MALAYSIA AND THE CONSOCIATIONAL OPTION:
IS THERE A PATH DEPENDENT LOGIC?

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Working Paper No: 2013/01
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Abstract

This paper attempts to explain Malaysia’s consociational character. By giving centrality to the historical process and concept of path dependence, the paper explains that Malaysia’s political and economic development necessitated a particular institutional logic, the consociational logic. The paper will describe how, in the post war period, Malaya’s two autonomous communities made various attempts to negotiate the existence of mutually-exclusive institutions and to find the right institutional permutation that could best distribute political and economic resources. In fact, three institutional arrangements were tried: consociationalism; integration; and partition. Out of the three institutional options, the consociational arrangement stood out as a more durable one.

Introduction

On the eve of British rule in Malaya, on 31 August 1957, the Duke of Gloucester, who represented the Queen, gave his vote of confidence that “Malaya will respond worthily to the challenging tasks of independence” and “will continue to show to the world the example of moderation and goodwill between all races that has been so marked a feature of her history.”

More than fifty years on, the Duke of Gloucester’s words still ring true as modern Malaysia continues to grapple with moderation and goodwill between its different ethnic groups. Malaysia’s political economy is characterised by a power sharing arrangement, what Arendt Lijphart (1969) defines as consociationalism. Lijphart describes consociational democracy as “government by elite cartel designed to turn a democracy with a fragmented political culture into a stable democracy.” He in fact describes Malaysia’s political arrangement as being consociationalism since 1955, “with a temporary breakdown from 1969 to 1971.”

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Following Lijphart’s work, many others have used consociationalism to describe Malaysia’s political economy. Hague (2003) and Brown (1994) describes the Malaysian polity as a variant form of consociationalism, labelling it an “ethnic democracy”\(^4\) with “consociational variety”\(^5\). In her later work, Mauzy (1993) defines the Malaysian polity as one of “coercive consociationalism”\(^6\). Nordlinger (1972) gives a more expanded version of Malaysia’s power-sharing arrangement, describing the Malaysian polity as an “open regime” where there exist channels of communication for political demands and where government actions are dictated by mixture of competition, conflict and compromises.\(^7\) Without doubt consociationalism has become an imprint of Malaysia’s political and economic character so much so that Malaysia’s political organisations from either side of the political divide are still stuck in power sharing arrangement.\(^8\)

Despite its persistence, Malaysia’s consociationalism was not a contrived act, put together by the British administration on the eve of its Independence in 1957.\(^9\) In fact, consociationalism went against the grain of British expectations such that the administration made several attempts to undo the consociational partnership between Malaya’s largest political parties, the United Malay National Organisation (UMNO) and the Malayan Chinese Association (MCA) after both parties secured convincing victories in Malaya’s various municipal elections between 1952 and 1953.

The colonial administration was more in favour of Onn Jaafar’s non-communal Independence of Malaya Party. Though seemingly attractive, the IMP’s non-communal posture obtained little traction from the Malayan public. In the various elections held between 1952 and 1953 the IMP won only 3 seats.\(^10\) In contrast, the UMNO-MCA alliance won 94 out of 119 seats on contest. And in the crucial Federal Election in 1955, which was a barometer for Malaya’s readiness for independence, the UMNO-MCA alliance obtained wide public approval; it won 81 percent of the vote and took up 51 out of 52 seats contested.\(^11\)

The Malayan public endorsement of the UMNO-MCA alliance as reflected in the outcome of the municipal elections did not go down well with the colonial administration. In a report, the British High Commissioner Sir Donald McGillivray wrote to the Colonial Office expressing that “the present diversity
of political parties in the Federation was extremely unfortunate and had a bad effect on inter-communal cooperation.”  
12 McGillivray noted that the UMNO-MCA Alliance “is not a helpful movement” unlike the IMP which he noted had the “the right spirit and aims.”  
13 In a separate letter McGillivray expressed his intention to reduce the number of political parties to curtail communal politics, reiterating that “our policy is to build a united Malayan nation (and) we cannot endorse the communal motives of either group.”  
14 Given his way, McGillivray wanted the UMNO and the MCA to be as far as possible “non-political” and be primarily concerned with social welfare activities.  

The administration also made others to curb the UMNO-MCA consociational arrangement. In 1952, British High Commissioner General Templer issued the Lotteries Ordinance Act forbidding any organisation involved in political activities to run lottery activities.  
16 The Act was really an attempt to ban the MCA’s lottery activities which were the party’s main source of funding. And to make clear its endorsement of the non-communal politics, the colonial administration appointed Onn Jaafar, the head of the IMP, as “Deputy Leader of the Government” in the Federal Council and also made Onn the elected member for Home Affairs, despite the IMP’s heavy defeat in various municipal elections.  
17 Onn was also a key participant at the British organised National Conference in 1953 which was part of an attempt to postpone the Federal Election.  

It seems that the UMNO and the MCA determination to keep the alliance and power sharing arrangement remained undiminished despite British best efforts to undo the pact. More importantly is that both the UMNO and the MCA remained committed. Logically, the UMNO could break away from the alliance, especially after securing convincing wins in the various municipal elections. UMNO’s hold on power could also be more than secure given that 84 percent of the voters were Malays with the Chinese voters making up only 11 percent. Yet, instead of going alone, the UMNO chose to stay with the Alliance. The UMNO not only partnered the MCA it also called another communal party, the Malayan Indian Congress (MIC) to join its ranks. And in a display of goodwill, the MCA contested 15 out of the 52 seats, almost 30 percent of all seats and far in excess of the percentage of Chinese voters. Equally impressive is that, in the election, MCA candidates won in areas where Malay voters formed the majority.
The above developments impose interesting questions. Why was the Malayan public so convinced of the UMNO-MCA alliance? How can one explain Malaysia’s consociational logic? Were there any other political permutations that Malaya experimented before agreeing to a consociational arrangement? What made consociationalism or a variant of it, an imprint of Malaysia’s political and economic character? More interestingly, after ruling Malaya for more than 100 years, why didn’t the colonial administration see the coming of a consociational arrangement?

These are questions that this article attempts to address. The paper will describe how Malaya’s significant actors tried out three institutional permutations to distribute political and economic resources in the years before Malaya’s independence in 1957. These permutations were efforts at reconciling the existence of mutually exclusive institutions brought mainly by the presence of Malaya’s two dominant communities, the Chinese and the Malays. The first permutation was the consociational arrangement. This permutation required political constituents to come up with a common arrangement but without them surrendering core values. Early consociational arrangement was seen through the partnership between the All Malayan Council for Joint Action (AMCJA) and the Pusat Tenaga Rakyat (PUTERA) and the alliance between Malayan Communist Party (MNP) and the Malayan Nationalist Party (MNP) alliances. It was later followed by the setting up of the Communities Liaison Committee (CLC) and later the UMNO-MCA alliance. The second method was the integrationist approach. This required Malaya’s autonomous communities to surrender their identities and work towards common core values. The approach demanded that political parties (that were ethnically based) be dissolved and their members subsumed within a common political platform. This arrangement was put forward by Onn Jaafar when he established the Independence of Malaya Party (IMP). The third option was the neatest but potentially the most fractious. It involved creating partitions that would ensure that each autonomous group retains its exclusive institutions. This method involved the sectioning of Malaya into two states; the Chinese-majority Straits Settlements of Singapore, Penang and Malacca and the Malay-majority states of Johor, Negeri Sembilan, Terengganu, Pahang, Perak, Selangor, Perlis and Kelantan. This idea was aggressively pursued by Penang and Singapore in the late 1940s and early 1950s.

The article is laid out as follows. The first part of the article will provide a brief account on how Malaya developed mainly two communities with mutually exclusive institutions. This is by no means a detailed
account given the constraints of space, but it will hopefully provide an overview of the evolution of Malaya’s dominant communities with their exclusive institutions. The second part of the article will describe Malaya during and after the Japanese Occupation. This is done primarily to provide an account of the social, political and economic turmoil experienced by Malaya’s two dominant communities, as they negotiated the existence of mutually exclusive institutions. The final part of the article will describe the crux of this article; the three institutional arrangements. The paper will then summarise why in the end, the Malayan public was more convinced of the Alliance party’s consociational arrangement as opposed to the other arrangements.

The formation of Malaya’s two separate communities

How can one explain Malaysia’s consociational logic? What made consociationalism or a variant of it, an imprint of Malaysia’s political and economic character? In attempting such questions, this paper argues that British colonial policies had engendered the growth of two autonomous groups – Malays and Chinese – whose nature of political, social and economic organisation, at the point of Malaya’s independence in 1957, had made it inevitable for them to embark on some form of consociational arrangement.

In explaining Malaya(sia) consociationalism, centrality must be placed on the historical process. The study is premised on the fact that British colonial policies were rational. But these rational policies, however, overlooked the path dependent nature of policy choices, one in which short-term rational decisions produced long-term economic, social and political consequences which were far in excess of short-term goals. In the case of Malaya/Malaysia consociationalism was the result of slow-moving nature of political and social processes that engendered the growth of two autonomous communities – Malays and Chinese – with mutually exclusive sets of institutions. These processes were insignificant in the short term but proved transformational when viewed from a long-term perspective.  

A central idea to explaining this slow moving process is the concept of path dependence. Path dependence played a crucial role in the persistence and formation of Malaya’s two autonomous communities with mutually exclusive institutions. The constraint of space here, does not allow a full
discussion but a path-dependent analysis subscribes to three main features. First, it involves causal processes that are highly sensitive to events that take place in the early stages of an overall historical sequence.\textsuperscript{21} Second, path-dependence subscribes to the idea that initial conditions do not guide the predictability of the final outcome. Rather initial conditions only help build expectations along a particular path or choice.\textsuperscript{22} Third, a path-dependent analysis takes the view, that once a contingent event takes place, the event sets into motion a series of processes and tracks a particular outcome.\textsuperscript{23} In other words, once a choice is made, a self-reinforcing mechanism sets in where “each step in a particular direction makes it more difficult to reverse course.”\textsuperscript{24}

By adopting such an analysis, it can be argued that British administration persistently made rational choices at managing Malaya’s significant actors to serve its overarching objectives of seeking economic dividend with minimal economic and political costs. These rational policy choices, however, set off path dependent processes that created autonomous communities. British management of Malaya’s two communities set off two processes; first, the less-than-complete incorporation of the Chinese as new actors in Malaya’s political economy and second, a less-than-full retrenchment of Malay political dominance. We discuss this next.

**Rational Choices and their Consequences**

The nineteenth century saw the development of a strong state-Chinese business nexus as British presence in the Straits Settlements (Penang, Singapore and Malacca) and later in the Malay States saw the administration facilitating large number of Chinese migrants for purpose of economic development and resource exploitation. The introduction of Chinese labour and capital started in earnest in the middle of the nineteenth century and coincided with a conjuncture of events: the discovery of tin in the Malay States in 1850, increased global demands for the metal in the 1840s, and the end of China’s opium war in 1842 which opened the ports in China and encouraged large numbers of Chinese labour migrants to make their way to the ports of the Straits Settlements.

This period also witnessed the state becoming an active promoter of Chinese capital. This came in the form of Chinese *kongsis* or secret societies which were an organised form of Chinese labour and capital.
Over time, British encouragement and accommodation of Chinese labouring and capitalist classes gave rise to a powerful Chinese economic community that became increasingly incorporated into the political and economic structures of the Malay States. Such incorporation, however, slowed towards the late nineteenth century. But, even when British administration rolled back its incorporation of Chinese in Malaya’s political economy and relied less on Chinese capital in the twentieth century, the colonial administration’s earlier policies that had encouraged the formation of an important Chinese community had already created a path-dependent trajectory that only reinforced the continued functioning of the community. This eventually led to expanding and indispensable Chinese business networks and institutions and a politicised and settled Chinese community that would form an integral part of the Malayan political economy.

On the flip side, British policies towards the Malays involved the constant management of Malay political power to maximise Malaya’s economic potential. Throughout the nineteenth century, British policies were geared towards emasculating the role of Malay rulers and Malay feudal arrangement, which the administration viewed as incompatible with the demands of capitalism. These policies, however, did not go far enough. The colonial administration retreated from a complete removal of Malay de jure power after it realised that a complete dismantling of Malay feudal structures would result in considerable financial and political costs. This failure by the administration to fully eradicate Malay political and administrative role, set into motion further demands by Malay elites as they acquired new political and economic capacities afforded by British policies. These new capacities were manifested in the form of demands for greater administrative roles and greater access to educational and more equitable economic opportunities. By the middle of the twentieth century, the self-reinforcing nature of Malay capacity building led to new forms of Malay institutions and gave rise to Malay nationalism.

In sum, by attempting to mitigate the financial and political costs of dismantling the incompatible Malay feudal political economy, British policies helped preserve Malay de jure power while at the same time incorporate Chinese economic and political presence in Malaya. Over the long duration, these policy choices created processes that led to the consolidation of two large autonomous communities with
mutually exclusive sets of institutions that would increasingly compete for political and economic resources.

By the middle of the twentieth century, Malaya’s two communities had developed starkly different forms of political, social and economic organisations. The Chinese community had a slew of exclusive institutions. Initially Chinese secret societies formed the backbone of the Chinese migrant community. The community then developed other forms of organisations like the Chinese Chamber of Commerce and privately-run Chinese schools. In the twentieth century, the Chinese community developed strong transnational tendencies in which the community became drawn to the politics of their mother country. The twentieth century saw the Chinese community in Malaya importing many of China’s political, economic and social based organisations. This was first seen by the setting up of the Manchu consuls, followed by the reform movement which was then followed by the setting of Sun Yat Sen’s Kuomintang or the TongMengHui movement and later the introduction of a communist party by Chinese communist agents in 1927, which was first called the Nanyang Communist Party and later renamed the Malayan Communist Party. The development of an autonomous community with deep transnational links was amply demonstrated by the community’s effort in aiding China’s Sino-Japanese war in 1938. Both the Kuomintang and the Malayan Communist Party were aggressive in obtaining Chinese support in Malaya by setting up organisations that were meant to offer resistance to the Sino-Japanese war.25

The Malays also had, by the late twentieth century, developed into an autonomous community with its own set of exclusive institutions. The twentieth century saw the growth of Malay intellectuals and aristocrats who were beneficiaries of British preservation of Malay de jure power. These personalities were behind the setting up of numerous Malay political and social organisations. They were behind the establishment of Malay associations like the Pahang Malay Associations, the Selangor Malay Associations, the Kesatuan Melayu Singapura and the Perak Malay Associations. They were also behind the setting up of numerous Malay newspapers that effectively functioned as “viewspapers” that predominantly carried Malay developmental concerns.26 The twentieth century would also see Malays increasingly making demands from the colonial administration to institute Malay based institutions. There were several Malay institutions that bordered on British affirmative action policies. These were the various Malay Reservation Land Policies in 1912, 1917 and 1931, the promotion of Malays in the civil
service where in 1922 seven out of ten appointments must go to Malays and the promotion of Malay education with the setting up of the Malay College and the Sultan Idris Training College.

By the 1940s and prior to the Japanese Occupation, Malaya was seeing the presence of two large autonomous communities with mutually exclusive institutions. The end of war however heightened Malaya’s two dominant communities increasingly competing for access to political and economic resources. The competition between Malaya’s two dominant communities was also aided by a new British administration after the war that lifted pre-war restrictions on the formation of associations and assembly, what Harper (1999) describes as the British promise of a Malayan Spring.27

In the initial months after resuming power, the British administration attempted to provide a more inclusive political community by lifting However, British relaxation on political organisation and the expansion of political discourse turned out to be an experiment that saw Malaya being swept further into a political flux.28 The “Malayan Spring” unearthed new forms of democratisation and laid bare the potency of mutually exclusive institutions harnessed in the pre-war years. It brought forth the sharpness of the institutional divide that existed between Malaya’s actors and unfurled Malaya’s autonomous communities’ competition for political and economic resources.

In fact, the ethnic riot involving the MCP days after the Japanese surrendered, the Malayan Union and the numerous social and political upheavals that followed the war laid bare the deep differences between Malaya’s autonomous communities. These episodes raised new expectations as well as questions amongst actors on how best to distribute Malaya’s political and economic resources. What would be the best solution to bridge or reconcile the interest of Malaya’s two autonomous communities with of mutually exclusive institutions? The paper believes that three institutional arrangements were experimented. We discuss them below.
The First Option: The Start of Malayan organizations and the Shaping up of Consociationalism

Months after the resolution of the Malayan Union proposal and the quelling of ethnic strife, Malaya’s political organizations began to take baby steps towards seeking a sustainable political solution. One of the earliest efforts at a consociational arrangement was the setting up of the All Malayan Council for Joint Action (AMCJA) in December 1946, initiated by the Malayan Democratic Union (MDU) with Tan Cheng Lock as Chairman.29

The AMCJA prime concern was to reject the proposed Federation Agreement, on grounds that the Agreement did not grant equal opportunities to non-Malays.30 Among the other demands made by the AMCJA were: a united Malaya inclusive of Singapore; self-governance through a fully elected legislature; and equal citizenship rights to those who made Malaya their permanent home and the object of their undivided loyalty.31 In the months between December 1946 and February 1947 the AMCJA went on an aggressive publicity drive using news publications and staging demonstrations to seek public rejection of the Federation Agreement.

What is relevant here is that the AMCJA knew that its political goals would be better realised by co-opting Malaya’s other actors. Besides asking the Chinese Chamber of Commerce (CCC) 32 to join its ranks, the AMCJA courted Malay support. In 1947 the AMCJA partnered a number of left-wing Malay cultural organizations. These organisations came under the Malay Nationalist Party (MNP) and collectively called the Pusat Tenaga Rakyat (PUTERA). The marriage was called AMCJA-PUTERA.

In the early part of the AMCJA-PUTERA partnership both parties seemed to understand that their demands must only be as good as their preparedness to keep the partnership. Besides coming up with a six-point agreement to the Colonial Office to counter the Federation Agreement and calling for the redrafting of a new Federation Agreement, the AMCand sending a delegation
In the months leading to the final drafting of the Federation Agreement, the AMCJA-PUTERA took various efforts to reject the Agreement. This included boycotting the government-sponsored Consultative Committee and calling on the British authority to set up a Royal Commission to draft a new Federal Constitution. Towards the end of March 1947, the AMCJA-PUTERA coalition sent a six-point agreement to the Colonial Office to counter the Federation Agreement. The AMCJA-PUTERA even considered sending a delegation to London to be headed by Tan Cheng Lock to convey their dissatisfaction with the Federation Agreement. One of AMCJA-PUTERA’s most impressive moves was when they came up with their own version of the Federation Agreement called the People’s Constitution which, among others, recommended that:

1. British government to end colonial rule and place real power in the hands of the people who would elect not only their state legislative Assemblies but also a Central Legislative Assembly, or Parliament, which would in turn elect the Prime Minister and his Council of Ministers.
2. The British king would be the constitutional monarch of the settlements of Singapore, Malacca and Penang...and the Sultans would become constitutional monarchs in their own states
3. Malay to be the National Language
4. Citizenship of all to be “Melayu”
5. Council of Races to be formed to vet any racial discrimination

The People’s Constitution was indeed an ambitious plan. But, more significantly, the effort bore the imprint of a consociational logic. It was an effort by Malaya’s two large communities at reconciling the presence of mutually exclusive political and economic interests. This early effort at consociationalism was poignantly captured by a Straits Times report that describes the AMCJA-PUTERA effort as “the first attempt to put Malayan party politics on a plane higher than that of rival racial interests and also the first attempt to build a political bridge between the non-Malay communities and the Malay race.”

The Straits Settlement Governor-General, however, deemed the AMCJA-PUTERA initiative as “idealistic and impracticable”. The Colonial Office saw the document as purely academic, put together by people who were
“either unaware of, or unwilling to face, the real difficulties of personal and racial animosities, and of economic activities, which make Malayan politics so confused and the problem of settling a stable constitution so intractable.” 36

To put things into perspective, the AMCJA-PUTERA partnership, its six-point agreement initiative and its proposed People’s Constitution all demonstrate that Malaya’s political actors were beginning to weigh the constraints and trade-offs that came with Malaya’s plural society and the presence of exclusive institutions. In fact, on closer inspection, elements of consociationalism are written in the People’s Constitution. The constitution bore attempts at seeking common grounds that would be acceptable to all parties. For example, the People’s Constitution states that citizenship rights must come with the non-Malays’ willingness to assume the “Melayu” nationality and to acknowledge the Malay language. In return, Malays must be willing to give up the Sultan’s special position and lose Malay privileges which they had enjoyed thus far. Clearly, the constitution was a radical move at seeking a compromise.

However, towards the end of 1947, cracks began to appear in the AMCJA-PUTREA partnership as both parties refused to give up their extreme ideological stance and reconcile competing interests. The alliance was mired with bitter and at times petty squabbles. One incident involved the refusal by the Chinese Chamber of Commerce to accept the appointment of the leftist component of the AMCJA. Another instance saw the AMCJA attempting to appease its non-Malay constituents by refusing to accede to PUTERA’s demands for Malay to be the official language and “Melayu” to be the Malayan nationality. The AMCJA also rejected PUTERA’s ultimate objective for an eventual merger with Indonesia which would mean political emasculation of the Chinese community. 37 For the PUTERA it refused to give in to AMCJA’s demands to tweak the proposed adoption of the Malay language and “Melayu” (Malay) as the official Malayan race. PUTERA stood by its decisions mainly because it did not want to be seen as overly compensating to the demands of non-Malays (AMCJA) and to lose substantial Malay support.
The failure of the AMCJA-PUTERA coalition illuminates the challenges to consociational arrangement. To start, the AMCJA-PUTERA partnership exacted too much from each other. The AMCJA-PUTERA partnership failed to appreciate the presence of highly entrenched mutually exclusive institutions. The partnership did not recognise that any concessions would require each party to give up parts of their exclusive values. It did not fully appreciate that giving up such values was daunting as it needed high doses of trust and confidence. And given the nascent stage of Malaya’s plural society, such trust and confidence were apparently in short supply.

The AMCJA-PUTERA partnership highlights two things. First, it turns the spotlight on the consociational logic. It has made apparent that Malaya’s development trajectory has somehow made consociationalism an almost inevitable option for a sustainable political solution. Second, the AMCJA-PUTERA partnership or rather the failure of it, highlights the special demands needed to make consociationalism work. It is apparent that having an idealistic solution demonstrated by the AMCJA-PUTERA’s six-point agreement and People’s Constitution was not enough. A sustainable solution must take into account the practical realities of competing demands; populist policies need to be tempered with doses of political pragmatism.

The consociational stance exhibited by the AMCJA-PUTERA coalition was in fact preceded by an earlier initiative by the MCP. In the months after the Malayan Union was floated, the MCP attempted to win Malay support by partnering the left-wing Malay Nationalist Party (MNP) which was set up in November 1945 and led by Ahmad Boestamam. The alliance, however, became untenable as both parties could not compromise on fundamental differences and adopted extreme positions. The MNP, for instance, advocated a Union of Malaya that gave all ethnic groups equal opportunities but with the ultimate aim of merger with Indonesia. The MCP rejected such a stance, fearing that a union with Indonesia would diminish Chinese political strength as the Chinese would be in the minority.38

Having failed to make the MCP-MNP coalition work, the MCP made another attempt at courting the Malay ground, realising, no doubt, that any meaningful national movement must incorporate Malay support. In August 1946, the MCP produced a strategy to develop a Malay National Movement. The
strategy included: intensifying the spread of party propaganda among Malays to entice them to join the party; to train Chinese personnel to be well-versed in Malay affairs and if need be, adopt their religion and nationality; to mobilise members to work with Malay community; to give support to the Malay division; and to submit regular reports on Malay development. To demonstrate its seriousness in shedding its Chinese image and win Malay support, the fourth issue of Freedom News, MCP’s own publication, criticised its members for clinging to transnational ties, reminding them that:

“Is it proper to love the China Communist Party and not the Malayan Communist Party...[t]he Chinese and Indian nationals have their hearts in China and India respectively...[w]e communists are internationalists...what is the communists’ fatherland? It is neither China nor India, it is Malaya.”

Despite its best efforts, the MCP largely failed to obtain mass Malay support. Nonetheless, the MCP’s various efforts at incorporating Malay political constituents reiterate the point that the MCP understood that a sustainable political solution must lie with bridging Malaya’s mutually exclusive institutions.

The cases above made it apparent that, after almost 100 years of British management, consociationalism has been built into Malaya’s political arrangement. This built-in arrangement became more obvious in the coming years. Another demonstration of the consociational logic is the formation of the Communities Liaison Committee. The Communities Liaison Committee (CLC), formed in 1949, came on the back of the failed power-sharing attempts by the MCP – the MNP and the AMCJA-PUTERA partnership. The CLC preceded the eventual formation of the Alliance movement and brought together Malay and Chinese political leaders who would later become core members of the UMNO and Malayan Chinese Association (MCA). The CLC was a discussion group involving the UMNO president, Onn Jaafar and twenty members, most of whom were members of the Federal Council. The founding members of the CLC included Tan Cheng Lock and HS Lee who would later become core members of the MCA. The first meeting was held in December 1948 at Onn Jaafar’s residence. Onn was initially prodded by Malcolm Macdonald, the Commissioner General for Southeast Asia, into forming some kind of loose forum involving Malaya’s various leaders. Macdonald’s initiative was perhaps prompted by the British
need to circumvent Malaya’s race politics and left-wing political development in the late 1940s which were couched by the MCP-MNP partnership and the formation of the left-wing AMCJA-PUTERA alliance.

The CLC meetings and negotiations were informal, wrapped in secrecy and away from the public glare. The modus operandi of the CLC was geared towards finding a broad consensus and minimising friction. Such was the arrangement that, at times, issues raised in the CLC were not discussed at individual party level to prevent unwanted “noise”. It was only after decisions had been reached between the Malay and Chinese leaders that the agreed matter would be forwarded to the federal council for deliberation.41

Within closed doors and away from public scrutiny, the CLC managed to tackle thorny issues involving non-Malay citizenship rights and Malay political and economic privileges. With regard to the non-Malay citizenship rights, the committee acknowledged the presence of the Chinese transnational attachment, but argued that to continue alienating the non-Malays by not granting them Malayan citizenship would be detrimental to Malaya’s long-term political development. In his memo to the Secretary of State for the Colonies, the MCA President Tan Cheng Lock mentioned that citizenship could well be the panacea in mitigating Chinese transnational links pointing out that

The only effective way of weaning the China-born Chinese from being concerned with Chinese national politics is to make a generous offer to them, as for instance, under the original Malayan Union Schemes, of Malayan citizenship, which alone can reconcile them to their loss of interest or participation in the Kuomintang. We cannot have it both ways, i.e. prevent the Chinese from embracing the Kuomintang or any other Chinese National Party or object thereto and at the same time place obstacles to their becoming Malayan citizens.42

In the coming years, the call to grant more liberal citizenship rights to non-Malays became a focal issue in the CLC. Using the CLC platform, Malcolm McDonald convinced the UMNO leaders that failure to
grant liberal citizenship to non-Malays would run the risk of encouraging the Chinese population to take on extreme position and force them to align with the MCP and left-wing politics.

In exchange for granting liberal citizenship rights to non-Malays, the CLC also agreed that Malay special rights treatment in the Federation of Malaya Agreement remained non-negotiable. The UMNO leaders in the CLC also wanted economic privileges to be rendered to Malays. The demands would lead to the setting up of the Rural and Industrial Development Authority (RIDA), the provision of government subsidies to Malay businesses and granting access for Malays in certain industries. Other Malay demands raised in the CLC included providing employment for Malays in the public sector, greater access to education and quota allocation for Malays in non-Malay business setups. In negotiating the various demands, the UMNO leaders, however, did not take a provocative stance. Rather, the party reiterated the idea of trust and voluntary cooperation on the part of non-Malays to assist Malays economically.

On the whole, the CLC provided a platform that allowed Malayan leaders to negotiate difficult issues and seek realistic political solutions. The CLC’s modus operandi that emphasised on elite negotiation without public scrutiny was tactically astute as it allowed CLC members to find politically workable solutions without much distraction. With such an approach, the CLC avoided public responses that could hamper or derail the overriding need for a sustainable political solution. This proves to be important as the CLC negotiations concerning Malay privileges and non-Malay citizenship were carried out at a time of much political volatility and an uncertain post-war economic environment.

The decision by Malaya’s elites to form the CLC reemphasises the point that Malaya’s political and economic trajectory had taken on the consociational logic. In hindsight, the CLC was a nursery for Malayan leaders to strike agreeable institutions amidst the prevalence of exclusive ones. The success of the CLC paved the way for an eventual formation of the Alliance party which was made up of the UMNO, the MCA and the Malayan Indian Congress (MIC). Besides the consociational arrangement that the CLC, the AMCJA-PUTERA and the MCP-MNP partnership espoused, there were other political
arrangements that attempted to do away with the consociational logic. We turn now to the integrationist approach.

The Second Option – The Integrationist Approach

In 1951, Onn Jaafar the founding father of UMNO attempted an alternative to the consociational logic when he established the Independence of Malaya Party (IMP). Unlike the CLC, AMCJA-PUTERA and the MCP-MNP consociational arrangement, Onn’s IMP was integrationist in nature. It required Malaya’s autonomous communities to completely surrender their core values and work towards having common ones. It demanded that political parties (that were ethnically based) be dissolved and its members subsumed within a common political platform.

Onn’s decision to set up a non-communal party was prompted by several factors. First, the newly-minted Federation Agreement continued to raise nagging issues regarding non-Malay citizenship and matters regarding Malays’ and non-Malays’ political and economic rights. Onn felt that a way out of this conundrum was to do away completely with ethnic politics. Second, there was dissatisfaction among some quarters on the British decision to exclude Singapore from the Federation. To them, Singapore was an important part of Malaya and there should be no fear that Singapore’s Chinese majority would overwhelm Malay political dominance. Onn felt, that a non-communal party like the IMP could erase such a fear. Finally, Onn’s decision to set up a non-communal party could also be due to his desire to convince the colonial administration that Malaya was ready for Independence. He was of the belief that Malaya would be granted independence only when it could resolve its ethnic-based political challenges; hence the name Independence of Malaya Party.

The IMP was established after Onn failed to convince the UMNO to allow non-Malays into the party’s ranks. As President of the UMNO, Onn wanted to rename UMNO the “United Malayan National Organisation” and called on UMNO members to replace the slogan Hidup Melayu (Long Live the Malays) to a more inclusive slogan Merdeka (Independence). Onn also reiterated his ambition to work towards a possible merger with Singapore in response to calls especially from business interests in Penang and Malacca. Having failed to convince the UMNO, on 16 September 1951, Onn presided the first meeting
of the IMP together with Tan Cheng Lock, who was then the President of the MCA and S Thuraisingham. The party passed a number of resolutions. One of IMP’s main objectives was to establish a sovereign Independent State of Malaya that would provide equality of opportunity and provide Malayans equal political, social and economic rights.

Onn Jaafar’s moves to establish the IMP turned out to be a political gamble that would eventually lead him into a political wilderness. Though Onn was confident that the IMP non-communal platform would get him ample support, Onn soon found that support for the IMP was in short supply. Chinese leaders, like Tan Cheng Lock, who despite showing initial intention to support Onn’s political plan began to distance from IMP’s activities. Unlike Onn Jaafar who gave up his post as president of the UMNO, Tan Cheng Lock who presided the first meeting of the IMP held on to his MCA party post. Months before 16 September 1951, Tan wrote to George Maxwell, a former Resident General. Though the letter showed his support for Onn’s proposal, Tan’s words fell short of a full commitment to join the IMP.

Tan’s move gave indication that Onn Jaafar’s non-communal politics would not get much support from Chinese leadership. To be fair, Tan Cheng Lock did try to raise the issue of non-communalism in the MCA. Tan mooted for the MCA to allow non-Chinese to take up party appointment and voting rights. This, however, was roundly rejected by MCA members. Strongest opposition to Tan’s proposal came from the MCA Selangor and Perak branches, both strongholds of the influential Chinese Chamber of Commerce. Tan’s failure to convince the MCA leadership echoed the general sentiment of the larger Chinese community who felt that Malaya, at the time, was not prepared for an integrationist approach. In fact, Tan Cheng Lock’s deputy, the wealthy businessman, H S Lee, who headed the Associated Chinese Chamber of Commerce and who helmed the influential Selangor Chinese Chamber of Commerce, felt that “Tan Cheng Lock’s vision of a political utopia in Malaya – symbolised by harmonious multiracial coexistence under the leadership of the IMP or other such multiracial organisations – was mere wishful thinking.”

HS Lee together with other members of the MCA working committee felt that despite the attractiveness of Tan’s proposition, the Chinese masses as well as Chinese businessmen would not buy into the IMP’s non-communal politics. More importantly, instead of advocating that the MCA join the IMP coalition, H S Lee surprisingly wrote to Tan Cheng Lock urging him to consider a possible UMNO-MCA alliance for the Kuala Lumpur Municipal election in February 1952, suggesting that “if the UMNO-
MCA could be established in other parts of the country, it would go a long way to achieve a united Malaya.\textsuperscript{51} Despite Tan’s earlier promise to Onn Jaafar, Tan Cheng Lock could do nothing to dissuade H S Lee from arranging an MCA-UMNO alliance.\textsuperscript{52} During the ensuing municipal election, Tan Cheng Lock chose not to comment on the MCA’s decision to partner the UMNO, and he stayed away from IMP activities during the Kuala Lumpur election.\textsuperscript{53}

Deprived of much needed support, Onn’s integrationist formula failed to live up to expectations. The IMP fared poorly in Malaya’s first municipal election in Kuala Lumpur in February 1952. Out of twelve seats the IMP only managed to win two, both in the Indian-dominated constituency of Bangsar. The remaining 10 seats were won by the UMNO-MCA alliance. The pull of communal politics and the attractiveness of a consociational arrangement under the UMNO-MCA ticket were evident when all six MCA candidates won the seats they contested. UMNO candidates won three out of the five seats contested. In the period 1952 – 1953, out of 134 local government seats, the IMP only won 3. This was in sharp contrast to the UMNO-MCA performance. In 1952, the UMNO-MCA alliance won 32 out of the 43 contested seats in the various municipal and town elections. In 1953, the UMNO-MCA alliance won 64 out the 92 seats contested in local government elections.

Even if some might argue that the IMP’s heavy loss could be due to the IMP’s failure to match the well-organised election machinery of the UMNO and the MCA, the IMP’s systematic defeats in the various elections also suggest the premature nature of Onn Jaafar’s experiment with non-communal politics. Onn chose to ignore that the political reality at the time warranted a different solution. The IMP overlooked the presence of deeply entrenched exclusive institutions. For Malaya’s two dominant communities, choosing the IMP required a huge leap of faith as it demanded them to give up some or all of their exclusive institutions. As the Straits Times report points out, on the aftermath of the Kuala Lumpur election, one “of the more regrettable conclusions is that by and large it was, however, a communal vote.”\textsuperscript{54}

In the months following the election the IMP found it increasingly hard to detach itself from the realities of Malaya’s communal politics. Unsurprisingly, the IMP began to relinquish its non-communal stance.
and started to veer towards a more consociational stance. Take, for instance, the report by IMP election agent, Yong Pung How. In a confidential memorandum to the IMP leadership, Yong pointed out that the present structure of Chinese society “necessitated the setting up of a Chinese community liaison committee.” A month after the Kuala Lumpur Municipal election, the IMP set up a Chinese Advisory Committee “with powers to advise and implement party policies in so far as they affected the Chinese.” Though the committee was never formed, the proposal indicates the IMP’s recognition that their non-communal political stance needed to be tweaked to take into account the consociational logic.

Besides the appeal to the Chinese community, the IMP leadership also realised the need to address the Malay problem. In a surprising overture, the party’s founding member E C Thuraisingham wrote to Onn Jaafar, telling him that the IMP’s non-communal stance and idealism must be tempered with realism. In fact, Thuraisingham proposed moves echoed that of British affirmative action policy for Malays. In the letter, Thuraisingham wrote of the need to promote pro-Malay affirmative action to gain Malay support, arguing that “equality for all communities is an ideal but how can there be real equality when there is so much of inequality in practically all fields of human endeavour?” He suggested a federal legislation in which “a percentage of employees in non-Malays concerns should be federal citizens, at all levels of employment, and that at least a minimum of 50% of such federal citizens should be Malays.” In the coming months, Onn Jaafar also acknowledged the challenge of establishing a non-communal political platform. He aptly captured Malaya’s political complex and the prevalence of mutually exclusive institutions when he said:

We have one community that desires to control the destiny of this country on the ground that they are sons and daughters of the soil. We have, on the other hand, another community which also desires to control the destiny of this country on the ground of its economic and financial influence.

Despite attempts to resuscitate its image, the IMP political relevance began to wane, no doubt aided by its vacillation from non-communal politics. In fact, in the coming years, Onn Jaafar began to take on a more communal posture. Onn was visibly disenchanted by the non-committal stance of Tan Cheng Lock
and the MCA. He began to pander towards winning the Malay support and using the MCA and its leadership as a convenient target. Onn maintained that the MCA had transnational political linkages, saying that there remained strong links between MCA leaders and Taiwan’s Kuomintang government:

I would remind you of the delegation of the Chinese Chamber of Commerce to General Chiang Kai Shek pleading the allegiance of 98% of the Chinese in Malaya to him. I have noted with some interest that moves and demands on behalf of the Chinese population have invariably been initiated by the Chinese Chamber of Commerce and then endorsed by the MCA. Every step that has been taken by the government in all sincerity for the progress of this country has been objected to by the Chinese Chamber of Commerce.\(^{60}\)

Over time, Onn Jaafar’s incessant attacks on Chinese politics, particularly the MCA, made the IMP’s political formula increasingly irrelevant. The IMP political posturing was now perceived as no better than other communal political parties, perhaps even a party that exhibited an extreme form of communal politics.

In the coming years, the IMP’s inchoate political philosophy saw it suffering a series of heavy election losses.\(^{61}\) Given its waning political currency, the IMP ceased operation on February 1954. In its place, Onn Jaafar set up the Parti Negara, which presumably was intended as a multiracial party but increasingly took on a more Malay outlook and relied less on non-Malays for support.\(^{62}\) In 1955, in the landmark Federal election, the UMNO-MCA alliance won all but one of the 52 contested seats. In contrast, the Parti Negara failed to secure any seat.

To sum up, it is apparent that the non-communal political vision couchèd by idealist like Onn Jaafar was ahead of its time. The idea came at a time when Malaya’s two dominant communities still held deeply entrenched mutually exclusive expectations. The IMP leaders failed to appreciate that for Malaya’s two communities to renounce exclusive institutions and to opt for integration would require huge trust,
which at the time was evidently wanting. There is yet a third approach that attempted to best distribute political and economic resources. We turn to this next.

The Third Option - Partition

The third option is the neatest yet potentially most fractious. It involved partitioning Malaya into two parts; separating the majority-Chinese Straits Settlements of Singapore, Penang and Malacca from the rest of the Malay States. This idea was aggressively pursued in the period 1948 – 1957, where efforts were made in Penang, Singapore and Malacca to rebuff the consociational arrangement and to settle for secession. There were also efforts made by Kelantan and Johor, both with large Malay majorities, to break away from the Federation. But the Penang secessionist attempt was the more serious and sustained. There was a natural predisposition for Penang to reject the Federation arrangement, given its predominant Chinese population and having had the experience of being under direct British control. The demands to stay outside the Federation were made by business interests and headed, among others, by the Penang Chamber of Commerce, the Penang Chinese Chamber of Commerce, the Straits Chinese Business Association and the Penang Indian Chamber of Commerce. In the early months after the formation of the Federation, there were emotional responses, specifically from Chinese business interests in Penang, who refused to give up their British citizenship and take on Malayan citizenship. Heah Joo Seang, who at the time headed Penang’s Straits Chinese Business Association (SCBA), remarked

“I really cannot understand the desirability of donning the mantle of Malayan citizenship unless I am forced to….It is below my dignity to do so.”

The secessionist movement proposed various initiatives. In late 1946, this movement proposed that Penang be allowed to stay as a crown colony and for Britain to retain the Straits Settlements arrangement comprising Malacca, Penang and Singapore. They felt that, by being part of the Malay federation, Penang would have to give up its free-port status which would erode its competitiveness when compared to Singapore. They also feared that Penang’s developmental interest would be severely
compromised as “the needs and claims of Penang are likely to be drowned in the clamour of the ten other members of the Federation for their own particular needs and claims.”

The calls for an alternative arrangement for Penang intensified in 1948. For Penang business interests, the economic slowdown in that year put further fear that besides losing its free-port status, Penang’s revenue would now have to go towards subsidising poorer Malay States. The Straits Chinese were particularly apprehensive about the Penang’s change of status. For the Straits Chinese, joining the Malay federation would mean losing their political status, which they enjoyed as British subjects. Joining the federation meant that they would now have to accede to Malay special rights which also meant having reduced access to civil-service appointments. These fears were underlined by the cutting remark made by the President of Penang Straits Chinese Business Association, Koh Sin Hock. In reaction to the question of Chinese loyalty and Malay special rights he said:

“I can claim to be more anak Pulau Pinang (a son of Penang) than 99 percent of the Malays living here today”

The most vocal demand for Penang secession came from T W Ong, the President of the Straits Chinese Business Association (SCBA) in Singapore. On November 1948, Ong wrote to the President of the SCBA in Penang and Malacca, urging them to restore the Straits Settlements and seek a referendum. Ong’s proposal was taken up by the Penang Chamber of Commerce, the Penang Chinese Chamber of Commerce and the Penang Indian Chamber of Commerce. It led them to set up an interim Secession Committee which was made up of several Straits and Federal Legislative council members. The committee held its first public meeting on 13 December 1948. This was followed by another on 2 January 1949, when the Secession Committee members met with Governor Malcolm Macdonald to seek a referendum for partition. The request however was turned down. On 9 February 1949 the committee proceeded to seek for a vote in the Straits Settlement Legislative Council. Again their proposal was defeated as only 10 of the 25 members of the council voted for secession. Noting that seeking the approval from the Federal Council would be an uphill task, the Secession Committee decided to make a direct appeal to the Colonial Secretary on 15 February 1949. Again the response was negative. London in
fact procrastinated on the request, not replying until September 1949. This series of rejection gave enough impression to the committee that the odds were heavily stacked against them. With the lack of leadership and no mass support and the string of rejections, the Committee knew that, short of a revolution, secession was a remote possibility.  

The issue of secession, however, resurfaced in the period 1953 – 1957. This time the interested parties called for the reinstatement of the Straits Settlement arrangement comprising Singapore, Malacca and Penang. Again, this was proposed by T W Ong, the President of the Singapore Straits Chinese Business Association (SCBA). There was also another call from the President of the Penang SCBA, Koh Sin Hock, for the island to be a separate state and to be placed under the jurisdiction of the British crown. However this second wave of secessionist demands was more muted and disorganised as the Straits Chinese held greater reservation with regard to Penang breaking away from the Federation. The demands were also ill-timed being made at a time when Malaya was preparing for independence. The colonial administration’s preoccupation with Malaya’s independence effectively drowned out the secessionist movement’s request for a separate state.

To sum up, the secessionist movement failed because it was clearly fractious and ill-timed. The call to partition Malaya proved daunting for various reasons. First, partition required a near homogenous population, failing which there would be the need to move peoples across the border to fit the required ethnic composition. This, of course, would only add to political and financial costs and would make such a solution politically unsustainable. Second, the secessionist calls were ill timed, coming as they did at a time when Malaya was still recuperating from bitter ethnic strife and heightened Malay nationalism following the Malayan Union proposal. Third, the demands fell on deaf ears because they were made during the Emergency period, a time when the British authority was preoccupied with containing the MCP’s influence over the rural Chinese community. Finally, the British administration was highly involved in the Communities Liaison Committee (CLC) which was working towards a sustainable political solution; entertaining the partition request would only add to the complication. In fact, Governor Malcolm Macdonald saw the separation demand as an impediment to his Malayan cause as he felt that every effort should go into ensuring that the Federation Agreement be allowed time to work. Macdonald’s refusal to accede to the request put up by the secessionist committee on 2 January 1949 and the rejection by the Penang Resident Commissioner made clear that the demands to separate Penang from the Federation was a “proposition that the Federation Government [could not] accept.”
In the later years, there was also little reason for the British administration to attend to secessionist demands as the Federation arrangement was showing stability and positive results. Indeed, the increasing realisation of the consociational nature of Malayan politics and the ability of the Alliance party in the 1950s to provide a common Malayan voice led some prominent Straits Chinese like Heah Joo Seang, who headed the Penang SCBA, to join the Alliance ranks. It was evident that Malaya was heading towards consociational politics. This naturally opens the questions of why did the UMNO-MCA alliance work when other failed. We turn to this next.

**The Consociational Arrangement and the UMNO – MCA Alliance**

Despite being formed only months before Malaya’s first Municipal elections in 1952, the UMNO-MCA arrangement turned out to be the most workable of political solutions. As mentioned above, in the 1952 Kuala Lumpur election, the UMNO-MCA representation alliance won nine out of the twelve seats. In the various municipal elections held between 1952 and 1953, the UMNO-MCA alliance won 92 out of the 124 seats. The Alliance also registered an impressive mandate in Malaya’s first Federal election in 1955, claiming 51 out of 52 seats. Such rousing acceptance of the alliance arrangement was aptly captured by the Straits Times. Shy of using the term consociationalism, the article encapsulates the qualities of the Alliance’s consociational arrangement:

“A curious feature of the Alliance is that it exists by virtue of a gentleman's agreement between three political parties – the UMNO, the MCA and the MIC. This political marriage has never been regularised to define the precise relationship between these partners. To press the analogy, the partners never became one. Each retained its identity and its freedom of action. The Alliance has been no more than a voluntary subordination of the identities of the individual parties for cooperative action in the common objective of winning independence and fighting the elections last year.”
Indeed, the alliance was a gentleman’s agreement where the UMNO and MCA and later the MIC agreed to work together, initially under a loose political partnership. But what could explain the success of the UMNO – MCA consociational pact when other initiatives failed? Why did the MCA choose the UMNO over the IMP, when it was clear that the IMP had the backing of the British administration? Besides, common sense would suggest that by being part of the IMP’s non-communal stance, the Chinese community could stand to enjoy more political and economic leverage. Equally important, why didn’t the UMNO choose to go alone especially when more than 80 percent of eligible voters were Malays? Lastly, why did the Malayan public voted overwhelmingly for a consociational arrangement?

Several reasons can be put for the Alliance’s power sharing formula. First, the UMNO-MCA alliance worked because both parties understood the dynamics of Malaya’s politics at the time. The MCA chose UMNO over the IMP because of economic pragmatism. MCA’s overweening objective was to ensure that Chinese business interests would continue to have access to Malaya’s political resources. MCA’s towkays like H S Lee were pragmatic enough to realise that with British imminent withdrawal, political resources in post-independent Malaya would rest with the Malays. Despite the seeming attractiveness of the IMP’s non-communal political rhetoric, HS Lee understood that the UMNO still held considerable Malay support. And when over 80 percent of eligible voters were Malays, it would be foolish for the MCA not to place its bets on the UMNO partnership. For the UMNO, the MCA partnership offered them much needed funds. In July 1952, the MCA used part of its lottery proceedings to set up a Malay welfare fund. H S Lee also assured Datuk Yahya, a key figure in the UMNO, that the MCA would provide UMNO with funds as part of the coalition agreement. UMNO also partnered the MCA, because it wanted to reassure the British government that it was willing to form an inter-ethnic alliance that would hopefully facilitate Malaya’s independence.

Second, the UMNO-MCA alliance worked because, unlike the previous consociational arrangement (AMCJA-PUTERA, MCP-MNP), the alliance was exposed to inter-elite cooperation. As Lijphart(1968)(1968)(1968)(1968) argues, one of the conditions for a successful consociational democracy is the presence of a mixed arrangement or joint representation at the elite level that cuts across cleavages and promotes moderation. Indeed, joint-involvement in policy-making process moderated the expectations of the UMNO and MCA members in the coming years and gave rise to
increased inter-elite cooperation. Months after registering a convincing win in the Kuala Lumpur municipal election in 1952, the UMNO-MCA coalition set up the Alliance Roundtable which was styled after the Communities Liaison Committee (CLC). The Roundtable acted as a decision-making body to the UMNO-MCA alliance. It was responsible for the setting up of the UMNO-MCA branches throughout the peninsula. The Roundtable was also instrumental in setting up the UMNO-MCA State Liaison Committees in the various states. Each UMNO-MCA State Liaison Committee would comprise 12 members, six members each from the UMNO and MCA. Besides carrying out decisions at state level, the liaison committees doubled up as coordinating bodies during elections. These UMNO-MCA State Liaison Committees also helped set up similar liaison committees at district, town and village levels.

Third, the UMNO – MCA alliance worked because the UMNO – MCA elites understood the need to maintain a system and prevent political fragmentation at critical moments. This commitment was evident during moments when trust and goodwill were urgently called for. In the local government election in Johor Bahru in 1952, the UMNO allowed the MCA to contest in areas where the Chinese were in the minority. In the Johor Bahru election, the UMNO agreed to give the MCA three of the nine contested seats, even when Malays comprised 80.8 percent of the electorate and the Chinese only 13 percent of eligible voters. The goodwill and trust were also exhibited during the crucial Federal election in 1955. In this election the MCA was given 15 seats out of the 52 contested or 28.8 percent of the total seats. This was well in excess of the percentage of Chinese voters who made up only 11.2 percent. In the Federal election the UMNO contested 35 seats, with the Malayan Indian Congress taking the remaining 2.

Fourth, the UMNO-MCA Alliance worked because of the resolve of its members to cooperate when mattered. This resolve was tested when the British administration imposed numerous road blocks to stop the Alliance popularity after its convincing wins in municipal elections. As mentioned earlier, in 1953, General Templer called for the UMNO and the MCA to participate in the National Conference. Besides to call for a delay to Malaya’s independence, the conference was aimed at making the UMNO-MCA members agree for British-appointed unofficial members to make up the majority of the members of the federal legislative council (48 nominated versus 44 elected members). Given such unfavourable terms, the UMNO-MCA members boycotted the conference and in defiance organised its own
In the various conventions the Alliance put pressure on the British authority to include its demands in the Election Working Committee Report which called for elected members to form three – fifths of the Federal Council.

In fact, so convinced were the UMNO and MCA leaders of the partnership, that despite British effort to stem the alliance movement, Tunku Abdul Rahman, Abdul Razak Husin and Tan T.H. went to London to meet the Colonial Secretary Oliver Lyttleton in 1954. The visit was to request the British government to accede to the Alliance demands for an elected majority in the Federal Council and to have a Federal election that would prepare Malaya for an eventual independence. The requests were initially turned down by the Colonial Office which then prompted the Alliance to ask its members to boycott all state apparatuses, namely, the Federal legislative and executive council, state, municipal and town councils though excluding local councils in the New Villages due to the Emergency. Besides the boycott, the Alliance also staged rallies throughout the Peninsula between June and July 1954 demanding the British authority to accede to its requests. In July 1954, the High Commissioner, Donald McGillivray held talks with key Alliance leaders, Tunku Abdul Rahman, H S Lee and Abdul Razak Husin, in which he assured the UMNO and MCA leaders of the British intention to agree to the Alliance’s request for a Federal election with a view of possible independence.

Fifth, the UMNO-Alliance worked because the British administration became accidental flagbearer of the Alliance’s consociational arrangement. British policies in the late 1940s, in fact, provided a nursery that nurtured the Alliance’s movement. Two British policies are worth mentioning. First, British endorsement of the Communities Liaison Committee (CLC) brought together two communities with exclusive institutions to seek common ground and make moderate claims that would be acceptable to all. The CLC facilitated the consociational arrangement as it gave Malaya’s political elites, Malay elites as well as wealthy Chinese towkays, the opportunity to establish personal relations and to be sensitized to the reality of Malaya’s plural society. By bringing together personalities like Tan Cheng Lock, Onn Jaafar, H S Lee and Yahya and Abdul Razak Hussain - who would play key roles in the tie-up between the MCA and the UMNO - the CLC exposed elites to the divergent interests and complexities of Malaya’s problems. The CLC helped elites realise the need to build common institutions and forced them to seek an agreeable political solution and avoid fragmentation. Second, the colonial administration’s decision to
incorporate elites in the policy process also aided the consociational logic. By involving the UMNO in the drafting of the Federation Agreement and the MCA in the setting up of new Chinese villages, the British authority exposed these two parties to the demands of a plural society and to the rigours of public policy. During the early years of the Malayan Emergency which lasted between 1948 until 1960, the MCA proved to be an effective British partner in cancelling leftist influence among the rural Chinese community. Exposures to public policy certainly helped temper the expectations of the UMNO and MCA leadership, preventing them from making unrealistic demands. It is obvious that, even when the British authority attempted to promote a non-communal platform through the CLC and various forms of elites’ involvement in public policy the capacity-building exercise provided by the British authority to UMNO and MCA members had in fact gave further traction to the consociational arrangement.

Finally, the UMNO-MCA consociational formula worked because it had the mandate of the Malayan public at the time. The consensus reached at the elite level was reciprocated at the mass level. The Alliance’s convincing victory in the 1955 election and its resoluteness in its demands for independence gave enough impression to the British authority that the Malayan public at the time saw the UMNO-MCA alliance as attractive and workable - an overwhelming endorsement of the Alliance’s consociational logic. The Alliance’s broad acceptance among the Malayan public indicated to the British authority that despite its intentions to liaise with Onn Jaafar it would be far better to go along with the Alliance’s consociational formula than to place its bet on Onn Jaafar’s IMP non-communal politics.

**Conclusion**

By giving centrality to the historical process and concept of path dependence, the paper has demonstrated that Malaya’s political and economic development had necessitated a particular institutional logic, the consociational logic. In answering the questions posed at the start of the article, the paper has demonstrated several points. First, it elaborated on the path dependent nature of Malaya’s political economy, by demonstrating how British colonial policies, spun out over the years, had led to the maturing of Malaya’s plural society manifested, of course by the presence of two autonomous communities with exclusive sets of institutions and expectations. Second, the paper also demonstrated how the war period exposed the competing interests and expectations of Malaya’s two communities. This clash of expectations was manifested in the ethnic strife, the Malayan Union proposal and the
“Malayan Spring”. These episodes laid bare the potency of exclusive institutions and exposed the painful adjustments that Malaya’s two communities had to make in bridging the deep institutional divide and conflicting expectations. More importantly, the post war period saw Malaya’s two autonomous communities making various attempts at negotiating competing political and economic demands and finding institutional option that would best distribute resources and reconcile the existence of mutually-exclusive institutions. Three institutional arrangements were tried: consociationalism; integration; and partition. Among the three institutional options, the consociational arrangement stood out. In fact, the high number of power sharing arrangement (the AMCJA-PUTERA, the MCP-MNP partnership, the CLC and the UMNO-MCA Alliance) testifies that it was apparent to the Malayan elites and the Malayan public at the time that the nature of Malaya’s political economy dictated that competing demands could only be met by a consociational arrangement. The UMNO-MCA coalition worked because it was the result of a number of factors; the elites’ ability to accommodate divergent interests of constituent actors, elite’s ability to transcend schisms and form a real partnership, elite’s commitment to maintain the system and to work towards improving cohesion and stability, and elite’s ability to fully understand the aftermath of political fragmentation.  

Malaysia continues to see consociationalism as the most rational choice, given the prevalence of and the need to preserve mutually exclusive institutions. Recent works by Stafford (Stafford 1997) Edwards (2005) and Horowitz (1993) testify to the persistence of ethnic-based institutions (ethnic-based political parties, vernacular schools, a dominant Malay bureaucracy, economic policy) that continue to colour Malaysia’s political economy, even as the state attempts to enlarge common institutions. But even though the paper believes that consociationalism is a systemic feature of Malaysia’s political, social and economic life, such institutional arrangement is never in stasis; Malaysia’s consociationalism is not set in stone. Without being overly presumptuous, the Malaysian state is undergoing change, albeit slow or incremental in nature. Though studying small, incremental changes are no doubt unexciting and problematic, recent works on institutional change could help us shed further light on Malaysia’s institutional changes. Works by Mahoney and Thelen (2010) Streeck and Thelen (2005) for instance have looked at the different typologies of institutional change that states could employ to bring about change. These works may offer useful frameworks to help us understand the nature of change in Malaysia’s political economy. As it is, the works by Edwards (2005), Stafford (1997) and various works by Horowitz (1989) have testified that Malaysia continues to experience institutional changes even though
the tenor of consociationalism remains intact. Edwards (2005) and Stafford (1997) works suggest that post-colonial Malaysia continues to see the creation of more common institutions at various levels of society - in schools, in the workplace, in the political arena and in various living spaces. These new forms of institutional arrangement could create new expectations and institutional density that in the long run may add to the number of inclusive institutions and lessen mutually exclusive ones.

To conclude, Malaysia’s different communities are still coming to grips with mutually exclusive institutions that make trust a scarce commodity. Malaysia’s consociational arrangement remains fraught with paradoxes and anomalies, which are in fact manifestations of the state’s attempt to negotiate exclusive institutions, while at the same time, attempting to create common ones. The state will continue to experience institutional change, albeit small, incremental in nature. Such slow change may perhaps be unexciting but it is with such a change that Malaya in 1957 became a different place than what it had been at the start of British official rule in 1874.
References


Ramasamy, Palanisamy. 1980. Malaysia’s Experience with Consociationalism, McGill University, Vancouver.


3 (Lijphart 2008) Consociationalism refers to the presence of multiple ethnic groups of equal proportion of political power that are prepared to come together in a political arrangement despite retaining their ethnic identities through agreements reached between leaders of these groups who have support of their ethnic communities. In describing consociationalism, Lijphart identifies four elements necessary in a consociational democracy. They are: (1) that elites have the ability to accommodate the divergent interests and demands of the subcultures; (2) that elites have the ability to transcend cleavages and to join in a common effort with the elites of rival subcultures; (3) that elites are committed to the maintenance of the system and to the improvement of its cohesion and stability; and (4) that elites understand the perils of political fragmentation. And to make consociationalism work, states need to subscribe to four mechanisms: grand coalition, proportionality, cultural autonomy, minority veto. Read his article on the The Puzzle of Indian Democracy p. 45. This article initially appeared in (Lijphart 1996) Refer to (Lijphart 2008) p. 32 which is a reproduction of Lijphart article at (Lijphart 1969) (Lijphart 1996)


5 (Stafford 1997; Haque 2003)

6 (Mauzy 1993) pg 106

7 Cited from (Barraclough 1985)

8 The ruling party, Barisan Nasional (previously the Alliance Party) and the opposition front, the Pakatan Rakyat, are still arranged around agglomeration of different political parties, each of which obtained support mainly from particular ethnic group.

9 See (Milne 1967) and (Ramasamy 1980)

10 (Heng 1988) p. 169

11 Read (Andaya 2001) p. 276

12 Note by Donald McGillivray for the Colonial Office, CO 1022/86, no.20, enclosure c, 6 April 1953

13 Note by Donald McGillivray for the Colonial Office, CO 1022/86, no.20, enclosure c, 6 April 1953

14 Letter from DC McGillivray to JD Higram. CO 1022/298 no. 30, 18 October 1952

15 Note by Donald McGillivray for the Colonial Office, CO 1022/86, no.20, enclosure c, 6 April 1953

16 (Van Vorys 1975)p. 110 taken from (1953)

17 In (“Report of the Malayan National Conference” August 1953) Taken from (Heng 1988) P. 182

18 The conference was part of General Templer’s attempt to have a majority of British appointed officials to the federal council, Having a majority of appointed members would inadvertently delay Malaya’s effort at gaining independence as the Colonial administration would allow for independence talks only when the majority members of the council are elected not appointed. The Alliance, however, refused the invitation and instead organised its own conference. UMNO and MCA leaders felt that the conference was an attempt to curb the Alliance’s popularity and to postpone the crucial Federal Election for another two years.

19 Read (Heng 1988) p. 102

20 (Carmines 1989)

21 (Mahoney 2000) p. 510

22 (Goldstone 1998) p. 834 also cited in (Mahoney 2000) p. 511

23 (Mahoney 2000) p. 511

24 (Pierson 2004) p. 21

25 There are several works on the Kuomintang and the MCP movement in Malaya that describe the KMT and MCP involvement in raising Chinese community’s awareness of the Sino-Japanese war. Read (1964), Yong and Mckenna (1990) and Brimmel (1956)

26 Read (Emmanuel 2010)

27 (Harper 1999) p. 56

28 (Heng 1983) p. 307

29 The MDU first set up the Council for Joint Action in Singapore on December 1946. Only later was the council extended to the Malay States with the setting up of the All Malayan Council for Joint Action. The MDU was a left-wing party, founded in Singapore in December 1945 and widely known to have links with the MCP. Its membership came mainly from more moderate English-educated Chinese with its top members known to be MCP sympathisers. For more details of the MCP links with MDU read (Cheah 1979) pp 74 – 75. Cheah claims that the MDU had links with MCP. He says that the MCP worked on two levels to manipulate the MDU. The first level involved having MCP members as representatives on MDU’s committee. The second level involved having key MCP members among MDU’s top leadership.
30 In fact when the Malayan Union white paper was discussed in early 1946, the MDU supported it saying it as a "progressive" document cited in (Lau 1989) p. 229. MDU later rejection of the Malayan Union was a belated reaction as until December 1946 "the colonial office had encountered little overt opposition from the non-Malays as it engaged in confidential discussions with the Malays

31 Malay Mail, 23 December 1946 cited in (Sopiee 1976) p. 39

32 In later years, the CCC changed its mind and joined AMCJA after the British authority refused to concede to CCC demands of granting non-Malays citizenship right based on jus soli and British refusal to include Singapore in the Federation. In (Heng 1988) p. 49

33 The six point agreement include: a United Malaya inclusive of Singapore; a fully elected central legislature for the whole of Malaya; equal political rights for all who regard Malaya as their real home; the Malay Sultans to assume the position of fully sovereign and constitutional rulers, accepting the advice not of British advisers but of the people; matters of Islam and Malay customs to be under the sole control of the Malays; special advancement of the Malays

34 This was launched in October 1947 Read (Lau 1989) p. 241 and (Cheah 1979) p. 137

35 23 September 1947, The Straits Times


37 Read (Sopiee 1976) footnotes p. 155

38 (Cheah 1979) p. 65

39 (Cheah 1979) p. 66

40 Political Intelligence Journal MSS, 30 April 1947 cited in (Cheah 1979) p. 67

41 The above description is largely gathered from (Heng 1988) p. 149 and (Sopiee 1976)

42 Tan Cheng Lock Confidential Memorandum on Malaya submitted to the right honourable James Griffiths, Secretary of State for the Colonies, 19 May 1950, Tan Cheng Lock Papers, SP 13, Item 169, Arkib Negara cited in (Heng 1988) p. 149

43 Read (Sopiee 1976) p. 101

44 The Singapore Free Press, 6 June 1951

45 (Sopiee 1976) p. 101

46 in (Vasil 1971) p. 50


48 (Heng 1988) p. 158

49 (Heng 1988) p. 161

50 The MCA state working committee felt that Tan Cheng Lock's idea of an alliance with the IMP and to allow MCA to be non-communal was premature as they were convinced that Malaya's politics was still dominated by ethnic consideration.

51 Letter from H S Lee to Tan Cheng Lock dated 18 February 1952, Tan Cheng Lock Papers, TCL /9/33

52 MCA decision to join UMNO put Tan Cheng Lock in a difficult position. Tan Cheng Lock was also hesitant to involve himself in the setting up of an IMP branch in Malacca despite his earlier promise, preferring instead to allow Tan Siew Sin, his son to write to Onn Jaafar who assured Onn that the IMP will be formed in Malacca and will receive the active support of Tan Cheng Lock. Tan Siew Sin to Dato Onn Jaafar, 18 January 1952, Tan Cheng Lock Papers, TCL /9/38

53 (Vasil 1971) p. 64

54 The Straits Times, 17 February 1952 cited in (Vasil 1971) p. 60

55 Memorandum to the Kuala Lumpur Branch Committee from the former election agent, Petaling Ward, Kuala Lumpur, Yong Pung How cited in (Vasil 1971) pp 61-62

56 Minutes of Branch Committee Meeting, Kuala Lumpur, 11 March 1952 cited in (Vasil 1971) p. 62

57 Personal letter dated 2 July 1952 to Dato Onn Jaafar by EEC Thuraisingham cited in (Vasil 1971) pp 67-68

58 Personal letter dated 2 July 1952 to Dato Onn Jaafar by EEC Thuraisingham cited in (Vasil 1971) pp 67-68

59 Sunday Times 18 September 1952

60 The Malay Mail, 26 March 1953

61 See (Heng 1988) p. 168

62 Many non-Malays were kept out as Parti Negara as the party refused applicants who had stayed in Malaya for the past ten years but chose to remain non citizens. Over time Parti Negara took on a more Malay outlook and unlike the IMP, it relied less on non-Malays for support.

63 These were sporadic, disorganized demands. It was a knee jerk reaction to the Federation agreement but the demands fizzled out without any real attempts to impress upon the colonial administration, unlike the Penang partition request. For more see (Sopiee 1976) pp 61-67

64 ("Federal Misgiving of the Straits-born" 1948) cited in (Sopiee 1976) p. 61

65 Straits Echo, 30 December 1946

66 (1948)

67 There was a string of dramatic move carried out by the secessionist committee. After their request was rejected by Malcolm MacDonald, the Committee turned down a rapprochement gesture by the British administration. The committee then made the decision to table its motion for a separation in the Straits Legislative council and Federal council which was due to meet in February. The committee then tabled its proposal in the legislative council where there three members of the council who were having a Sinon-
Goodwill Committee meeting in Johor rushed to Penang in time for the council meeting where the council voted overwhelming against the proposal tabled by the Secessionist Committee. Read (Sopiee 1976) pp 65 - 67

68 (Sopiee 1976) pp 65 - 67
69 Read (Sopiee 1976) p 67
70 (Sopiee 1976) provides a detailed account of why the movement failed to convince the British government for Penang to be separate from the Federation. Pp 70 - 74
71 (1949) cited in (Sopiee 1976) p. 67
72 (Ting 1976) p. 171
73 The Straits Times, 12 July 1956 cited in (Vasil 1971) p. 13
74 (Heng 1988) p. 164
75 Read (Lijphart 2008) pp 25 - 39
76 Minutes of the fifth MCA cabinet meeting held on 3 October 1952, p. 10; minutes of the seventh MCA cabinet meeting held on 9 March 1953, p. 12; and T H Tan, Secretary to Alliance, “Memorandum on Alliance Organization, Election Machinery and Finance’, mimeo, 26 October 1954. Also by 1954, thirty UMNO-MCA Liaison Committees were established at the state, district, town and village levels. cited in (Heng 1988) p. 169
77 Read (Heng 1988) pp 170 - 186
78 This meant that the UMNO-MCA would have a minority voice despite winning the elections. The lack of majority voice also meant that Independence would come later as one of the conditions for independence was for the legislative council to have majority of elected members. (Heng 1988) p. 182
79 This convention was held on 23 August 1953, 11 October 1953 and 14 February 1954.
80 The Election Working Committee preferred to take on board IMP leaders, including Onn Jaafar, as members of the committee. During the conventions, plans were put together to seek ways for an eventual Malayan independence. Some of the important resolutions passed by the conventions included the call for an elected majority in the reconstituted Federal Council, to allow civil servants to stand for elections and to hold the important Federal Elections no later than November 1954, which was eventually held in April 1955. The initial report suggests a majority non elected member (48 non elected and 44 elected members). Also, non elected membership will be phased out gradually. p.183
81 See (Heng 1988) p. 186
83 During the Emergency period, the MCA performed the role of an “ideal broker” between the British authority and the Chinese community. It helped the British authority resettle Chinese squatters into new villages, an ambitious plan put together by Harold Briggs to curtail the MCP’s influence over Chinese rural settlers. The MCA also set up branches in the new villages in its attempt to win over Chinese support. Out of 444 new villages that were built in the period 1949 – 60, the MCA had branches in 314 of these. MCA members also headed local organisations and schools in these villages and mediated disputes between residents. The MCA’s also won considerable Chinese support when it managed to raise much-needed funds to improve the infrastructure of new villages. (Heng 1988) pp 78 – 79. Also p. 200
84 It was apparent that British officials and High Commissioner like General Templer and Malcolm Macdonald were more comfortable with the IMP, and wanted it to be successful. This was evident as despite the UMNO-MCA success in local elections in 1952 and 1953, the British administration still nominated more IMP leaders compared to the UMNO-MCA leaders. See (Heng 1988) p. 181
85 (Lijphart 2008) provides four guidelines for a successful consociational democracy. P.32