



GLOBAL CENTRE FOR PLURALISM    CENTRE MONDIAL DU PLURALISME

# Majority Affirmative Action in Malaysia: IMPERATIVES, COMPROMISES AND CHALLENGES

March 2017

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At the end of British colonial rule, Malays comprised a majority in Malaysia but were often economically disadvantaged compared to the Chinese and Indian residents who arrived in the territory before independence. Six years after the creation of Malaysia in 1963, riots erupted in Kuala Lumpur over the deep-seated ethnic inequalities and segmentation of the economy. Through their political dominance, the majority Malay government instituted a twofold national agenda of poverty eradication for all ethnic groups and affirmative action to end the association of certain economic functions with specific ethnic groups. The resulting rebalancing of the economy has helped improve the economic position of many Malays, although affirmative action programs have also fallen short in various ways.

And yet today the future of the policy is unclear. Demand for a new social contract among Malaysia's main ethnic groups has grown. Many members of the country's sizable Chinese and Indian minorities feel majority affirmative action has outlived its

usefulness; that it now primarily serves not as an instrument to help promote Malay upward mobility, but as a means for Malay elites and middle-classes to preserve privileged access to education, jobs, business opportunities and wealth transfers. Such criticisms point to a familiar challenge with affirmative action: once adopted, the policy is difficult to dismantle, even while it falls short in effectively building capabilities, especially when it is most vocally defended by advantaged members of the group who benefit from it.

But the debate over affirmative action in Malaysia is wrapped up in larger debates over citizenship and democracy. A policy designed to remedy inequalities among groups is now seen as a tool for marking who belongs (Muslim Malays) and who does not, raising minority fears that the refusal to rethink affirmative action reflects a broader trend to redefine Malaysia either as a state that belongs to the ethnic Malays, in which Indians and Chinese are at best subordinate guests, or as a Muslim state, in which Hindus, Christians and others are subordinated.

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This paper is part of a new publication series from the **Global Centre for Pluralism** called **Accounting for Change in Diverse Societies**. Focused on six world regions, each "change case" examines a specific moment in time when a country altered its approach to diversity, either expanding or eroding the foundations of inclusive citizenship. The aim of the series – which also features thematic overviews by leading global scholars – is to build global understanding of the sources of inclusion and exclusion in diverse societies and the pathways to pluralism.

In commissioning the Malaysian case, the Global Centre for Pluralism has sought to understand the interplay of affirmative action and conceptions of nationhood where, historically, the majority is the disadvantaged group. Has affirmative action remedied Malaysia's horizontal inequalities? What are the factors—and who are the actors—pushing Malaysia towards a more exclusionary ethno-nationalist or ethno-religious conception of nationhood today? What factors are resisting this shift? If a more pluralistic conception of nationhood is sought, what are the components of this new social contract?

## CASE NARRATIVE

At Independence in 1957, Malaya inherited deep-seated ethnic divides from colonial rule. The country's three main ethnic groups—an overwhelmingly rural and poor Malay majority, a mostly urban and upwardly mobile Chinese minority and a predominantly labouring Indian minority living on plantations—had co-existed but not interacted. The merger of Malaya (now Peninsular Malaysia) with the East Malaysian states of Sarawak and Sabah to form Malaysia in 1963 increased the country's ethnic diversity as well as its indigenous population.

Accommodative politics and policies thus emerged in postcolonial Malaysia both from necessity and expediency. The majority Malays and other indigenous groups—together termed Bumiputera or “sons of the soil”—faced marked socioeconomic disadvantages compared to the mercantile

Chinese minority, with exclusion from or under-representation in tertiary education, high-level employment and asset ownership. Resentment bubbled over into violence in May 1969 with the eruption of race riots in Kuala Lumpur. Sparked by majority discontent, the politically dominant Malays responded by instituting one of the most extensive affirmative action regimes in the world.

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The principle of majority affirmative action is embedded in Malaysia's constitution. Article 153 unambiguously provides for the preferential treatment of the Bumiputera in specific areas on the basis of their “special position” but only “as may be necessary”. At the same time, the constitution provided certain safeguards for other communities. Building on these provisions, in 1971, the New Economic Policy (NEP) introduced a two-pronged policy superstructure of poverty eradication and affirmative action to achieve national unity, providing a template for national development. NEP starts from the premise that national unity and integration are contingent on proportionate enhancement of Bumiputera socioeconomic access and attainment. Through NEP, affirmative action has operated primarily through quotas or ethnically exclusive programs without well-articulated timelines or exit plans.

In Malaysia, ethnic preferential policies are sustained politically by a Malay-dominated ruling coalition comprised of mostly ethnicity-based parties. In turn, the political imperatives of explicit constitutional authorization and Malay political primacy have combined to strengthen the dominance of the executive branch of government.

In practice, bargains and compromises have characterized implementation of affirmative action. Bumiputera preferential measures have been confined largely to the public sector, especially in the areas of employment and education. The ethnic Chinese- and Indian-dominated private sector has remained relatively cushioned from redistributive requirements, except in respect to some areas of public procurement and equity ownership. This bargain or balance has, to some extent, alleviated group-based conflict over employment and commercial opportunities but has not fundamentally altered the economy's ethnically segmented nature.

In many respects, this affirmative action bargain has been successful, but not without costs and strains, some of which are growing. Majority affirmative action has led to increased representation of the Malay majority in high-level occupations and has helped to foster Malay urbanization and middle-class formation, but the policy has also created a sense of deprivation and injustice among non-Bumiputeras. Unequal access to university admissions, public sector employment, government contracting and allocation of state resources are sources of consistent grievance. Similarly, parallel systems of communal schooling, especially at the primary level, may allay tensions between co-

existing groups, but these institutions also segment society and reduce inter-ethnic interaction, thus impeding the development of personal relationships across groups that might be formed through a more inclusive approach to public schooling.

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The Malaysian approach to national unity, which combined recognition of minority cultural spaces in return for support of preferential economic opportunities for the indigenous majority, could have been a first step towards a more pluralistic and inclusive sense of citizenship, reducing horizontal inequalities while acknowledging the importance of ethnic and linguistic differences. However, far from moving towards inclusive citizenship, the recent trends are arguably in the reverse direction. A legitimate demand by the Malay majority to reduce horizontal inequalities has, in some circles, morphed into a more aggressive form of hegemonic Malay nationalism, often tied to political Islamization, reducing the acceptance of minorities, and deepening group polarization.

More flexible and forward-looking interpretations of the law and changes to policies will be required to remove constraints on minorities and expand

the parameters of pluralism. As specified in the constitution, reform in the direction of greater inclusion could be facilitated by more effective affirmative action policies and exit strategies, and by resisting efforts to define the nation in exclusionary ethnic or religious terms. At present, the growth of Malay nationalism and Islamization dim the country's prospects for a transition toward a more inclusive conception of nationhood.

## THROUGH A PLURALISM LENS

### Sources of Inclusion and Exclusion

The Global Centre for Pluralism asked each author in the Change Case series to reflect on the sources of inclusion and exclusion through a pluralism lens—that is, using the Centre's “drivers of pluralism” framework. Some highlights from the full Malaysia case are included here.

### Livelihoods and Wellbeing

- Affirmative action supplemented by accommodative policies can lead to improved economic outcomes for targeted groups and contribute to positive outcomes in some areas for other groups.
- Increased representation of Malays in high-level, public-sector occupations and the creation of an urban Malay middle-class has empowered the majority but not all Malays have benefited equally.
- With no exit strategy, over time, affirmative action can act as a restraint on social and economic mobility and inspire resentment based on the

state's unequal distribution of benefits.

- Although affirmative action is fundamentally ethnicity- or group-based, need-based and merit-based considerations can play complementary and reinforcing roles.

### Law, Politics and Recognition

- Constitutional and legal frameworks can constrain pluralism, although fresh interpretations of the law can carve out spaces for reform in the direction of inclusiveness.
- Application of the Malaysian Constitution's provision for a need-based assessment of affirmative action policies is a potential engine of greater inclusion.
- The Malay majority's “special position” and political domination leave little room for a more inclusive conception of nationhood.

### Citizens, Civil Society and Identity

- Communal mobilizing by minorities can create civic spaces for cultural expression, while also widening educational opportunities through vernacular schools, but group segmentation continues.
- A Malay-centric national identity and the pursuit of Islamization raise concerns about the place of non-Malays in the nation and about the integration of minority ethnic and religious identities.
- Malaysian citizens have shown increasing consciousness and assertiveness to rally behind issues, many of which transcend ethnicity, and are less driven by identity politics than in the past.

## Education, Religion and Media

- Majority affirmative action has its greatest impact on productive, capability-building measures, especially in the field of education.
- The application of affirmative action in education has enhanced Bumiputera representation in universities, but equity of educational opportunity for all groups remains a distant goal.

## CONCLUSION

Affirmative action and Malay political domination have combined to improve the overall economic position of the Malay majority. But the status quo is unacceptable to many non-Malay citizens, who question the capacity of the existing affirmative action system to achieve Malaysia's stated aspiration of unity in diversity. Reforms toward greater interaction and shared benefit among the country's still segmented groups would advance recognition, fairness and inclusiveness as the bases of a new pluralistic citizenship. A new approach to diversity that balances merit-based opportunities with needs-based social programs is one way forward.

## CASE AUTHOR

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### **Acknowledgements**

The Centre gratefully acknowledges the collaboration of Will Kymlicka, of Queen's University, and the other members of our international research advisory group. The Change Case Series was developed with generous support from the International Development Research Centre. To download the full Malaysia change case, please visit [pluralism.ca](http://pluralism.ca).

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This work was carried out with the aid of a grant from the International Development Research Centre, Ottawa, Canada.

The views expressed herein do not necessarily represent those of IDRC or its Board of Governors.

This analysis was commissioned by the Global Centre for Pluralism to generate global dialogue about the drivers of pluralism. The specific views expressed herein are those of the author.

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