considerable energy of Malaya’s nationalist mobilization, Furnivall’s anxieties about Malaya’s political unviability were left behind even as social cohesion proved elusive.

The path from the plural society of British Malaya to independence as the Federation of Malaya in 1957 followed negotiations among the heterogeneous elite about the apportioning of economic and political power. To do so Malaya’s independence leaders had to overcome a trail of crises that consistently blocked pan-Malayan nationalism. Writer Kassim Ahmad, while a young student in the 1950s, wrote a piece called “We Bastard Malayans,” remarking, “It is the coming of this monstrous child—the Malayan nation that I’m intrigued by, aren’t you? If I may say so, he was conceived in sin, by an act of imperialist license” (in Harper 1999:299). The most acute of these obstacles, from the Malayan elite’s perspective, was the communist rebellion. Bound through the 1950s by the straitjacket of Commonwealth counterinsurgency, ethnically defined, politically conservative political parties joined in coalition (against British wishes) to take control and finally unify the colonial administration. The United Malays National Organization (UMNO), the Malayan Chinese Association (MCA), and the Malayan Indian Congress (MIC) came together as the Alliance, a coalition that emphasized ethnic separation mediated by elite compromise (Milne and Mauzy 1999:18).

The Alliance coalition aimed to balance a society in which Malay politicians controlled the government and immigrant businessmen dominated the economy. In what was known as the “bargain” of Malayan independence, the
MCA and MIC leaders agreed to limit their political aspirations in exchange for citizenship and only modest government control of the economy. UMNO in turn secured Malay “special rights” provisions in the constitution (concerning the position of the sultans, civil service appointments, and military structure, along with policies for land, language, and religion) that mandated Malay political dominance (Means 1976:178–180). These constitutional provisions in effect made the Malay population the national body of the Malayan polity. The standard book of nationalism written about the peninsula, Roff’s *The Origins of Malay Nationalism* (1967), describes the Malay nation’s coming into being. Frank Golay’s contribution on Malaya to the volume *Underdevelopment and Economic Nationalism in Southeast Asia* argued that “Malay indigenism” would consistently challenge panethnic solidarity on economic issues (1969:341). The ethnic specificity of state nationalism and the ethnic divisions in the economy thus formed the two core terms of independence.

Malaysian as a political term gained notoriety soon after the Federation of Malaya became Malaysia and further showed the fragility of the “bargain.” The complex negotiations concluded in 1963 joined the peninsular states to both the north Borneo territories of Sabah and Sarawak as well as to the island of Singapore. Among the considerations in expanding the federation was an ethnic calculus, for the large indigenous population of the Borneo territories was meant to balance predominantly Chinese Singapore (Mohamed 1974). When Singapore politicians pushed for what they called a “Malaysian Malaysia” that would unfetter their political ambitions (and renege on the “bargain”), Singapore was exiled from Malaysia (Lee 1965). The political nationalism championed by Singapore Chief Minister Lee Kuan Yew was not acceptable to the conservative Malaysian political elite since claims for a national Malaysian society were read by UMNO as signs of immigrant assertiveness. Singapore’s moves were especially abrasive to Malays active in the Indigenous Economics Congress (*Kongress Ekonomi Bumiputera*), a group agitating for “a larger share of the economic and commercial life of the country” (Golay 1969:367). Many in the Alliance-dominated state wanted to form “Malaysia” in less overtly political terms.

A new, more economic incorporation of Malaysia only followed a dramatic threat to the state’s maintenance of public order. Efforts toward nation-building intensified after the 1969 riots in Kuala Lumpur that shocked the state into the most acute crisis in its history. Following the urban rebellion, the government suspended parliamentary rule for two years to demobilize and depoliticize the population. Most importantly, the state interpreted the cause of the riots as being economic in origin, primarily grievances about Malay poverty. The use of statistics was crucial for describing the problem. The numbers cited most frequently were those for ownership of share capital ranked by ethnicity: foreigners owned 63 percent, non-Malays 34 percent, and Malays 2 percent (Hua 1983:158). In response, the National Operations Council (NOC), which replaced the temporarily suspended parliament, proposed a comprehensive program of economic restructuring. The main solution to the crisis came in the
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NEP, a plan whose very name described the emphasis of the integration strategy (Faarland et al. 1990). The NEP's profound influence in Malaysian life and its impressive longevity as a social institution have helped to focus economic relations as the center of the country's political life.

The NEP helped the state promote a politics of economics and propose a more economic nationalism in two ways. First, political rights to debate and public assembly were sharply curtailed through changes to the constitution. Following the 1969 crisis, the state limited public speech: primarily through a list of "sensitive issues" covering language, education, and citizenship policies whose proscription carries all the way through parliament (Crouch 1996). A ban on political rallies and the regular use of detention without trial have helped to enforce and normalize these limits. Second, the NEP's goals made the relationship between ethnicity and the economy a focus of public policy.

The NEP's blueprint, contained in the Second Malaysia Plan, had the twin aims of eradicating poverty and "restructuring Malaysian society to reduce and eventually eliminate the identification of race with economic function" (1971:v). Among the NEP's many goals, the target for share capital ownership—30 percent to be owned by ethnic Malays by 1990—emerged as the NEP's prime statistic "so that Malays and other indigenous people will become full partners in all aspects of the economic life of the nation" (Government of Malaysia 1971:1). A vast sweep of Malaysian social life still resonates with the national economics of the NEP, which Heng Pek Koon calls "the embodiment of Malay economic nationalism" (1998:67).

Malaysia Incorporated

The NEP was more effective in spelling out what Malaysia was not to be—a society where the majority Malay population was poor and rural—than it was in envisioning what a future Malaysian corpus might look like after its reforms took effect. It took an outspoken UMNO politician, the brash Mahathir Mohamed, to proclaim that the NEP would create a new Malaysian bourgeoisie. In his famous 1970 treatise on Malaysian society, Mahathir argued: "With the existence of the few rich Malays at least the poor Malays can say that their fate is not entirely to serve the rich non-Malays. From the point of view of racial ego, and this ego is still strong, the unseemly existence of Malay tycoons is essential" (1970:44).

One prong of the NEP aimed at poverty eradication among rural Malays, another at creating Mahathir's class of wealthy urban Malays. Taken together, the NEP period of the 1970s vastly expanded the reach of the state into Malaysian society. Most aspects of public life took on an NEP dimension, from university admissions to hawker licenses to home mortgages. This set up a fundamental contradiction: The NEP aimed to remove ethnic identification in the economy by ethnicizing nearly all facets of it. Throughout
its first decade, Malay involvement in the cash economy greatly increased (Scott 1985:48–85). Malaysians of all types were socially integrated through this economic transformation mediated by the state.

The installation of Mahathir as Prime Minister in 1981 modified the economic focus of nationalism enshrined in the NEP. One of his first policy initiatives was Malaysia Incorporated, which shifted the state’s NEP aims from promoting greater Malay involvement in the economy to strengthening state ties with a wider range of the country’s business community. Much like the NEP, Malaysia Incorporated attempted to rearrange the internal borders in Malaysian society. The plans for Malaysia Incorporated were first announced in 1983, part of an agenda emphasizing efficiency and a “programme of change aimed at modernising Malaysia and shocking the people into accepting the realities of modern times” (Chia 1984:i). It was derived from Japan Inc., the Asian neighbor greatly admired by Mahathir (Kaplan 1972). Yet, unlike the plans to incorporate Japan, Mahathir argued, in an early speech on the topic, that Malaysia Incorporated was linked to “the task of nation-building,” one in which the “private and public sectors see themselves as sharing the same fate and destiny as partners, shareholders and workers within the same ‘corporation’, which in this case is the Nation” (Mahathir 1984:2). Malaysia Incorporated served as a rhetorical model for a Malaysian society brought about by joining together the most powerful entities in the society.

From the start, this program of corporate nation-building raised concerns of exclusion for fear that some people might be left outside of the new national body. John P. Davis, writing more than a century ago, suggested that the modern desire for the corporation is “evidence of the same lack of ability on the part of the state (society politically organized) to fully comprehend and correlate the social life of its citizens” (1961:252). The appropriateness of the new corporate model for nationalist ends was readily questioned by what the Prime Minister himself referred to as “a great deal of misunderstanding” (Mahathir 1984:1). To counter these charges, Mahathir argued that the concept “should not in any way be construed as a move to make Malaysia a corporation or company with me as the Chairman or Managing Director” (1984:1). Instead, the sovereign state of Malaysia would be “run like a corporation” with the government “more the service arm of the enterprise” (1984:1). Mahathir added, “it is important to remember here that even the unskilled worker or the hawker plays a role in the economic sector and is therefore involved in the Malaysia Incorporated concept” (1984:2). Through these proposals Malaysia Incorporated earned its greatest challenge, formally tying the state to an ethnically expanded business elite without appearing to jettison the rest of Malaysian society.

The suspicions of exclusivity were well founded, for Malaysia Incorporated carried out the NEP’s agenda of ethnic redistribution through a vast program of privatization. The avowed aim of privatization was for the private sector to drive the economy’s growth as the state removed as many bureaucratic obstacles as possible. In practice this privatization strategy followed Mahathir’s desire to create the Malay tycoons he had longed for in 1970. Throughout the
1980s and 1990s, the Malaysian state privatized a host of state assets: most prominently telecommunications, post, electricity, and the enormous north–south highway project. Much like the charters and monopolies of corporations past, the rents available through privatization were allocated to politically connected businessmen, primarily Malay. According to Gomez and Jomo, Mahathir “saw privatisation as a crucial means of sponsoring the emergence and consolidation of Malay renters” (1997:80). Therefore in Mahathir’s plan the society worked as a corporation when the state divested its functions to well-positioned clients. Mahathir’s vision blurred the distinction between private and public interest, suggesting that the gains of a few Malaysians advanced the unity of the entire society.

The usage of business terms like Inc to represent Malaysian society shrouds the new national body created under Mahathir’s rule. One site where the fuzzy conception of “Malaysia Inc” gains focus is in the country’s business press, especially in descriptions of corporate strategy and market movements that reference national interests. The ethos appears in mundane examples such as an annual corporate competition of tennis and golf called the Malaysia Incorporated Games (Business Times 1990). Like the sentiments associated with sport, the English press frequently describes Malaysia Incorporated as a “concept” or a “spirit” of teamwork. When the North–South Expressway opened in 1994, the Star newspaper enthused that the highway’s completion was a “classic example” of the policy: “Never in Malaysia’s history has so many private corporations including contractors and financiers got together in the spirit of Malaysia Incorporated” (1994). Public discussion of Malaysia Incorporated emphasizes these emotive terms. Business Times exclaimed that “the success story of the Malaysia Incorporated concept is a rags-to-riches tale” (1996a); and a business executive explained how “Malaysia Incorporated does not only boost confidence, it also gives local companies going abroad an identity, one that they can rightly be proud of” (1994). These fond statements show the policy’s national difference from the NEP, since the activities of the state and business are labeled neither “Malay” nor “Chinese,” but proudly “Malaysian.”

The pervasive use of this more general Malaysian referent in the policy recalled those Malaysians who were excluded from the corporate team. After 13 years in practice, the policy faced a problem. As Mahathir put it: “There is only one thing regrettable about Malaysia Inc. One partner is missing. The trade unions and the workers are not conscious partners” (Business Times 1996a). Malaysian labor’s lack of a place in Malaysia Incorporated became most acute in the midst of the 1990s boom when Malaysian conglomerates increased their investments outside the country. In 1994, Business Times noted how “the Malaysia Incorporated concept operates too in assisting local companies to venture overseas” (1994). Since Malaysian workers were not integral to the project of offshore investment, trade union leaders petitioned to join overseas government trade missions, emphasizing that “the Malaysia Incorporated concept entails love for one’s country” (New Straits Times 1996b). The Prime Minister
replied that the unions needed to prove themselves “partners” in Malaysia Incorporated by not discussing “things like conditions and pay . . . that unions have the right to strike, the right for more holidays” (Business Times 1996b). Inclusion in the state’s plans was not a given: The newspaper term for the trade unions was now as Malaysia Incorporated’s “missing partner” (Business Times 1996b). Malaysian labor was missing from the national corporate body most noticeably when Malaysian business turned to pursue foreign opportunities in partnership with the state and the terms for labor’s inclusion were its renunciation of its own interests within Malaysia’s borders.

Via the state’s success in such things as privatization, privileged Malaysians found new ways to affiliate together, without (yet) becoming a nation. Mahathir explained: “Previously, we tried to have a single [national] entity but it caused a lot of tension and suspicion among the people because they thought the government was trying to create a hybrid” (Straits Times 1995). Mahathir’s difficulty in incorporating labor into his vision of Malaysia points to the limited space for poor Malaysians in the new national body. Thus quite different from a corporatist strategy tying the state to a broad array of interest groups, Mahathir’s plan envisions only some Malaysians as part of the country’s partnership. Jomo calls this “Malaysia’s limited corporatism” of the elite (1994: 90). In 1998, Mustapa Mohamed, an official in Malaysia’s Finance Ministry, explained to foreign journalists, “we view Malaysia as a corporation, and the shareholders in the government are companies,” effectively excluding anything other than business and the state in the supraethnic nation (Business Week 1998). This follows the Prime Minister’s offhand comment that the country one day would be divided by class rather than ethnicity (Khoo 1995:125). These comments are politically palatable in Malaysia because of the state’s skillful techniques of postponement. Since there is no collective past the state wishes to refer back to, dreams of a wealthy Malaysia always focus on the future. The NEP plans of 1971, for instance, worked in part because they were only to be realized in far-off 1990. Such postponement remained attractive after the NEP’s expiration. It was soon replaced with another plan, one entailing decades of waiting for the nation’s corporate body, the Malaysians, to appear.

Envisioning a Malaysian People

The elaboration of this expanded national body, a more inclusive version of Malaysia Incorporated, coincided with the Asian economic boom of the 1990s. Following the NEP’s end in 1990, its prominent place in national rhetoric was replaced by Mahathir’s plan of Vision 2020, whose horizon was (again) well in the future. Announced in 1991, the program plans for Malaysia to be a “fully developed” country after 30 years of continued growth with 7 percent annual increases in Gross Domestic Product (GDP), a figure just under the annual rate achieved in the previous 20 years (Mahathir 1991). As the key statistic of 2020, the GDP targets show how the policy focuses on Malaysia’s aggregate status as a country. Compared to the NEP (whose prime numerical measurement was Malay ownership of share capital), Vision 200’s panethnic
emphasis included an official conception of a Malaysian political body called Bangsa Malaysia (sometimes translated as a "Malaysian race"). Changes in society brought about by the NEP and Vision 2020, especially shifts in the composition of the workforce, made Bangsa Malaysia a possibility. Taken together, the rhetoric of Bangsa Malaysia and the new labor conditions defined "Malaysian" in a way that risked rushing the state's plans of waiting for the future.

The Malaysia envisioned by 2020 expands that of the NEP and Malaysia Incorporated to include the entire Malaysian population, but plans for its arrival only after economic growth has made the society into a wealthy and industrial one. The considerable propaganda that followed its announcement made such profound changes plausible, and Vision 2020 fueled a heady futurism throughout Malaysian popular life and across the Malaysian landscape. The Petronas Towers that loom over Kuala Lumpur's skyline as the tallest buildings in the world are inescapable 2020 icons. Mahathir's plans for Bangsa Malaysia were widely promoted by him in 1995 and generated considerable interest. The English newspapers elicited spirited comments on the proposal. Writer Amir Muhammad claimed to be "thrilled" by the new emphasis on the plan: "Maybe the day won't be far off when, instead of just paying lip service to ideals of national unity, we are truly prepared to accept each other as simply Malaysians" (New Straits Times 1995c). Sociologist Rustam Sani called it a chance "to be understood anew outside the divisive idioms of our ethnic political culture" (New Straits Times 1995b). The promotion of Bangsa Malaysia filled the desire of many Malaysians to think in supraethnic terms, but the state's specifics for doing so remained as elusive as the definition of a "fully developed country."

Alongside the enthusiasm that a nonethnic Malaysia might emerge were sharp fears that it could indeed happen. As with the NEP, creating a Malaysian nation was only politically acceptable when projected into the future. Former cabinet minister Ghazali Shafie argued in response to the Bangsa Malaysia plan: "The creation of a people to be known as the Malaysian nation . . . would require a definite time-frame and societal engineering" (Business Times 1995). A reason for this hesitancy is that, since independence, many Malay nationalists claimed that any Malaysian identity must be based on Malay characteristics. In 1982, for instance, the draft of a National Cultural Policy largely based on Malay heritage provoked considerable non-Malay dissent (Means 1991:133). The tables turned in a 1995 conference held by the Congress of Malay Scholars (Kongres Cendekiawan Melayu) just after Mahathir's announcement. Their debates focused on the vital issues of Malay nationalism, especially defending the position of the Malay language (with the increasing use of English in business and private education seen as the biggest threats to the promotion of Malay as the national language). After the conference the group circulated a memorandum skeptical of the plans for Bangsa Malaysia, which some members deemed to be insufficiently Malay (Berita Harian 1996).

The consequences of creating a society not focused on ethnicity risked long-standing NEP ethnic preferences. When it was leaked that the Malay campuses
of the Mara Institute of Technology might be open to non-Malays, their rector qualified that would happen only “after Vision 2020 arrives, after there is no longer group [kaum] identification and all groups [bangsa] are only known as Bangsa Malaysia” (Utusan Malaysia 1998b). Hints of even greater challenges to Malay dominance were posed. Opposition politician Lim Kit Siang suggested that a non-Malay might one day become Malaysia’s prime minister (New Straits Times 1999). Creating a “Malaysia” outside the discrete realm of finance, even in the safety of the future, raised thorny political problems.

Given these complications, politicians learned to be cagey in specifying the shape of Bangsa Malaysia. As Johore’s Chief Minister put it in 1997: “The Bangsa Malaysia that we desire to create must be founded on the basis of shared destiny, common identity, and resilience” (Star 1997a). These banalities help avoid the intense debates produced when discussing the specific features of the future Malaysians. When opposition politicians claimed they might revive Lee Kuan Yew’s old “Malaysian Malaysia” idea, leaders of the ruling coalition replied that such statements were “to play with fire . . . especially in the current economic crisis” (Straits Times 1999). In place of politics, the defining quality of Bangsa Malaysia is prosperity and the affluence of Malaysia in 2020. In fact, C. W. Watson contends that the genius of Vision 2020 is the plan’s projection for Malaysia to be a generic society. He argues that according to 2020, Malaysians in the future will be “no different from that of any other advanced prosperous nation in the world” (Watson 1996:320). As such it is not a utopian project: Mahathir pointed out in 1995, “we must help as many Malaysians as possible to attain the standard of living of a developed nation,” leaving outside the 2020 optic those who do not make the grade (Straits Times 1995). Economic aims remain on center stage; the political consequences, like the political decisions about language, public assembly, and ethnic preferences that bring them about, recede from view.

Though Mahathir urged Malaysians to pursue achievements in science, sports, and feats of daring, the Malaysian figure most consistently identifiable from Malaysia Incorporated and Bangsa Malaysia was a person of wealth. Beside the official planning and debate that filled the newspapers, further aspects of this privileged Malaysian identity emerged in part due to a familiar problem in the Malay Peninsula, a labor shortage brought about by the booming economy. Malaysia Incorporated’s answer to the shortage was increased immigration to the country. By 1997, perhaps two million foreigners worked in Malaysia’s manufactures, plantations, and service sectors—forming a striking 20 percent of the labor force. The diversity of the immigrants—over a million Indonesians, alongside tens of thousands of Thais, Burmese, Filipinos, Bangladeshis, Pakistanis, and others far enough afield to include Bosnians and Albanians—defines a new Malaysian social geography. In fact, a Kuala Lumpur obsession is to guess the national origins of the servants, waiters, factory workers, and bus conductors laboring in the tremendously porous Malaysian labor force. The social category of “Malaysian” grew distinct from the foreign workers
who were drawn there by the promise of economic opportunity. Aspects of the state’s nationalist policies became social practice.

Through the course of the 1990s economic boom, Malaysians appeared via their growing identity and difference provided by Malaysia’s wealth. Historian Thongchai Winichakul argues that “the presence of nationhood” works on this dual premise, which he calls positive and negative identification: “Positively by some common nature, identity, or interests; negatively by the differences with other nations” (1995:3). In an era of 2020, the negative Malaysian identification emerges from its regional difference, as a country that is not poor like its neighbors. Rehman Rashid opens his best-selling book *A Malaysian Journey* with this exchange after arriving back in the country from abroad:

I asked Apu how things were in Malaysia. He answered: “Can do, lah. Better than before. Anytime better than Thailand. You see these people. Little children working in the fields. Selling mineral water in the train. Little children! Not like back home. We can relax more. Mahathir saying 2020, all will be good.” [1993:6]

Malaysia’s prosperity attracts these others. The vast numbers of foreign laborers arriving in the country bind Malaysians through a new kind of difference. The pressure of the foreign presence heightens through an apocalyptic vision of a Malaysia overrun by outsiders. Commenting in a newspaper article titled “Alien Nation,” Mahathir lamented the acquiescence of Malaysians to the preponderance of foreign labor and warned: “One day we might lose our country” (Star 1997d). As a state representative put it: “Foreigners would become the majority by the year 2020 if the influx of illegals was left unchecked” (Star 1995). Thus as the foreign workforce specifies the geographical stretch of Malaysia, a more narrow, specifically Malaysian body appears in these invocations of anxiety.

Foreign labor brings about a positive identification of the Malaysian, one that parallels the Malaysia Incorporated tie between business and politics. The proletarian immigrant workers put numerous Malaysians in the role of management—managers identified not by ethnicity but by citizenship. Mahathir has remarked that with the high number of immigrants, Malaysians “want to be the bosses and depend on foreigners to be the workers” (Star 1997d). This class-specific dynamic fits its political counterpart. The immigrant workers’ lack of political rights and representation increases the importance and advantages of Malaysian citizenship unmarked by ethnicity. As in any modern state, Malaysian citizenship grants rights of residence and legal employment. The domestic differences among Malaysians, whether rural/urban, Muslim/non-Muslim, or the familiar Chinese/Indian/Malay are subsumed under the division between Malaysian/non-Malaysian. The Malaysian Trades Union Congress reported in 1986 that many of these foreign workers were illegal, the appeal being their willingness to work for low wages and the fact that they “rarely left the confines of the house for fear of detection by authorities” (Chin 1998:86). The everyday presence of foreign workers, both in person and in the media, helps emphasize the comparative safety and power of simply being Malaysian.
The most intimate sense of being a Malaysian employer is embodied in those households that hire foreign domestic workers. Christine Chin’s history of Malaysia’s market for domestic servants offers a fascinating account of the decline of Malaysian women willing to work in that sector (1998). She links the increasing availability of other options in the 1970s, like factory work, with the curtailed supply of Malaysian live-in servants. Throughout that decade, she cites the elaborate efforts made to entice Malaysians into domestic labor, with recruiters fruitlessly scouring rural villages looking for females interested in paid domestic work. As one former agent told Chin in 1994: “So, you can’t blame employers for hiring foreigners today because we are not willing to do the work” (1998:82–83). The supply expanded quickly: By 1997, there were approximately 130,000 foreign maids in Malaysia, 90,000 from Indonesia and 40,000 from the Philippines (Utusan Malaysia 1997).

Few topics exercise affluent Malaysians more than the challenges posed by these foreign servants—how to retain, reward, and especially to discipline them. Yet the social coding of certain jobs as foreign gives work-specific national characteristics for both the wealthy and the poor. The experience of domestic workers shows how Malaysia’s changing place in the regional economy altered its citizens’ perceptions of appropriate labor—and created a Malaysian way to work.

Chin argues persuasively that foreign maids are part of Malaysia’s modernity project, a project designed to foster the social dominance of the high-consumption middle class. Though the modern Malaysians of Chin’s analysis are employers, not employees, the project is one that radiates out toward all of the country’s citizens. Similar changes in the Malaysian labor market for plantation laborers, construction workers, and the service industry resemble the experience of domestics. According to writer Sheryll Stothard: “We are a nation that cannot even construct a building with our own hands anymore . . . we have become a nation of subcontractors” (International Herald Tribune 2000). The government warned those in the tourism industry to increase their hiring of locals, lest foreign tourists find themselves served solely by foreign workers (Star 1997b). The ease with which immigrants fit into Malaysian society—due to a lack of xenophobia linked to the Malay Peninsula’s cosmopolitan heritage—motivates the state’s concern about immigrant labor. Locals feel the presence of so many foreigners through the state’s regulation of immigration. The police help to emphasize the benefits of citizenship through the arrest of immigrant workers, an event that has been a staple of Malaysian television news for the past decade. Even the poorest Malaysians are included, as they sometimes find themselves promoted in a labor market above foreigners who take the most unappealing, dangerous, and least lucrative jobs.

The Malaysian employer identity reflected in the press appears as a figure of considerable power. Wealth brings authority over others who are not Malaysian. A Star editorial claimed: “Even those earning average salaries cannot do without foreign maids” (International Herald Tribune 2000). The necessity that these servants be immigrants carries special responsibilities and, when instances of servant abuse flare in the media, the employers of foreign domestic
workers represent national shame. In February 2000, the *New Straits Times* reported that a rash of cases involving abused maids was “forcing Malaysians to confront an unbearably ugly image of themselves” (2000a). In some respects the perpetrators lack of specificity was part of its eeriness: “What has been particularly unnerving about these cases is how the allegedly guilty parties, while capable of cruelty, seem to be completely ordinary people in every other way” (*New Straits Times* 2000a). Those involved in abusing domestic servants were not identifiable by any other markers than their Malaysian citizenship and the vulnerability of the maids was heightened by their foreign status. Sociologist Farish Noor, in a newspaper editorial, commented:

> Whatever the facts may be, the underlying reality remains the same: these workers would never have received the same kind of treatment if they happened to be carrying Malaysian passports . . . one would be hard pressed to imagine a Malaysian employer who would dare to beat up his or her domestic help or labourers with sticks or stones if they happened to be Malaysian citizens who enjoyed the same political and legal rights. [*New Straits Times* 2000b]

The presence of so many foreign workers constitutes a Malaysian self-image through a play of difference and similarity—Malaysian citizenship is both defined against the relative economic weakness of foreign workers and by the positional advantage citizenship bestows to exploit this difference. The increasing wealth of the country created a Bangsa Malaysia well before the year 2020 had arrived, creating political problems for a state premised on ethnic division and postponed nationalism.

**Malaysia’s Illegal Appearance**

The Malaysian state’s attempts to incorporate a Malaysian nation during the course of the remarkable economic expansion reached fruition with that boom’s sudden end in 1997. Under the tremendous political weight that the Mahathir administration has placed on economic growth, the contraction in GDP during the Asian financial crisis sparked political tumult. The arrival of a Malaysian public *in public* frightened the state. Three sites of tension—charges of corruption in Malaysia Incorporated, the political threat of the foreign workforce, and political protests connected to the power struggle between Mahathir and his deputy—produced challenges to the state’s planned incorporation of Malaysian society. Since Malaysian political affiliation was based squarely on the country’s precocious economic performance, the recession compromised the state’s terms for national unity. The competing conceptions of Malaysia expressed in the period following the crisis brought a forceful state reply—warning Malaysians how *not* to be—a rejoinder that shows the state’s considerable power in managing Malaysian nationalism.

The withdrawal of foreign capital that initiated the financial crisis brought criticism of Malaysia Incorporated, criticism that helped focus the recession as a Malaysian (rather than ethnic) problem. In familiar fashion, struggling businesses *turned* to the state for assistance, with Mahathir arguing: “It is the duty
of the Government to help the private sector. We believe in the Malaysia Inc concept" (*Business Times* 1998a). The limits of state resources immediately raised claims of political favoritism toward those companies that were bailed out. These complaints even reached inside Mahathir’s party, and a dramatic speech at its general assembly in June 1998 popularized the new acronym KKN (*korupsi* [corruption], *kronisme* [cronyism], and *nepotisme* [nepotism]). *Business Times* lamented: “All was fine, until July 1997 when the regional economies began their downside. Suddenly, Malaysia began to hear criticisms about its successful Malaysia Inc concept” (1998b). State officials argued in response: “The Malaysia Incorporated concept is not the reason for the increase in the number of corruption cases” (*New Straits Times* 1998g). Another claimed: “The [Malaysia Incorporated] policy is not the cause of the drop in the ringgit and the stock market” (Berita Harian 1998). These government replies claim that many Malaysians did not understand the workings of Malaysia Incorporated. Mahathir deftly silenced his critics by releasing a list of government contracts that had benefited a vast number of politicians. The danger of the scandal was averted by showing that so many in the Malaysian elite were involved in rent seeking. When economic circumstances worsened throughout Malaysian society, the exclusive ties of Malaysia Incorporated emerged in ever-sharper relief, as did the shape of Malaysia itself.

The next political challenge faced by the state during the recession involved the immigrant workers who helped define a Malaysian identity. In 1998, nervous rumors raced around Kuala Lumpur reporting that Indonesian workers, fearing forced repatriation on August 15, were arming themselves. Over the week of August 7, rumors sent initially by e-mail reported that Kuala Lumpur’s Chow Kit district was the site of pitched battles between police and Indonesians (*Utusan Malaysia* 1998a). The e-mail followed other e-mail, widely circulated in Malaysia, detailing anti-Chinese violence in Indonesia. Malaysian television in turn sought to counteract the stories by broadcasting images of calm Chow Kit streets and thereby proving that Indonesians were not organizing themselves against the state’s reputed plans to send them back. The Internet e-mail and the television cameras referenced two different places: one a Malaysia threatened by immigrants and another of business as usual (literally, the coverage emphasized that Chow Kit stores remained open). However, taken together, the media represented the country’s potential vulnerability in that Malaysia could not be sealed off from its neighbor’s poverty and political ferment.

The initial political threat in Malaysia produced by the economic crisis was thus the fictive image of political unrest in the country. This presented the state with the problem of regaining public confidence in its ability to maintain order, turning its interest to identifying the Malaysians sending the e-mail. These Malaysians were difficult to locate because their activity was not public. Prime Minister Mahathir denounced those passing the rumors, but acknowledged their apparent invisibility: “They use the Internet, how can we identify them?” (*New Straits Times* 1998c). The Internet’s use in Malaysia allows unregulated
exchanges, an ostensibly unpunishable virtual realm outside the state’s control. Mahathir emphasized that actual unrest in the country was unlikely because, “Malaysians were not the type to fight among themselves” (New Straits Times 1998c). The state was nevertheless prepared for the appearance of those who might not act Malaysian, as he confirmed, “we have enough personnel to safeguard the security of the people and the nation” (New Straits Times 1998c). Working with Malaysia’s Internet service provider, the police were able to trace the e-mail rumors to four Malaysian citizens, who were detained under the Emergency-era Internal Security Act. Mahathir labeled these un-Malaysians as traitors—“enemies of the nation who want to cause unrest” (New Straits Times 1998c). In similar terms, the police called the rumors the work of “people who do not love their country” (New Straits Times 1998b). Malaysians sending these political messages about the foreign workers were themselves foreign to the state’s concept of “Malaysia,” which the state could only reassert by arresting them.

State fears were exacerbated by the use of communications technology to disseminate the rumors, which compromised the plans for Vision 2020. The 2020 policy emphasizes sophisticated technology; one of the key projects in the plan was a Multimedia Supercorridor in the middle of the peninsula. Use of the Internet is encouraged because it will develop Malaysia, and the newspapers are sprinkled liberally with references lauding IT (information technology) and K-Society (knowledge society). Although cyberspace might be a place quite conducive to Bangsa Malaysia, its connection to analog Malaysians presents a risk to national cohesion. After the August 1998 rumors, the head of Malaysia’s Internet service provider was reported to say:

[The problem] lies in something I call “incompatible culture.” Internet users know how and what to take seriously. But once you fax the message to someone who has never used the Internet or who doesn’t understand Internet culture, they tend to take it as the truth . . . and these people in turn start calling up their friends . . . that’s when it starts becoming serious and this is what happened at the height of the rumor. [Star 1998b]

Use of the Internet, fax machines, and telephones is supposed to develop the country and unite Malaysians. Yet, in this instance, in the view of the government, such communication technology ends up compromising Malaysian national unity instead.

When an embodied Malaysian nation did appear on Malaysia’s streets, the state’s response revealed the difference made by the NEP, Malaysia Incorporated, and Bangsa Malaysia since the 1969 unrest. One month after the rumors that Indonesians were rallying in Kuala Lumpur, tens of thousands of Malaysians assembled in dramatic public protests. The demonstrations were sparked by Mahathir’s dismissal of his protégé and heir apparent, Deputy Prime Minister Anwar Ibrahim, for his challenge to aspects of Mahathir’s bailout of key businesses. The state’s reaction departed from its usual response to the more conventional political tension in Malaysia organized by ethnicity and exemplified
by the events of 1969 that produced the NEP. Though the crowds were predominantly Malay, the demonstrations of 1997–98 formed a Malaysian crisis. Indeed, the failure of the events to fit a ready narrative of ethnic conflict perhaps explains the state’s difficulty in recognizing the demonstrators. The state reads ethnic tension as something primordial and legible, and the vast Malaysian governmental apparatus of redistribution and repression is premised on the constant threat of ethnic conflict. A political crisis without ethnic politics pushed the state to emphasize the supraethnic national qualities of the protests. The state’s sometimes awkward responses to the political crisis—grouped below into three related rhetorical themes—denied that the crowds were Malaysian and, instead, reaffirmed the premise that “Malaysia” will only appear later.

The Anwar crisis gathered a new corporate group in the country, one measured by its fidelity to the state’s official list of Malaysian attributes. The first of these national attributes used by the state to counter the protests disputed that Malaysians could have any public presence. In September 1998, when nearly 50,000 people gathered in Kuala Lumpur’s central plaza in support of Anwar, Inspector General of Police (IGP) Rahim Noor said the crowd was acting Indonesian. The IGP argued: “The blood groupings are the same, their thinking is the same, their emotions are the same. People in Jakarta and Kuala Lumpur, to some extent, are similar. . . . Even the smallest provocation, something that starts as a tiny issue, may turn sour.” He then asked rhetorically if people in Kuala Lumpur wanted “a repeat of Jakarta here?” (New Straits Times 1998e). Likewise, the Prime Minister’s first public comment after Anwar’s arrest claimed that his former deputy was “working up emotions like Indonesia, where people rioted daily and obstruct normal life” (Reuters 1998). The only ready category to describe those Malaysians who gathered illegally was that they were somebody else. A writer in the Star commented: “The fact was that the only drama came from his [Anwar’s] supporters aping demonstrators in Indonesia and the tension came from irate motorists, out for a Sunday outing, caught in traffic jams caused by the drama” (Star 1998d). When a Malaysian public congregated on the streets of Kuala Lumpur, the state and its allies saw and portrayed it as something foreign.

A related government tactic reminded Malaysians that their public assembly risks the viability of the country. To congregate as citizens without the state’s blessing defied the official code of Malaysian behavior. The police admonished the newspaper public that Malaysians who participate in “any public gathering of five or more people should have a police permit as required under the law or stern action will be taken against those involved” (New Straits Times 1998e). The state argued that without strict police control Malaysian cohesion is tenuous, since there is something always ready to destroy Malaysian society. Along with others in Malaysia’s worrying strata, Education Minister Najib Tun Razak warned: “In the absence of peace and public order, no one will have confidence in this country, there will be anarchy and our country will be destroyed” (Agence France Presse 1998b). In these apocalyptic visions, “Malaysia”
appears as a thread ready to break at the slightest pull, snapped by the public appearance of its population. To cloak the visibility of these crowds, the state conjured phantom assemblies who support its policies. Throughout his political career, Prime Minister Mahathir has boasted that he could instantly fill Kuala Lumpur with his supporters. In late September of 1998, a large rally was hurriedly planned for October 10, where 150,000 youth would gather in the capital’s new sports complex in support of Mahathir’s coalition. Representing ethnic Malays, Indians, and Chinese from throughout the country, the rally was “aimed at showing the world that Malaysians still remained united despite disturbances caused by Datuk Seri Anwar Ibrahim’s supporters lately” (Star 1998e). The police revoked the organizer’s permit and the rally was left suspended as a public specter. The police explained that all rallies were canceled for “security reasons” (Agence France Presse 1998a). Police Deputy Commissioner Yusof Said pointed out that the police had enough personnel to handle anything: “In fact, we even have the army to assist us in case any untoward incident were to take place” (Star 1998c). Politicians may plan for Malaysians to congregate in all their diversity, but given the apparent security risks, this possibility may only be realized in the future.

Conclusion

The power of the Malaysian state derives from its ability to define the Malaysian national body as something primarily economic and set in the future. Timothy Mitchell argues that the modern state should be analyzed as “an effect of mundane processes” of organization and representation “that create the appearance of a world fundamentally divided into state and society or state and economy” (1999:95). Mitchell further contends that “the essence of modern politics is not policies formed on one side of this division being applied to or shaped by the other, but the producing and reproducing of these lines of difference” (1999:95). At moments of strength, the Malaysian state has attempted to blur the line between politics and economics. The state instead argues that rapid industrialization and financial liberalization are being done in the name of the nation, though curiously a nation that does not yet exist. Privatizing state functions further obscures the distinction between politics and economics and hides the benefactors of the state’s largesse. Taken together, these tactics defer the national value accrued by state policy to the future. The 1998 crisis, revolving around the arrest and prosecution of Deputy Prime Minister Anwar Ibrahim, challenged the state’s separation of politics from Malaysian nationalism: The state emphatically denied (and thereby also affirmed?) that Malaysians could incorporate in noneconomic terms.

Representations of the nation hinge on the forms of social unity that the Malaysian state promotes and obscures. Susan Buck-Morss’ analysis of The Wealth of Nations traces a philosophical genealogy of capitalism where the economy is the primary mode of creative social action. In the social model created by Adam Smith, she notes, “politics recedes from center stage” (Buck-Morss
Indeed Malaysia's relative economic prosperity is commonly considered the explanation of its relative political quiet. The recent Asian financial crisis momentarily pushed politics onto center stage, including the country's considerable regional, class, and religious differences. When the demonstrations hit, it was as if the national representation had changed form—from an economic modality to a political one. James Thompson's analysis of the intersection between political economists and novelists in 18th-century England demonstrates how "the reconceptualization of value turns on its representation, or model" (1996:1). Part of the state's rationale for seeking order on the streets was the fear that political turmoil risked Malaysia's further devaluation by foreign investors.

Under Mahathir's shrewd strategy and the substantial coercive apparatus of the Malaysian state, containing the 1998 protests illustrates a moment of success for Malaysia Incorporated. Mahathir has called the policy "the most important achievement of his tenure as Prime Minister," and in the midst of the crisis, the state continued to emphasize elements of it (New Straits Times 1996a; Star 1998a). In November 1998, after the public protests had largely dispersed, Prime Minister Mahathir addressed Malaysians on one of the government-owned television stations. In the still-tense conditions, the Prime Minister spoke to the country under the title "Dr. Mahathir: The CEO of Malaysia Inc" (New Straits Times 1998h). At a time of bitter political strife, the Prime Minister appeared before the country not as a politician but the manager of a business organization. In the same year a team of prominent Malaysian corporations launched an advertisement campaign that promised: "Malaysia is bullish on bouncing back." As in the share of capital targets of the NEP, a stock market measure becomes the gauge for Malaysia’s national progress and the country itself is likened to a stock market.

Two final points qualify the nationalist success of Malaysia Incorporated. The first concerns the growing unity of certain Malaysians, no doubt a legacy of the NEP. Peter Searle's analysis of the country's business leaders finds "an erosion of ethnic exclusivity and identity" to be apparent among both wealthy Chinese and wealthy Malays, and, in a telling phrase, capital "lost not only its face but its colour" (1999:249). A related study by Patricia Sloane highlights the increasing importance of "entrepreneurship" in the social vocabulary of urban Malays (1999). These changes in appearance and recognition pose several challenges to Mahathir's rule. His corporate strategy aims to usher in an expanded, ethnically diverse bourgeois class. In doing so, there is every risk that these new coalitions might seek political liberties and power beyond what the Mahathir regime is willing to give. To a state premised on divide-and-rule tactics, colorless capital forces a reorientation of electoral strategy and social discipline.

Second, those outside the business elite are also reorganizing. For the poor, the equality implicit in Malaysian citizenship fades in the hierarchy inherent in Malaysia Incorporated shareholding. The Anwar crisis opened new space for competing ideas of Malaysia, from the remnants of the country's socialist
movement to the politically active Islamists, those who comprise what Sham-sul analyzes as Malaysia’s "nations-of-intent" (1996:328). The communities of imagination resident in the Malay Peninsula include those of the overseas Chinese, the Tamil diaspora, the Greater Malay Realm (*Melayu Raya*) of the Indonesian Archipelago, and the powerful attachments of religion. Partha Chatterjee points out that the "narrative of capital" strives to suppress these other, competing narratives of community (1993:234). Certainly the ruling coalition's victory in the 1999 elections emphasizes the continuing capacity of Mahathir's regime to incorporate a more financial Malaysia and mute alternate plans of how people in Malaysia might affiliate. Yet the continuity of other ties and intents highlights the limits in the state's economistic rhetoric and provides alternate languages for describing forms of value and affiliation.

In the early 1970s, the authors of the Second Malaysia Plan argued that "there must be no delusion that national unity can be achieved by purely economic means" (1971:4). Through shifting economic and political conditions, realizing this "delusion" remains a tempting aim for the state. Deshpande suggests that the deepening integration of the Indian economy into world markets "in effect evacuates the economy as a resource for imagining the nation" (1993:26). Here I have tried to show ways that might not be the case in Malaysia. It would be difficult to generalize these dynamics—no doubt the position of the economy within any particular national ensemble has historical and political specificity. For Malaysia, as I have described, the national economic form looks to the future (as do many modern financial instruments). In his 1983 speech announcing Malaysia Incorporated, Mahathir closed with the plea to "join hands and work together so that we will not be ashamed of the legacy we bequeath our beneficiaries, the future Malaysians" (Mahathir 1984:7). Benedict Anderson, considering the inglorious involvement of the United States in Southeast Asia, writes that in these "straitened millennial times" shame might be an appropriate foundation for nationalism (1998:362). Many people in Malaysia strive to articulate and sustain a national vision not set in the future or contingent upon the fickle global economy. Might their struggle, one day, become valuable to a Malaysian nation?

**Notes**

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1. This is complicated further by the fact that the term *Malaysia* has its most vibrant form as an English-language term. For example, note the difference in the coverage of Azhar Mansor’s 1999 return to Malaysia from his solo sailing voyage around the world.
The English-language *Star*'s headline was "Dr. M: Be a New Malaysian," while Malay-language *Utusan Malaysia* announced "Semangat Melayu Baru" (The Spirit of the New Malay). The emphasis in the two stories continues this difference between Malaysian and Malay (*Star* 1999; *Utusan Malaysia* 1999b). The prestige of English as the global language of business and finance helps accentuate, in Malaysia, its supraethnic nationalist capacity.

2. Anthony Milner describes the economic analysis of Malay nationalist Ibrahim Yaacob, written in 1941, as the culmination of growing awareness of Malay economic weakness (1995).


4. Lee Kuan Yew, Singapore's Chief Minister and later Prime Minister, describes the city-state's separation from Malaysia as a marital divorce since "their union [Malaya/Singapore] had been marred by increasing conjugal strife" (1998:14).

5. The Malaysian state's explanation of these events appears in National Operations Council (1969). Derek Davies, then a reporter for the *Far Eastern Economic Review*, wrote soon after the riots that "Tun Razak [head of the NOC] appears to have decided that the root cause of the May riots was Malay economic resentment, and his policies seem geared toward propitiating this demon" (cited in Gagliano 1970:24).

6. Shamsul A. B. traces the birth of the NEP from the late-colonial period through the 1960s, detailing how UMNO came to focus on the "politics of business" (1999:96–98).

7. Mahathir's brashness got him exiled from the party, but he returned in 1972 to the party's Supreme Council and he soon assumed the powerful post of Education Minister (Means 1991:23).

8. In his 1900 introduction to Gierke's book on political theory, Maitland writes "in the second half of the nineteenth century corporate groups of the most various sorts have been multiplying all the world over at a rate that far outstrips the increase of 'natural persons' and a large share of all our newest law is law governing corporations" (1958:xii). The legal position of these corporate groups led to the special rights accorded to Malays by the constitution, ones that Malaysia Incorporated could side step.

9. In European history, incorporation meant to provide a legal distinction between the immortal position of the monarch, separate from the natural person of the monarch's body (Kantorowicz 1957). The "King's two bodies" provided continuity for the royal office that exceeded the longevity of its occupant. Fernando Coronil demonstrates how in Venezuela this double image was displaced into the two national bodies marked by the citizenry and the country's oil wealth (1997:113).

10. Important stipulations for ethnic preferences provided by the NEP were relaxed due to the 1986 recession, and "wealth redistribution" switched "to wealth creation" (Khoo 1995:141–142).

11. Considering these very powerful material effects of privatization, it is perhaps understandable that analysts have neglected the rhetorical aims of Malaysia Incorporated. Popular representations focus more on promoting bourgeois values than delineating economic policy and emerge most plainly in the prose of the English-language business press. Even with the state's reticence about describing exactly what Malaysia Incorporated meant, Jomo lists the consequences of the policy (1994:91).
12. In the midst of the boom, the business periodical *Asia Inc.* reported "opportunistic Malaysians are everywhere in Cambodia, stung by higher costs at home and spurred by an overseas-investment drive set in motion by the Mahathir administration" (1996).

13. A labor leader (unnamed in the press report) was alleged to have raised such demands at a previous international forum (*Business Times* 1996b).

14. The term *Bangsa Malaysia* is also sometimes translated as "Malaysian Nation;" and *bangsa* is one of the most complicated terms in Malaysian politics. It specifies both social divisions (*Bangsa Melayu* for Malays and *Bangsa Cina* for Chinese) as well as the national itself (i.e., *bendera kebangsaan* is the national flag). See Tan 1988 and Ariffin 1993.

15. Some Muslim groups, like the Islamic party, Partai Islam Se-Malaysia, emphasize instead the afterlife (in Malay, *akhirat*) as an alternative to the secular, homogenous time of 2020. For a statement by the opposition regarding 2020, see Abdul Hadi Awang 1994.

16. Benedict Anderson's famous book on nationalism locates the newspaper as an important site for nationalist imaginings (1991:33). As in any polyglot society, Malaysian newspapers circulate in separate linguistic markets. News printed in Chinese characters, Tamil script, or Romanized Malay are followed by reading publics attuned to separate milieu—often as attentive to Hong Kong, Madras, and London as they are to Kuala Lumpur. The frequent references to the "parochialism" of what is called the vernacular press point to the desire for a national newspaper readership. These desires are partially met by the English press where Malaysian readers can imagine a supraethnic fellow reader. The Malay translation of the Malaysia Incorporated Policy, for instance, is *Dasar Pensyarikatan Malaysia*, yet its appearance in either form is rarer in the Malay press than in the English press.

17. All figures about foreign workers in Malaysia are rough estimates. The executive director of the Malaysian Institute of Economic Research says: "This is one area where there is no transparency at all. Nobody seems to have the data of how many workers are here and how many of them are really legal. There's a lot of foreign illegal workers everywhere" (*International Herald Tribune* 2000).

18. The rhetoric about foreigners replays older concerns, from the 1920s and 1930s, that immigrant Chinese and Indians were overwhelming the Malay population.

19. Countless more Malaysian households without live-in domestics are cleaned by foreign part-timers, including all the ones that I have lived in.

20. For a print example of this coverage, see *Star* 1996.

21. Foreign analysts of the currency debacle turned their praise of the Asian economic miracle into criticism of what they now called "crony capitalism." Jeffrey Winters (1998) doubts that this had a direct effect on the crisis and instead looks at the pressures and incentives before the 100-odd emerging market fund managers that made the crucial decisions about capital flows in the midst of the 1997 events.

22. The number of those labeled in the newspapers as "cronies" greatly multiplied in 1998 to include nearly everyone who had received state benefits (*New Straits Times* 1998a).

23. Elaborate plans to create a Malaysian Silicon Valley are detailed in *Asiaweek* 1997.

24. Wendy Mee offers a fascinating analysis of Malaysia's national presence in such places as the World Wide Web. She concludes: "While information technology, such as the Internet, remains firmly in the service of Malaysia's ongoing nation-building, I find little evidence to support the claim that the nation is being superseded by an
emerging transnationalism" (1998:253). The sometimes contradictory beliefs about high-tech communication appear in juxtaposing stories like “Beware of Dangers Through the Internet” (New Straits Times 1998d) and “King tells Malaysians to go for IT” (Star 1997c).

25. Economic restructuring, such as that proposed in Indonesia by the International Monetary Fund, likely would have altered the policies carried out under the NEP and Malaysia Incorporated. Mahathir protected local autonomy over economic policy and repudiated the multilateral financial organizations by pegging the currency’s exchange rate and imposing controls on the withdrawal of capital from Malaysia. These marked a great change from prior policy where, just a few years before, Mahathir claimed the country had gone “worldwide” and that “we have accepted globalisation” (New Straits Times 1995a). To seal these policy shifts, the media reported allegations that Anwar was a philanderer; he was corrupt; and he had traitorous international links. After Anwar had taken his case on the road and spoken to large crowds across the country, he was detained under the Internal Security Act. Nine days after his arrest, following continued street demonstrations, Anwar appeared before the Malaysian court bruised and with a black eye from having been beaten in custody, as it was later proved in court, by the Inspector General of Police himself.

26. For a vivid accounting of these events, see Sabri Zain’s journal (1999).

27. James Jesudason points out the Malaysian state’s ability to effectively curb contests to its power. Such a “syncretic state” is one with “a powerful ability to absorb diverse ideological orientations and interests in society, leaving only narrow constituencies for the opposition to cultivate” (1996:130).

28. In an acute crisis in 1987, Mahathir developed plans for a rally, but the rally’s permit was duly canceled by the police and the rally was not held. This was similar to a threat of 20 years earlier: “When there was a demonstration in 1967 . . . I told Tun Ismail that if I wanted it, I was prepared to bring 20,000 people from Kedah for a demonstration in Kuala Lumpur just to show how strongly the people supported the government” (Khoo 1995:20). James Scott analyzes the political difference between unauthorized crowds and authorized parades (1990:58–66).

29. I thank Ann Anagnost for this reference.

30. A CD-Rom with the Prime Minister’s speeches was released in 1999 under the same title (Utusan Malaysia 1999a).

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