Preferential policies and political stability in developing plural polities: A comparative study of Malaysia, Sri Lanka and Fiji.

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PREFERENTIAL POLICIES AND POLITICAL STABILITY
IN DEVELOPING PLURAL POLITIES:
A COMPARATIVE STUDY OF MALAYSIA, SRI LANKA AND FIJI

by

Elizabeth Ng

A Thesis
Submitted to the Faculty of Graduate Studies and Research through the Department of Political Science in Partial Fulfillment of the Requirements for the Degree of Master of Arts at the University of Windsor

Windsor, Ontario, Canada

1991

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ABSTRACT

PREFERENTIAL POLICIES AND POLITICAL STABILITY
IN DEVELOPING PLURAL POLITIES:
A COMPARATIVE STUDY OF MALAYSIA, SRI LANKA AND FIJI

by

Elizabeth Ng

The aim of this thesis is to examine the relationship between preferential policies and political stability in three developing polities - Malaysia, Sri Lanka and Fiji. After a discussion of the socioeconomic environment and institutional legacies in each case, the types of preferential policies adopted by each were examined. The ethnic configuration; geographic distribution; the economic factors; “exit” alternatives; the political system; and external variables in each country were then analysed to assess their impact on political stability in the countries.

The findings of this study suggest that political stability in ethnically plural societies that adopt preferential policies depends largely on two factors: the extent to which the politically disadvantaged group is accommodated in the political system; and the degree of hegemony exercised by the politically advantaged group, itself unified. In Malaysia and in pre-1987 Fiji, preferential policies in favour of the Malays and Fijians have been accompanied by significant accommodation of Chinese and Indian interests. In Sri Lanka, the Tamils, who were a much smaller minority, were largely excluded from the political system by the Sinhalese and hence, the preferential policies led to their political alienation and demands for a separate state.
In Malaysia and Fiji, political stability is very much dependent on the dominant ethnic groups - the Malays and Fijians - maintaining their political hegemony. The Sri Lankan case however, suggests that such hegemonic control can become excessive, and conducive to political instability unless it is balanced by some genuine accommodation of minority interests.
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Any errors of fact or interpretation in this thesis are exclusively my own.
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CHAPTER 1

INTRODUCTION

One of the most intractable problems facing states in the world today is ethnic strife. It has been estimated that since World War Two, ethnic violence has killed over ten million people.\(^1\) The typical modern state is ethnically diverse, and in the 1970s, a study found that out of a sample of 132 states, only 12 (9.1\%) could be considered to be “ethnic-free.” In 50 other states, a single ethnic group accounted for a high percentage of the population, while 53 states (40.2\%) were composed of five or more ethnic groups.\(^2\) Before delving further into the problem of ethnic conflict, the term “ethnic group” should be clarified.

The concept of ethnicity has been variously defined. Some scholars prefer a narrow definition, distinguishing ethnic groups from racial groups, and excluding religious and linguistic factors. However, such a restrictive definition of ethnicity overlooks the fact that the boundaries between the above distinctions have been “intellectually and historically fuzzy.”\(^3\) It is perhaps because of this reason that many other scholars have included sociocultural distinctions for a broader, more inclusive definition of ethnicity. An ethnic group has been broadly defined as “a


collectivity within a larger society that claims common ancestry, a shared past, and shared objective cultural identifications."\(^4\) However, this approach makes it difficult to see what separates ethnic features from others. To overcome this problem, a number of researchers have emphasised the subjective and ascriptive features of ethnicity. Gerald A. McBeath refers to ethnicity as an "ascribed status linking those who perceive themselves (and are perceived by others) as being alike because of common origins, whether real or fictitious."\(^5\)

According to Milton Gordon,

the term *ethnic group* has been used to embrace the unities of race, religion, and national origin. However, the common denominator of these categories is a "common social-psychological referant," which acts to create a consciousness of peoplehood. Thus the term *ethnic* is invested with a broader significance than it has been given by some sociologists who use the term *ethnic group* as a typology of national origin.\(^6\)

Similarly, Donald Horowitz states that ethnic groups are defined by "ascriptive differences," whether the indicium of group identity is colour, appearance, language, religion, common origin, or some combination thereof.\(^7\) Robert J. Thompson and Joseph R. Rudolph have observed that the initial basis of differentiation among ethnic groups comes about when the ethnic groups perceive themselves as possessing different geographic origins, which may be either recent


or historical. They go on to add like McBeath, that membership in an ethnic group is "a matter of ascription. One belongs because one perceives oneself to be a member of the group, or because others so perceive one."

Hence, what ultimately defines an ethnic group is the strong, subjective feeling on the part of its members that they are distinct from other ethnic groups. This feeling is based primarily on their perception of possessing a common origin or ancestry. In Donald Horowitz's words, "ethnicity is based on a myth of collective ancestry, which usually carries with it traits believed to be innate (italics mine)." Ethnic identity tends to be a matter of birth. Other factors, which have been linked to ethnicity, such as language and religion, may or may not result in ethnic differences. In some cases, they may be irrelevant - an ethnic group may speak different languages (for example, overseas Indian communities speak a variety of languages), or practice different religions (for example, the Yoruba in Nigeria are composed of both Muslims and Christians, and the Karens in Burma include both Christians and Buddhists. In both cases, the ethnic identity transcends religious divisions.) However, religious and linguistic differences often contribute to, and can help shape the sense of ethnic identity. It is important to note that "it is not the attribute that makes the group, but the group and group differences that make the attribute important." When language or religion is identified with a particular ethnic group, they usually become a part of the ethnic identity. The greater the differences that separate an ethnic group from others, the more distinct the sense of ethnic identify, and the greater the chances of ethnic tension.

10Ibid., 49-50.
The sources of ethnic conflict will be discussed later in the chapter. However, it is evident that ethnic differences have often resulted in conflicts. In some countries, these have taken on violent manifestations, claiming countless lives and resulting in political instability. Examples include civil wars in Pakistan, Chad, Lebanon and Sudan; racial riots in Sri Lanka, Mauritius, Guyana and Trinidad; and terrorist acts by the Sikhs in India and the Palestine Liberation Organisation. Ethnic conflicts have also resulted in the deportation of minorities such as the Indians from Uganda, and Arakanese Muslims from Burma. Discrimination against and suppression of minorities are common in ethnically diverse countries. At best, ethnic relations tend to be uneasy and tense, requiring constant and vigilant governmental effort to diffuse and contain the periodic strains which occur. Neither are ethnic conflicts unique to the Third World: witness the hostilities between Catholics and Protestants in Northern Ireland, tensions between the Flemings and Walloons in Belgium, and the deep and emotional rift between French-speaking Canadians and English-speaking Canada.

This thesis will focus on the prospects for political stability in societies with deeply divided ethnic groups. Specifically, it aims to look at those plural societies which have adopted preferential policies, and to analyse and explain their impact on political stability. In other words, what is the relationship between preferential policies and political stability in ethnically plural societies? Although ethnic

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11 Although the primary cleavage in Northern Ireland appears to be religious, the Protestants and Catholics also belong to different ethnic groups. The former are of British origin, descendants of Scottish and English Protestants, and tend to be more socioeconomically advanced. The latter are Irish, and originate from the native Gaelic-speaking Catholics in Ulster. They tend to be economically backward compared to the Protestants. For more information, see Edmund A. Aunger, In Search of Political Stability: A Comparative Study of New Brunswick and Northern Ireland (Montreal: McGill-Queen’s Univ. Press, 1981), 16, 87, 93-94.
tensions exist in the developed countries of the West as well as in the Third World, this thesis will be concerned primarily with ethnic conflicts in developing states. In the West, overarching loyalties to the state tend to moderate ethnic loyalties. Cross-cutting cleavages, which can be based on religion, class, differences or region are also more salient in Western societies, and can therefore countervail or moderate ethnic affiliations. In developing states, cross-cutting cleavages are not very salient. In fact, it is likely that linguistic, religious and class cleavages are mutually reinforcing, hence, entrenching the differences between the ethnic groups. In the Third World, ethnicity is the "principal axis of political conflict," and thus, the level of ethnic hostility can threaten the very foundations of the state itself. Ethnic strife in developing states also tends to be expressed in widespread outbreaks of ethnic riots, involving a relatively large segment of the population. In contrast, ethnic conflicts in Western societies rarely erupt into violence. When they do, they usually take the form of terrorism, and involve significantly fewer people.12 Because ethnic conflicts tend to pose a much greater threat to political stability in developing states than in the West, this study will limit its focus to the former.

Before discussing the purpose of this thesis in greater detail, it would be useful to survey the available literature on the phenomena pertinent to the topic. These are: plural societies; the impact of ethnicity on political behaviour; preferential policies; and political stability. The use of these different terms in the study will also be clarified in the process.

Most states are composed of different ethnic groups. However, not all states

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with cultural diversity experience ethnic tensions. The existence of different ethnic
groups is a necessary condition for a plural society; however, according to the
literature, not a sufficient condition. In 1939, the economist, J.S. Furnivall,
conducted one of the first studies of cultural pluralism. He defined a plural society
as "comprising two or more elements or social units which live side by side, yet
without mingling, in one political unit." Furnivall also observed that the
different groups in plural societies "incline towards conflictual behaviour," and that
"force, rather than consensus maintains order." Furnivall’s findings were further
refined by M.G. Smith, who defined a plural society as being composed of different
social or cultural traditions, which have separate institutional structures, but are
ruled by a government dominated by one of the groups. Smith’s research
demonstrates that the importance of cross-cutting cleavages based on religion and
social class, which had been thought to produce multiple loyalties and moderate
ethnic cleavages, had been overrated. Just as cultural diversity does not inevitably
mean that all political conflicts would be perceived in ethnic terms, cross-cutting
cleavages do not necessarily mitigate ethnic cleavages since they may be irrelevant
to them. Smith’s findings have proven to be particularly useful for analysing
ethnic conflict in developing plural societies which have few cross-cutting
cleavages.

Ethnic groups in plural societies exhibit what Clifford Geertz calls

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13See Alvin Rabushka and Kenneth Shepsle, Politics in Plural Societies: A Theory of
14J.S. Furnivall, Netherland India (Cambridge: The Univ. Press, 1939), 446.
15See Rabushka and Shepsle, Politics in Plural Societies, 12. Furnivall’s conclusions
were also supported by his subsequent studies of Burma and the Netherlands.
16Ibid., 16; Also see M.G. Smith, The Plural Society in the British West Indies
(Berkeley: Univ. of Calif. Press, 1965), xii-xiii; and Crawford Young, The Politics of Cultural
Pluralism (Wisconsin: Univ. of Wisconsin Press, 1976), 17.
17See Rabushka and Shepsle, Politics in Plural Societies, 16-20.
"primordial attachments." These sentiments can be based on a variety of factors - assumed blood ties, kinship, race, language, region, religion, and custom - and are manifest and politically salient in their societies.18 Geertz's "primordial attachments" overlap to a large degree, with the "segmental cleavages" which are referred to by Harry Eckstein. According to him, these exist "where political divisions follow very closely, and especially concern lines of objective social differentiation, especially those particularly salient in a society."19 In addition to the above factors, segmental cleavages may also be based on class.

Thus, an ethnically plural society consists of more than just cultural pluralism or the existence of different ethnic groups. In addition, its political parties, interest groups, trade unions, media of communication, schools, and voluntary organisations tend to be organised along ethnic lines,20 and politics is practised "almost exclusively along ethnic lines."21 The different ethnic segments of plural societies operate separately in almost all spheres of life, and the political salience of these deep divisions thus greatly increases the chances of ethnic conflict.

Donald Horowitz's Ethnic Groups in Conflict is perhaps the most comprehensive study of ethnic conflict. In his introduction, he states his aim to "explore systematically and comparatively the politics of ethnic conflict in severely divided societies,"22 and his book does, indeed, cover all the significant aspects of


20 Lijphart, Democracy in Plural Societies, 4.

21 Rabushka and Shepsle, Politics in Plural Societies, 20.

22 Horowitz, Ethnic Groups in Conflict, xi.
the subject. Referring to a wide variety of case studies, primarily those in Asia and Africa, Horowitz discusses each of the following areas in great detail: ethnic affiliations and their importance; the sources of ethnic conflict; party politics in ethnic societies; military politics; and interethnic accommodation.\textsuperscript{23}

Horowitz comments on three schools of thought which attempt to explain why ethnic conflicts occur - one linking ethnic conflict to the modernisation process\textsuperscript{24}; another to economic interests\textsuperscript{25}; and lastly, another which sees cultural pluralism as the cause.\textsuperscript{26} However, because there is a considerable degree of overlap between the modernisation and economic theories, they will be dealt with together in this discussion. The cultural pluralism theory, which argue that plural societies produce ethnic conflicts, has already been examined in the earlier discussion on plural societies.\textsuperscript{27}

One branch of modernisation theory sees ethnic conflicts as being mere relics of “outmoded traditionalism,” which will disappear as a society becomes more modernised. However, the evidence does not support this hypothesis since elites, the leaders who are supposed to lead the “traditional” masses away from ethnic loyalties, are often at the forefront of ethnic conflict. Furthermore, ethnic tensions in the developed world prove that they cannot simply be “erased” by

\textsuperscript{23}Ibid., xi-xii.
\textsuperscript{25}Horowitz, \textit{Ethnic Groups in Conflict}, 105-35.
\textsuperscript{26}Ibid., 135-40.
\textsuperscript{27}See the discussion on “plural societies” and cultural pluralism in pps. 2-4 above. It has already been established that cultural pluralism does not necessarily result in plural societies, and therefore, cannot adequately account for ethnic conflicts.
modernisation. Other scholars view ethnic conflict as a “traditional, but unusually stubborn impediment to modernisation.” Hence, current ethnic conflicts are just revived versions of earlier ones. The weakness in this argument is that some ethnic confrontations are new creations - such as those resulting from colonial transplantations, where the groups had not encountered each other previously. Also, some traditional ethnic conflicts can gradually lose their relevance. Lastly, modernisation and some economic theorists postulate that ethnic conflicts are a feature or by-product of the modernisation process. Modernisation results in “social mobilisation” which occurs as a society moves away from traditional to modern ways of life. Social mobilisation fosters interethnic competition as the aspirations of the modern middle class in the ethnic groups converge, and they compete for the benefits, especially economic ones, of modernisation. Some economic theories also point to the ethnic division of labour as a source of ethnic conflict. However, Horowitz dismisses them by arguing that such a situation would actually decrease the chances of competitive rivalries since ethnic groups would not be competing for the same types of jobs and economic opportunities.

While Horowitz’s discussion illustrates some of the inadequacies of most of the current explanations of ethnic conflict, his discussion of them is itself rather inadequate. It is because of the modernisation process that economic rivalries between the business groups, traders and customers, and working classes which Horowitz refers to, emerge. Horowitz also contends that modernisation theories fail

28 Horowitz, Ethnic Groups in Conflict, 96-97.
29 Ibid., 96-98.
31 Horowitz, Ethnic Groups in Conflict, 105-35.
to explain why nonelites take part in ethnic conflict since in countries which are not very modernised, most of the population is not socially mobilised.\textsuperscript{32} Unfortunately, he does not clearly state what his definition of “modernisation” entails. Instead, he claims that explanations which point to the “modernisation gap” between ethnic groups, or to the rate at which such a gap is widened, should not be framed in terms of modernisation.\textsuperscript{33} This obviously indicates an overly narrow conception of the modernisation process, which renders his conclusions unconvincing. One cannot help but ask, “Why not?” Modernisation and social mobilisation are processes, and the evidence of a “modernisation gap” between ethnic groups clearly indicates that modernisation is a factor in ethnic conflict, even if the level of modernisation might be relatively low. Furthermore, as Milne has stated, “in any country the modernisation process may produce disturbing and unpredictable repercussions” (italics mine), and other scholars such as Deutsch and Huntington have studied the political accompaniments of modernisation, such as “the extension of political consciousness, increasing political demands, and political participation, which are frequently disruptive of stability.”\textsuperscript{34} In a subsequent chapter, Horowitz discusses “the role of apprehension and group psychology,” a field he regards as beyond modernisation theory, as well as the significance of symbolic issues, in explaining why both elites and the masses in ethnic groups take part in ethnic conflict.\textsuperscript{35} While his discussion highlights many important factors, it also reveals his oversight of some of the modernisation literature which does refer to the psychological components of ethnic conflict.

\textsuperscript{32}Ibid., 103.
\textsuperscript{33}Ibid.
\textsuperscript{34}See Deutsch, “Social Mobilisation,” 493-514; Huntington, Political Order, chapter 1; and Milne, Politics in Ethnically Bipolar States, 83, 94.
\textsuperscript{35}See Horowitz, Ethnic Groups in Conflict 149-184.
Horowitz’s account of the ethnic division of labour also overlooks the *nature* of the division. Horowitz looks at occupational specialisation, and how different ethnic groups gravitate or aspire to different types of jobs, based on their perception of the respectability of the jobs in question. He then argues that “the net result of the ethnic division of labour is greatly to reduce the occasions for economic competition” between ethnic groups.\(^{36}\) However, the ethnic division of labour does not necessarily mean that the ethnic groups are concentrated in different but equal types of occupations. Horowitz fails to bring up the point that if an ethnic group dominates certain occupations, competition can result if the jobs represent socioeconomic advancement, and other ethnic groups also aspire to them. Particularly in developing countries which have experienced colonial rule, it is likely that the different occupations which the ethnic groups dominate do not have the same status or prestige. That is to say, the division of labour is not just a horizontal division, but a vertical one as well. A typical situation in such societies is one where one ethnic group is better educated and dominates the better-paying and more prestigious jobs. In the modernisation process, this group therefore stands to gain greater material benefits than the more backward ethnic group. This is typical of the case studies in this thesis.

According to Horowitz, ethnic groups have a propensity to “cleave and compare,” and in many Third World states, the colonial experience has helped to shape how they compare each other. In order to rule more effectively, colonial governments often promoted group disparities by favouring certain ethnic groups over others, and by imputing subjective characteristics to group character. As a result, the backward-advanced dichotomy is the most common one in these states.

\(^{36}\)Ibid., 108-13.
Disadvantaged groups feel a need to “catch up” and become equals. They may also fear that failure to do so would result in their being overwhelmed by the other ethnic groups. As Horowitz states, “To an outside observer, the fear of succumbing to the superior numbers or capacities of another group and disappearing must be regarded as extreme and irrational. Still, these apprehensions persist, colouring group relations in many ways.”

He then looks at the theories of group entitlement by examining the factors of comparative worth and legitimacy. Ethnic groups may feel a need to dominate politically, to avoid being dominated, to exclude other groups from the political arena, or to be included on equal terms. They may also advanced claims to legitimacy based on indigenousness, or in the case of immigrant communities, on the “right to enjoy equal status.” In addition, ethnic groups may demand symbolic recognition of their status, such as language. One particularly pertinent point which Horowitz makes is that “where there is a split between indigenous and immigrant groups, it tends to coincide with the split between backward and advanced groups.” In such a situation, the outcome is likely to be demands on the part of the backward-indigenous groups for preferential treatment and political dominance. For their part, the other ethnic groups usually reject the legitimacy of such demands since they can also claim to be politically disadvantaged vis-à-vis the indigenous groups.

Explaining why ethnic conflicts arise is not an easy task, and realistically, no one theory can hope to explain all the different types of ethnic conflict in the developing states. However, Horowitz’s theories of group comparison and

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37 Ibid.
38 Ibid., 185-228.
39 Ibid., 213-4.
entitlement do provide many valuable insights, and from his discussion, it does seem possible to amalgamate the existing explanations in his study to explain the sources of ethnic conflict in the plural societies which this study is concerned with: those which adopt preferential policies. Obviously, in such societies, the backward-advanced dichotomy, which is reflected in the nature of the ethnic division of labour, is a significant factor in ethnic conflict. Furthermore, it coincides with the indigenous-advanced dichotomy. Horowitz's study highlights the fact that socioeconomic inequality, when it coincides with ethnicity, is a potent source of ethnic conflict. It is also interesting to note that conflicts over inequalities do not need to have any basis in reality. In some of these plural societies, ethnic groups may only perceive themselves to be disadvantaged relative to other groups. The power of such perceptions, even if not borne out by reality, should not be underestimated. It has been noted that "group allegiances and comparisons are a fundamental aspect of social life. There is now a rapidly accumulating body of evidence that it takes few differences to divide a population into groups." 40

Although political stability tends to be elusive in almost all developing plural societies, there are even more obstacles when such societies have persistent ethnically-based economic, political and social inequalities. To overcome such inequalities and allow for "fairer" interethnic competition, plural societies often adopt preferential policies, which can vary in scope, formality and explicitness. 41

Preferential policies, which have also been called affirmative action programmes, refer to:

Laws, regulations, administrative rules, courts orders, and other public interventions to provide certain public and private goods, such

40 Ibid. 143.
41 Ibid., 654.
as admission into schools and colleges, jobs, promotions, business loans, and rights to buy and sell land on the basis of membership in a particular ethnic group.42

Unlike class divisions, ethnically-based inequalities are perceived to be the result of past prejudice, and are thus less acceptable.43 Thus, a number of countries such as India, the United States, Malaysia, Sri Lanka and Zaire have adopted preferential policies to redress these socioeconomic inequalities. Preferential treatment of certain ethnic groups is of course, not the only way to reduce socioeconomic disparities. Other alternatives include regional and urban development programmes to benefit the areas where disadvantaged ethnic groups are geographically located, and wealth and income distribution policies. These policies are less contentious than preferential policies because although they aim to benefit specific ethnic groups, they “do not have ethnic criteria as their basis.”44 Why then, do so many countries adopt preferential policies?

Donald Horowitz has suggested that some governments adopt preferential policies because they are relatively cheap to implement, requiring no initial outlay in expenditure. They also appear to be necessary, at least temporarily, so that different ethnic groups can compete on an equal footing. Furthermore, preferential policies have the advantage of being able to reduce disparities in a very short time.45

Preferential policies are usually designed to assist disadvantaged groups

42 Weiner, “The Political Consequences of Preferential Policies,” 35. Also see Mah Hui Lim, “Affirmative Action, Ethnicity and Integration: The Case of Malaysia,” Ethnic and Racial Studies, 8 (April 1985): 250; and Robert Klitgaard and Ruth Katz, “Overcoming Ethnic Inequalities: Lessons from Malaysia,” Journal of Policy Analysis and Management, 2 (Spring 1983): 333. It should also be noted that some preferential policies do not specifically target an ethnic groups, even if it is the main beneficiary of such policies. Preferential policies can also be aimed at disadvantaged and/or minority groups, including women.


44 Ibid., 38.

45 Horowitz, Ethnic Groups in Conflict, 658-60.
which have experienced past discrimination and therefore, need help in "catching up" with the other ethnic groups. Usually, such groups are disadvantaged socially, economically, and politically.\textsuperscript{46} For example, in India, preferential policies are aimed at certain scheduled castes, such as the “untouchables,” and the affirmative action programmes in the United States benefit the blacks and other minorities.\textsuperscript{47} While these types of policies have resulted in a backlash from the other ethnic groups, they are at least relatively justifiable, and hence, not as contentious as when preferential policies aim to benefit a majority, or a politically dominant group. In the latter cases, preferential policies do not enjoy as much acceptance or legitimacy in the eyes of the other ethnic groups. Often, the beneficiaries use indigenousness as the legitimising factor. However, in these cases, although redressing socioeconomic inequalities is a concern, introducing preferential policies can also be seen as a means of perpetuating the political dominance of the ethnic majority, or the more powerful group.

Governments which adopt preferential policies often argue that they help to regulate ethnic conflicts by “blunting” socioeconomic cleavages among ethnic groups.\textsuperscript{48} However, there is evidence to suggest that the costs of preferential policies can outweigh the benefits. Since they are by definition, a form of discrimination which favour one ethnic group at the expense of another, preferential policies may actually accentuate and increase ethnic conflict, at least in the short and medium term. Once put in place, preferential policies are also often difficult to reverse, or terminate.\textsuperscript{49} In his comparison of the political consequences

\textsuperscript{46}See Lim, “Affirmative Action, Ethnicity and Integration,” 250.
\textsuperscript{48}See Nevitte and Kennedy, Ethnic Preference and Public Policy in Developing States, 1.
\textsuperscript{49}Horowitz, Ethnic Groups in Conflict, 660-80.
of preferential policies in India and the United States. Myron Weiner concluded that:

The Indian experience suggests that preferential policies facilitate the mobilisation of groups to demand preferences or their extension, creating political struggles over how the state should allocate benefits to ethnic groups, generating a backlash on the part of those ethnic groups excluded from benefits, intensifying the militancy of the beneficiaries, and reinforcing the importance of ascription as the principle of choice in allocating social benefits and facilitating mobility.50

Other case studies of ethnic preference in Sri Lanka, Guyana and Pakistan draw similar conclusions.51

However, other scholars have been more optimistic about the effects of preferential policies. Robert Klitgaard and Ruth Katz’s study of Malaysia’s preferential policies found that although they were less successful in reducing racial inequalities than expected, they were also generally accepted by many Chinese, and thus, had fewer “negative effects on economic efficiency and stability than one might have feared.”52 Later studies also showed that preferential policies have generally been successful in restructuring the cultural division of labour.53

Milton J. Esman analysed three cases where preferential policies had been adopted in order to redress economic disparities. However, there was also a conscious effort on the part of the governments not to despoil the economically dominant minority. or to disrupt the economy. In Quebec, Malaysia and South

Africa, he found that a positive-sum strategy of “ethnic redistribution with growth” was adopted, which proved to be relatively successful. However, he also identified several necessary conditions, drawn from the case studies, which needed to be present for the success of such strategies. These are the existence of an ethnic majority who are economically disadvantaged vis-à-vis an ethnic minority, and who have the political opportunity to gain control of the state. Other conditions are the introduction of a nationalist ideology, and “unoccupied fiscal space,” by which he means that there has to be sustained economic growth to allow the government to expand and fill public services while minimising the disruption to the economically dominant group. This would probably be difficult for the typical developing plural society to achieve. Also, the success of the strategies requires the economically depressed ethnic group to exercise restraint, and to protect the economic rights of the minority from extremists in their own ethnic community. This state of affairs is rather unlikely in many developing plural societies, although it is not impossible as Malaysia aptly illustrates.

While preferential policies may or may not be successful in alleviating socioeconomic inequalities, they do have an impact on political stability. The next section will attempt to define the concept of political stability, which is a problematic because of the lack of agreement over the meaning of the terms employed to define stability. Some analysts have attempted to define stability by measuring the level of violence in a country, an approach which equates political stability with order, and instability with outbreaks of violence, coups and

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55 Ibid., 415.
insurrections.\textsuperscript{57} However, this is only a partial measurement of stability at best, and does not differentiate between the types of violence which occur in different countries.

One recurring theme in many studies on political stability is that of “persistence of pattern.”\textsuperscript{58} Claude Ake defines it as “the regularity of the flow of political exchanges.” Political stability exists to the extent that “members of society restrict themselves to the behaviour patterns that fall . . . in the limits imposed by political role expectations.”\textsuperscript{59} Similarly, political stability has also been seen as “the continued operation of specific patterns of political behaviour, apart from the illegal use of violence, accompanied by a general expectation among the attentive public that such patterns are likely to remain intact in the foreseeable future.”\textsuperscript{60}

However, other writers have stressed that political stability should also allow for “controlled and desired change.”\textsuperscript{61}

Lucian W. Pye contends that the essence of political stability is the “ability to realise purposeful change, since stability connotes adaptiveness in the face of changing conditions.”\textsuperscript{62} Similarly, Harry Eckstein implies that political stability entails the capacity to adapt to changing conditions. Eckstein also provides more criteria for defining democratic political stability: legitimacy; effective decision-making, and authencity.\textsuperscript{63} Arend Lijphart’s study of the Netherlands provides a


\textsuperscript{58}Hurwitz, “Contemporary Approaches to Political Stability,” 460.


\textsuperscript{60}Ian Lustick, “Stability in Deeply Divided Societies: Consociationalism versus Control,” \textit{World Politics} 31 (April 1979): 325.

\textsuperscript{61}Milne, \textit{Politics in Ethnically Bipolar States}, 10.

\textsuperscript{62}Lucian W. Pye, \textit{Aspects of Political Development} (Boston: Little, Brown, 1966), 75.

\textsuperscript{63}Eckstein, \textit{Division and Cohesion in Democracy}, 11-32. By authencity, Eckstein means “the democratic structures must not be mere facades for actual government by
definition of political stability which includes the absence of violence, governmental longevity, constitutional continuity, effective decision-making, and positive systemic acceptance and support.\textsuperscript{64}

It is obvious that political stability is not an easily definable concept. However, for the purposes of this study, political stability will be seen as a multidimensional concept, which encompasses some of the more significant defining characteristics referred to by previous scholars. These include general civil order, the "relative absence of violence and civil disturbance"\textsuperscript{65}; and system maintenance but with a capacity for non-disruptive change, that is, "change that is neither too great or frequent in pattern."\textsuperscript{66} This means that there is an "absence of basic or disruptive change in a political system, or the confining of change to acceptable or specified limits."\textsuperscript{67} The other factors referred to in the studies, do not really define political stability as much as being either indicators or the result of political stability. However, the relationship between political stability and legitimacy deserves special mention. This refers to "the extent to which the political system and the system's outputs are accepted by the population."\textsuperscript{68} Legitimacy and political stability tend to be interdependent since a government should generally be obeyed without the need for it to resort to coercion.\textsuperscript{69} Without some degree of legitimacy, it is unlikely that political stability would last for long. Conversely, enduring political stability implies the presence of legitimacy.

\textsuperscript{66}Aunger, \textit{In Search of Political Stability}, 39.
\textsuperscript{67}Plano et al., \textit{Dictionary}, 149.
\textsuperscript{68}Hurwitz, "Contemporary Approaches to Political Stability," 455.
\textsuperscript{69}See Milne, \textit{Politics in Ethnically Bipolar States}, 11-12.
There have been a number of studies which have looked at how political stability can be maintained in plural societies. One approach to the problem emphasises compromise and accommodation.\textsuperscript{70} Arend Lijphart developed the consociational democracy theory, which has four characteristics: a "grand coalition" of all the ethnic groups; mutual veto; proportionality in political representation; and a high degree of autonomy for each ethnic group to run its own internal affairs.\textsuperscript{71} Lijphart proposes consociationalism as an alternative to the British model of democracy, or what he calls the competitive or "adversarial" style of politics, particularly for Third World countries. Four European cases of stable consociational democracies - Austria, Switzerland, Belgium and the Netherlands - with deep ethnic cleavages are deemed to have special significance for plural societies in the Third World.\textsuperscript{72} Other scholars who have contributed to the consociationalist school include Kenneth McRae who applied the theory to Canada; and Gerard Lehbruch and Hans Daalder who looked at a "non-competitive pattern of conflict management" in Switzerland, Austria, Lebanon and the Netherlands.\textsuperscript{73}

Eric Nordlinger's theory of stability in deeply divided societies with its six "conflict-regulating practices" is remarkably similar to Lijphart's. The practices are:


\textsuperscript{72}Lijphart, Democracy in Plural Societies, 16-25.

\textsuperscript{73}See McRae, Consociational Democracy, 90-124, 238-268.
stable coalition; proportionality; mutual veto; "depoliticisation"; compromise; and concessions.\(^7^4\) However, Nordlinger only applies his theory to "open" regimes, which are not necessarily democratic. As he puts it, "Regimes are open when power is relatively diffused between the elite and the nonelite."\(^7^5\) Milton J. Esman has attempted to extend Nordlinger's analysis to include other non-open plural societies. His discussion of "balanced pluralism" identifies three communal conflict management techniques: proportionality; territorial autonomy; and legal-cultural autonomy.\(^7^6\)

Consociationalism has sometimes been criticised for having little applicability to the Third World. Although there have been a few case studies of consociationalism in developing countries such as Fiji, at best, they have only been found to have "consociational characteristics," and "do not conform closely to the Western ideal type."\(^7^7\) Donald Rothchild has stated that the consociationalist model seems "artificial" and "inappropriate" in Third World conditions, and has a very limited analytical utility, especially in post-colonial Africa. The reasons include the fact that: (1) Consociationalism accepts the existence of ethnic cleavages while many African states prefer to foster national unity by weakening ethnic ties and stressing nationalist loyalties; (2) the frustrations and resentments resulting from dire economic conditions in most of Africa are hardly conducive for consociationalism, which is based on restraint and deference; and (3) the ethnic

\(^{7^4}\) Eric A. Nordlinger, *Conflict Regulation in Divided Societies*, with a Foreword by Professor Samuel P. Huntington (Harvard Univ.: Centre for International Affairs, 1972), 21-31.

\(^{7^5}\) Ibid., 10.


groups in Africa are “divided by personality clashes, class interests, and schisms based on clan and region,” which complicates consociational arrangements and increases the likelihood of governmental paralysis. Rothchild goes as far as to say that consociational arrangements may even be undesirable in Africa, as they would increase the polarisation of society. Other criticisms are that consociational democracy theorists tend to emphasise “cooperative, formalistic behaviour by sub-unit elites at the expense of power relations and manipulative devices which may be more relevant.” Furthermore, “the analytical implications of the antidemocratic, manipulative nature” of many consociational practices have also been generally ignored.

A second approach to explaining political stability in plural societies is based on the “control” model. In contrast to the consociational model, the interests of the dominant ethnic group are perceived and articulated by its elite, and instead of bargaining with the other ethnic groups, the dominant group dictates to them. The instruments of the state are also effectively controlled by the dominant ethnic group, which are used to coerce and control the other ethnic groups. Other scholars who have referred to the use of control include Milton J. Esman, who cites “institutionalised dominance” as one of four ways to manage communal conflict; and Leo Kuper, who refers to the “system of domination,” which depends to some

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80 For additional information, see Lustick, “Stability in Deeply Divided Societies,” 330-2.
degree on "force and repression," in his study of African societies.\textsuperscript{81}

In their book, Alvin Rabushka and Kenneth A. Shepsle set out to formulate a "theory of democratic instability in the plural society."\textsuperscript{82} By examining the evidence of ethnic patterns of cooperation and conflict in a number of case studies, they conclude that in plural societies, achieving stability is difficult in a democratic framework.\textsuperscript{83}

It should, of course, be noted that many plural societies rely on both consociational as well as control techniques to maintain political stability. Moreover, given the fact that most developing plural societies have weak political institutions, which do not usually enjoy a high degree of legitimacy, it seems reasonable to expect that they would conform more to the control model than the consociational one, at least in the short term. However, as Ian Lustick has pointed out, "coercion, in and of itself, is unlikely to serve as the basis for a stable pattern of intergroup relations."\textsuperscript{84} Ultimately, viable long-term political stability also requires consensus and some degree of accommodation. Hence, developing plural societies which have successfully maintained political stability over a long period of time, such as Malaysia, are likely to have developed a judicious mix of consociationalist and control techniques to contain ethnic conflicts.

The above hypothesis is supported by R.S. Milne's study which examined the political importance of ethnicity in three countries, and the governmental response to the problem. In Guyuna, Malaysia and Fiji, he found that ethnicity was


\textsuperscript{82}Rabushka and Shepsle, \textit{Politics in Plural Societies}, 93.

\textsuperscript{83}Ibid., 213. This conclusion is also reached by Horowitz in \textit{Ethnic Groups in Conflict}, 681.

\textsuperscript{84}Lustick, "Stability in Deeply Divided Societies," 333.
considered to be an unavoidable "fact of political life," and that in all three cases, relative stability was maintained by one of the ethnic groups assuming control over the other groups, although the degree of the control varied in the countries.\textsuperscript{85} In a later study using the same three case studies, Milne also examined the hypothesis that bicomunal systems have "high potential for conflict, violence and even, disintegration." He argues that although one ethnic group usually ends up exercising hegemony over the other, there can also be a degree of consensus, with the other ethnic group accepting the political arrangement. In such a case, hegemonic control can promote predictability and stability.\textsuperscript{86}

In a further modification, Donald Rothchild proposes the "hegemonial exchange model," which incorporates features of the control and consociational model. In this somewhat complicated model, various ethnic spokesmen engage in simultaneous negotiations with the factions of their ethnic group, the spokesmen of the other ethnic group, and with the central state leadership. The state in this case is only semi-autonomous, and its role is basically that of a coordinator, since it lacks the capacity to unilaterally impose its decisions. In exchange for support and compliance with its regulations by the ethnic groups, the central state leaders give them autonomous power, representation, or economic resources. These informal negotiations take place on the "basis of commonly accepted procedural norms, rules or understandings, in a process of mutual accommodations." Open, partisan competition in elections is prohibited. Instead, exchanges and reciprocity are secured by means of "behind-the-scenes negotiations and the application of the

\textsuperscript{85} Milne, \textit{Politics in Ethnically Bipolar States}, 201-13.
proportionality principle.\textsuperscript{87}

Rothchild’s model is rather unwieldy, and he fails to adequately clarify its features. While there are similarities with Milne’s "hegemonic control" in that bargaining and exchanges take place, it is not very clear how the element of "hegemony" comes into play in the model. Who exercises "hegemony"? If the state is supposed to be an impartial coordinator, exercising a limited hegemony over the various groups, who makes up "the state"? The analytical value of Rothchild’s model is thus, difficult to evaluate in light of the inadequacies of his discussion. However, its significance lies in its attempt to combine consociationalist and control features into one model.

So far, this chapter has reviewed the literature on studies related to the topic of this thesis, which is the relationship between preferential policies and political stability in ethnically plural societies. By our discussion of ethnic groups and plural societies, we have seen how powerful ethnic loyalties can be, and how in plural societies, ethnic divisions are politically salient, thus increasing the chances of ethnic conflict. The sources of ethnic conflicts were also examined, in particular, those which lead plural societies to adopt preferential policies. These plural societies are characterised by ethnically based socioeconomic inequalities, or at least they are perceived to be by the disadvantaged ethnic group. It was suggested that their governments believe preferential policies would enhance long-term political stability by eliminating the socioeconomic disparities, and allowing ethnic competition to take place on a more equal basis. It was also noted that preferential policies have been adopted as a means of ensuring the continued political domination of certain ethnic groups. Hence, we are able to see the impact that

\textsuperscript{87}Rothchild, "Hegemonial Exchange," 70-74.
ethnicity has on political behaviour, and why ethnic conflicts plague many plural societies today. The potency of ethnically based disparities as a source of conflict is particularly relevant to the present study as it allows us to understand why preferential policies are adopted.

The survey of case studies on preferential policies further shows that their success, or failure, both in terms of reducing the inequalities and maintaining political stability, depended on a number of factors. These include economic factors as well as political ones. It was also found that in those cases where political stability was not disrupted by the introduction of preferential policies, the governments had exercised restraint, and care was taken to ensure that the economically dominant groups were not adversely affected in the process. Finally, the ways in which political stability has been maintained in plural societies were reviewed. From this discussion, we gain a better understanding as to why some preferential policies have proven to be relatively successful, and why some have failed. In addition, the studies on stability maintenance allow us to see how consociationalist or control techniques can affect the impact of preferential policies on political stability. On the one hand, some degree of consensus and accommodation can minimise the threat posed to the discriminated group by preferential policies, thus making them less likely to challenge the policies. Preferential policies enforced without any consensus or restraint are likely to render them extremely unpalatable to the discriminated group, thus endangering political stability. Political hegemony by one ethnic group on the other hand, can enhance stability by “protecting” the position of the socioeconomically disadvantaged ethnic group, which allows it to feel secure enough to accommodate the other group. It should be noted that there has to be a balance between hegemony and accommodation since too much of either one is dangerous. Before
explaining further the relevance of these findings to the hypothesis of the thesis, the methodology and the case studies will first be discussed.

The methodology chosen for this study will be the comparative method, or what has been called the "comparable-cases strategy." This strategy involves "selecting comparable cases for analysis and achieving a large measure of control as a result of their comparability." 88 Unlike the statistical method, which has been the method of choice according to the postwar trend in comparative politics, 89 the comparative method involves fewer cases, and thus, allows the researcher to analyse them more thoroughly. The researcher is also less dependent on data which cannot be properly evaluated. 90

For the purposes of this study, cases that differ in outcome (or the dependent variable) but which share similar independent variables, will be selected. The independent variable will be preferential policies, while political stability is the dependent variable. Intervening variables, which can affect the level of political stability in the case studies will also be identified. Although it has been established that preferential policies have some impact on political stability, we are also concerned to ask questions such as: To what extent can the degree of political stability be attributed to preferential policies? What other factors, such as economic growth and the political system, should be considered when analysing political stability in plural societies? In addition, this study is also interested in examining the relevance of the consociational and control theories discussed

89 Ibid., 60.
90 Ibid., 65.
previously,\textsuperscript{91} to the conclusions drawn.

There are a number of developing plural societies which have adopted preferential policies; however, only three - Malaysia, Sri Lanka and Fiji - were chosen to narrow the scope of comparison. These three countries are deemed to be comparable cases because they share a number of similarities: all are plural societies with two main ethnic groups. Also, in each case, preferential policies have been adopted by an indigenous ethnic group which perceived itself to be disadvantaged. Other case studies, such as Guyana, were not included because the ethnic group which adopted the preferential policies was not indigenous, and thus, could not legitimise its biased policies. In Guyana, the axis of of politics has also seen a shift from ethnicity to class, and racial issues do not appear to be as important as in the other three countries.

However, it should be noted that although there are common elements in the preferential policies adopted by the three case studies, the scope and formality of the preferential programmes vary in the three countries. In Malaysia, "special rights" and the New Economic Policy give preferences to the Malays and the indigenous ethnic groups. The "special" position of the Malays is embodied in the constitution, and preferential policies are extensive, covering public sector employment, education, land ownership, as well as business licenses and contracts. In Sri Lanka, preferential policies are not as extensive, although the effects have been far-reaching. Sinhala is deemed to be the official language, and a requirement for government jobs. In addition, the "standardisation" policy\textsuperscript{92} gave additional points to examinations taken in Sinhala. Through the preferential

\textsuperscript{91} For a detailed discussion of these theories, see pp. 21-26 above.
\textsuperscript{92} The "standardisation" policy was abolished in 1977.
policies in language and education, the Sinhalese were thus able to enjoy advantages in school admissions as well as employment. In Fiji, Fijians enjoy “special rights” and land ownership of nearly all the cultivable land is reserved for them. Fijians also enjoy preferences in education, business loans and governmental development programmes. In all three cases, the beneficiaries of the preferential policies - the Malays, Sinhalese and Fijians - have also come to dominate the government and its various branches, such as the civil service and armed forces, in their respective countries. In addition, the electoral systems are designed to favour the politically dominant ethnic groups.

The selection of Malaysia, Sri Lanka and Fiji also allow us to compare the strikingly divergent paths that the three countries have taken in terms of political stability, and to explore the reasons for this. In Malaysia, although the New Economic Policy remains the most contentious issue in Malaysian politics, and genuine social harmony is still elusive, ethnic conflict has nevertheless been contained, and is worked out through political means. Malaysia can be said to enjoy a relatively high degree of political stability. Despite the ethnic cleavages which exist in Malaysia, some consensus is still achieved ultimately, through a power-sharing framework.

In stark contrast, Sri Lanka is witness to a protracted ethnic conflict which has become increasingly violent, and which has claimed many lives, and led to “the deterioration of the nation’s traditionally democratic structure, widespread dislocation of the populace, and an intensified racism in the country.”93 The preferential policies have only served to entrench even further the deep

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interethnic cleavages, and this has in turn led to the rise of extremist movements like the Sinhalese nationalist Janata Vimukti Peramuna (JVP) and the Liberation Tigers of Tamil Eelam (LTTE). Today, Sri Lanka has to contend with a Tamil separatist movement, rising terrorism and intermittent communal rioting and massacres.

Prior to 1977, the Fijian situation was somewhat similar to Malaysia’s. The Alliance Party, which had ruled the country since independence, was dominated by the Fijians, but also enjoyed the support of some Indians. Although preferential policies caused some Indian resentment, there was a degree of power-sharing between the two ethnic groups, and through a relatively benign form of Fijian hegemony, ethnic tensions were kept under control, and political stability was maintained. The fact that the Labour-National Federation Party (NFP)\textsuperscript{94} coalition won the 1987 elections was a testament to the relatively healthy state of ethnic relations. The social and occupational boundaries between Fijians and Indians were breaking down, and large numbers from both communities had become disenchanted with their leading parties, and were finding common interests.\textsuperscript{95} However, the subsequent coups, which returned the Alliance Party to power, spelled the end of political stability in Fiji. The new constitution has further entrenched Fijian domination in the country, and relations between the Fijians and Indians have since deteriorated. Indeed, some militant and radical Fijian Indians are warning that the situation would “ultimately lead to violent confrontations as are seen in Sri Lanka.” It has even been said that Fiji has taken a giant step from

\textsuperscript{94}The Labour Party is a non-ethnic party with wide appeal to both working-class Fijians and Indians, while the NFP was Indian-dominated.

\textsuperscript{95}See Professor Hugh Tinker and others, Fiji (London: The Minority Rights Group, 1987), 11.
simply pursuing preferential policies, and is now, "practising its own version of apartheid."\textsuperscript{96} Thus, Fiji fits in because at certain times in its history, its situation has been compared to Malaysia's as well as Sri Lanka's. The Fijian Alliance Party was based on the Malaysian Alliance Party of the 1960s, and Fijian leaders looked to Malaysia as an example on how to manage ethnic relations. Since 1987 however, comparisons between Fiji and Sri Lanka have widened the common ground, in the light of the ethnic tensions between Fijians and Indians.

From the above discussion, it should be obvious that a comparative study of the three countries would prove to be an analytically useful exercise, and would allow us to better understand the impact that preferential policies can have on the political stability of a plural society. While Malaysia's preferential policies are the most extensive, its political system encompasses the most consociationalist elements, and it has experienced the greatest degree of political stability. Sri Lanka's preferential policies are less extensive, but its political system conforms the greatest to the "control" model, and it is the most politically unstable of the three case studies. Fiji lies somewhere in between, with few preferential policies and with some consociationalist elements in the pre-coup political system. Political stability is rather tenuous, but the situation has not, at least for the time being, deteriorated to the widespread violence so common in Sri Lanka.

Thus, we can hypothesise that when preferential policies are adopted in an political system which combines consociationalist and control features similar to Milne's "hegemonic control,"\textsuperscript{97} the prospects for political stability are the greatest.

\textsuperscript{97}See the discussion in p. 25 above.
"Hegemonic control" or "exchange."\(^{98}\) is a system in which one ethnic group is in a politically dominant position. However, instead of trying to coerce the other groups to comply with its wishes, they engage in bargaining and exchanges to ensure some consensus with them, albeit from a position of strength. This ensures that the "domination" is relatively benign, and accepted to a degree by the other ethnic groups. Stability is enhanced because the position of the dominant ethnic group is assured, while the interests of the other ethnic groups are accommodated to some extent.

Among the three cases, Malaysia best exemplifies hegemonic control or exchange, while Fiji demonstrates that when hegemony by the politically dominant group is not assured, political instability is the result. This is especially so when the dominant group is also the indigenous group, and is highly sensitive to any perception of threat to its status. In Sri Lanka, the numerical advantage of the Sinhalese assures its hegemony, but stability has not followed. One reason for this is because there is no bargaining or consensus between the Sinhalese and the Tamils. Also, numbers alone cannot explain the Sinhalese perception of their position, which aptly illustrates the nature of group anxiety: despite the fact that they comprise about three-quarters of the population in their country, the Sinhalese have a minority complex because of the existence of 55 to 60 million Tamils across the Palk Strait in the South Indian state of Tamil Nadu who have maintained close ties with the Sri Lankan Tamils.

A comparison of the preferential policies in the three cases also suggests that the way in which preferential policies are implemented is important. In

\(^{98}\)Although Milne uses the phrase "hegemonic control," it is perhaps a little misleading since it does not imply the elements of bargaining and consensus which also characterise it. For this reason, hegemonic exchange may be a more accurate term.
Malaysia, they cover a wide variety of areas, but because they are formalised with clear guidelines, abuse of the policies by the beneficiaries is minimised. There is also an effort by the government to minimise the adverse effects of the preferential policies on the other ethnic group. These factors explain why less extensive preferential programmes, such as those in Sri Lanka, can lead to greater political instability.

A comparative study involving only three cases cannot hope to provide exclusive explanations for political stability in all developing countries which adopt preferential policies. But, as A.H. Birch has stated, "the kind of comparative study most likely to be fruitful is that which takes as its starting point the existence of somewhat similar arrangements which have evolved or have been devised in a limited number of countries, themselves not entirely dissimilar, to meet similar needs." Malaysia, Sri Lanka and Fiji meet these conditions, and since they have not been compared in terms of preferential policies and political stability before, the findings of this study can shed new light on how stability is affected by the adoption of preferential policies within a particular political system.

Thus far, this chapter has identified the purpose of the study, reviewed the literature on the topic, and discussed the methodology to be used. In the next chapter, some background on the three case studies will be provided. Basically, this refers to their socioeconomic environment and institutional legacies. It will be shown that the three countries are societies with two main ethnic groups, distinct from each other in terms of culture, religion, language and race. Also, they are all former British colonies, and colonial policies had similar effects on their societies.

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In chapter three, the preferential policies will be described, while chapter four will describe their political consequences and the reasons for the different impact on political stability in each country. The factors which will be analysed are: the ethnic configuration; geographic distribution of the various ethnic groups; economic factors; "exit" alternatives; the political system, and external variables. The final chapter will then sum up the conclusions of the study.
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CHAPTER 2

MALAYSIA SRI LANKA AND FIJI: SOCIOECONOMIC ENVIRONMENT AND INSTITUTIONAL LEGACIES

This chapter will focus on the socioeconomic environment and institutional legacies of the three case studies. First, the ethnic composition of each country will be discussed, and this will be followed by a look at the colonial experiences, as well as the effects of colonial rule on the socioeconomic environments and institutional legacies of Malaysia, Sri Lanka and Fiji.

Malaysia, Sri Lanka and Fiji are plural societies, each composed of different ethnic groups living in close proximity to each other, but that are clearly differentiated from each other by a number of factors such as race, culture, religion, language and origins. These cleavages coincide and reinforce each other. At the same time, in these societies, no cross-cutting cleavages, such as class, are strong enough to substantially undermine ethnic loyalties. Thus, the ethnic groups have a very strong sense of ethnic identity, which is reflected in almost every sphere of life. Organisations such as trade unions, political parties and business groups are usually organised along ethnic lines, and issues and conflicts tend to be viewed through "ethnic lenses."

Ethnic composition of Malaysia, Sri Lanka and Fiji

Table 1 shows the ethnic composition of the three countries:
TABLE 1
ETHNIC COMPOSITION OF MALAYSIA, SRI LANKA AND FIJI

<table>
<thead>
<tr>
<th>Malaysia</th>
<th>Sri Lanka</th>
<th>Fiji</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethnic Group</td>
<td>Percent of</td>
<td>Ethnic</td>
</tr>
<tr>
<td>Group</td>
<td>Population</td>
<td>Group</td>
</tr>
<tr>
<td>Malay and</td>
<td>56.5%</td>
<td>Sinhalese</td>
</tr>
<tr>
<td>Bumiputra</td>
<td></td>
<td>Sri Lankan</td>
</tr>
<tr>
<td>Chinese</td>
<td>32.8%</td>
<td>Tamil</td>
</tr>
<tr>
<td>Indian</td>
<td>10.1%</td>
<td>Indian Tamil</td>
</tr>
<tr>
<td>Others</td>
<td>0.6%</td>
<td>Moors</td>
</tr>
</tbody>
</table>


(i) Malaysia

In Malaysia, Malays make up the largest ethnic group, comprising about 47-48% of the total population.1 The Malays consider themselves to be one of the indigenous or “bumiputra” (literally, “sons of the soil”) peoples of Malaysia, unlike the immigrant Chinese and Indian communities. However, the Malaysian Constitution defines a Malay as “a person who professes the Muslim religion, habitually speaks the Malay language, and conforms to Malay customs.”2 This definition is more cultural than ethnic, and includes some Malays who trace their ancestry to Indonesia.3 For governmental purposes, Malays are classified together

1Zakaria Haji Ahmad, “Malaysia: Quasi Democracy in a Divided Society,” in Democracy in Developing Countries, eds. Larry Diamond, Juan J. Linz and Seymour Martin Lipset (London: Adamantine Press, 1989), 351.
with the other indigenous “bumiputra,” and together, they form 56.5% of the total population. These “bumiputra” include Kadazans, Bajaus and orang asli (aborigines), who are not all Muslims. Only about one-third of the indigenous peoples in Sarawak are Muslims, while in Sabah, the proportion is about two-thirds. Thus, it appears that not all Malays are “bumiputra,” nor all “bumiputra” Malays or Muslims. They are classified together for a political reason - to allow the Malays to claim a clear majority in the country.

The next largest ethnic group in Malaysia are the Chinese, who make up 32.8% of the population. Most of them were impoverished peasants who arrived in the nineteenth century from south China. The Chinese came as “sojourners” to work in the tin mines, plantations or to engage in trade in the cities. The Chinese are not a homogeneous group, and practice many faiths ranging from Buddhism to Taoism to Confucianism to Christianity. They also speak a wide variety of dialects.

Indians comprise 10.1% of the population, although they are not very significant politically. In Malaysia, politics is commonly seen as a contest between Malays and non-Malays (which usually mean the Chinese), and “political issues are often couched in Malay versus non-Malay terms.”

(ii) Sri Lanka

The two main ethnic groups in Sri Lanka are the Sinhalese and the Sri Lankan Tamils. The former, who comprise about 74% of the total population, trace

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4 Milne, Politics in Ethnically Bipolar States, 54.
5 Thomas, “Malaysia,” 405.
their origins to migrations from northern and eastern India around 500 B.C. The Sinhalese claim "Aryan" descent, speak the Sinhala language, and are predominantly Buddhist. The Hindu revival in India almost completely displaced Buddhism, and emigration from the north and east of India to Sri Lanka began to dwindle to a trickle. Over time, the links between the Sinhalese in Sri Lanka and north India were weakened and eventually, broken completely. This resulted in a degree of cultural isolation for the Sinhalese, and they became aware that their language and religion had to be preserved without any help from abroad. P. Ramaswamy has cited this as the early nucleus of Sinhalese nationalism. The Sinhalese culture and language is unique in the world, which reinforces the group's perception of itself as "true defenders" of the Buddhist faith. At the same time, there is also an extreme sense of vulnerability about their survival as an ethnic group - in the eyes of the Sinhalese, they have nowhere else to go to, and Sri Lanka is their only homeland.

Sri Lanka's second largest ethnic group, the Sri Lankan Tamils, came mainly from south India centuries ago as invaders and settlers. In contrast to the Sinhalese who had settled over most of the island, the Tamils tend to be concentrated in the northern and eastern regions of Sri Lanka, where from the mid-thirteenth to the early seventeenth centuries, an independent Tamil kingdom was established. The Tamils speak Tamil, one of the major Dravidian languages.

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9 It should be noted that "Aryan" functions better as a linguistic term than as a racial term.


and are mainly followers of Hinduism. Unlike the Sinhalese, the Tamils in Sri Lanka were able to maintain cultural and political ties with south India, and this factor no doubt contributed to the Sinhalese perception of the Tamils as a threat to their existence. The Sinhalese have an overwhelming fear of being submerged by the 180 million people of Dravidian culture just across the Palk Strait in India, including 55-60 million Tamils residing in Tamil Nadu.13

Sri Lankan Tamils are culturally similar to but economically different from the Indian Tamils, who form 5.5% of the population. The latter group was brought over by the British during the nineteenth century as indentured labourers to work in the plantations.14 Indian Tamils were despised and looked down upon by both the Sinhalese and Sri Lankan Tamils and initially they were were not involved in the ethnic conflict between the two groups. In time however, as the violence became more widespread and increasingly vicious, the Sinhalese stopped distinguishing between the two groups of Tamils. Still, Indian Tamils, like the Indians in Malaysia, are not very significant politically. Since independence, substantial numbers have been repatriated to India under agreements between Colombo and New Delhi, while Sri Lanka has absorbed the rest as citizens.

It is evident that the differences between the Sinhalese and Tamils are essentially cultural.15 Significantly, both ethnic groups consider themselves to be indigenous peoples. There is some controversy as to who were really the first setters, and the facts are further obscured by the myths which surround the early


history of the island, particularly on the Sinhalese side. One of these myths identifies Sri Lanka as the land of the Sinhalese people, “specially consecrated by Lord Buddha’s visits to preserve the purest form of Buddhist religion before the arrival of King Vijaya, founder of the Sinhalese kingdom.” Other myths attribute the Sinhalese presence to migrations of “Aryans,” led by the legendary Vijaya, grandson of a union between an Indian princess and a lion.

Because the actual facts of early Sinhalese and Tamil migrations are so hard to determine, most scholars attempt to avoid the hair-splitting. Some of them like V. Suryanarayan have contended that “it can be stated unequivocally that the Sri Lankan Tamils are as indigenous to the country as the Sinhalese.” Nevertheless, these myths which the Sinhalese and Tamils continue to cling to are at the root of the ethnic conflict.

(iii) Fiji

Fiji’s ethnic composition is more similar to Malaysia’s than Sri Lanka’s in that its two main ethnic groups are about the same size. Native Fijians are slightly outnumbered by the Indians, and make up 46% of the total population. More than 3000 years ago, the inhabitants of Fiji were mainly Melanesian, but with successive invasions by Tongans in the pre-colonial period, the eastern regions of the country were infused with Polynesian racial and cultural characteristics. In southeast

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Viti Levu and the eastern islands, the chiefly states have political and other institutions, similar to the Polynesians, which are strongly hierarchically and supported by ritual observances. In contrast, the political units in the west are smaller and less viable, and their structures more segmentary than hierarchical.  

There are a variety of Fijian dialects, but predominant is the eastern Bauan dialect. However, English is the official language of the country. Nearly all Fijians are Christians. Like the Malays, the native Fijians consider themselves to be the indigenous people, or the “taukei ni qele” (“owners of the soil”).

The Indian community in Fiji has been described as being “all chiefs and no commoners.” They were brought to Fiji between 1879 and 1916 as indentured labour, or “coolies” to work in the European-owned sugar plantations as well as the Australian Colonial Sugar Refining (CSR) company. The Fijian Indians are mostly Hindus, but also include Muslims and Christians. In addition, they also speak a variety of different languages (although Hindi is the most common) and belong to different castes.

Lastly, other ethnic groups in Fiji include Europeans, part-Europeans and Chinese, and they are collectively referred to as “General Electors.” These other races make up about 5.3% of the population. European missionaries arrived in Fiji during the 1830s, and subsequently, white traders and planters, many from the Australasian colonies, also settled there. Unlike the Indians and Indian Tamils of

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21 See Lawson, “Myth of Cultural Homogeneity,” 803; Naresha Duraiswamy, “Fiji Today,” in Fiji, eds. Tinker et al., 5; and Milne, Politics in Ethnically Bipolar States, 75.
Malaysia and Sri Lanka respectively, the General Electors do play a rather significant role in Fijian politics, which will be discussed in greater detail later in this chapter.

Not all the ethnic groups in the three cases are homogenous, with the exception of the Sinhalese and Sri Lankan Tamils. However, intraethnic differences among the Chinese, Malays and native Fijians have for the most part been submerged by interethnic differences. The plural nature of the society is reflected in the fact that in all the three cases, any political party without ethnic appeal has little hope of winning electoral support. Even the Alliance and its post-1969 reincarnation, the National Front, in Malaysia is a multiethnic alliance, not an multiethnic party. The Front relies on the ability of its component ethnic parties to appeal to their ethnic constituencies.24

Colonial policies in Malaysia, Sri Lanka and Fiji

All the three cases in this study were former colonies of Britain, and there are some remarkable similarities in their colonial experiences. In Malaysia, a series of negotiations between the British and Malay rulers brought the country into the British Empire. Parts of Sri Lanka had already experienced colonial rule by the Portuguese and the Dutch before the arrival of the British, who succeeded in unifying the country, thus bringing the Tamil kingdom in the north, the lowland Sinhalese kingdom in the south, and the upland Kandyan kingdom under the same administration in 1815.25 Fiji, however, was voluntarily ceded to the British in 1874 by the paramount chief of the time, Cakobau, after an earlier attempt to offer the country to Britain, as well as the United States and Germany, had failed. In the

next section, we will examine the colonial policies in each country.

(i) Malaysia:

Before the arrival of the British in the mid-nineteenth century, Malaysia was made up of different states and ruled by a number of native sultans. The Malay people were mainly rural-based subsistence farmers and fishermen. Because the British did not "conquer" the country as such, and had engaged in negotiations, albeit rather one-sided, with the sultans, they did recognise the Malays as the indigenous people and rightful owners of the country. Thus, they took on the responsibility for their welfare, and the preservation of their rights. Although the British had established colonial rule for the purposes of trade and to acquire raw materials, they also sought to "protect" the indigenous culture of the Malays by preserving their traditional way of life. The solution was the importation of foreign labour from south China and India to work in the tin mines and plantations, while the British took care to minimise the disruption of Malay society by the influx of foreign labour by keeping the two groups apart. It should be noted that the reasons for this, however, were not entirely humanitarian. Rather, it can be seen as just another manifestation of the infamous "divide and rule" strategy. Nevertheless, it also has to be noted that the indigenous Malays were themselves uninterested in or unwilling to give up their farming or fishing activities and turn to wage labour.

To "protect" the Malays from economic dislocation, the colonial government

designated large areas as “Malay Reservations” in which only Malays could own or lease land. This allowed them to continue with their agricultural activities, while preventing the enroachment into their areas by the non-Malays. The concept of “protection” was also extended into the fields of public employment and education. The British recognised the important role of the Malay aristocracy, and thus, proceeded to modernise and strengthen it so that they could rule indirectly through the Malay leaders. As Gordon P. Means states, they “exercised authority in the name of the Malay rulers,” and used them to legitimise colonial rule. In theory, sovereignty rested with the Sultans; however, they were obliged to accept and implement the “advice” given to them by the British advisors. In 1905, the British set up the Malay College to provide English education and to train the sons of Malay aristocrats for employment in the administration. The graduates would then fill the ranks of the Malayan Administrative Service, the junior partner to the Malayan Civil Service which was run by the British. The colonial government also provided some rudimentary education for the majority of the Malays, who remained peasants.

(ii) Sri Lanka:

The Portuguese arrived in Sri Lanka early in the sixteenth century, and their greatest impact was the introduction of the first Roman Catholic missionaries to the island to “convert the heathens.” Today, there are more Roman Catholics in Sri Lanka than Muslims. For the most part, the Portuguese “were content to trade,

30See Milne, Politics in Ethnically Bipolar States, 42.
31 See Means, “Special Rights,” 31; and Means, Malaysian Politics, 43.
32 Ibid., 35; and Thomas, “Malaysia,” 403.
using the Sinhalese kings as puppets,” but they were finally expelled from the island in 1658 by the Dutch. The new colonial masters were primarily interested in trade. Yet, under the Dutch, an administration was formally organised; a legal system based on Roman-Dutch law, which exists to this day, was established; and the economy of the areas under their control, was completely commercialised. Throughout this period, neither the Portuguese nor the Dutch were able to gain control of the central Sinhalese kingdom of Kandy, and the country was only united when the British took control.

Prior to the arrival of the British, the Kandyan chiefs had conspired with them to get rid of the Sri Lankan Tamil king, and after he was deposed of in 1815, they struck an agreement under which Kandy was allowed to maintain some degree of independence, and was governed by the British East India Company instead of British officers. However, in 1817, a violent rebellion broke out in Kandy which was crushed by the British, and they then revoked the agreement and placed the entire country under Britain as a crown colony. This experience no doubt contributed to the degree of antipathy which existed between the British and the Sinhalese, and led the British to favour, at least implicitly, the Sri Lankan Tamils over the Sinhalese in terms of government employment during the colonial period.

Since there was no comparable indigenous group in Sri Lanka to the Malays to “protect,” British policy in Sri Lanka differed somewhat from that in Malaysia,

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34Pakeman, Ceylon, 44-49; Farmer, Ceylon: A Divided Nation, 29-32; and Jeffries, 6-9.
35Farmer, Ceylon: A Divided Nation, 34-36.
although the effects of the two colonial experiences bore many similarities. The British established a number of plantations in the Wet Zone, located in the south of the island, where the Sinhalese were concentrated. However, they ran into a labour shortage because the Sinhalese, like the Malays, were not interested in large-scale agriculture or working as paid labourers. Most remained attached to their villages, and so, Tamil “coolies” from south India were imported to work in the colonial estates.\(^{36}\)

Under the British, missionary societies continued to flourish, although the emphasis was, not surprisingly, on Protestantism rather than Roman Catholicism. These missionaries “pioneered secondary education in English,” which contributed to the emergence of a small English-speaking Sri Lankan elite, drawn from both the Sinhalese and Sri Lankan Tamil communities. However, the mission schools were not distributed very evenly throughout the country. They were found mainly in the southwest low-country region, especially in Colombo, where they benefitted many Sinhalese engaged in the “most vital maritime and commercial developments”, and in the Jaffna peninsula where the Tamils were the dominant community. Because this northern region, also known as the Dry Zone, was barren, uncultivable, and far from the commercial and plantation developments, the Tamils were especially drawn to pursuing education as a means to white-collar employment.\(^{37}\)

Unlike Malaysia, the colonial administration in Sri Lanka did not show any explicit preferences for a particular ethnic group when hiring clerical staff in the civil service. only for those with an English education. However, due to the large


numbers of Sri Lankan Tamils who attended English schools, they gravitated towards the southern areas where they were able to fill many of the posts in government services. Nevertheless, one writer, P. Ramaswamy, contends that in public employment, the British choice of patronage fell to the Tamils because, unlike the Sinhalese, they were seen as "clever, hard-working and dependable and therefore, efficient employees." In contrast, the Sinhalese, while being "smart, handsome, and companionable," were perceived to be "indifferent and unaccountable" as far as their work performance was concerned. The validity of this observation by the British, is of course debatable; however, many Sinhalese no doubt perceived British prejudice as a reason for their backwardness. Also, the Sinhalese armed revolt against the British in Kandy mentioned above probably influenced British attitudes towards the Sinhalese.

(iii) Fiji:

British colonial policy in Fiji sought to keep the native Fijians separate from the Indians who they brought over as "coolie" workers, and to rule the country indirectly through the Fijian chiefs. In this respect, it was more similar to Malaysia than Sri Lanka. It was mentioned before that Fiji was ceded to the British, who were initially rather reluctant to assume control. The Fijian chiefs decided on cession because of the perceived threat posed by the restive white settlers, who had come to own one-fifth of the country, and an even higher proportion of the best available land. Furthermore, the Fijian chiefs were in debt to the United

38 Pakeman, Ceylon, 90-91.
39 See Ramaswamy, New Delhi and Sri Lanka, 103. The author is a veteran Indian journalist who has worked for Indian newspapers, and as the Staff Correspondent in New Delhi of the Associated Newspapers of Ceylon.
40 See Bruce Knapman, "The Economic Consequences of the Coups," in Fiji: Shattered Coup's, eds. Robertson and Tamanisau, 158; and Victor Lal, Fiji: Coup's in Paradise - Race.
States, and faced increasing threats from a Tongan chief. The Deed of Cession was thus, seen as a means of "preserving order in the existing system."

Because of the above circumstances, the colonial authorities, especially Fiji's first governor, Sir Arthur Gordon, felt a certain obligation to hold the rights of the natives as being paramount and inalienable. Gordon saw his duty as one of safeguarding the Fijian people from the "corroding effects of Western penetration," and hence, he forbade the alienation of all the land that was not already in European hands. Furthermore, all previous land sales to non-Fijians were subject to review, and hence, the bulk of land remained under Fijian ownership. Fijians were encouraged to work on their own plantations, and to continue with their subsistence farming. Commercial employment of native Fijians on the foreign-owned plantations was also prohibited, and in any case, the Fijians had no interest in the cash economy, preferring to continue with their subsistence agriculture, much like the Malays. It has been pointed out that this decision not to allow Fijians to work in the canefields had little to do with "concerns about the exploitation of indigenous labour." The British were aware of the extremely harsh conditions on the plantations, and knew that exploitation of the indigenous labour would jeopardise the good relations it enjoyed with the natives, as well as the stable political environment which had been established. Instead, it was decided that the exploitation of foreign labour would serve their commercial


41 Milne, Politics in Ethnically Bipolar States, 61.


45 Robertson and Tamanisau, Fiji: Shattered Coups, 7.
purposes. Therefore, like the Malaysia and Sri Lankan cases, indentured workers, this time from India, were brought over.

To ensure that traditional Fijian society maintained its distinct cultural identity, British policy sought to govern them indirectly through their traditional rulers, the chiefs. Separate Fijian institutions and the Council of Chiefs were established to govern the Fijians.\(^{46}\) Hence, Fijians were kept outside the political mainstream, and it was only in 1963 that they were granted the right to vote, 34 years after the Indians were enfranchised.\(^{47}\)

The impact of colonial rule in Malaysia, Sri Lanka and Fiji

In this section, the effects of colonialism on the socioeconomic environment, as well as the institutional legacies of the three cases will be explored.

(i) Malaysia:

At the end of the colonial period, the Malays who were "protected" from modern commercial activities and left to pursue their traditional way of life, also ended up being left behind economically. The majority were uneducated and virtually unrepresented in the modern economy. At the time of independence, large-scale enterprises were dominated by the foreign firms, while the Chinese controlled rural and urban commerce. At the bottom rungs of the economic ladder were the Malay fishermen, and rice or coconut farmers. The ethnic division of labour was further sharpened during the postwar transition period before independence; as the foreign firms departed, the Chinese took over many of their


\(^{47}\)Mamak, Colour, Culture and conflict, 15; and Lal, Coups in Paradise, 3-6.
activities and businesses. The Malays were the poorest community in Malaysia in terms of distribution of both income and capita ownership. Table 2 shows the distribution of occupation by ethnicity.

**TABLE 2**

**DISTRIBUTION OF OCCUPATION BY ETHNICITY - 1957, 1970, 1980 (IN PERCENTAGES)**

<table>
<thead>
<tr>
<th></th>
<th>1957</th>
<th>1970</th>
<th>1980</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M</td>
<td>C</td>
<td>I&amp;O</td>
</tr>
<tr>
<td>Professional</td>
<td>2.6</td>
<td>2.2</td>
<td>3.7</td>
</tr>
<tr>
<td>and technical</td>
<td>0.4</td>
<td>2.0</td>
<td>1.3</td>
</tr>
<tr>
<td>Administrative</td>
<td>1.6</td>
<td>3.7</td>
<td>4.4</td>
</tr>
<tr>
<td>and managerial</td>
<td>2.8</td>
<td>15.6</td>
<td>8.9</td>
</tr>
<tr>
<td>Clerical</td>
<td>4.7</td>
<td>7.9</td>
<td>13.4</td>
</tr>
<tr>
<td>Sales</td>
<td>72.8</td>
<td>37.7</td>
<td>44.4</td>
</tr>
<tr>
<td>Agriculture workers</td>
<td>10.4</td>
<td>27.8</td>
<td>21.7</td>
</tr>
</tbody>
</table>


Notes: M = Malays; C = Chinese; I & O = Indians and Others.

In some of the years, the percentages do not add up to 100% exactly.

It is clear that the Malays were concentrated in the lowest paying occupations: 73% of them were agricultural workers and fishermen, whereas only 38% of Chinese and 44% of the Indians were in this category. Only 3% of the Malays were in sales, while 16% of the Chinese and 9% of the Indians were in this category.

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Similarly, only 10% of Malays were industrial workers, compared to 28% of the Chinese and 22% of the Indians. In the professional and administrative categories, the percentages of Malays, Chinese and Indians were low - 3%, 4.2% and 5% respectively. However, the Malay community was still in third place compared to the Chinese and Indians.49

This uneven distribution of occupational status resulted in ethnic income inequality. In 1957, the mean income per Malay household was $139 (Malaysian ringgit), compared to $300 (more than double the Malay amount) for Chinese and $237 for Indians.50 In addition, Malas and Malay interests owned only 1.5% of the share capital of limited companies whereas the Chinese owned 22.8% (the rest were foreign-owned). Among Malay households, 65% were below the poverty line, compared with only 26% of the Chinese households and 39% of the Indian ones. Malays constituted 74% of the country’s poor households, Chinese 17% and Indians 8%.

Because the Chinese and Indians faced restrictions in terms of land ownership, one of the Malay special rights, they tended to settle in the urban centres where they could take advantage of the economic opportunities there. Many of the schools established by the European missionaries which offered instruction in English, were also found in the cities. Hence, the Chinese students who enrolled in them and acquired proficiency in English, could become qualified for skilled labour and clerical positions in the British administration and private firms. In addition, the Chinese community itself, also set up a number of Chinese language schools through private donations.51 Table 3 shows the number of

students enrolled in Malaya according to medium of instruction in 1957.

**TABLE 3**

**STUDENT ENROLLMENT IN MALAYA ACCORDING TO MEDIUM OF INSTRUCTION (IN THOUSANDS)**

<table>
<thead>
<tr>
<th></th>
<th>Type of school</th>
<th>Malay-medium</th>
<th>English-medium</th>
<th>Chinese-medium</th>
<th>Indian-medium</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Primary</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1957</td>
<td></td>
<td>428</td>
<td>164</td>
<td>358</td>
<td>48</td>
</tr>
<tr>
<td>1962</td>
<td></td>
<td>486</td>
<td>238</td>
<td>358</td>
<td>62</td>
</tr>
<tr>
<td><strong>Secondary</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1957</td>
<td></td>
<td>2</td>
<td>76</td>
<td>33</td>
<td>0.3</td>
</tr>
<tr>
<td>1962</td>
<td></td>
<td>2</td>
<td>168</td>
<td>31</td>
<td>none</td>
</tr>
</tbody>
</table>


It should be noted that few Malays enrolled in the English-medium schools as they were mostly run by Christian missionaries. One notable exception was the British-run Malay College which catered primarily to the Malay aristocracy. The large numbers of Chinese who were receiving education, which enabled them to move up the economic ladder, was in sharp contrast to the Malay community, which continued to rely on the “free and compulsory” but inferior vernacular education provided by the colonial administration. These schools failed to equip the Malays for higher education, public employment, or for jobs in the commercial sector.\(^{52}\) The number of Malays in technical schools and the universities was also very small compared to the other ethnic groups. Table 4 shows the ethnic

composition of the various faculties at the University of Malaya during the 1962-63, 1965-66, and 1969-70 sessions.

TABLE 4
STUDENT ENROLLMENT BY FACULTY AT UNIVERSITY OF MALAYA
(IN PERCENTAGES)*

<table>
<thead>
<tr>
<th></th>
<th>Malay</th>
<th>Non-Malay</th>
</tr>
</thead>
<tbody>
<tr>
<td>1962-63 (all students)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture</td>
<td>8</td>
<td>92</td>
</tr>
<tr>
<td>Arts</td>
<td>34</td>
<td>66</td>
</tr>
<tr>
<td>Engineering</td>
<td>2</td>
<td>98</td>
</tr>
<tr>
<td>Science</td>
<td>5</td>
<td>95</td>
</tr>
<tr>
<td>1965-66 (first-year students)*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture</td>
<td>45</td>
<td>55</td>
</tr>
<tr>
<td>Arts</td>
<td>45</td>
<td>55</td>
</tr>
<tr>
<td>Engineering</td>
<td>3</td>
<td>97</td>
</tr>
<tr>
<td>Science</td>
<td>7</td>
<td>93</td>
</tr>
<tr>
<td>Medicine</td>
<td>12</td>
<td>88</td>
</tr>
<tr>
<td>1969-70 (first-year students)*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture</td>
<td>26</td>
<td>74</td>
</tr>
<tr>
<td>Arts</td>
<td>59</td>
<td>41</td>
</tr>
<tr>
<td>Engineering</td>
<td>4</td>
<td>96</td>
</tr>
<tr>
<td>Science</td>
<td>26</td>
<td>74</td>
</tr>
<tr>
<td>Medicine</td>
<td>30</td>
<td>70</td>
</tr>
<tr>
<td>Economics and Administration**</td>
<td>39</td>
<td>61</td>
</tr>
</tbody>
</table>

*The first-year enrollment figures for 1965-66 and 1969-70 conceal the higher drop-out rates for Malays, thus giving an inflated idea of their educational achievements.
**Economics and Administration is one faculty.

In 1963, despite enjoying preferences in admission, Malays constituted only 20% of the student body, and comprised only 4.6% of the students in the Science and Engineering faculties. Moreover, more than half of them were pursuing Malay or Islamic studies, subjects which had little practical value in the modern economy. As Gordon P. Means put it, "it is therefore apparent that the Malays" were hardly

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"keeping pace with the rapidly expanding professional and technical ranks of the other communities."

The figures for the 1965-66 and 1969-70 sessions showed an improvement in Malay enrollment, due to the extension of the preferential policies, but they were still lower than those for Chinese and Indians.

Another effect of the colonial policies in Malaysia was that it provided the legal basis for, and gave a certain amount of legitimacy to the concept of Malay "special rights." Because the Malays had always enjoyed privileges in terms of land ownership, education and employment in the public service, they felt entitled to, and expected to continue to enjoy "special rights" even after independence. Furthermore, the legitimacy of these claims to "special rights" were recognised, to some extent, by the Chinese. According to Donald Horowitz, the Chinese shared the view that since the Malays were the indigenous people, they should be "primus inter pares in the political system." Hence, "in the early years of independence, deference to Malay legitimacy helped to allay Malay fears about Chinese intentions, and limited the conflict that would have arisen from an restrained Chinese challenge."

For the three cases in this study, the transition from a colony to an independent state was smooth, orderly and peaceful, achieved largely through constitutional means. In Malaysia, constitutional changes during the years 1945 and 1955 prepared the way for self-government. To gain independence from the British, the various ethnic groups had to compromise and present a united front. The result was a constitutional bargain of sorts: the Chinese agreed to a Malay dominated polity in which they too would have a voice. The Federation of Malaya

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Agreement of 1948 entrenched the status of Malay royalty, the dominant status of Malays, and the Malay language. The Chinese also accepted the right of the government to gradually improve the position of the Malays, although how this was to be achieved was purposely left vague at that time to avoid contention. In return for non-Malay acceptance of these “special rights,” they were granted citizenship, and the right to freely pursue their economic activities without fear of confiscation.56

The Malaysians initially adopted the British model of Parliamentary democracy without much modification, in spite of the realities of the society’s communal nature. For a while, there was a sort of consociationalist arrangement between the Malays and non-Malays in the form of the intercommunal Alliance government. This was made up of three parties from the main ethnic groups - the United Malays National Organisation (UMNO), which was the senior partner; the Malayan (now Malaysian) Chinese Association (MCA), which was now the junior partner; and the Malayan (now Malaysian) Indian Congress (MIC), the mini partner.57 However, this arrangement came under increasing strains as the dominant position of the Alliance, and its virtual veto in the selection of the highest MCA leaders came to be resented by the Chinese. The Chinese and the Indians began to demand proportionate powers as rightful citizens, which was viewed by the Malays as a breach of the “constitutional contract.” Politics was the preserve of Malays, and the demands for increased non-Malay political participation were not welcomed.58 The unrestrained voicing of ethnic demands resulted, disastrously, in ethnic riots in 1969 and subsequently, a “Malaysian type” of parliamentary

58 Ahmad, “Quasi Democracy,” 361.
democracy, better suited to the country, was implemented. However, the format of
the multiethnic alliance remained unchanged, although it was expanded to include
more parties. The Chinese faced more restrictions in expressing their political
demands, but they were still part of the ruling National Front government and
continued to have a say in the polity, albeit with a smaller voice.

(ii) Sri Lanka:

Although British colonial policy in Sri Lanka did not intentionally foster the
ethnic division of labour, the Sinhalese did end up relatively more backward than
the Tamils. There are a number of reasons why this occurred. The advanced
position of the Tamils was aided by the large numbers of missionary schools in
their region. The inhospitable and barren geography of the northern regions were
also "push" factors in inducing the Tamils to pursue education and seek out white-
collar jobs. Because these areas were less commercially developed, educated
Tamils were forced to move south in search of economic opportunities. Since they
were more qualified, Tamils often quickly filled positions, which caused increasing
resentment among the Sinhalese. Lastly, cultural conditioning also played a part.
The Sinhalese "did not show any desire to migrate from his village" and seek out
opportunities elsewhere.59 The Sri Lankan Tamils had a greater degree of social
mobility which gave them a certain disproportionate advantage in employment in
both the public and private sectors.60 At the time of independence, 30% of all
government service admissions typically went to Tamils.61

59 G.C. Mendis, Ceylon under the British, 2d ed. (Colombo: The Colombo Apothecaries,
1948), 6; quoted in Farmer, Ceylon: A Divided Nation, 40.
Sri Lankan Tamil over-representation was also evident in the universities. They held 31% of all university places, which was high considering they only made up 10% of the population. Many Tamils also tended to enter the "employment-oriented faculties of science, medicine and engineering compared to the Sinhalese." During this time, "all secondary and higher education was conducted in English, a language in which less than 7% of the population was literate." 62 but in which Tamils had a distinct advantage. However, it should be noted that there was also a Sinhalese elite which had access to English education and similar job opportunities. Nevertheless, although the Tamils were by no means the only beneficiaries, the benefits that the Tamils had enjoyed under the British came to be the focus of Sinhalese resentment after independence.

Unlike the case in Malaysia, the British did not attempt to rule indirectly through any particular ethnic group in Sri Lanka, and at first, communal representation meant that neither the Sinhalese nor Tamils had a politically dominant position vis-à-vis the other. From 1833 to 1889, the Legislative Council was made up of nominated members - three Europeans, a Sinhalese, a Tamil and a Burgher - who represented their respective communities. 63 However, communal tensions began to surface as the Sinhalese, being in the majority, started to press for a common roll. The Donoughmore Commission agreed with the Sinhalese, and in their recommendations for a new constitution in 1931, they "condemned the evils that communal representation had given rise to." In its place, territorial representation and universal adult suffrage were introduced, despite Tamil concerns at the implications of abolishing communal representation. 64

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62 Ibid., 6; Wilson, Politics in Sri Lanka, 11.
63 Schwarz, The Tamils of Sri Lanka, 3.
64 Wilson, Politics in Sri Lanka, 40; and Schwarz, The Tamils of Sri Lanka, 3.
some minority safeguards, it was likely that the Tamils would be placed in a subordinate position to the Sinhalese.

The Soulbury Commission, which drew up the independence constitution, also failed to provide any significant safeguards for the interests of the Tamils. The Tamils had demanded a “fifty-fifty” system to safeguard their position, but this was rejected by Soulbury in favour of a system of single-member constituencies. However, extra representation was provided for large, underpopulated districts, and the Tamil areas were also given weightage by the creation of some “multi-member constituencies.” Still, the fact remained that Tamils were relegated to being a permanent minority, “without the power to block or alter legislation.”

Hence, by introducing the “one man, one vote” system, the British were in effect, giving political power to the Sinhalese, and denying the Tamils any means of protecting their rights.

Given the fact that the political system favoured the Sinhalese, the Sri Lankan nationalist movement was a moderate one. The Sinhalese gave assurances, which were accepted in good faith by the British and Tamils, that they would not abuse their political dominance. The lack of any violence or internal power struggle in the independence movement can also be attributed to the low-involvement of the majority of the population. By the time of the British withdrawal in 1948, three elections had already been held in 1931, 1936 and 1947. However, the 1931 Donoughmore Constitution had not provided the elected ministers with any collective responsibility, except for the annual budget, and this inhibited the

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“emergence of a proper party system.” Instead, the system encouraged ministers to “place undue emphasis on servicing their constituencies and on social welfare programmes.” The resulting patron-client relationships slowed down the development of a political consciousness at the mass level, and thus the elites from both ethnic groups were subjected to few populist demands. Also, because the upper class Sinhalese and Tamil political elite were mostly Western educated and identified closely with the British, there were few differences between them and in fact, they worked in close collaboration to facilitate the peaceful transfer of power. The major political organisation at the time, the Ceylon National Congress, included both Sinhalese and Tamils, and its first president was a Tamil, as was the first elected native member of the Sri Lankan legislature. Following independence, the Tamil Congress, which was led by G.G. Ponnambalan, allied itself with the Sinhalese United National Party (UNP), and Tamils were included in the Cabinet of the Sri Lankan government. Ethnic tensions were thus relatively muted.

Unfortunately, ethnic cleavages began to widen, as the elites succumbed to the temptations of using ethnicity as a means for political mobilisation and competition. Sinhalese leaders such as J.R. Jayawardene and Dudley Senanayake began to show a pronounced Sinhalese-Buddhist nationalism in an attempt to gain the support of the Sinhalese masses, while Tamil leaders campaigned to fight for their survival and to meet the threat of Sinhalese domination.

(iii) Fiji:

Like the Malays and Sinhalese, the Fijians were left behind economically

Wilson, Politics in Sri Lanka, 113-4.
Phadnis, “Crisis,” 147.
Ibid., 103-112.
Phadnis, “Crisis,” 145; and Ramaswamy, New Delhi and Sri Lanka, 109-112.
during the colonial period. Because they were prohibited from working on the estates and encouraged to carry on their traditional way of life, the Fijians remained in their villages. 76% of them live in the rural areas, and according to the 1966 Census, 45% of the economically active population were engaged in subsistence agriculture; 20% in commercial primary industry; and only 14% were in the growth areas of construction, commerce, secondary industry and transport, hotels and entertainment. Furthermore, the majority of these workers were doing most of the unskilled and semi-skilled jobs. In contrast, 39% of the Indians lived in the urban areas, 51% of all economically active Indians were commercial farmers; and 33% were working in the growth areas mentioned above. Of this 33%, 28% were in skilled jobs; 24% in the highest-paid entrepreneurial or managerial occupations; with the rest in unskilled and semi-skilled jobs. 71

Table 5 shows the distribution of the economically active Fijian population by occupation and ethnic group in 1971. From Table 5, one can see that the Fijians lagged behind in the well-paid and prestigious professional and top management fields, and held most of the unskilled jobs. However, the Fijian Indians did not appear to be significantly better off. While some Indians were engaged in medium- to small-scale enterprises, those in commercial farming were just cane growers, not exactly a prestigious or particularly lucrative occupation. Looking at the figures in Table 5, it would seem that the real ethnic division of labour and economic inequality were between the Fijians and Indians on the one hand, and the General Electors on the other.

TABLE 5
DISTRIBUTION OF ECONOMICALLY ACTIVE POPULATION BY OCCUPATION AND ETHNIC GROUP (IN PERCENTAGES)

<table>
<thead>
<tr>
<th>Category</th>
<th>Fijians</th>
<th>Indians</th>
<th>G.E.*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional &amp; top management</td>
<td>2.3</td>
<td>4.4</td>
<td>23.0</td>
</tr>
<tr>
<td>Technical &amp; semi-professional</td>
<td>12.7</td>
<td>9.3</td>
<td>9.9</td>
</tr>
<tr>
<td>Skilled office, middle &amp; lower management</td>
<td>12.0</td>
<td>18.1</td>
<td>31.0</td>
</tr>
<tr>
<td>Skilled &amp; semi-skilled workers</td>
<td>31.4</td>
<td>41.3</td>
<td>27.4</td>
</tr>
<tr>
<td>Unskilled workers</td>
<td>41.6</td>
<td>26.9</td>
<td>8.9</td>
</tr>
</tbody>
</table>


*G.E. = General Electors. This includes Europeans, Chinese and part-Europeans. Although the Fiji Bureau of Statistics regards them as a single group, evidence suggest that most Europeans are found in the professional and top management category, while most Chinese and part-Europeans are engaged in middle-level occupations.

The slight advantage that Fijian Indians had over the Fijians in terms of social mobility can be partly explained by the land ownership policy enforced by the British. In 1940, the Native Land Trust Ordinance was established to "administer all native land 'for the benefit of the Fijian owner'; protect the interest of the native owners by reserving sufficient lands for their present and future needs; provide suitable land for settlement; and secure continuity of policy and security of tenure."72 Fijians own over 80% of the land, which is regarded as one of the most sensitive issues in Fijian politics. Land was deemed by the colonial government to be "inalienable," and thus, Indian access to it has been very limited. Only about 1.7% lies in Indian hands, and the majority of Indian cane farmers lease land from the Fijians. This situation has caused a great deal of socioeconomic insecurity on the part of the Indians, and as a result, they, like the Chinese in

72 See Ibid., 29.
Malaysia, have turned to education as a "major alternative and safety net."\(^{73}\) It has been said that "education is to Indians what land is to Fijians - the source of their existence."\(^{74}\)

The impact of Fijian monopoly on land ownership has also had the same effect on the indigences as in Malaysia. Many Fijians have remained tied to their land, engaging in subsistence farming, like the Malays. The adverse effects of this policy on Fijian economic development were even recognised before independence. The Space Reports declared that "the policy of land reserves was "over-protective" and, contrary to intentions, harmful to Fijian interests." Similarly, the Burns Commission of 1959 stated that the policy did not imply "the right of the Fijians to use (or neglect) all this land without regard to the other sections of the population, and indeed, to the long-term interests of the Fijian peoples themselves."\(^{75}\) However, the Fijian chiefs rejected any changes to the existing policy, which remains largely unchanged to this day.

The system of indirect British rule of the Fijians meant that the ordinary citizen did not have direct personal contact with the colonial authorities. Consequently, there was very little antagonism between them and the Europeans, and most Fijians regarded the colonial government as "an extension of chiefly authority." and as the protectors of their rights. In contrast, the Indians, most of whom were brought over as indentured workers, had to endure the narak (hell) of working on the European-owned plantations, and hence, saw the colonial order as oppressive and demeaning.\(^{76}\) Significantly, the Fijians were not especially


\(^{74}\) Lal, Coups in Paradise, 28.

\(^{75}\) Ibid., 30.

enthusiastic about the prospect of independence, fearing that political changes would erode their rights and weaken their political position vis-à-vis the Indians, who outnumbered them at that time. Ironically, the Indians who came to pose a threat to the Fijians, were initially brought over by the British as a means of “protecting” the latter from the effects of colonialism.77

During the constitutional talks in 1969, the differences between the Fijians and the Indians were evident by the former’s satisfaction with the status quo, and the latter’s demands for a bigger political voice.78 Fijian Indians saw the common roll as the best means of ensuring them a “permanent place in the Fijian sun,” and argued that since they were the majority in the country, they were “entitled to at least parity of representation with the Fijians.”79 For their part, the Fijian chiefs made it very clear that the political reins had to remain in their hands. Ratu George Cakobau, who became the first local Governor-General after independence, said in 1964: “I have nothing against independence. Let [it] come. But when [it] comes, I should like this recorded in the House - Let the British return Fiji to Fijians in the state and in the same spirit with which Fijians gave Fiji to Great Britain.” Since 1933, the Council of Chiefs has also “categorically rejected the possibility that Fiji would one day be ruled by the ‘immigrant’ Indians.”80 Thus, by keeping the two ethnic groups, who were destined to share the same land, apart from each other during the 96 years of colonialism, the British prevented the development of any common interests between them.81

In 1965, a partial communal roll and a new cross-voting system was

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77Milne, Politics in Ethnically Bipolar States, 61.
79Lal, Coups in Paradise, 8-9.
80Quoted in Ibid., 5.
introduced. The proposed composition of the Legislative Council gave Fijians a slim advantage; however, the General Electors were over-represented "on the grounds of their contribution of capital and skill to the well-being of the colony."\textsuperscript{82} Since the General members firmly supported the Fijians over the Indians, the actual Fijian advantage was thus rather significant.

It should be noted that the local European community, who are prominent socially, economically and politically, has helped to determine the outcome of the political competition between the Fijians and Indians. Not only were relations between the Europeans and Indians marred during the indentureship period, the latter's growing economic success and political awareness also posed a challenge and threat to the former's privileged position in the country.\textsuperscript{83} Events during the Second World War further contributed to the antagonism between the Fijians and Europeans on the one hand, and the Indians on the other. Fijians were very responsive to the call to arms, and one in three Fijian males signed up to serve with the British. However, the Indians refused to participate unless they were given the same treatment as the Europeans, and also embarked on a prolonged strike for higher cane prices in 1943. This act was perceived by the Fijians and Europeans as an attempt to undermine their war efforts, and consequently, Indian loyalty was called into question.\textsuperscript{84} Political cooperation between the Fijians and Europeans was thus brought about by the common perceived threat posed by the Indians: the Fijians supported the over-representation of the Europeans, and the Europeans used their over-representation to support the Fijians.

\textsuperscript{82}Lal, \textit{Coup's in Paradise}, 9.
\textsuperscript{84}Ali, "Fiji: Political Change," 16-20; and Professor Hugh Tinker, "Fiji: A Post-Colonial Plural Society," in Fiji, eds. Tinker et al., 1.

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The split along communal lines was evident in Fiji’s first general elections in 1966, four years before independence. The National Federation Party (NFP) captured all of the nine Indian communal seats, and repeated its success in the 1968 by-elections, which were held as a result of a walkout by NFP members. The failure of the Fijian-dominated Alliance Party to capture any of the Indian communal seats provoked a series of bloodless Fijian demonstrations where banners called for the Indians to “Go Home.”

However, despite the gulf separating the two communities, the transition from colony to independent state was orderly and peaceful. Taking a cue from Malaysia, Ratu Mara, president of the Fijian Association, and future Prime Minister of post-independence Fiji until 1987, decided to form a multiethnic Alliance Party in 1966. A Fijian battalion had served in Malaya during the Emergency, where they were able to observe “how adept the Malays proved in organising politics in an inter-racial basis - firmly under their control.” Ratu Mara was possibly also influenced in his decision by the Fijian Governor at that time Sir Derek Pakeway, who had been chief secretary of Sarawak, and thus had seen the results of a multiethnic alliance.85 Fiji’s Alliance Party was composed of the Fijian Association, the National Congress of Fiji (Indian Alliance), and the General Electors Association. However, its support came primarily from the Fijians and General Electors. In a survey taken three months before the country’s first post-independence general elections in 1972, only 16% of Indian voters committed themselves to voting for the Alliance, compared to 80% of the Fijians, and 19% of the Europeans.86 In

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86 See Mamak, Colour, Culture and Conflict, 149-150. The low percentage of European Alliance supporters is due to the fact that 67% of those interviewed by the Mamak were ineligible to vote.
contrast, the MCA in Malaysia received the support of many Chinese and its electoral strength was at least equal to that of its rival party, the Democratic Action Party (DAP).\textsuperscript{87} Nevertheless, in Fiji, ethnic tensions were also contained by the lack of cohesion and party attachment on the part of many Indians. In the same survey referred to above, only 29\% of Indians were committed to the NFP, while the largest group were undecided as to which party they would support.\textsuperscript{88} This factor lessened the political threat posed by the NFP to the Alliance prior to 1970 as well as in the first few years of independence. While the NFP won all nine Indian communal seats in 1966, it failed to capture any of the newly-established cross-voting seats. "That the Alliance Party attracted the level of Indian support that it did in the cross-voting constituencies came as an unpleasant shock to the Federation Party."\textsuperscript{89}

Moderation on the part of the ethnic leaders were also influenced by the May 13 riots in Malaysia. Fijian elites were stunned by the bloodshed in the country, whose record of ethnic relations they had long admired. The August 1969 discussions on constitutional changes were also influenced by the death of the NFP leader, A.D. Patel, who was succeeded by Siddiq Moidean Koya, who took a more flexible and conciliatory approach with the Fijians. The Fijians agreed to independence and Dominion status for the country, something they had previously opposed,\textsuperscript{90} and the Indians agreed not to press for a common roll. At this time, the Indians also came to realise that there was little they could do in the face of the Fijian-European political alliance, and decided to settle for a small piece of the

\textsuperscript{87}In the 1969 elections, the MCA and DAP won thirteen seats each.
\textsuperscript{88}bid.
\textsuperscript{89}Roderic Alley, "The Emergence of Party Politics," in Politics in Fiji, ed. Lal, 47.
\textsuperscript{90}Milne, Politics in Ethnically Bipolar States, 71.
political pie rather than none at all.\textsuperscript{91}

The 1970 constitutional provisions strongly favoured the Fijians, without providing any legal safeguards for the Indians. As in Malaysia, political power was handed by the British to the indigenous group. The Fijians were granted special privileges: the position of Governor General would be held by a Fijian; land ownership would remain in their hands; and the chiefly structures would be maintained. Moreover, these special rights were to be constitutionally protected by giving the chiefs the veto.\textsuperscript{92} In return for the acceptance of these arrangements, the Indians were guaranteed sufficient and secure leaseholds for canegrowing.

Like Malaysia and Sri Lanka, Fiji adopted the Westminster model, although it has been recognised that it fails to provide adequate protection for the interests of minorities. Voting was highly complex under the Fijian system. Every person got not just one, but four votes - one for a communal candidate of the voter’s own ethnic group, and three for the other candidates from the three ethnic groups in the national roll. In the Lower House, Fijians and Indians had 22 seats each, of which 12 each were decided on the basis of their communal rolls, and the remaining 10 on the basis of the national roll. The General Electors were allocated 8 seats, 3 on the communal roll and five on the national.\textsuperscript{93} In this way, Fijian political dominance was thought to be ensured. Ironically, this slightly modified Westminster model would come to work to the disadvantage of the Alliance Party, and by implication, “Fijian interests,” in 1987 when political circumstances changed. This will be discussed in greater detail in Chapter 4.

\textsuperscript{91} Lal, \textit{Coup in Paradise}, 14.
\textsuperscript{92} Ghai, “The Fijian Crisis,” 10.
From the above discussion, it can be seen that colonial rule had similar effects in the three cases. In Malaysia and Fiji, the concept of "protection" resulted in policies which aimed to minimise disruption to the culture and traditional ways of life of the indigenous peoples, but which led to their isolation from the modern economy that developed. In the effort to protect the indigenes, foreign labour was imported, and in time, these immigrant communities - the Chinese in Malaysia, and the Indians in Fiji - became economically more successfully than the indigenes. They were also perceived as threats because of their large numbers. In Malaysia, the economic gap between Malays and non-Malays is significant, but Malays are still the majority in the country. In Fiji, the actual economic disparity between Fijians and Indians is not very great, although it is perceived to be so by the Fijians. The Indians also outnumber the native Fijians. Hence, at independence, Fijians were given constitutional safeguards to protect their status. However, the political system failed to guarantee their long term political dominance. Through a variety of factors, an ethnic division of labour also came about in Sri Lanka. Because of the sheer size of the Sinhalese numerical advantage, and in the absence of constitutional safeguards of Tamil interests, their political dominance was virtually guaranteed.
CHAPTER THREE
PREFERENTIAL POLICIES

This chapter will start with an examination of the impetus which led each of the three cases to adopt preferential policies. It will then discuss the types of preferential policies which were adopted in the three countries, as well as the extent to which their objectives have been realised.

Impetus which led to the adoption of preferential policies:

Preferential policies were adopted in Malaysia, Sri Lanka and Fiji by the national governments after independence primarily because the politically dominant groups - the Malays, Sinhalese and Fijians - perceived themselves to be impoverished and backward relative to the Chinese, Sri Lankan Tamils and Fijian Indians. It should be clarified that in this study, “special rights” refer to policies which originated during the colonial period. Only the Malays and Fijians enjoyed these “special rights,” which were granted by the British because they were the indigenous peoples. In contrast, the Sinhalese were not given any special treatment vis-à-vis the Tamils, and they were in fact at least implicitly, discriminated against. The term “preferential policies” encompasses these “special rights,” if they existed, but refers more specifically to policies that were further introduced after independence. Hence, the Malays and Fijians built upon the “special rights” from their colonial legacies, while the Sinhalese attacked and reversed the privileged status the Tamils had acquired.
(i) Malaysia

In the last chapter, it was established that at the time of independence, the constitution granted Malays certain "special rights" as the indigenous "sons of the soil." Subsequently, these "special rights" were supplemented with explicit preferential policies, deemed by the government to be a necessary solution to resolve the ethnic problem following the May 13 racial riots in 1969. Previously, it was thought that the Malays could be satisfied with political dominance and the continuation of their special privileges, and the non-Malays with economic dominance. However, the riots were viewed as an indication of "deep-seated Malay dissatisfaction" with the status quo, and caused by the government's failure to redress the economic inequality between Malays and non-Malays.\(^1\) The experience also taught the government that the unrestrained questioning of the ethnic bargain could raise communal passions to an unacceptable level.\(^2\) Perhaps most importantly, the Malays were shocked by the results of the 1969 general elections, in which the Alliance won less conclusively than in the previous elections. Although the party, which stood for the status quo, maintained its parliamentary majority, its share of popular votes fell to 48.4% from the 58.4% it won in 1964.\(^3\) Due to the significant drop in support for the Alliance, there was thus a realistic fear that in the next elections, the Malays might lose political power. Hence, the

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extension of Malay preferences was also accompanied by modifications to the
political structure and changes to the "rules of the game," which allowed the Malays
to ensure their continued political dominance.

The shock at the violence of the riots, and at the extent of the ethnic
cleavages between Malays and Chinese could be said to have predisposed the
leaders of both communities to take a more consensual and accommodationist
approach. According to Donald Horowitz, the Chinese leaders "came to believe that
economic imbalances were the problem," although they were quick to point out
that there were poor Chinese as well. While the Chinese elites did not necessarily
agree with the Malay elites on the specific details as to how the economic
disparities would be redressed, they did agree that a new course of action was
required, and that there was a need to improve the economic position of the
In any case, the Chinese were in no position to oppose the preferential
policies introduced by the government since Parliament was suspended for
twenty-one months. It can thus be argued that Malaysia adopted preferential
policies because it had witnessed the consequences of ethnically-based economic
inequality. The riots also had the effect of neutralising, to some extent, opposition
to policies which were "ethnically biased and loaded against merit criteria."\footnote{Horowitz, \textit{Ethnic Groups in Conflict}, 659.}

(ii) Sri Lanka

In Sri Lanka, no great crisis precipitated the adoption of the preferential
policies. Rather, they came about as the result of Sinhalese populist demands.

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Since the late nineteenth century, a Buddhist revival had started to gather increasing momentum. In 1860, Buddhist priests began “counter-missionary work” in response to Christian missionary activity, and a Buddhist Theosophical Society was founded in 1880 to establish more Buddhist schools. This religious revival was accompanied by hostility towards the West and the westernised Sri Lankan elites. Since most Sinhalese were Buddhists, the religious revival coincided with a populist Sinhalese nationalist movement led by those who were literate in Sinhala, but not English, against the privileges of the English-speaking elite. The campaign against English and for “swabasha” or “own language” soon turned into an anti-Tamil one as well.

It should also be noted that the Sinhalese did feel they were entitled to some sort of “special rights” as a result of the Kandyan Convention held in 1815. The Kandyan Sinhalese kings had helped the British to gain control of the Kandyan kingdom and thus under the Convention, the latter agreed to guarantee their ‘rights, privileges and power’ by “uphold[ing] the ancient laws and customs ‘according to to the established forms and by the ordinary authorities,’ to declare inviolable the religion of Buddha and to maintain and protect ‘its rites, ministers and places of worship.’” These rights were not granted to the Tamil kings. Although the agreement was subsequently revoked following the Kandyan revolt, it did set a precedent in Sinhalese eyes to justify preferential policies.

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In the 1950s, the advantages enjoyed by the Tamils became the focus of resentment by the Sinhalese Buddhists. However, no political party was willing to involve itself in the movement, which was “thought at that time to be sectarian politics.”\(^9\) until 1951, when the over-representation of Tamils at the universities and in public employment (as a result of their greater proficiency in English) became an issue to be exploited by some Sinhalese politicians. Many Sinhalese were also afraid that if the Tamil language was granted parity of status, their children would have to learn Tamil in schools.\(^10\) S.W.R.D. Bandaranaike, who founded the Sri Lankan Freedom Party (SLFP) and who in 1944 had stated, “I have no personal objections to both [Sinhala and Tamil] being considered official languages, nor do I see any particular harm or danger or real difficulty from this,”\(^11\) swiftly changed his position to whip up Buddhist-Sinhalese support. Mr. Bandaranaike himself came from a Westernised, Christian family, and in 1925, had confessed to a delegation that he could not address them in Sinhala.\(^12\) The SLFP, whose first manifesto declared that “it is most essential that Sinhala and Tamil be adopted as official languages immediately (italics mine),” became the political voice of Sinhalese chauvinism, and in 1956, it swept to power on a “Sinhala Only” platform. According to some authors like S.A. Pakeman, the decision by the then Prime Minister, Sir John Kotelawala to hold the election in April of that year, a “bad tactical blunder,” also indirectly helped the cause of the SLFP. This was because that year “marked a great event in the history of Buddhism” - the 2,500th

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\(^9\) Ibid., 14.
\(^10\) Ibid., 20.
\(^12\) Schwarz, The Tamils of Sri Lanka, 3.
anniversary of the enlightenment of Gautama Buddha. The grand celebration was to be on \textit{Wesak} day, in May 1956.\textsuperscript{13}

Hence, the impetus for the implementation of the preferential policies seemed to have stemmed from populist majoritarianism; the government under the SLFP, and subsequent ones, adopted policies to redress the long-held Sinhalese grievances simply because it could, and because of Sinhalese mass pressure. Unlike the case in Malaysia, there was no consensus over the necessity of such measures between the Sinhalese and Tamils. The Sri Lankan government, either cashing in on or caving in to the demands of the militant Sinhalese, simply allowed the "arithmetic of politics" to overcome more tolerant and enlightened attitudes.\textsuperscript{14}

(iii) Fiji

Following independence, the Fijians continued to enjoy the "special rights" that they had been granted by the British as the indigenous people. Fijians also enjoyed preferences in government employment, and thus, were over-represented in the Civil Service and the armed forces. However, there was "no strong desire to assert the primacy of the indigenous culture" by replacing English with the Fijian language since most Fijians, as well as the majority of young Indians, were literate in English. According to R.S. Milne, "Ratu Mara saw the European culture as a useful buffer which prevented conflicts over whether Fijian or Indian culture should be dominant."\textsuperscript{15}

\begin{thebibliography}{9}
\bibitem{13} S.A. Pakeman, \textit{Ceylon} (London: Ernest Benn Ltd., 1964), 176-7.
\bibitem{14} Schwarz, \textit{The Tamils of Sri Lanka}, 7.
\bibitem{15} R.S. Milne, \textit{Politics in Ethnically Bipolar States: Guyana, Malaysia, Fiji} (Vancouver: Univ. of British Columbia Press, 1980), 129.
\end{thebibliography}
More than anything else, the Fijians were concerned with maintaining their political dominance, and demands for policies to redress economic imbalances, which were not that great in any case, did not really surface until the emergence of the Fijian National Party (FNP) in 1974.\textsuperscript{16} The FNP had been formed by Sakeasi Butadroka, who was expelled from the Alliance in 1973 for challenging the party's multicultural policies. Adopting a "Fiji for the Fijians" stance, the FNP portrayed itself as "an ethno-nationalist movement formed to help and protect Fijians," ostensibly against the Indians.\textsuperscript{17} In 1975, a few preferential policies were adopted by the government in response to the rise of Fijian nationalism, and the demands of their populist champion, Butadroka. Additional preferences in education were added to the existing policies in 1977. This situation would remain largely unchanged until 1990, when a new constitution was promulgated. New policies then extended further preferences to Fijians in civil service employment, education, and business loans and grants. Additional provisions sought to firmly entrench the political status of Fijians.

Thus, the impetus for preferential policies in Fiji first came about due to increasing Fijian nationalism, which was stirred up by some politicians for political gain. Later, they were extended as a response to the perceived loss of power by the Fijians in the 1987 elections. In their eyes, not only were they more disadvantaged than the Indians, but their hold on political control was also more precarious than they had realised. Thus, "affirmative action" programmes were spelled out in the constitution to strengthen their overall position, and to prevent the "Indianisation" of their homeland.

\textsuperscript{16}Ibid., 157.
\textsuperscript{17}Lal, \textit{Coups in Paradise}, 23-24.
At this point, it should be noted that prior to 1990, the scope of Fiji’s preferential policies was rather limited. It was only after the promulgation of the new constitution that the preferential policies were greatly extended. Thus, it is not possibly for this study to examine the impact of these changes on the future political stability of the country. Hence, in this study, the period in which Fijian political stability will be analysed is from 1970 to 1987. This approach will allow us to explain the post-1987 developments in Fiji. The prospects for the future of Fijian political stability will also be explored in the concluding chapter.

It can be seen that the motives for adopting preferential policies varied among the three cases. In Malaysia, there were economic origins for the political reasons as to why the government adopted the policies. However, in Sri Lanka and Fiji, the motives appeared to be rooted more in political calculation than in the need to redress socioeconomic differences. In the following section, the programmes in Malaysia, Sri Lanka and Fiji will be discussed in greater detail.

**Preferential policies**

The scope of the preferential programmes varies in the three cases. Malaysia’s is the most extensive and formalised, and is aimed at improving the socioeconomic position of the indigenous bumiputras. Malays are deemed to have certain “special rights,” which are supplemented by the National Education Policy and the New Economic Policy (NEP). However, the implementation of the policies has been more “positive-sum” rather than “zero-sum,” and the government has attempted to minimise their adverse effects on the non-Malays. In Sri Lanka, preferences are given to Sinhalese in the area of education. Although no formal quotas have been adopted in terms of government employment, only Sinhala is
recognised as the official language, and this in practice, constitutes an unofficial quota favouring the Sinhalese. The Sri Lankan Tamils have also had little say in the way the preferential policies were adopted and implemented by the Sinhalese. Until 1990, the Fijians claimed to have “special rights” and enjoyed preferential treatment in areas such as land ownership and education. However, the 1990 Constitution has formalised and further extended these policies under the term “affirmative action.” The new constitution and provisions were prepared by an interim government, which was installed after a democratically-elected, Indian-dominated government was overthrown in two military coups by a Fijian army lieutenant colonel in 1987. Needless to say, the Fijian Indians had practically no control over the course of events which occurred in Fiji following the coup.

(i) Malaysia:

Malaysia’s preferential policies are a reflection of the Malay dominated political system. The Federal Constitution of 1957 made Islam, the religion of the Malays, the official religion. However, religious freedom was allowed as long as there was no proselytisation of Muslims. The National Language Act of 1967 made the Malay language, *Bahasa Malaysia*, the official language of the country. English might still be used for official purposes, but not Chinese or Tamil. Allegiance to Malay royalty was also required. Malays had “special rights” which allow them to receive preferences in public service employment; educational grants, public scholarships and entry into universities; business licences and permits. These provisions were enshrined in Article 153 of the constitution. Article 89 also

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empowered the state governments to declare certain areas as Malay Reservation
Land where only Malays are entitled to ownership. 19

After 1971, these preferences in education, business and government
employment, which were previously subsumed under Malay "special rights" were
further entrenched by new legislation which prohibited the public challenge of the
constitution and their provisions. At the same time, they were made more explicit
by the promulgation of new educational and economic policies aimed at achieving
national unity. According to the government, these policies were aimed at
compensating Malays for "wrongs" suffered under British colonialism. 20

The National Education Policy vigorously implemented Malay as the sole
medium of instruction right through university. In addition, strict admission
quotas to university education were imposed on non-Malays, making university
admissions no longer solely based on academic criteria. It has been estimated that
75% of all university places go to Malays; however, in 1977, following negotiations
between Chinese leaders and the government, it was agreed that non-Malay
admissions would be increased by 2% per year, until the proportion of Malay-non-
Malay enrollment reflected the population mix. 21 Ethnic preferences in financial
aid policies were also continued.

19 See Zakaria Haji Ahmad, "Stability, Security and National Development.
Malaysia: An Appraisal," in Durably Stability in Southeast Asia, eds. Kusuma
Sukhumbhand Parabitra (Singapore: Institute of Southeast Asian Studies, 1987)
Gordon P. Means, Malaysian Politics 2d ed. (London: Hodder and Stoughton, 1976), 177; a:

20 See Ahmad, "Quasi Democracy," 262; and R. Murray Thomas, "Malaysia," Education


80
The New Economic Policy was also implemented in 1971, and has since become the "cornerstone of government policy."²² The NEP was a 20-year programme with two stated aims: the eradication of poverty, and the narrowing of economic disparities between Malays and non-Malays. Under the NEP, the economy was to be restructured to reduce, and eventually eliminate, the "identification of race with economic function."²³

To achieve this, the NEP aimed at expanding the share of Malay ownership of corporate wealth to 30% by 1990 from the 1% before 1969. Policies favouring Malays and bumiputras were set up in employment by the imposition of a 40% Malay employment quota in all commercial firms, loans and licensing, zoning and ownership in business.²⁴ Under the NEP, businesses can only be started if they have at least 30% Malay participation, and the government has also attempted to help aspiring Malay entrepreneurs by requiring all banks to set aside about 20% of their business loans to Malays.²⁵ Malases were also given preference in government employment and in state corporations, especially in the armed forces and the civil service where 80% of all government executive officers have to be Malay.

From 1963-64, student composition at the University of Malaya, the only university in the country at the time, was 21% Malay, 60% Chinese and 19% Indians.²⁶ Since preferential policies were introduced, the intake of Malay students has increased steadily and between 1971 and 1980, Malay enrollment in

²³Ahmad, "Quasi Democracy," 363.
²⁵Ibid., 403-4.
²⁶Ibid., 403.
colleges and universities quadrupled. By 1980, the proportion of Malays in 
university had grown to 75%, far exceeding their population percentage of 56.5%.

During the first decade of the NEP, rural poverty declined dramatically from 
60% to 30% in all rural households (though due to rapid population growth, the 
absolute number of poor rural Malays had declined very little), and overall 
poverty fell from 49.3% of the total number of households in 1970 to 18.4% in 
1984.29 Bumiputra ownership of the economy was estimated at 18% in 1989 from 
the less than 1% before 1969.30 A substantial Malay professional and middle class 
has also been built as a result of the NEP, and Malay entrepreneurs and managers 
are now to be found not only in the traditional rural sector and the civil service, 
but in all sectors and at all levels in fields like trading and banking.31

However, despite the government’s attempt to expand the private sector for 
the benefit of the Malays, it remains mainly Chinese.32 For instance, the NEP 
aimed at expanding Malay ownership of share capital to 30%, reducing the foreign 
share to 30%, while letting the non-Malay share rise to 40%. Fifteen years later, 
while the share held by foreigners declined from 43% to 26%, most of it was 
acquired by non-bumiputra Malaysians, whose share was expected to gave risen to 
53% by 1990.33 Thus, the economic growth of non-bumiputra has not stopped, 
although it has slowed down compared to that of the Malays.34

27 ibid.
28 ibid., 406.
1988, 80.
30 The Straits Times (Singapore), January 14 1989.
It should be noted that the figures for Malay preference in government employment can be rather misleading. The four to one Malay-non-Malay ratio applies mainly to the elite Malaysian Civil Service, and does not include the professional and technical services, in which non-Malays predominate. For example, in 1974, in the larger “Management and Professional Group,” which is made up of all the most highly trained and best-paid civil servants, Malays made up only 36%. It was only in the lowest ranks of the civil service that Malays made up 90% of the workforce. Similarly, while Malays are the majority in the police and armed forces, particularly in the top ranks, non-Malays are strongly represented in the navy and air force which require longer periods of training.35

(ii) Sri Lanka

Like the Malays, the Sinhalese dominate the political system in Sri Lanka, and this factor has allowed them to implement a number of policies which favour them vis-à-vis the Sri Lanka Tamils. In 1956, the government passed the Sinhala Only Bill, which established Sinhala as the sole official language. This was aimed at neutralising the advantages of the Tamils who had benefitted under the previous English language school system and political system, and to correct and compensate for the under-representation of Sinhalese in government employment during the colonial period.36 In addition, the 1972 constitution also introduced provisions proclaiming Sri Lanka as a theocratic state, and Buddhism, the religion of most Sinhalese, as the official religion. Chapter two of the constitution declares that the

35 Horowitz, Ethnic Groups in Conflict, 587; and Milne, Politics in Ethnically Bipolar States, 140-1.

republic "shall give to Buddhism the foremost place and accordingly it shall be the duty of the state to protect and foster Buddhism."  

In the 1970s, the government introduced the system of "standardisation," which required Tamil-medium students to obtain a higher aggregate of marks to gain admission into university than their Sinhalese counterparts. Because of the 1956 language policy, the two ethnic groups were educated separately in their own language, and thus, Sinhalese and Tamil students had to be evaluated by examiners from their own linguistic groups. As the Tamil students consistently outperformed their Sinhalese counterparts, resentment by the latter led to accusations that the Tamil examiners were deliberately inflating the marks of the Tamil students so that more could gain admission to the university. Hence, the new policy was designed to "standardise" Sinhalese and Tamil marks for university admission. In the later 1970s, "standardisation" was further supplemented by the district quota scheme, which aimed to allocate places to districts deemed to be "backward." These include many Sinhalese as well as some Tamil areas.

The Sri Lankan government also sponsors colonisation schemes whereby considerable numbers of Sinhalese are settled in the predominantly Tamil areas of the north, and which the Tamils consider to be their ancestral homelands.

Since the mid-1950s, the avenues of Tamil socioeconomic mobility have been narrowed because of the language policy. Table 6 indicates Tamil

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38 Ibid., 59.

representation in government service during the years 1956, 1965 and 1970. It is clear from these figures that in the period before the switch to Sinhala as the official language, the percentage of Tamils who were employed in government jobs exceeded their actual population percentage. But, there has

**TABLE 6**

TAMIL REPRESENTATION IN GOVERNMENT SERVICE (IN PERCENTAGES)

<table>
<thead>
<tr>
<th>Occupation</th>
<th>1956</th>
<th>1965</th>
<th>1970</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ceylon Administration Service</td>
<td>30</td>
<td>20</td>
<td>5</td>
</tr>
<tr>
<td>Clerical Service</td>
<td>50</td>
<td>30</td>
<td>5</td>
</tr>
<tr>
<td>Professionals</td>
<td>60</td>
<td>30</td>
<td>10</td>
</tr>
<tr>
<td>Armed Forces</td>
<td>40</td>
<td>20</td>
<td>1</td>
</tr>
<tr>
<td>Labour Forces</td>
<td>40</td>
<td>20</td>
<td>5</td>
</tr>
</tbody>
</table>


been a steady decline in their numbers as the Sinhalese were given distinct advantages with the new language policy.

The decreasing level of recruitment of Tamils to the public sector in recent years can be seen in Table 7.

**TABLE 7**

DISTRIBUTION OF PUBLIC SECTOR EMPLOYMENT BY ETHNICITY (IN PERCENT)

<table>
<thead>
<tr>
<th>Occupations</th>
<th>Year</th>
<th>Sinhala</th>
<th>Tamil</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineers</td>
<td>1971-77</td>
<td>58.4</td>
<td>38.2</td>
</tr>
<tr>
<td></td>
<td>1978-79</td>
<td>67.8</td>
<td>25.4</td>
</tr>
<tr>
<td>Doctors</td>
<td>1971-77</td>
<td>47.5</td>
<td>46.6</td>
</tr>
<tr>
<td></td>
<td>1978-79</td>
<td>65.0</td>
<td>30.4</td>
</tr>
<tr>
<td>Clerical workers</td>
<td>1970-77</td>
<td>87.0</td>
<td>11.0</td>
</tr>
<tr>
<td></td>
<td>1978-79</td>
<td>93.6</td>
<td>5.4</td>
</tr>
<tr>
<td>School teachers</td>
<td>1977-79</td>
<td>89.3</td>
<td>6.1</td>
</tr>
<tr>
<td>Policemen</td>
<td>Class of 1980</td>
<td>91.7</td>
<td>4.5</td>
</tr>
</tbody>
</table>

The percentage of Sinhalese in the public sector has been steadily increasing, and in some cases, they have virtually shut out the Tamils. According to the government-created Committee on Rational Development, the Sinhalese, while constituting 74% of the total population, has appropriated 85% of all the positions in the public service. From 1977 to 1978, the Ceylon Administrative Service recruited 140 candidates through various competitive examinations, and not a single successful candidate was a Tamil. Walter Schwarz has also noted that the number of Tamil teachers has dwindled significantly, while recruitment of Tamils in the police has dropped to 2-3%. In the army, the few Tamil senior officers who are still around are not being replaced. It is clear that Sinhalese employment in the public sector is at present, greater than their population size would ordinarily warrant.

Like the Malays, the Sinhalese have managed to increase the number of their university admissions. Table 8 shows the distribution of university entrants by ethnicity in some fields of study at the university level. One can see that since the introduction of the preferential policies, the proportion of Sinhalese students has increased dramatically. Between 1969 and 1977, the percentage of Sinhalese students in medicine increased by 19.1%, and in the engineering and agriculture faculties, the increases were 27.8% and 29.8% respectively. In contrast, the percentage of Tamil students fell to about half their previous share, and this decline was particularly drastic in the agriculture faculty. The figures for the years

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41 Schwarz, The Tamils of Sri Lanka, 7.
1977 and 1983 can be said to be a more accurate representation of the ethnic communities in Sri Lanka as the Sinhalese do in fact make up 74% of the population. Nevertheless, the Tamils base their grievances on historical trends and comparisons of interethnic university admissions over time.\(^4\)

**TABLE 8**

**DISTRIBUTION OF UNIVERSITY ENTRANTS BY ETHNICITY AND FACULTY**

<table>
<thead>
<tr>
<th>Faculties</th>
<th>Year</th>
<th>Sinhala (%)</th>
<th>Tamil (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicine</td>
<td>1969</td>
<td>48.9</td>
<td>48.9</td>
</tr>
<tr>
<td></td>
<td>1977</td>
<td>68.0</td>
<td>27.8</td>
</tr>
<tr>
<td></td>
<td>1983</td>
<td>72.8</td>
<td>22.1</td>
</tr>
<tr>
<td>Engineering</td>
<td>1969</td>
<td>51.7</td>
<td>48.3</td>
</tr>
<tr>
<td></td>
<td>1977</td>
<td>79.5</td>
<td>19.1</td>
</tr>
<tr>
<td></td>
<td>1983*</td>
<td>66.4</td>
<td>28.1</td>
</tr>
<tr>
<td>Agriculture</td>
<td>1969</td>
<td>44.7</td>
<td>66.7</td>
</tr>
<tr>
<td></td>
<td>1977</td>
<td>74.5</td>
<td>23.5</td>
</tr>
<tr>
<td></td>
<td>1983</td>
<td>77.4</td>
<td>18.4</td>
</tr>
</tbody>
</table>


*Note: After the 1977 elections, Sinhalese preference in education was abolished. Thus, the figure for the Engineering faculty in 1983 shows an increase.*

(iii) Fiji

The 1970 Fijian constitution provided for specific safeguards for the "special rights" which the Fijians had enjoyed under British colonial rule. The Fijian Affairs Ordinance allowed the Great Council of Chiefs and the Fijian Affairs Board, "the two institutions central to the position and power of Fijians," to establish a "State within a State." The Council is one of the most powerful political institutions in the country; "it acts as the spokesperson for the Fijians," and the policies of the Alliance

Government have generally had to be cleared with it. The Fijian Affairs Board had to be consulted on any bill which affected the rights and interests of Fijians, before it was introduced in Parliament.44

Fijians also enjoy preferences in land ownership. Fijian control in nearly all the cultivable land in the country is protected under the National Lands Ordinance. Land designated to be "native land," which is controlled by the Native Land Trust Board, may not be alienated except by the government.45

Preferences also existed in employment in the Civil Service, and the law and order institutions, especially in crucial posts. In mid-1975, the ethnic composition of The Ministry of Fijian Affairs and Rural Development was: Fijians 51; Indians 4; and Others 1. In The Ministry of Home Affairs, which was responsible for national security, the figures were: Fijians 35; Indians and Others nil. The Royal Fiji Police Force had 638 Fijians; 457 Indians; 21 Europeans; and 12 Others.46 According to Victor Lal, Fijian over-representation in the armed forces was especially significant. "The armed forces were and still are the exclusive domain of the Fijians - Indian representation is insignificant." In 1985, the armed forces comprised 1,852 Fijians, 88 Indians and 82 from the other communities.47

In 1975, new preferential policies were adopted by the government. They included: "(a) reserving 50 per cent of places at the University of the South Pacific

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45See Horowitz, Ethnic Groups in Conflict, 655; Tinker et al., Fiji, 10; and Milne, Politics in Ethnically Bipolar States, 134-5.
46Lal, Coups in Paradise, 27.
for Fijians; (b) granting soft loans\textsuperscript{48} to ethnic Fijians to help them in commerce; (c) 
gearing much of the rural development toward an effort to help the Fijians 
 improve their living standards; (d) the establishing of the Seaqaqa Sugar Scheme to 
bring Fijians into the sugar industry, and the planting of pineapple in Fijian land 
areas to provide extra jobs to them and to cut dependency on sugar to sustain the 
economy.\textsuperscript{49}

In 1977, educational preferences were extended by setting aside half of all 
university scholarships for Fijians on a “parallel block” basis, that is, in the event of 
the quota being unfulfilled, the unallocated balance would be devoted to other 
specifically Fijian educational needs, such as repeats for university students. 
Furthermore, it was the government’s policy that all “qualified and deserving” 
Fijian students should receive scholarships. Under this system, the government 
awarded scholarships to Fijian students who obtained a minimum of 216 marks in 
the New Zealand University Entrance Examination, while the other students 
required at least 261 marks to qualify.\textsuperscript{50}

At least in part as a result of these preferential policies, the income 
disparity between the Fijians and Indians has been narrowed over the years. In a 
1977 World Bank Report it was shown that the income gap between the two groups 
was rather insignificant. An Indian family had an average income of F$4,002, 
while that of a Fijian family was F$3,398. Furthermore, while the employed 
Indians were still better off than the Fijians, the unemployment rate for Fijians was

\textsuperscript{48} Although the author does not clarify what exactly he means by “soft loans,” it is likely that they refer to low-interest loans. 
\textsuperscript{49} Lal, \textit{Coups in Paradise}, 32; and Tinker et al., \textit{Fiji}, 11. 
lower than that of the Indians, due to the increase in employment opportunities provided by the government. In 1976, Fijians made up 46% of the total unemployed in the country while the Indians made up 48%. By 1982, the percentage for Fijians had dropped to 34%, while that for Indians rose to 62%. Moreover, it should be noted that the Fijian complaints that they are economically backward compared to the Indians overlooks the fact that many Indians are also disadvantaged socioeconomically. In the Indian community, wealth tends to be concentrated only in a few hands, especially the Gujerati merchants, who dominate commerce.

In 1990, a new constitution was promulgated by decree which increased the scope of the existing preferential policies. The religion of the majority of Fijians, Christianity, was recognised in the new constitution, and in chapter 1, section 1, it is stated that “the state shall recognise the historical civilising importance that Christianity has played in the social life of the indigenous Fijians, and the enduring contribution it has had on the development of modern Fiji.” However, the other communities were still able to enjoy the freedom of worship.

The role of the Fijian chiefs has also been enhanced. In the upper house called the Senate, 25 of the 34 members are to be appointed by the Fijian Council of Chiefs. The chiefs also have the power to appoint and remove the President of Fiji, as well as to control and safeguard Fijian land and customs.

With regards to government employment, the new constitution stipulates that at least 50% of all places are to be reserved for Fijians and Rotumans at every

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level and in every department. A minimum of 40% is to be allocated for the other communities, although not necessarily or specifically to Indians. Furthermore, the President is responsible for appointments to the Public Service and Police Service Commissions, which ensures that Fijians will have enough influence and power in decision-making in these areas.\(^{55}\)

Although it is too soon to study the effects of these new policies, they have already had some immediate impact. Prior to 1987, there were a few Indian Permanent Secretaries in some ministries. But since then, the number has dropped to one. Also, “at the deputy and other senior levels, many posts previously held by Indian civil servants have been Fijianised.”\(^{56}\)

Lastly, preferences in the granting of large business loans and grants to Fijians have been extended. To decrease the dependence of the Fijian economy on Indian small and intermediate-size businesses, the government has also embarked on a vigorous programme to induce investments from Japan and the Southeast Asian Chinese.\(^{57}\)

In conclusion, this chapter has looked at the impetus which led the three countries to adopt their preferential policies, and has examined the types of policies which were implemented. In each of the three cases, one ethnic group enjoyed preferences in education and government employment. In Malaysia and Fiji, there were also policies in the business area. How successful have the preferential programmes been? Before commenting further, it should of course be

\(^{55}\) Premdas and Steeves, “Ethnic Discrimination and Inequality,” 163; and Barltrop, “Fiji,” 171.

\(^{56}\) Barltrop, “Fiji,” 171.

\(^{57}\) Premdas and Steeves, “Ethnic Discrimination and Inequality,” 164.
noted that "success" can be measured in different ways. One can evaluate the policies strictly in terms of their objectives, or one can also take into account their overall impact. For example, should a policy which succeeds in increasing opportunities for the preferred group, but which also increases ethnic tensions in the society, be considered a "success" or a "failure"? Obviously, it will be most analytically useful to take into account both kinds of results. In the remaining portion of this chapter, we will discuss whether the objectives of the preferential policies have been achieved, while their political consequences will be described and explained in the following chapter. The conclusion will provide the overall assessments of the policies.

According to Donald Horowitz, "the precise impact of preferential policies seems to vary with the field in which they operate." Because policies affecting education involve "gate-keeper decisions," they can effect dramatic changes in the composition of student bodies in a short time.\(^{58}\) Looking at the changes in the ethnic composition of university admissions in Malaysia and Sri Lanka, one can see that there have indeed been dramatic increases in the number of Malays and Sinhalese in university, and particularly in the more prestigious fields such as medicine and engineering. In Fiji, there is little information available on how effective the pre-1990 education preferential policies were in increasing the number of Fijian students in university. It is also impossible to evaluate at this point how new policies will affect Fijian admissions since they have just been promulgated.

Preferences in the area of government employment seem to have been successful in all three cases. In each country, the civil service is dominated by the

\(^{58}\)Horowitz, Ethnic Groups in Conflict, 660.
preferred groups as are the police and armed forces, a situation which reflect their political control. With regards to business, preferential policies have been relatively less successful. Malaysia's has had better results than Fiji's, partly because they have been in effect for a longer period of time. While not all the aims of the NEP have been met, Malay entrepreneurship has been fostered and over the past twenty years, a new Malay middle class has emerged. Malay share ownership, which stood at 18% in 1989 falls short of the 30% target set in 1971, but it still represents an increase of about 1000% from pre-1969 levels. In Fiji, there is again a lack of information available on the success of the pre-1990 policies. In the late 1970s, the evidence showed that the income gap between the Fijians and the Indians had been narrowed. However, given the level of disaffection among urban Fijians in the mid-1980s, a main cause of the 1987 election loss by the Alliance, the benefits of the preferential policies to the Fijians do not appear to be as high as those in Malaysia. Thus on the whole, it can be seen that the Malaysian and Sri Lankan policies have managed to achieve most of their objectives, while the Fijian ones had more limited success. It remains to be seen if the new policies introduced in Fiji in 1990 will be more effective.
CHAPTER FOUR

POLITICAL CONSEQUENCES OF PREFERENTIAL POLICIES

In their book on ethnic preference policies, Neil Nevitte and Charles H. Kennedy contend that "state policies of preference for one group are contentious because they engage fundamental questions about fair access to or just distribution of valued resources."¹ Due to their discriminatory nature, it is obvious that while preferential policies may reduce socioeconomic inequalities, their benefits do not come without a price. According to Donald Horowitz, "preferential policies, if pursued vigorously, tend to generate dangerous reactions."² However, the political costs in the countries which have adopted such policies in this study have varied. This chapter will attempt to analyse the reasons for this. Before going into the various factors involved however, the impact on political stability in the three countries will first be discussed.

Political consequences

(i) Malaysia

In general, the Malay economic position has been advanced since the preferential policies were adopted. Although not all the targets set by the NEP


²Donald L. Horowitz, Ethnic Groups in Conflict (Berkeley: Univ. of California Press, 1985), 676.
have been reached by the dateline of 1990, some progress has been made in terms of reducing interethnic inequality.\textsuperscript{3} To some extent, ethnic polarisation as a result of these policies is inevitable; however, the reaction by the non-Malays has been relatively mild. As was mentioned previously, many non-Malays did agree that something had to be done to narrow the economic disparity between themselves and the Malays. While they might not have agreed with the means chosen to achieve this, neither have they resorted to ethnic radicalism, and the ethnic tensions which do exist would certainly seem to be of a low level compared to Sri Lanka and Fiji at the present moment. The Malaysian political system has been relatively stable since 1969: there is at least a semblance of democracy through a popularly elected government, which is tested through frequent and generally free elections; there is an explicit sense of the rule of law; the bureaucracy and political parties enjoy a substantial degree of institutionalisation; and political change has generally been peaceful, orderly and evolutionary.\textsuperscript{4}

(ii) Sri Lanka

In stark contrast to Malaysia, the preferential policies in Sri Lanka have had a disastrous effect on the political stability of the country. For a time, the Tamils exercised a fair amount of restraint in their demands as the policies were introduced over a period from the 1950s to the 1970s. The Tamil elites had hoped to negotiate with the Sinhalese-dominated government for concessions, and thus, did not openly advocate separatism. However, repeated failure by the Sinhalese to


accommodate their demands increased their frustrations and alienation. In 1976, the Tamils’ demands changed from greater autonomy and federalism to the creation of an independent state, Eelam. Since 1977, and especially since 1983, ethnic violence has increased sharply and the country has been witness to a virtual civil war. Massacres and riots by paramilitary groups and mobs from one ethnic group result in tit-for-tat reactions by the other, resulting in an escalating spiral of violence. Another casualty of the ethnic violence has been the democratic legacy of the country. State authoritarianism has increased as the government struggles to deal with the deteriorating state of lawlessness. Draconian measures dealing with terrorists from both sides have been passed, and parliamentary elections were suspended from 1977 to 1988. Instead, the term of the 1977 parliament, as well as that of President J.R. Jayewardene, were extended by a referendum held in 1982. Sri Lanka has also had to contend with the involvement of India which is sympathetic to the Sri Lankan Tamils. In 1978, Sri Lanka was regarded by some writers as a model of democratic stability in the third world. By 1989, comparisons with Lebanon were more apt although, ironically, today Lebanon seems to have achieved a measure of political stability which continues to elude Sri Lanka.

(iii) Fiji

Up till 1987, Fiji seemed to resemble Malaysia more than Sri Lanka. Although ethnic tensions were present, and became especially heightened during election times, open expressions of racial animosity were mostly subtle and restrained. Fijian “special rights” were relatively unopposed by the Indians as

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they formed part of the constitutional bargain. But when preferential policies were introduced in 1975 and 1977, and as Fijian nationalism began to assert itself, Indian concerns began to increase. However, on the surface at least, there were few signs of political instability. The Indians did not resort to violence. Instead, they continued to express their grievances through constitutional means, and by solidifying their support for the NFP. Political stability was also maintained because the position of the traditional Fijian elites was not threatened. However, by the 1980s, intraethnic Fijian differences, based on region and class had emerged, and the corresponding erosion of Fijian support for the chiefly establishment as represented by the Alliance resulted in the FLF/NFP win in the 1987 elections. For the first time since independence, the Alliance was out of power while a government dominated by Indians (but led by a Fijian) had won political office. The perception that Fiji was being “Indianised” led the military to stage a coup in May 1987. However, lack of Fijian support beyond the traditional Fijian elites and nationalists led them to undertake a second coup four months later. Since then, any semblance of multiracialism in the government’s policies has been discarded, and the new constitution and government has sought to entrench Fijian political dominance and to keep “Fiji for Fijians.” The prospects for future political stability in Fiji do not look very bright: there has already been talk by some militant and radical Indians that violence is now the only way to fight for their rights. Furthermore, the military coups have “revived long-buried or suppressed Fijian regional and tribal divisions”\(^6\) which could trigger more coups and counter-coups in the future.

It can thus be seen that preferential policies have had different effects on political stability in the three cases. In the introductory chapter, it was established that the concept of political stability was not a very easy one to define.\textsuperscript{7} However, by examining certain characteristics of the three countries, such as general civil order and the capacity for non-disruptive change, one can see that Malaysia has enjoyed the highest level of stability while Sri Lanka has experienced the most instability. For now, Fiji lies somewhere in between and it remains to be seen which way it will go in the future.

Generally speaking, in politically stable societies there is a lack of widespread violence such as riots or insurrections. Of course, in all societies, the possibility of outbreaks of violence exists but in stable ones, such incidents are rare. But more important when one is evaluating political stability or otherwise, is the nature of the violence. What sets apart incidents such as terrorist attacks by the Irish Republican Army in Great Britain, the assassination of Prime Minister Olaf Palme in Sweden in 1986, or the Oka stand-off between Mohawk Indians and the Canadian army on the one hand, from seemingly similar ones like terrorist acts by Tamil Tigers and the Sinhalese militant groups in Sri Lanka, the assassination of Senator Benigno Aquino in the Philippines and the Tiananmen Square massacre on the other? Why are the first three examples not indicators of general political instability in their countries, while the latter ones are? In politically stable countries, the impact of outbreaks of violence is largely confined to a very small segment of the population. General civil order is not affected, and stable societies have mechanisms, such as law enforcement institutions, which deal effectively with these situations. For the most part, the society and the political system continue to

\textsuperscript{7}See pp. 17-19 above.
function as usual. In unstable countries, outbreaks of violence tend to be more widespread and persistent. They usually indicate deep underlying disaffection with the system, and are more difficult to contain and control. Unless they are accompanied by changes which address the causes, it is also likely that they will reoccur. Law enforcement mechanisms in unstable countries are less effective when dealing with violence and may in fact be contributory factors.

Another important characteristic of political stability relates to the ability of a system to accommodate change. That is to say, there should be a degree of permanence in a system as well as the ability to adapt if and when the need arises. But when is change disruptive or non-disruptive? It can be problematic to rely on indicators such as constitutional continuity or governmental longevity. Perhaps the most important factor when evaluating political stability or instability then, is the degree of consensus and legitimacy which accompanies the change to or in the system. Since legitimacy and political stability are interdependent, regime types should also be considered. The complexity of the problem can be seen in the fact that while democratic regimes generally enjoy more legitimacy and are thus in this respect more stable, the fewer restraints on the voicing of demands for change can also lead to greater instability. Conversely, one-party systems may be less legitimate but more stable.

Since 1969, Malaysia has not witnessed any outbreaks of violence, nor have there been any basic or major changes in its political system. Malaysia can be said to have a one-party system, although the party in question is actually a coalition made up of several parties. Nevertheless, it is relatively democratic and the government enjoys a high degree of legitimacy. Although the government has to face challenges from other political parties during elections, there have been few changes in the composition of the elites in Malaysian politics since independence.
Malay elites today are not just made up of the aristocracy but also include middle- and working-class Malays. However, for the most part, they are still mainly moderates drawn from the United Malay National Organisation (UMNO) and the other components of the National Front.

Until the 1983 ethnic riots, Sri Lanka was considered to be relatively stable. Outbreaks of violence though relatively frequent were not very widespread, and general law and order still prevailed in the country. It had a highly competitive political system, which led to government changes after each election up till 1977. However, although political power alternated in the hands of two different parties, they were both Sinhalese parties, and hence, there were no significant changes in the composition of the elites. Instability resulted because the system fostered Sinhalese chauvinism while at the same time, it failed to accommodate the demands of the Tamils. This has led to the proliferation of paramilitary groups, the breakdown of general civil order and especially after 1983, the level and scope of violence in Sri Lanka has increased dramatically.

Prior to the 1987 coups, Fiji appeared to be a relatively stable country. Like Malaysia, it had a one-party system, although political competition with other parties was higher. According to R.S. Milne, there was “much talk of violence” in Fiji, and the traditional Fijian elites often warned that if the NFP won an election, violence would break out. However, when the NFP did win an election in 1977 and it appeared as if it might take over the government, violence did not break out. Contrary to the fears and expectations of some Fijian citizens, the military did not make any move.\textsuperscript{8} Until the mid-1980s, the legitimacy of the Alliance government

\footnotetext{8}{S. Milne, Politics in Ethnically Bipolar States (Vancouver: Univ. of British Columbia Press, 1981), 208-9, 116-7.}
had been questioned but not openly challenged by other Fijians. The 1987 election also led to a dramatic change in the composition of the government. For the first time since the arrival of the British, Fijian chiefs lost political control of the country. Instead, the government was dominated by Fijian commoners and Indians. Since Fijians were still in power, the change in elite composition does not appear to be that great on the surface, and by itself, it was not an indicator of political instability. It was however, a cause of it. It is significant to note that instability in Fiji has been relatively non-violent. The coup in which the FLP/NFP government was overthrown was undoubtedly an illegal use of force by the military, and an indicator of instability. But if “democracy died in Fiji on Thursday 14 May 1987,” no one else did. Not a single bullet was actually fired, and the coup was “swift and bloodless.”9 Nor has the talk of violence by Indians been translated into actual violence, at least not yet.

Why was Malaysia able to minimise the adverse effects of its preferential policies while in Sri Lanka, they have led to an almost complete breakdown of civil rule and stability? In the next section, the reasons for the political consequences of the preferential policies in Malaysia and Sri Lanka will be discussed. In Fiji, it is not clear if the preferential policies can even be linked to the military coups, except in a rather indirect manner. Thus, we will attempt to analyse the factors which led some sections of the Fijian community, the beneficiaries of the preferential policies to overthrow a Fijian-led government, twice, while the discriminated group, the Indians did not.

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Reasons for the different political consequences

A) The Ethnic Configuration

The ethnic configuration refers to the balance of numbers among the ethnic groups, that is, whether the groups are of equal size or if one particular community constitutes an overwhelming majority. This factor had an impact on the way preferential policies were adopted in the three countries. The ethnic configuration can also affect the outcome of political competition among or between the ethnic groups.

In any discussion of Malaysia’s ethnic configuration, it is important to clarify the different usages of the term “bumiputra.” The definition of “bumiputra” is “sons of the soil,” and hence it refers to the indigenous peoples of the country, which include Malays as well as aborigines and the natives of Sabah and Sarawak. However, in Malaysian politics, the terms “bumiputra” and “Malay” (a Malay is defined as a Muslim who habitually speaks Malay and follows Malay customs and norms) are often used interchangeably, which implies that they mean the same thing. Obviously, they do not. Many of the non-Malay bumiputra from Sabah and Sarawak are not Muslims, and hence do not fit the definition of “Malay.” Neither do the orang asli (literally, original people), the aborigines of the Malay peninsula, who are mostly animists. Conversely, some Malays are actually immigrants from Indonesia, and are hence, not real “bumiputras.” The reason for all the confusion, deliberately fostered in part by the government has to do with political expediency.

According to the 1980 census, the Malays by themselves constitute only 47.8% of the population. However, if they are counted with the other bumiputras, they make up 56.5% of the total population and hence, constitute a majority vis-à-vis the Chinese and Indian immigrant communities, if only by a small margin. The
deliberate confusion of the terms “bumiputra” and “Malay,” especially in political
discourse therefore gives the impression that the Malays are a majority, which
helps to justify their political dominance in the country. It should be noted that
generally, only the Malays and the natives of the Borneo states enjoy the “special
rights” embodied in the Constitution, while many of the “quotas and preferences
under the NEP are made available to bumiputra.” The orang asli, the real
indigenous people of the country, and the poorest, are counted as “bumiputra” for
census purposes, “but given almost no preferences because they are treated as
wards of the Department of Aborigines.”\(^{10}\)

In Sri Lanka, the Sinhalese comprise an overwhelming majority over the
Tamils, making up 74% of the total population, compared to the 18.1% made up by
Tamils, and that is only if one combines the figures for Sri Lankan and Indian
Tamils.

Fiji’s ethnic configuration is closer to Malaysia’s than Sri Lanka’s since the
Fijian and Indian communities are roughly equal in size. At the time of
independence, the Indians clearly outnumbered the Fijians, making up 51% of the
population to the latter’s 42%. However, by the 1980s, the population gap had
narrowed, and according to the 1986 census, Fijians comprised 46% of the
population, while the Indians comprised 48%.\(^{11}\) Some projections predicted that
by 1988, the situation would have been reversed.\(^{12}\)

The difference between the absolute majority enjoyed by the Sinhalese, and
the more balanced ethnic composition in Malaysia and Fiji had an impact on the

\(^{10}\)Means, “Ethnic Preference Policies in Malaysia,” 112.
\(^{11}\)Premdas and Steeves, “Ethnic Discrimination and Inequality,” 156.
\(^{12}\)See Hugh Tinker, Naresha Duraiswamy, Yash Ghai and Martin Emmals, Fiji (London:
The Minority Rights Group Report, 1986), 7; and Victor Lal, “The Fiji General Election of
way preferential policies were implemented. The Sinhalese felt that with their numerical strength, they could afford to override the objections of the Tamils. Because the Tamils were such a small minority, none of the Sinhalese parties could afford to be seen as catering to them since any gain in Tamil votes would be marginal, and not worth the larger number of Sinhalese votes which might be lost in the process.\textsuperscript{13} Thus, the Tamils were neither consulted nor taken into account when the preferential policies were adopted, which made them totally unacceptable in their eyes.

In Malaysia and Fiji, the lack of clear and overwhelming majorities meant that the Malays and Fijians could not ignore the demands of the non-Malays and Indians, and that the interests of these groups had to be accommodated within the political frameworks to some degree. Obviously, this was more true in Malaysia than in Fiji.

Because the size of the Chinese community was not that much smaller that its own, the Malays have had to tread more carefully, and the government has stressed that it would attempt to minimise the disruptive effects of the preferential policies on the non-Malay community. The Malaysian government has also been relatively open and willing to negotiate and make concessions on a few of the issues affected by the policies. One example is the 1977 agreement on university admissions mentioned previously in chapter 3.\textsuperscript{14} This approach has made the policies more acceptable to the non-Malays.

In Fiji prior to 1987, the government did show some restraint when adopting the preferential policies, especially when one considers some of the

\textsuperscript{13} Horowitz, \textit{Ethnic Groups in Conflict}, 425-6.
\textsuperscript{14} See p. 80 above.
demands which have been made by nationalists such as Butadroka. While the Alliance government did not shy away from manipulating ethnic tensions nor from making overtly racist statements of its own, it did attempt to prevent Fijian chauvinism from getting too out of hand. Prime Minister Ratu Mara has condemned, or at least not condoned, some of the suggestions and statements made by other Fijian politicians, some of whom have called for the deportation of Indians to solve the population density problem, and have warned the Indians that unless they "bear along with Fijians," blood would flow.\textsuperscript{15} Thus, although the Indians were opposed to the policies, they did not react adversely. When the new constitution was announced in 1990, it certainly did "institutionalise the political representational inferiority of non-Fijians." Nevertheless, some observers have noted that it was "not as draconian as had seemed likely" following the coups.\textsuperscript{16} This may be of little comfort to the Fijian Indians, but it is possible that the ethnic configuration played a small role in tempering the discriminatory nature of the new preferential policies.

Since the Sinhalese are the majority in their country, their hold on political power is assured. In Malaysia, the Malays are indisputably the biggest ethnic group in their country even if they do not actually constitute a majority and so, their position is secure too. In contrast, the Fijians have been a minority vis-à-vis the Indians until recently, and so, their numerical strength is weaker than that of the Malays. Consequently, in any political competition vis-à-vis the Indians, the Fijian position would seem to be more tenuous than that of the Malays or obviously, the Sinhalese. However, in Fiji’s case, one also has to consider the role

\textsuperscript{15} Statement from a Fijian senator in 1982, quoted in Lal, \textit{Coup\textsc{s} in Paradise}, 155.
\textsuperscript{16} See Premdas and Steeves, "Ethnic Discrimination and Inequality," 167.
of the General Electors. These refer to the other ethnic groups in Fiji which include Europeans, part-Europeans and Chinese. In terms of population size, they are smaller than the Malaysian Indians and Sri Lanka Moors, but politically much more important. At the time of independence, and with the support of the Fijians, they were vested with more political power than their size would warrant because they have consistently used their over-representation to support the Fijians. Thus, just as the inclusion of other “bumiputras” in their ethnic category allows the Malays to claim that they are the majority, the Fijians have been able to constitute in effect, a “majority” because they could count on the support of the General Electors. In 1987 however, there was a shift in General Elector support from the Alliance to the FLP/NFP coalition. This swing was not that great, but it was decisive enough to help determine the outcome of the election. Hence, the ethnic configuration in Fiji has contributed to insecurity on the part of the Fijians: the 1987 election loss made them acutely conscious of their minority status and how, given the almost equal numbers of Fijians and Indians, any slight shift in either side’s supporters could tilt the balance against them. The first coup was designed to achieve what the Fijians could not through the ballot box - assure their political dominance. This “problem” has also been rectified in the 1990 constitution by allotting a disproportionate number of seats to Fijians in the House of Representatives.

B) Geographic Distribution

In this section, we will first look at the existence of ethnic enclaves in Malaysia and Sri Lanka. If an ethnic group is concentrated in a particular region, a demand for separatism is both more likely and more realistic from the point of
view of economic and territorial viability. This factor is not relevant in Fiji; however, unlike Malaysia, regional differences (among the Fijians) are an important consideration there. In Sri Lanka, regional differences among the Tamils will be noted, but they are not as significant a factor as those in Fiji.

In Sri Lanka, the Tamil minority is heavily concentrated in two out of the nine provinces. According to the 1981 census, they accounted for 85% of the population in the northern region, and 42% of the eastern one. Thus, the Tamils for the most part, are separated from the Sinhalese not only in terms of ethnicity, but also territory. This has allowed for more effective political mobilisation and makes their claims for a separate Tamil state more viable. It was thus not surprising that the Sri Lankan government had been encouraging Sinhalese people to settle in these two provinces, a policy which became a major grievance of the Tamils. The government’s justification was that in a united country, no part could be the preserve of any ethnic group. However, the Tamils viewed it as a deliberate attempt to deprive them of areas of homogeneity, and thus decrease their communal bargaining power. After all, there were no state-sponsored settlement of Tamils in Sinhalese areas.

The various ethnic groups in Malaysia are more spread out and evenly distributed among the regions. But the Chinese tend to be concentrated in the cities. Since Malays constitute the majority of the rural population, manipulation of the electoral system, such as giving “weightage” to rural areas, has helped the

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ruling Malay-dominated National Front to maintain its political dominance. For example, in 1969 Malays made up 56% of the electorate in Peninsula Malaysia, but had an absolute majority in 58% of the seats and a relative majority in another 4%. In the 1974 elections, the “permissive extent of rural weightage” was further increased when the constituencies were drawn up, thus resulting in an even greater Malay advantage.\textsuperscript{20} Despite increasing urbanisation and a corresponding drop in the rural population since then, few changes have been made to those constituency boundaries and thus it is likely that rural “weightage” is considerable at present. In the state of Penang, the Chinese make up a majority, with over 60% of the Chinese concentrated on Penang Island. For the past two decades, the Chinese Gerakan party, a component of the National Front, has ruled the state. However, in the recent 1990 elections, the opposition Democratic Action Party (DAP) was able to score some important political gains, thus posing some long-term worries for the Malays. Some analysts believe that Prime Minister Mahathir may decide to “turn the state capital of Georgetown on Penang island - with its core of Chinese voters - into a federal territory,” thereby stripping the city of state representation and neutralising its impact on state election.\textsuperscript{21} Thus, it is clear that the Malaysian government would not allow Penang to become the equivalent of the Sri Lankan Northern province.

Apart from Penang, the Chinese are found in the major cities all over Malaysia. Unlike the Tamils, the Chinese in Malaysia probably feel a greater sense of vulnerability since they tend to be outnumbered wherever they are. It also makes the idea of the Chinese separating to form their own state highly unrealistic.

\textsuperscript{20} Milne, \textit{Politics in Ethnically Bipolar States}, 109.

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Instead, the Chinese in Malaysia are more likely to express their grievances in other ways, like emigration. This will be elaborated in the section dealing with "exit" factors.

In Fiji, there are no predominantly Indian regions as there are Tamil provinces in Sri Lanka, and for now, Indian grievances have not resulted in demands for autonomy, federalism or separatism, which would not be viable in any case. However, political stability has been affected by the existence of regional differences among the Fijians. Prior to 1987, there were few signs of any significant intragroup Fijian differences; however one writer, Stephanie Lawson, has called this "the myth of cultural homogeneity" which was perpetuated by the chiefly establishment to reinforce its political position. By constant allusions to the threat of the "Indianisation" of Fiji should the Indians gain political office, the Fijian chiefs were able to instil a sense of unity in the Fijians, a fact which obscures historical differences between east and west Fijians.

The decision to cede Fiji to the British back in 1874 was made by the Fijian chiefs of the eastern regions, of which Bau was the most powerful. Western Fiji rebelled against colonialism and Bauan supremacy in 1873, and unlike the west, it was annexed after the British and soldiers from the east crushed the revolt in 1876. The system of indirect rule under the British served to increase the political pre-dominance of the eastern chiefs, and the structural basis of Fiji's present sociopolitical organisation was adopted from the eastern ones. Except for the brief tenure of the FLP/NFP government in 1987, "the highest offices in Fiji

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have been held by eastern chiefs.” Examples include Prime Minister Ratu Mara; Ratu Sir Penaia Ganilau, former Governor-General and current President; and Ratu Sir George Cakobau, the first Governor-General of Fiji.24 Eastern political dominance has also led to some uneven regional development since the eastern regions have received more economic assistance than the west.25 A Fijian sociologist has stated that “the Western Fijian peasantry remains potentially one of the most combative and class-conscious sections of Fiji’s peasantry.”26 One of the co-founders of the NFP was a militant western Fijian trade unionist, Apisai Tora who in the 1960s agreed to merge his Fijian Western Democratic Party with the Indian-based Federation Party.27 In 1981, western alienation and discontent with the concentration of power in the east also led to the formation of the Western United Front (WUF), a western-based political party. By allying itself with the NFP during elections, the WUF managed to win a few seats but not enough to pose a threat to the Alliance Party.

However, the FLP which was formed in 1985, was able to attract more supporters. Unlike the WUF, the FLP was a national organisation, and its attacks on the chiefly establishment (which was eastern in origin) in effect made it WUF’s successor with a broader appeal. Significantly, the leader of the FLP, Dr. Timoci Bavadra, was a Melansian from western Fiji.

Thus, regional differences among the Fijians contributed to the success of the FLP/NFP in the 1987 election, and will no doubt continue to be a factor in the

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25Robertson and Tamanisau, Shattered Coups, 15.
26Quoted in Lal, Coups in Paradise, 69.
27Since then however, the opportunistic Tora has completely reversed his political allegiance. Stung by his defeat in the 1977 elections, he decided to make peace with his arch rivals in the Alliance camp, and in 1987, Tora was one of the leaders who started the nationalist Fijian Taukei movement. For more details, see Ibid., 157, 187.
political future of Fiji. Significantly, the 1990 constitution did not provide recognition for the western chiefs, nor did it address their demands for a “Fourth Confederacy” and greater autonomy, a move probably aimed at “punishing” western Fijians for breaking with “overall Fijian solidarity vis-à-vis the Indians.”\(^{28}\) But this will only add to further western alienation, and observers have predicted that most likely, many western Fijians would continue to support the FLP/NFP coalition.\(^{29}\)

As noted before, there are also a few regional differences among the Sri Lankan Tamils, although they are not that significant. Generally speaking, there are three groups of Tamils of which the Jaffna Tamils are the largest. Demands for separatism are the strongest among this group, and many support the Tamil militants who are based there. The second group of Tamils are those in the eastern province. They tend to be educationally more backward than those in the north, and hence had not been opposed to some of the preferential policies such as the district quota system in education since they benefitted from them. Eastern Tamils had tended to be less strident in their demands, and were less supportive of the Tamil militants and separatists in Jaffna. Lastly, there are Tamils who reside in Sinhalese areas, especially Colombo. Many work as professionals, civil servants, business executives and white-collar workers. These middle- and upper-class Tamils had tended not to support separatism since they had a “vested interest in the survival of Sri Lanka as a united country.”\(^{30}\) However, the ethnic conflict has tended to reduce these regional differences among the Tamils. In 1956, riots in


\(^{29}\) ibid., 166.

Colombo led some Tamils living in "isolated groups in Sinhalese areas to retreat to Jaffna; many swore that they would live in simple poverty as peasants...rather than run the risk of assault or even death in the Sinhalese areas."\textsuperscript{31} The number of Colombo Tamils has diminished with the process of Sinhalisation, and many have either returned to Tamil areas or migrated elsewhere.\textsuperscript{32} Particularly after the 1983 riots, all Tamils have come to share the same feeling of vulnerability and have in the process, found a new sense of solidarity.\textsuperscript{33}

C) Economic Factors

Next, one must look at whether there are any factors which might have softened the impact of the preferential policies on the discriminated group; or conversely, contributed to the ethnic polarisation. The factors which will be considered are the different economic bases for the ethnic groups and the state of the economy.

During the period of colonial rule in Malaysia, the British fostered a local ruling class by making the Malay aristocracy junior partners in administration. For example, the Malayan Administrative Service was made up exclusively of Malays, and was inaccessible to non-Malays.\textsuperscript{34} In contrast, the Chinese controlled urban and rural commerce, small-scale manufacturing, construction, skilled trades and a significant number of smaller banks and other financial institutions.\textsuperscript{35}

\textsuperscript{33}Suryanarayan, “Ethnic Conflict in Sri Lanka,” 129.
\textsuperscript{34}R.S. Milne and Diane K. Mauzy, Politics and Government in Malaysia, revised ed. (Vancouver: Univ. of British Columbia Press, 1980), 114.
After independence, Malay preference remained the rule with regards to public employment, especially in the armed forces and other branches of civil service such as the influential and prestigious administrative class where a recruitment ratio of four to one is applied. In fact, Malays enjoy such conspicuous advantages in government employment that ambitious non-Malays have looked elsewhere for careers.\(^{36}\) Thus, since government employment was not a major economic basis for the Chinese, the NEP’s strategy for Malay preference in the civil service did not have any significant impact on them.

In Sri Lanka, the British also nurtured a small class of English-speaking civil servants. Since the Tamils tended to have a better educational base in English compared to the Sinhalese, their numbers were greatly disproportionate to their population size.\(^{37}\) Public service was their biggest, and indeed only major industry. Furthermore, in Sri Lanka, the state was the major employer, accounting for more than 25% of the total labour force.\(^{38}\) In the past, educated Tamils also found jobs in Malaysia; however, this avenue is now closed. At the time of independence, about 30% of government administrators were Tamil. By 1988, the number had declined to 6%.\(^{39}\)

Thus, when the language policies were introduced, requiring Tamil civil servants to pass a Sinhala proficiency test in stages over a period of three years or have their annual increments suspended, and be eventually dismissed, the Tamils found themselves shut out from the domain which was their primary economic basis. Opportunities for the Sri Lankan Tamils shrunk dramatically due to their

\(^{36}\)ibid., 403-4.

\(^{37}\)Schwarz, The Tamils of Sri Lanka, 3.


\(^{39}\)ibid.
overwhelming reliance on government employment, whereas the Chinese in Malaysia were able to escape any significant effect since they were concentrated in the private sector.

In Fiji, the preferential policies provided employment opportunities for Fijians in the civil service, and sought to bring more of them into the sugar industry. With regards to the civil service, the situation in Fiji was somewhat similar to Malaysia's. During the colonial period, the British cultivated a special relationship with the Fijian chiefs, and ruled the people indirectly through them. Hence from early on Fijians were able to dominate the civil service. This situation continued after independence because the British gave in to Fijian demands that the running of the colony - administratively and politically - be handed over to them.\(^\text{40}\) Although the civil service was not an economic base for the Indians and the policies thus did not reduce or eliminate their job opportunities as happened to the Sri Lankan Tamils, they did limit their scope of employment opportunities. Indians were also hurt by the preferential policies which induced Fijians to enter the sugar industry. Many of them were engaged in canegrowing, and relied on continued access to Fijian-owned land for their income. The preferential policies, together with increasing Fijian nationalism and resentment towards the the Indians, worsened the fear and vulnerability of the Indians, and worsened the already extremely limited security of land tenure they enjoyed.\(^\text{41}\)

It does not appear that the government has been that successful in encouraging Fijians to turn to commercial farming. In 1990, Indians still made up two-thirds of the country's 21,000 cane farmers.\(^\text{42}\) However, as a result of the

\(^{40}\)Tinker et al., Fiji, 4.
\(^{41}\)LaI, Coup in Paradise, 28.
\(^{42}\)James Clad and Robert Keith-Reid, "Harvest of unrest," Far Eastern Economic
preferences received by the Fijians with regards to business loans and job opportunities in the government service, the economic gap between the two communities had narrowed by the late 1970s. At this point, one should bear in mind that although the Fijians dominated the civil service, many more were subsistence farmers and unskilled workers, and as a whole, the community was rather backward in economic terms. However, many of the Indians had also become worse off than the Fijians. According to Victor Lal,

The Indian dilemma is exacerbated because (1) the largest group of unemployed are Indians with no material security; (2) they are generally squatters, their mobility is severely limited; (3) they have no social security system; (4) they cannot fall back on land because they have none; (5) the greatest degree of undernourishment and poverty exists within this group.43

Next, we will look at the state of the economy in the three cases. In Malaysia, the period between 1970-85 witnessed surging economic growth, averaging 5-8% per year,44 and thus, the Chinese and other non-Malays were not as hard hit by the preferential policies as they might have been. Because the economic pie was expanding, the reforms represented by the NEP did not really affect Chinese opportunities, at least not in absolute terms. All it meant was that they were getting a smaller slice of a bigger pie. Similarly, shifts in university enrollments did not mean that Chinese students were being denied opportunities for higher education in absolute terms because overall tertiary enrollments were also rapidly expanding.45 In 1969, there was only one university in Malaysia but

43 Ibid., 29.
since then, five new universities and numerous technical colleges have been built.

In Sri Lanka, economic growth in the 1960s was followed by a downturn during the 1970s and by 1977, some 20% of the work force was unemployed. After 1956, Sri Lanka had introduced a number of welfare policies which would, ironically, come to add to its problems during this period. A progressive implementation of universal free education from primary school right through university led to a literacy rate of 86%, while school enrollment stood at 80% in 1976. This resulted in a glut of pseudo-educated youths with heightened expectations regarding jobs and incomes, but whose hopes were frustrated by an economy which failed to grow and to generate the necessary levels of employment. Youths of all communities were confronted by appalling levels of unemployment, and paradoxically, the educated ones were particularly hard hit. A survey in 1969/70 found that among youths aged 15-19 who had passed the General Certificate of Education (G.C.E.) Ordinary Level Examination, the rate of unemployment was 80.2%. Among those with a G.C.E. Advanced Level Examination pass, the unemployment rate was 96.3%. It is thus not surprising that militant Tamil and Sinhalese groups have found the high schools and colleges with their large numbers of angry frustrated youths to be “fertile hunting grounds.”

Thus, in contrast to Malaysia, the economic pie was shrinking and not surprisingly, the Sinhala Only policy and more indirect forms of discrimination

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46 Tambiah, Ethnic Fratricide, 55.
47 Ibid.
48 See Robert N. Kearney, “Language and the Rise of Tamil Separatism in Sri Lanka,” Asian Survey 18 (May 1987): 531. Although there is no doubt that unemployment was endemic, these figures are unusually high and unfortunately, Kearney did not provide any further elaboration on them. However, it is likely that the figures applied only to the first year after completion of the examinations.
made the problem especially difficult for the Tamils.\textsuperscript{50} However, the worst was yet to come. Not only were overall opportunities shrinking for the Tamils, they were further restricted by policies which were specifically aimed at limiting their access to higher education, and ultimately, to career opportunities. In fact, a major reason for the increasing Tamil militancy during the 1970s can be attributed to the frustrated aspirations of Tamil youths who saw their numbers in education and employment decline not only in relative but absolute terms. Nor did the situation improve in the 1980s. A 1983 survey revealed that 41\% of Tamils with a G.C.E. Advanced Level pass were unemployed, compared to 29\% of the Sinhalese.\textsuperscript{51}

Another point to bear in mind is that in Malaysia, literacy was not as widespread. In Sri Lanka, there was a Sinhalese community who were literate in Sinhala, pressuring the government to provide them with opportunities previously available only to English speakers. Thus, once literacy in Sinhala became a criteria, many of the jobs previously held by Tamils could then be taken over by the Sinhalese. In Malaysia, the majority of Malays were not literate, in either English or Malay. Thus, one can say that the impact of Malaysia’s policies was somewhat delayed and more gradual since a substantial number of Malays still had to be educated first, and the non-Malays could not be replaced that easily or that quickly. The relatively lower level of literacy among the Malays could also have resulted in less competition between the Malays and non-Malays for jobs.

The state of the economy in Fiji, which hurt both Fijians and Indians, is a more important factor in explaining the country’s political instability than the

\textsuperscript{50} Kearney, “Language,” 531.

preferential policies because the latter cannot account for the emergence of the Fijian Labour Party, nor the disenchantment among some Fijians with the Alliance party. The FLP was formed in 1985 after the Alliance government unilaterally imposed a wage freeze in November 1984. The government’s mis-management of the economy led to commoner discontent which fuelled support for the FLP. By pointing to the fact that in 1985, 72% of the prisoners in the country were Fijians, as were more than half of the households living in poverty, the FLP was able to raise the issue of “Fijian marginalisation.” Far from creating a Fijian bourgeoisie, the chiefly-bureaucratic class which was identified with the Alliance had used their access to the state to enrich itself. The FLP was also able to dispel the myth that poor Fijians were being exploited or disadvantaged by wealthy Indians since low sugar returns had reduced the Indian cane farmers’ income to the same level as that of the average Fijian. In the mid-1980s, the country was also devastated by a series of cyclones, and rocked by scandals over rising bus fares, labour disputes over the government’s unwillingness to enforce a minimum wage for women textile workers, and a rise in crime and social problems. Not surprisingly then, the FLP/NFP coalition’s emphasis on economic and social justice attracted many urban Fijians who were more concerned with economic and social security than allegiance to the “older ties of chiefly and family networks.”

Class differences among the Fijians, and the growing identification of working class Fijians with the Indians probably posed the biggest threat to the

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52 See Lal, *Coup in Paradise*, 168; and Robertson and Tamanisau, “Race, Class and Military,” 211.
53 Robertson and Tamanisau, “Race, Class and Military,” 209, 212.
55 Robertson and Tamanisau, “Race, Class and Military,” 212.
Alliance leaders and the traditional chiefly class. Because of these developments, the FLP was able to quickly assume the role of the opposition and to offer Fijians a real alternative to the Alliance for the first time. The 1987 win by the FLP/NFP coalition only served to confirm that the Alliance's traditional power base was being eroded, and it was to return the chiefly class to its "rightful place,"\(^{57}\) i.e. in political office, that Lieutenant-Colonel Rabuka launched his coup.

Ironically, this first coup revealed just how deep the class divisions were in Fiji. "Contrary to Rabuka's expectations, the Governor-General and judiciary refused to accept the coup and his proposed Council of Ministers." Although his actions were supported by the Fijian chiefs and the Taukei movement, Rabuka was forced to turn over power to the Governor-General after a week. Faced with strikes from Indian cane farmers and a massive drop in tourism in the aftermath of the coup - both industries which were Fiji's main sources of foreign currency, and the threat of international sanctions, the Fijian economy teetered on the brink of economic collapse. Some members of the chiefly-bureaucratic class even came to have second thoughts about the wisdom of Rabuka's objectives. In any case, a Fijian middle class opposition to the military and Taukeists soon emerged. These more moderate Fijians petitioned to send the military back to the barracks, and demanded the formation of a government of national unity. Finally, the Governor-General was forced to approach Bavadra and Ratu Mara to form a caretaker government, comprising equal numbers of Alliance and coalition members. But before this could occur, Rabuka struck for a second time, and this time, he made sure that his objectives were achieved.\(^{58}\)

\(^{57}\)Lal, *Coups in Paradise*, 194.

\(^{58}\)See Ibid., 192-207; and Robertson and Tamanisau, "Race, Class and Military," 217-220.
Hence, in Fiji, the economic crisis of the mid-1980s led to growing class cleavages among the Fijians, and the decline of Fijian support for the Alliance party. The threat to the interests of the traditional Fijian elites resulted in political instability.

D) "Exit" alternatives

Another factor which will be considered is the availability of "exit" alternatives. Preferential policies would not necessarily result in increased ethnic strife if the ethnic minority has the opportunity to simply "exit" from the situation through emigration. However, the ethnic minority in question must have both the means and the will to do so.

In Malaysia, many Chinese families send their children abroad for education, largely as a consequence of the decline in available places in the universities for non-Malays, and also because they desire a higher quality of academic education for their children. Neighbouring Singapore is a popular choice and in 1987, there were 10,700 Malaysian students pursuing secondary education there. By the middle 1970s, there were as many Malaysian Chinese students enrolled abroad as there were in Malaysian universities. The number of Malaysians in overseas universities increased at an average rate of 9\% per annum from 36,900 in 1978 to

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59 The concepts of "exit" and "voice" have been analysed by Albert O. Hirschman in his book, *Exit, Voice and Loyalty: Responses to Decline in Firms, Organisations and States* (Cambridge: Harvard Univ. Press, 1970), 1-44. By applying certain economic processes to a wide range of social, political, and moral phenomena, Hirschman argues that when people are faced with an unsatisfactory situation, they have two options: (1) the exit option; and (2) the voice option where they articulate their grievances.


60,000 in 1987, of which it is estimated that about 60% are Chinese.\textsuperscript{63} One can say that this alternative route, which is an expensive one, has been available to more of the Chinese because of their stronger economic position; however, it would be inaccurate to presume that all Chinese families can afford to send their children away for advanced education, and that they have not suffered at all under the preferential policies.

Most Malaysian emigres are also Chinese, and although the extent of this is not publicised, the government has expressed some concern with the trend. The fact that emigration is only an option for those with either wealth or valuable skills means that Malaysia is facing a "brain drain" which could affect it adversely in the long run. The large number of overseas students has also resulted in an outflow of $1,200 million annually in foreign exchange from the country.

Another point is that the majority of the Chinese in Malaysia only came to the country during the nineteenth century, and initially, they did not plan to stay there permanently. The British viewed them as transients and their policies did not accord them equal treatment with the Malays.\textsuperscript{64} It was not until 1957 that citizenship rights were granted to them. Thus, it is understandable that many Chinese do not feel strong attachment to Malaysia as their "homeland," and thus emigration is an attractive, or at least acceptable option.

Unlike the Chinese however, the Tamils in Sri Lanka do not seem to have exercised the right of "exit" as much. For one thing, they are not as willing to because in their perceptions, they are a nation as long and as well established in Sri Lanka as the Sinhalese. While the facts of the earliest settlements are obscure,

\textsuperscript{63}Malaysian Information Yearbook 1988, 524; and Horowitz, Ethnic Groups in Conflict, 661.
\textsuperscript{64}Wilie and Mauzy, Politics and Government in Malaysia, 20.
there is evidence that during the era of Sinhalese settlement that began in the fifth or sixth century B.C., Tamils were also present on the island. Some modern scholars even hold that Dravidians, the ancestors of the Tamils were in fact the earliest settlers.\textsuperscript{65} Thus, it is not surprising that the option of emigration is not as palatable to the Tamils as it is to the Malaysian Chinese. However, the ethnic violence in the Jaffna Peninsula has displaced over 150,000 Sri Lankan Tamils as refugees in India and elsewhere.\textsuperscript{66} However, unlike emigration, the “refugee” option is less voluntary and permanent. While Madras is the most available option to the Sri Lankan Tamils, it is not necessarily the most attractive one and it is doubtful if the they would choose to stay if they had a choice. As the influx of refugees has become a virtual flood, particularly in the aftermath of the 1983 riots, the Sri Lankan Tamil refugees are also becoming less welcomed in Tamil Nadu. This situation is likely to worsen following the assassination of the former Indian Prime Minister Rajiv Gandhi by Sri Lankan Tamil terrorists. Significant numbers of Tamils also seek asylum in the West. However, their numbers are not large enough to have an impact on the situation. Few Tamils can also afford to send their children abroad for education. This coupled with the fact that the number of available university places in Sri Lanka remained constant for quite some time after the introduction of the preferential policies meant that the Tamils were affected much more adversely than were the Malaysia Chinese.\textsuperscript{67}

In Fiji, there is evidence to suggest that many Indians, like the Malaysian Chinese, have exercised their option to “exit.” Because of the advantages enjoyed

\textsuperscript{65}Schwarz, \textit{The Tamils of Sri Lanka}, 2.
\textsuperscript{67}Horowitz, \textit{Ethnic Groups in Conflict}, 664.
by the Fijians, and perhaps because they realised they were doomed to be treated
as "second-class citizens" in their own country, the Fijian Indians have been rather
open to seeking their future in emigration, usually to Australia and New Zealand.68
According to R.S. Milne, between 1962 and 1977, emigration has removed as many
people from Fiji as natural deaths, and Indians made up 95% of these emigres,
leaving at the rate of some 2000 a year.69 Since the 1987 coups, that number has
doubled and there was been a virtual exodus of Indians. By mid-1980, at least
22,000 Indians had left, and according to the Far Eastern Economic Review, "the
337,000 who remain have been asking themselves exactly where the prime
minister stands."70 The situation has gotten to the point where the constitutional
review committee which studied the figures for Indian emigration and compared
them to the rate of growth of the indigenous Fijian population, was able to conclude
that the disproportionate number of seats given to the Fijians vis-à-vis the Indians
in the new constitution could be justified.71 But as a former British Ambassador to
Fiji has pointed out, that is still not "a justification for giving Fijians 37 seats to the
Indians' 27 in the House of Representatives."72 In the long run, political
instability resulting from the new preferential policies may be reduced if the
availability of emigration remains open to the Indians. Even so, it would be
unrealistic to expect that all Indians would have that option, and it is most likely
that those who are unable to, the poor and unskilled, would become increasingly
alienated by the policies. There is also a group of Indians who refuse to leave and

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68 Tinker et al., Fiji, 4.
69 Milne, Politics in Ethnically Bipolar States, 108; and Premdas and Steeves, "Ethnic
Discrimination and Inequality," 171.
70 Clad and Keith-Reid, "Harvest of unrest," 15.
who intend to stay and fight for their rights. Mahendra Chaudhry, the former Finance Minister of the deposed Bavadra government has declared:

We have a fight on our hands and I believe in dealing with it until the matter is resolved one way or the other. I was born here. I am not a foreigner here. I have every right to fight for this country. We are not going to subjugate ourselves to a constitution of this kind, signing away our rights and agreeing to be slaves.\(^{73}\)

In 1988, the shipment of a cache of arms destined for Fiji was discovered in Australia. Mohhammed Rafiq Kahan, the organiser of the shipment explained that “the [arms] were brought to Fiji for the protection of the Indian people during civil disturbances.\(^{74}\) Indian leaders testified to the constitutional review committee that “just because those who had been oppressed have not hit back is no reason to believe that they will forever remain compliant. The time will come when their patience will run out, and refusing to submit to further humiliation and deprivation, they will retaliate.”\(^{75}\) Thus, it is not too difficult to imagine the Fijian situation gradually deteriorating to one similar to Sri Lanka’s.

E) The Political System

(i) Malaysia

Prior to 1969, politics in Malaysia was characterised by a consociational style of democracy.\(^{76}\) A grand coalition called the Alliance, made up of the leaders from the different ethnic communities, ruled the country. The Alliance was composed of the United Malay National Organisation (UMNO), the Malayan (now

\(^{73}\)Quoted in Lal, *Coups in Paradise*, 240.
\(^{74}\)Ibid., 240.
\(^{75}\)Ibid., 241.
\(^{76}\)For a discussion of consociationalism, see pp. 21-23 above.
Malaysian) Chinese Association (MCA) and the Malayan (now Malaysian) Indian Congress. The Malays and non-Malays enjoyed almost total freedom with respect to their internal social and cultural affairs under the arrangement. There was a degree of proportionality between them in that Malays wielded political power while the Chinese were allowed to dominate the economic sphere.\textsuperscript{77} A minority veto however could only operate weakly since the electoral and political system favoured the Malays, but on the whole, some sort of "short-term rough justice" between the communities was achieved.\textsuperscript{78}

This arrangement came under increasing strain as the dominant position of UMNO within the Alliance and its virtual veto in the selection of the highest MCA leaders\textsuperscript{79} came to be resented by the Chinese. Demands for a reordering of the rights and obligations of the component parties of the Alliance, especially the MCA, arose as early as 1959.\textsuperscript{80} The May 1969 elections saw highly communal sentiments being voiced by the opposition parties, especially the Chinese-dominated Democratic Action Party (DAP) which advocated the concept of a "Malaysian Malaysia" and campaigned against the racial hegemony as represented by the Malay "special rights." When the Alliance captured less than 50% of the votes, the opposition parties staged "victory" marches which resulted in race riots between the Malays and Chinese, leaving 169 dead. These developments seemed to indicate that the consociational arrangement was not very successful in resolving the divisive issues which arose in Malaysia politics, and was a clear indicator that

\textsuperscript{78}Mihe and Mauzy, \textit{Politics and Government in Malaysia}, 41.
\textsuperscript{80}Ibid.
the bases of the political system had to be modified. In the post-1971 period, the previously fragmented political system was replaced with a one-party dominant system under the "leadership" of UMNO. However, the intercommunal formula was retained in large part and the "constitutional contract" more or less left intact.\textsuperscript{81}

It is obvious that political stability in Malaysia has been enhanced by the nature of the party system. However, before discussing multiethnic coalitions in greater detail, it is worthwhile to look at why the parties in Malaysia decided to cooperate in the first place. The first attempt at forming a multiethnic party in Malaysia actually occurred in the early 1950s. In order to contain the mainly Chinese communist insurgency, the British decided that the Chinese had to be included in the political process, a decision with which the leader of UMNO at the time, Dato Onn bin Ja'afar, agreed. In 1951, he put forward a proposal that Chinese be allowed to join the party, but it was rejected by the other Malays. In response, he resigned and founded the pan-ethnic Independence of Malaya Party which welcomed individuals from all ethnic groups. Since the British had stated that a prerequisite for independence was interethnic unity, UMNO quickly realised that it had to itself pursue that goal if it was to have any hope of taking over the political reins in the country. In the 1952-3 municipal elections in Kuala Lumpur, UMNO teamed up with the MCA and defeated the IMP. Following their victory, UMNO and MCA decided to formalise their Alliance as a permanent body to contest future elections.\textsuperscript{82}

Because Malaysian elections are based on the single slate, interethnic cooperation between UMNO and the MCA has also been guided by electoral

\footnotesize{81Ahmad, "Quasi Democracy,"362, 82Horowitz, Ethnic Groups in Conflict, 400-3.}

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considerations. Many areas in the country, especially the cities are ethnically heterogeneous and hence, there is a great deal of incentive for the two parties to pool their votes together on a common ticket. 83

It has been said that multiethnic coalitions denote a degree of stability because ethnic demands can be accommodated within the structure. 84 However, in ethnically plural societies, multiethnic coalitions may also produce other ethnic parties on the flanks, who attempt to outbid the parties at the centre 85 and thus limit their ability to accommodate without looking as if they are selling out their community. This was what happened before and during the 1969 elections. Since then, action has been taken to reduce the number of and neutralise the flanks. In 1971, the Alliance was expanded to encompass most of the major parties in Malaysia, with the DAP being one prominent exception, and was renamed the National Front. 86 Within this framework, competing ethnic demands are worked out through bargaining and compromises. This strategy of co-opting the opposition has the effect of stabilising the system as the government strength no longer fluctuates according to the voters’ whim. In all elections since 1969, the Front has won an almost constant, overwhelming proportion of the votes. An atmosphere of cooperation is also fostered with the awareness that racial polarisation benefits no one, and with the sense of being on the winning team for the members of the Front. 87 Significantly, by including more parties in the National Front, including the Chinese-dominated Gerakan party and the Perak Progressive Party (PPP)

84 Ahmad, “Quasi Democracy,” 373.
85 Horowitz, Ethnic Groups in Conflict, 410.
86 Gordon Means, “Special Rights as a Strategy for Development: The Case of Malaysia,” Comparative Politics (Oct. 1972): 51. Since the early 1970s, some of the parties which joined the National Front have left, most notably the Islamic party, PAS.
87 Ahmad, “Quasi Democracy,” 366.
whose supporters were mainly Chinese, the position of the MCA in the Front was weakened as it could no longer claim to be the sole governmental representative of the Chinese.\textsuperscript{88}

Donald Horowitz has described the relationship between UMNO and the MCA as transcending “simple calculable reciprocal advantage,”\textsuperscript{89} which allows it to deflect the demands at the flank. Because Malay political hegemony is assured in the post-1969 political arrangement, and Malay rights and preferences have been extended, attacks by the Malay flank parties are not as successful as before. The secure position of the Malay elites in UMNO allows them to “hold the centre,” and makes it possible for them to give concessions to the non-Malays on some issues without looking like they are “selling out” Malay interests.

Because Malay political control is so crucial to stability (the 1969 riots were triggered in part by the fear that Malays were losing their political hold on the country), the government has gone to great lengths to ensure its continuation. As was mentioned before, one method by which this is achieved is giving the Malay-dominated rural constituencies greater “weightage” over urban ones, where many Chinese are found. In 1962, the Malays in Parliament passed a constitutional amendment which allowed rural areas to contain less than half of the population in urban ones on the grounds that they were more “dispersed.” According to Gordon Means, since the 1957 constitution, there has been no reapportionment of the constituencies, and hence the Malay bias in the system is exaggerated\textsuperscript{90} even more today. Other writers point out that the Chinese have been discriminated against by

\textsuperscript{88}Milne and Mauzy, \textit{Politics and Government in Malaysia}, 193.

\textsuperscript{89}Horowitz, \textit{Ethnic Groups in Conflict}, 407.


Other factors which have contributed to political stability in Malaysia are the deliberate depoliticisation of, and compromises on divisive issues which divide ethnic groups\footnote{Lloyd D. Musolf and J. Fred Springer, "Legislatures and Divided Societies: The Malaysian Parliament and Multi-ethnicity," \textit{Legislative Studies Quarterly} 2 (May 1977): 114.}; the moderating style of the ruling elites (which is characterised by gradualism, and regularised behaviour and procedures)\footnote{Zakaria Haji Ahmad, "Evolution and Development of the Political System in Malaysia," in \textit{Asian Political Institutionalisation}, eds. Robert A. Scalapino, Seizaburo Sato and Jusuf Wanandi (Berkeley: Institute of Southeast Asian Studies, 1986), 227.}; and the maintenance of a constitutional monarchy which provides a symbol of Malay political power.\footnote{Ibid., 234.}

Malaysia’s intercommunal approach has induced the non-Malays to support the National Front and the Malay moderates who lead it, because they are perceived to be the ultimate “protectors” of their interests. UMNO, while a Malay party, is seen as being more sensitive to non-Malay interests and its relatively secular, accommodationist approach is most definitely preferred to other nationalists and religious extremists or “ultras” such as PAS, the militant Islamic party whose goal is to establish an Islamic theocratic state. Such an horrifying prospect thus ensures that the Front will continue to have the support of many non-Malays even though the Malay elites within it were the “engineers” of the preferential policies.

It is worth noting that in recent years, UMNO has witnessed increasing Malay factionalism, which led to the formation of an UMNO splinter party called the Spirit of ‘46 in 1989. This has sharpened the competition for Malay votes, and may
reduce the ability of UMNO to negotiate and give concessions to the MCA. If that were to happen, it is likely that more non-Malay voters would move towards the DAP. However, given the ethnic configuration of Malaysia, any party which relies on the exclusive support of one ethnic group would be unable to provide a credible alternative to the National Front. It is recognised that the intercommunal formula is a necessary condition for overall electoral success, and hence, for the 1990 election, the Spirit of '46 entered into an alliance with PAS, as well as one with the DAP in order to increase its broad-based ethnic appeal. Unfortunately, this tactic backfired because the Chinese were wary of any party with links to PAS, while the Malays were put off by its ties to the DAP. Hence, for now, factionalism among the Malay elites has not posed a threat to UMNO.

Although the Malays are politically dominant, bargaining does take place with the Chinese and they have a role, albeit not a very large one, in the decision-making process. In the 1970s, the MCA "apparently intervened over the high number of failures by non-Malays in the [Bahasa Malaysia] paper in the Malaysian Certificate of Education Examination," and as a result, the percentages of passes in 1973 was perceptibly higher. MCA bargaining also led to changes in the percentages of ownership of share capital under the NEP. Originally, they were 30% Malay, 30% non-Malays, and 40% foreign, but were adjusted to 30%, 40% and 30% respectively. The MCA has also successfully negotiated certain aspects of the Fifth Malaysian Plan and the Industrial Co-Ordination Act of 1975 which were opposed by many Chinese businessmen.

A significant feature which reduces the chances of instability in the

96 Milne, Politics in Ethnically Bipolar States, 175.
Malaysian political system is the subservience of the coercive instruments of state - the police and armed forces - to civilian Malay authority and control.\textsuperscript{97} Despite powerful legislation such as the Internal Security Act (which allows for the detention without trial of persons when national security is involved), Malaysia cannot exactly be called a police state.\textsuperscript{98} The notion of the rule of law still prevails in Malaysia and there is an absence of any paramilitary groups.

(ii) Sri Lanka

Sri Lanka initially had a one-party system which allowed the dominant United National Party (UNP) to adopt a policy of relative parity towards the Sinhalese and the Tamils. However, this situation changed dramatically when the SLFP swept into power after the 1956 elections, ushering in the start of a highly competitive two-party system. The UNP’s western-orientated, moderate approach failed to satisfy the aspirations for socioeconomic advancement of the Sinhalese-Buddhist movement.\textsuperscript{99} Instead, the cause of the Sinhalese-Buddhist nationalists was exploited by the SLFP which promised to make Sinhala the official language “within forty-eight hours.”\textsuperscript{100} When Sinhalese hegemony was provided with political power, the “Sinhalisation” of the state began in earnest.\textsuperscript{101}

Unlike Malaysia, Sri Lankan democracy was still largely based on the British model which presupposes a government with bare majority support and a large opposition which can become a majority. Malaysia modified its style of

\textsuperscript{97}Ahmad, “Evolution,” 232.
\textsuperscript{98}Ibid., 233.
\textsuperscript{99}Phadnis, “Crisis,” 147.
\textsuperscript{100}Ibid.
parliamentary democracy at the same time as it adopted its preferential policies after 1969. Although the National front held a huge majority of seats over opposition parties, non-Malay interests were part of that majority. In Sri Lanka, the introduction of similar policies under a Sinhalese majority and a much weaker Tamil minority was a recipe for disaster as it allowed the Sinhalese to do virtually what they wanted, without having to consult the Tamils.

The British government-versus-opposition democracy model assumes that minorities can become majorities, and that governments and oppositions will alternate in power. It presupposes that in the long run, every significant segment will have an opportunity to participate in the government and there will be a sizeable body of "floating" voters who may transfer their support from one party in the government to those in opposition. However, this mechanism cannot operate satisfactorily in plural societies because the ethnic cleavage is likely to be politically salient and to coincide with party system cleavages.\textsuperscript{102} Thus, it is likely that plural societies which follow the British parliamentary system, have permanent minorities with no hope of becoming the government.

The Tamil parties like the Tamil Congress (TC) and the Federal Party (FP) generally preferred the UNP, viewing it as relatively more secular and less chauvinistic than the SLFP.\textsuperscript{103} However, the UNP was not like the BN or even UMNO in Malaysia which could afford to take minority interests into account. Because both the two major parties relied on support bases in Sinhalese areas, there was a competition by each to be more Sinhalese-Buddhist in order to win votes. During the 1956 election campaign, under growing pressure from the

\textsuperscript{103}Phadnis, "Crisis," 150.
Sinhalese militants and the success of the SLFP’s ‘Sinhala Only’ strategy, the UNP abandoned its even-handed stance and it too, jumped on the Sinhalese bandwagon. However, its reversal came a little too late and failed to convince the Sinhalese. Still, it was indicative of how Sinhalese parties would come to feel compelled to accommodate Sinhalese demands.

Thus, in a parliamentary system where the majority rules, the Tamils became a minority permanently excluded from the government. Also, unlike the Chinese in Malaysia, they were not part of any coalition with either one of the major Sinhalese parties, and therefore, had no guarantee of political protection. This was clearly illustrated by the way the preferential policies were adopted.

Perhaps most disturbing was the resulting pattern in politics which would come to characterise Sri Lankan politics. Whenever the ruling party attempted to reach an agreement with the Tamil parties to safeguard minority rights and address their concerns, the party in opposition would proceed to cash in on Sinhalese-Buddhist sentiments, and eventually force the government to abandon any agreements it had reached with the Tamils. From 1948-1977, despite the fact that successive Sinhalese governments toyed with the idea of concessions to the Tamils, all their promises came to nothing because of this communal bidding.

The 1957 pact between the SLFP and the FP fell prey to this tactic when the UNP opposition began to agitate in support of the militant Sinhalese who opposed the ‘unacceptable’ concessions made to the Tamils. Similarly, when the UNP

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104 Ibid., 176.
proposed an All-Party Conference (APC) to resolve ethnic issues in 1984, the SLFP adopted an intransigent approach and it eventually refuse to have anything to do with the APC, thus underlining the impossibility of a united Sinhalese political response to the ethnic problem.

This pattern has resulted in a lack of flexibility and room for manoeuvring for successive Sinhalese governments, and has only served to alienate the Tamils even more. Unlike the Chinese in Malaysia, the Sri Lankan Tamils did not have any choices between moderate and extremist elements within the ethnic majority. In 1976, the Tamil United Liberation Front (TULF), composed of the Federal Party, Tamil Congress and other Tamil organisations and individuals finally issued a clear public demand for a separate Tamil state to be called Eelam. It declared that an independent state had “become inevitable in order to safeguard the very existence of the Tamil Nation in this country.”

In the Sri Lankan political system, there were no safeguards built in to protect the interests of the Tamils and the present militancy of the separatist movement is a result of the persistent discrimination and domination by the Sinhalese since 1956. The 1977 election victory by the UNP seemed to present some hope for reconciliation with the Tamils: they had voted overwhelmingly for Prime Minister Jayewardene who took some positive steps such as abolishing the “standardisation” policy and introducing constitutional provisions to safeguard minority rights. In 1978, Sri Lanka also finally conceded that the Westminster model, which it had inherited from the British, could not cope with the demands of

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109 Tambiah, Ethnic Fratricide, 17.
110 Manor, Change and Crisis, 452.
its ethnic groups and a new constitution introduced a presidential system of government, and replaced the earlier “first past the post” system of voting with proportional representation. It was the hope of the government that this would diffuse the ethnic conflict by producing “political stability and rapid economic modernisation.” However, these concessions did not result in any real change for the Tamils and in the 1983 presidential elections, the Tamils registered their disaffection with the constitutional political process. TULF called for a boycott, and the Tamil areas recorded low voter turnout and a large number of spoiled votes. Immediately after this, parliamentary elections were declared unnecessary by the ruling party.

The political alienation of the Tamils was further heightened by the promulgation of the sixth constitutional amendment in 1983 following race riots, which required all MPs to take an oath renouncing support for a separate state. Since all TULF MPs - the largest opposition group as well as the only political voice of the Tamils - were formally committed to their party resolution of 1976 to the establishment of a separate state, the sixth amendment effectively banned and excluded them from Parliament, thereby closing the parliamentary avenue for discussion between the TULF and the government. It is thus not surprising that Tamils demands shifted from intrasystemic ones to extrasystemic ones, and that these demands would gain greater urgency.

The ‘Sinhalisation’ of the state has led to an increasingly brutal and partisan role played by the instruments of law and order in Sri Lanka. Since 1970, there

111Phadnis, “Crisis,” 163.
113ibid.
114Phadnis, “Crisis,” 168.
115Tambiah, Ethnic Fratricide, 44.
has been no Tamil recruitment in the army. During the riots in 1981 and 1983, many members of the police and armed forces were seen either actively participating in, or passively encouraging the Sinhalese mobs.\textsuperscript{116} This indicates a deterioration of political institutions and a decline in governmental capability to manage conflicts. As radical and paramilitary groups like the JVP and LTTE come to play an increasingly prominent role, the race riots and anti-Tamil pogroms have also intensified in their scale and magnitude.\textsuperscript{117}

The political system is thus an important difference between Malaysia and Sri Lanka. Unlike the Chinese, the Tamils are excluded from the government and are unable to get the government to address their grievances. The rule of law is also less evident in Sri Lanka, and during the race riots that occur periodically, the Tamils cannot even get the protection they need from the police and army who are supposed to provide it.

(iii) Fiji

In Sri Lanka, political instability resulted because the Tamils were excluded from the political system. In Fiji, as in Malaysia, political stability has been largely dependent on political power remaining in the hands of the indigenous ethnic group. The 1970 constitution was designed to do just that.

In the Senate, eight of the 22 members were appointed by the Council of Chiefs; one by the Rotuman Council ("who can in general be counted to support the Chiefs"); seven were appointed by the Prime Minister, and six by the leader of the opposition. Thus, "even if the party representing the majority of the Fijians [was]

\textsuperscript{116}Ibid., 24.
\textsuperscript{117}Phadnis, "Crisis," 167.
in opposition [in the lower house], Fijians [had] a permanent majority in the Senate, and thus a powerful voice there."\textsuperscript{118} The role of the Fijian Senate was similar to that of the British House of Lords; it had the power to delay non-financial legislation, and any changes to the constitution required a two-thirds majority support from the Senate. Furthermore, any changes to existing policies affecting "Fijian land, customs or customary interests" required the support of all eight Senators nominated by the Council of Chiefs - "which for all practical purposes amount[ed] to a veto."\textsuperscript{119}

With regards to the House of Representatives, the Fijians were able to override Indian demands for a common roll. Instead, the constitution provided for four electoral rolls - Fijian, Indian, General and National.\textsuperscript{120} The allocation of seats did not recognise the majority status of the Indians; on the contrary, it "gave a misleading impression of parity between the major communities." The General Electors, who refer to other ethnic groups in Fiji such as the Europeans, part-Europeans and the Chinese, made up only 4% of the population were given nearly 16% of the seats, and thus the electoral system magnified the General vote when it was translated into seats.\textsuperscript{121} This form of "weightage" gave the Fijians a distinct advantage in practice since they knew they could count on at least 70-50% of the General vote.\textsuperscript{122} In every election since independence (including the 1987 election), the Alliance has won all three of the General communal seats, and at least three out of five of the national seats. As one writer has put it, the constitution "can thus be seen as incorporating, if not a built-in Fijian majority, at least a strong

\textsuperscript{118}Ghai, "The Fijian Crisis," 11.
\textsuperscript{119}See Ibid.
\textsuperscript{120}For more details, see discussion on p. 68 above.
\textsuperscript{121}Ibid; and Milne, Politics in Ethnically Bipolar States, 165.
\textsuperscript{122}Milne, Politics in Ethnically Bipolar States, 165.
tendency in that direction."\textsuperscript{123}

Thus, one can see similarities between the position of the Fijian elites and that of the Malays in the pre-1969 Malaysian political arrangement. Like the Malays, the Fijians were given a built-in advantage in the political system, and neither the Chinese nor the Indians could have formed a majority government on their own if they did win an election. But Malay and Fijian advantage did not necessarily guarantee the indefinite political hegemony of the traditional ruling elites (represented in Malaysia's case by UMNO and in Fiji's case by the chiefly class). However, because this political hegemony was largely identified with UMNO and the Alliance, any weakening in their positions was \emph{perceived} by most Malays and many Fijians as a loss of Malay or Fijian political power. In Malaysia, steps were taken to ensure that Malay hegemony as represented by UMNO was assured. In Fiji however, no changes were made in the constitution to ensure that the Fijian chiefs' advantage was a permanent one until 1990.

Nevertheless, Fijian "special rights" were well entrenched in the 1970 constitution, a point which not many Fijians were aware of, and which the Alliance conveniently "forgot" to mention when it was busy raising the "bogeyman" of "Indianisation." Apart from the Senate, section 68 stipulated that not less than 39 members (out of a total of 52) of the House of Representatives must approve any change to the laws governing indigenous rights. Therefore, even if all 22 Fijian Indian members, \textit{and} all eight General Elector ones supported a bill challenging these rights, it still could not have succeeded without some Fijian support. Regardless of the composition of any government formed in the lower house, Fijian

\textsuperscript{123}Ghai, "The Fijian Crisis," 11.
rights could not be affected without substantial support from Fijian politicians.\textsuperscript{124} Initially, relations between the Alliance and the NFP were relatively free from ethnic tensions. In 1969, they were able to put aside their differences to pursue a common goal: to get the best terms possible for Fiji’s sugar cane farmers in its dispute with the South Pacific Sugar Mills Company. As a result of this experience, the parties were drawn closer together, and personal relations between Prime Minister Ratu Mara and the NFP leader, Siddiq Moidean Koya were warm.\textsuperscript{125} One member of the Legislative Council even called the relationship between the Alliance and the NFP at the time “a coalition government in all but name.”\textsuperscript{126} This “political honeymoon” after independence lasted until the 1972 election in which the Alliance won 39 of the 52 seats in the lower house, compared to the NFP’s 19.\textsuperscript{127} During the constitutional talks in 1969, the Indians had agreed not to press for a common roll on the understanding that the Fijians would consider changes to the electoral system for the lower house, which was acknowledged by both to be only an interim arrangement, after independence.\textsuperscript{128} In 1975, a Royal Commission was appointed by the Fijian Governor-General to study and recommend changes to the arrangement. In its findings, the Commission stated that the Westminster model was unsuitable for Fiji, and instead recommended proportional representation and the abolishment of communal seats. These findings were quickly rejected by the Alliance, then firmly in political control, and this renegation

\textsuperscript{125}Milne, \textit{Politics in Ethnically Bipolar States}, 71-2.
\textsuperscript{127}Lal, “General Election,” 253.
\textsuperscript{128}Lawson, “Electoral System,” 42.
by the Alliance soured its relations with the NFP.\textsuperscript{129}

Ironically, the 1977 election proved that the existing system, which the Alliance thought would ensure its continued dominance, could not guarantee Fijian political supremacy. In the past, the NFP was often beset with internal divisions since it was basically "a collection of disparate groups, busily protecting [their] own interests."\textsuperscript{130} However, in 1977, as a result of the Alliance's rejection of the Commission's findings, the adoption of preferential policies in 1975 and rising Fijian nationalism, the rival NFP factions managed to settle their differences long enough to concentrate their campaign on the discriminatory policies of the Alliance government. The Indians, who already resented the preferential policies, did not need any convincing from the NFP that their interests had been overlooked and rallied around the NFP. The rise of Fijian nationalism at the time also ironically, weakened the position of the Alliance, and in 1977, 25% of the Fijians voted for the Fijian Nationalist Party. These two factors nearly led to the toppling of the Alliance government by the NFP when the NFP won 26 seats to the Alliance's 24. It was only because of the internal squabbles and divisions within the NFP in the immediate period after the election that it lost the chance to take over the government then.

In retrospect, one could say that the 1977 election in Fiji should have constituted a greater crisis for the Fijian elites than did the 1969 election in Malaysia since the Fijian Alliance actually lost the election. However, it did not appear that they fully realised the implications of the event (unlike the Malays in UMNO) and no steps were taken to prevent a repeat of the outcome. We are not

\textsuperscript{129}See Lal, \textit{Coups in Paradise}, 35-44.
\textsuperscript{130}Ibid., 52.
of course, saying that the Fiji government *should* have done so (since it would have required rather "undemocratic" measures. In Malaysia, a state of emergency was declared, Parliament was suspended and an interim National Operation Council took over the running of the country until new changes were announced), only that it would have been in the Alliance's interests if it had. Nevertheless, it is useful to compare the reactions of the Fijian Alliance leaders with those of the Malaysian Alliance to a somewhat similar situation, and to appreciate how the latter's actions and the former's inaction affected the future political stability of their countries.

In any case, the Alliance managed to remain in political office despite losing the elections, and so we cannot know what the consequences would have been had the NFP taken over. However, in light of the 1987 coups, one can assume that some Fijians would not have quietly accepted "Indian rule." One writer, Victor Lal, has noted that although the Fijians were "shocked to learn of the [1977] election results, there was no widespread uprising in the countryside."¹³¹ But more likely, this was because most of the Fijians were too shell-shocked at the results to react at first, and in any case, the fact that the Governor-General waited only three days after the election results were announced before asking Ratu Mara to form a minority government did not give the Fijians any need to react.

From the standpoint of the Fijian Alliance leaders, the failure to adopt strategies similar to those that UMNO did prove to be a costly mistake. Unlike Malaysia, which imposed limits on "outbidding" by opposition parties and made it seditious to question Malay "special rights" and the constitution, the Fijian government had few restrictions on opposition parties and few preventive powers.

It was only with the rise of the FNP that the Public Order Ordinance was amended, making it an offence to incite racial dislike or hatred.\textsuperscript{132} It is not clear how much this restriction is actually enforced, except against Butadroka, since it is obvious that many Alliance politicians and nationalist Fijians have violated the law, especially during election campaigns. The Alliance chose to deal with the increasing Indian threat by stepping up its own nationalist sentiments, and since the late 1970s, it has shifted to the right of the political spectrum.

Although political power alternated between the UNP and SLFP in Sri Lanka while the Alliance was able to remain in office until 1987, in both countries, opposition parties were able to successfully resort to tactics of outbidding. In Sri Lanka, such tactics were less restrained since both parties were fighting for Sinhalese votes. In Fiji, the Alliance has had to temper its nationalist tilt somewhat since some of the lower house seats were based on cross-voting, and some Indian votes were needed for the Alliance to win those. Nevertheless, the “centre” in Fijian politics was not able to hold its own as well as Malaysia’s when outbidding at the flanks increased. The FNP has been compared to PAS in Malaysia in terms of its demands;\textsuperscript{133} however, unlike PAS, it could attack the Alliance’s policies with a great deal of impunity because there were few policies to limit “politicking” or “outbidding” in Fiji as there were in Malaysia. The outbidding tactics of the NFP was one significant reason for the Alliance’s increasing nationalism since many Fijians were sympathetic to the NFP. The Alliance was aware that failure to respond to Fijian nationalist demands would cost it votes. The 1975 preferential policies were adopted partly as a result of FNP demands. In recent years, the

\textsuperscript{132}Milne, \textit{Politics in Ethnically Bipolar States}, 121.
\textsuperscript{133}Ibid., 72.
Alliance has resembled the UNP in Sri Lanka more than the Malaysian National Front in the way it has handled the twin threats of Fijian nationalism and increasing Indian assertiveness. This has of course cost it the little support it had enjoyed from Indians in the past, which was transferred to the FLP when it emerged in 1985.

One reason for the dominant position of the National Front in Malaysia is that it receives considerable support from non-Malays. Although the Fijian Alliance was a multiethnic party in name, in reality it was very much dominated by the Fijian Association, more so than the Front is dominated by UMNO. The Indian component of the Fijian Alliance, the National Congress was certainly no MCA. It was relatively powerless, and enjoyed the support of only about one-fifth of the Indian electorate at best, which made its voice and bargaining power rather weak. Therefore, even though it was nominally a multiethnic party like the Front, the position of the Fijian Alliance was less secure than the Front's. In Malaysia, the defection of Malays to PAS has tended to consolidate non-Malay support for the Front.

Despite ominous signs in Fiji during the late 1970s and early 1980s, political stability appeared unharmed on the surface. The Fijians did not yet perceive a threat to their political dominance, or at least, did not act like it. Indeed, many writers on Fiji were in agreement that there was relative ethnic peace in Fiji's plural society. According to Robert Norton,

the major division in Fiji became the basis of a form of integration resting in the mediator role sensitively played by the principal Fijian chiefs within a system of political and administrative institutions. These institutions helped to unite most Fijians around common interests......Yet these same structures have facilitated

134Ib’d, 165.
accommodation with Indians by managing the leasing of land, by limiting competition for the same resources, by encouraging continuity in Fijian political leadership and by reconciling inter-ethnic compromises with parochial suspicions.¹³⁵

Ralph Premdas explained Fiji’s relative ethnic peace by the fact that power was shared between the Fijians and Indians - no one single ethnic group had overall dominance. Much like the situation in pre-1969 Malaysia, the Fijians held political power, but it was assumed that they would not use their “control over land or government to repress other groups or to strangle their livelihood. Similarly, Indians and Europeans were expected to restrain their use of economic power to seize political control.”¹³⁶

Prime Minister Ratu Mara himself was fond of using the phrase “The Pacific Way” when talking about politics in the country.¹³⁷ However, when political control slipped from the hands of the Alliance, which was in effect the “premise on which consociationalism in Fiji rested,”¹³⁸ “the Pacific Way” of politics collapsed.

In the 1987 election, the FLP/NFP coalition received only 47% of the popular vote, but because of Fiji’s “first-past-the-post” system, which the Alliance had defended in 1975, it won the elections. The Alliance won all of the 12 Fijian and 3 General Elector communal seats while the coalition took all 12 Indian communal seats. However, in the national seats, the coalition won 7 Fijian, 7 Indian and 2 General seats, compared to the Alliance’s 3 Fijian, 3 Indian and 3 General. The final tally was 28 seats to the coalition and 24 to the Alliance. The new government had more Indian members, but was led by Dr. Timoci Bavadra, a Fijian. Furthermore, all the sensitive portfolios which affected Fijian interests were held by Fijian

¹³⁸Ibid., 426-7.
ministers. Contrary to popular Fijian opinion, the FLP/NFP win did not signal the beginning of "Indian rule" since the NFP was only the junior partner in the coalition. Nevertheless, some sections of the Fijian community perceived the loss of control by the Alliance as the loss of Fijian control, and took matters into their own hands to return the status quo. Except for the fact that this was achieved by a coup rather than by civilian government fiat, the Fijian army’s reaction to the 1987 election is somewhat similar to the Malaysian Alliance’s in 1969. The difference is that the Malays recognised the problem before they actually lost power, while the Fijian elites only remedied the situation after the Alliance actually did lose. Without condoning the actions of the Malays, it would seem that if the Fijian Alliance was that determined to ensure their political dominance, it should have acted sooner, when it was still in power. Granted, it would not have been very legitimate or democratic to entrench Fijian political supremacy, but it would have spared the Alliance leaders from the even less legitimate spectacle of being reinstated in office after a democratically-elected government had been overthrown by the military.

F) External Variables:

In Malaysia, the external variable is not very important. Despite the fact that its neighbour, Singapore has a large Chinese population, Malaysia’s policies, which favour the Malays at the expense of the Chinese population are considered to be its domestic affair by the Singapore government. The opposition DAP used to have close ties with Singapore’s ruling People’s Action Party (PAP), but by the 1969 election, it had “severed most of its emotional links with the PAP and had
moved from the position of the PAP on some issues."^139

However, Malaysia has had a Malayan Communist Party (MCP) which was mainly made up of Chinese. Armed violence by the MCP in the late 1940s resulted in "the Emergency" which lasted for twelve years. The MCP was supported by the Chinese Communist Party which until recently, had refused to renounce party-to-party ties with its overseas counterparts. Thus, to minimise any Chinese interference in Malaysian affairs, the Malays have been induced to take a more accommodationist approach towards the Malaysian Chinese. As the Communist threat was reduced, the earlier linkage between the Malaysian and Chinese communist parties ceased to pose a threat to internal political stability and the external factor disappeared as a significant determinant of preferential policies.

In contrast, Sri Lanka does have to contend with its huge - both in terms of territory and demography - neighbour, India. There is a large Tamil population in Tamil Nadu in southern India which is sympathetic to the Sri Lankan Tamils' plight because of cultural and historical ties. Ever since the ethnic conflict in Sri Lanka began, Tamil Nadu has exerted considerable pressure on New Delhi to intervene. Anti-Tamil pogroms in Sri Lanka inevitably result in a surge of protest and agitation in Madras, and particularly during the 1983 riots, the Indians reacted emotionally to the extreme viciousness of the Sinhalese attacks. This, coupled with the influx of more than 3000 refugees into southern India at the time, compelled the Indian government to try to assume a mediatory role in the crisis, and to pressure Jayewardene to resolve the conflict.^140 India's concern in the ethnic conflict has also been guided by strategic considerations - an unstable Sri Lanka

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^139 Milne and Mauzy, Politics and Government in Malaysia, 153-4.
fraught with violence would be a serious hindrance to India’s security.\textsuperscript{141}

In the past, the ethnic problem has soured relations between Colombo and New Delhi. Sri Lanka has accused India of harbouring Tamil terrorists and allowing them to operate freely from Indian territory. Sri Lanka has also charged India with selling arms to, and training the guerillas, and permitting Tamil Nadu to be a base of operations for Tamil militants against Sri Lanka’s armed forces.\textsuperscript{142} In 1987, the Sri Lanka government launched an all-out assault on Tamil militants in the Jaffna peninsula, and as a result, the number of Tamil refugees fleeing to southern India swelled to some 130,000.\textsuperscript{143} Following this offensive, Indo-Sri Lankan relations reached their nadir when the Indian government, under pressure from its own Tamils, air-dropped 25 tonnes of relief supplies to the besieged Jaffna Tamils, violating Sri Lanka’s airspace in the process.

However, in that same year, the two governments also signed the Indo-Sri Lankan Peace Accord, hoping to end the ethnic bloodshed by sending in Indian soldiers to disarm the guerillas and enforce general law and order. The air-lift episode finally convinced the Sri Lankan government that any solution without India’s cooperation was bound to end in failure. Unfortunately, the euphoria which accompanied the signing of the accord was short-lived - it lasted exactly two and a half months. Many of the Sinhalese reacted against the Indian “invasion” by going on rampages. Paramilitary groups even tried to assassinate President Jayewardene in parliament by throwing hand grenades.\textsuperscript{144} More unexpected was the degree of opposition by some of the Sri Lankan Tamil groups. Many of the militants did not

\textsuperscript{141} Canagaretna, “Nation Building.” 11.
\textsuperscript{142} See Ibid., 11; and Kodikara, Sri Lankan Perspectives, 19.
\textsuperscript{143} Canagaretna, “Nation Building.” 14.
\textsuperscript{144} Schwarz, The Tamils of Sri Lanka, 10.
heed the call to surrender their weapons, and as violent feuding broke out between rival Tamil factions, Indian forces could do nothing but stand by helplessly.\(^{145}\) Before long, the ironically-named Indian Peace-Keeping Forces found itself in a virtual war with the Tigers and eventually managed to gain control of all but one square mile of Jaffna. In part because of demands by the newly-elected President Premadasa that it withdraw, and in part because it had suffered more casualties and loss of prestige than expected, the IPKF finally left in March 1990. However, although the accord ended in failure, it sets a dangerous precedent for Indian involvement in Sri Lanka’s affairs. In the future, it is likely that Sri Lanka’s ethnic conflict will continue to have spill-over effects on its neighbour, as the recent assassination of former Prime Minister Rajiv Gandhi by members of a Tamil militant group has proved. The Tamil Nadu factor also makes it virtually impossible for India to wash its hands off the ethnic conflict. In sum, the external variable is an important contributory factor to political instability in Sri Lanka.

In Fiji, conspiracy theories and rumours of external involvement began to emerge in the aftermath of the military coups. In terms of foreign policy, the FLP took a similar stand to the New Zealand’s Labour Party: it was opposed to the “presence, transit, dumping, testing and support of nuclear devices in the Pacific.”\(^{146}\) It also favoured a non-aligned foreign policy. As such, it posed a major concern for the United States which was intent on keeping the South Pacific region a “pro-Western” one. The US had already suffered a major setback in New Zealand when the Labour Party won office in 1984, and the resulting tensions between Washington and Auckland over nuclear carrier visits led New Zealand to

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\(^{146}\)Lal, Coup in Paradise, 173.
leave the ANZUS Treaty pact. Hence, when the FLP/NFP government was overthrown, rumours about CIA involvement began to circulate. As a newspaper editorial put it, “the evidence is circumstantial: there is no ‘smoking gun.’ But it[s] legitimate to ask: what did the US know? how soon did it know?; and if it knew, why didn’t it tell the Bavadra government?”147 The American government, and certain conservative groups in Australia were probably relieved that the “problem” of the FLP was “taken care of.” However, the coup did send shockwaves throughout the South Pacific. New Zealand even briefly contemplated intervention.148 However, because the Governor-General remained in power, Australia and New Zealand felt it best to take a pragmatic stand and deal with whoever was in charge. India’s reaction was understandably harsher, and the government took up the cause of the Fijian Indians. When Rabuka struck for a second time, he was determined to ensure that his objectives were achieved. Thus, in October 1987, he declared Fiji a republic, “effectively severing the country’s 113-year links with the Crown and raising the possibility of expulsion from the Commonwealth.”149 After this development, Australian and New Zealand hostility increased again, and at the meeting of the Heads of the Commonwealth later that month, Fiji was indeed expelled from the organisation. But although the Indian Prime Minister Rajiv Gandhi had some harsh words to say about Fijian racism, Fiji also discovered that it still had some supporters, “notably Malaysia and the Melanesian countries,” whose governments were sympathetic to the reasons for the coup.150

It did not take long for things to return to “business as usual” between Fiji

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147 Quoted in Ibid., 228.
149 Lal, Coups in Paradise, 208.
150 Ibid., 229.
and its neighbours. Although there was talk of economic sanctions, none were imposed, and the Australian and New Zealand governments had lifted the suspension of aid by the beginning of 1988. The British government even agreed to resume military training for the Fijian army.\textsuperscript{151} In May 1990, the Fijian government closed the Indian High Commission in Suva, accusing it of interfering in Fiji’s affairs. This act hardly improved India’s perceptions of what it calls an “illegal and racist regime.” However, although India has been highly critical of Fiji, it “has failed to enlist even one more voice, let alone a chorus, to join in the condemnation.”\textsuperscript{152}

While there is no proof that external actors were involved in the events leading to the coups, there is evidence to suggest that the FLP win was viewed with concern in some pro-Western quarters. Allusions by US politicians to the “Soviet threat” and Australian editorials characterising the FLP as being “leftist-oriented” and an “avowedly radical” no doubt helped to contribute to the perception of the illegitimacy of the FLP government in Fijian eyes, and may have indicated to the Fijian nationalists and army that there would be little to lose from overthrowing it. Their perceptions have proven to be correct since apart from India and the expulsion from the Commonwealth, Fiji has gotten little more than a slap on the wrist. Thus, the external factor in Fiji may have contributed to the decision by the military to launch a coup. Since then, it has not been very significant, although it has the potential to be.

To sum up, the external factor does not have a great impact on Malaysia’s political stability. However, as can be seen in Sri Lanka and Fiji, its impact on

\textsuperscript{151}Ibid., 230.
\textsuperscript{152}Clad and Keith-Reid, “Harvest of unrest,” 15. Also see Thakur, “Fijian Crisis,” 209.
political stability can be considerable. In the former, the role of India has been a destabilising one since it has extended at least implicit support for the Sri Lankan Tamils, who share close ties with Tamil Nadu in South India. Because of strategic considerations and pressure from Tamil Nadu, it is likely that India will continue to become embroiled in the Sri Lankan ethnic conflict, thus undermining any efforts by the Sri Lankan government to find a solution. The 1987 Indo-Sri Lankan Accord proved how disastrous the involvement of India can be. However, it is unlikely that India would extend overt support to the Sri Lankan Tamils’ separatist cause since it cannot afford to see them succeed. India is itself faced with its own separatist movements, and can hardly allow the creation of Eelam to set a dangerous precedent. In Fiji, external variables had some impact on the developments of 1987. However, with the situation having reverted to the status quo, the external factor may not prove to be very destabilising in the future since the plight of the Fijian Indians has received scant sympathy or support from other countries apart from India.

In conclusion, one can see that the preferential policies have had different effects on political stability in Malaysia, Sri Lanka and Fiji. Of the three cases, the political consequences have been the least severe in Malaysia, while in Sri Lanka, their costs have obviously outweighed the benefits. In Fiji, although it was the emergence of an Indian-dominated government which led to the first coup, developments since then reveal that intraethnic Fijian differences - based on region and class - were just as important in triggering the political instability which has occurred. This raises questions about the relationship between the preferential policies and the events in 1987. The first coup was the result of the FLP/NFP win, which was itself the result of solid Indian support for the coalition, and more
importantly, a small but decisive swing of Fijian and General Elector support from
the Alliance to the coalition. One could argue that the cause of political instability
was the threat posed by the erosion of Fijian support for the chiefly establishment
as represented by the Alliance, and not that posed by the Indians *per se*. The
preferential policies were in actual fact, a rather marginal issue when one examines
the recent developments in Fiji. However, since they have been given greater
prominence in the new constitution, they may come to play a more significant role
in the future political stability of the country.

The rest of the chapter examined a number of factors which explained the
political consequences in the three cases. The concluding chapter will sum up this
discussion and analyse their significance to the main concerns of this study: How do
preferential policies impact on political stability? What factors can minimise or
exacerbate this impact? The conclusions drawn will also allow us to assess the
future prospects for stability in the three cases.
CHAPTER 5
CONCLUSION

At the beginning of this study, we set out to examine the relationship between preferential policies and political stability in three developing countries with ethnically plural societies - Malaysia, Sri Lanka and Fiji. In the preceding chapters, we have looked at the socioeconomic environment and institutional legacies in the three cases, at the kinds of preferential policies which have been adopted by each and their degrees of success in achieving their objectives, and at the political consequences of the policies. Finally, the reasons for the different outcomes were explored in depth. In this concluding chapter, the findings of the study will be summarised, and the prospects for the future political stability in the cases will also be discussed.

In Malaysia and Sri Lanka, and to a lesser extent Fiji, there was an ethnic division of labour in the post-independence period as a result of colonial policies. The Chinese, Sri Lankan Tamils and Fijian Indians were disproportionately represented in higher education and white-collar employment compared to the Malays, Sinhalese and Fijians. In Malaysia and Sri Lanka the economic disparities between the Malays and Sinhalese on the one hand, and the Chinese and Sri Lankan Tamils were significant; in Fiji, the majority of the Indians were not that much better off than the Fijians. However, in all three countries, these real or perceived economic inequalities were resented by the disadvantaged groups.
Significantly, these economically disadvantaged groups had the political advantage in their countries, and thus, they were able to take steps to redress the inequalities in the economic sphere.

In Malaysia, an extensive preferential programme covering many different fields was introduced in 1971, and these preferences supplemented the "special rights" which the Malays already enjoyed from colonial times as the indigenous people. Although there were preferences in education and government employment, emphasis was given to the fostering of Malay entrepreneurship, and increasing the Malay share of corporate ownership. As such, the New Economic Policy (NEP) was the cornerstone of the Malaysian preferential programme. For the most part, the preferential policies in Malaysia have been relatively successful in achieving their objectives, and the economic gap between the Malays and Chinese has been reduced somewhat. The political consequences of the policies have also been relatively mild. Since they have been adopted, Malaysia has not witnessed any significant signs of political instability. Occasionally, some non-Malays express bitterness at the unfair discrimination inherent in the policies, but for the most part, ethnic tensions are contained. Chinese demands are also moderated by the fear of a recurrence of the bloody race riots of 1969, a fear played upon by the National Front government.

In Sri Lanka, the Sinhalese felt that they were entitled to "special rights" as a result of the Kandyan Convention. The subsequent "betrayal" by the British over the terms of the Convention no doubt contributed to a perceived "right" on the part of the Sinhalese to restore their privileged status. However, the Tamils did not quite see things that way since during most of the colonial period, the Sinhalese were not given any "special rights" vis-à-vis the Tamils. In the post-independence
period, preferences were first given indirectly to the disadvantaged Sinhalese by changing the country’s official language from English to Sinhala and making it a requirement for government employment. This effectively made most Tamils ineligible for such jobs. Later, preferences were also given to the Sinhalese in education. The Sinhalese preferential policies have achieved their objective, that is improving the socioeconomic position of the Sinhalese vis-à-vis the Tamils. However, the price for this success has been high when one looks at the political consequences. Increasing ethnic polarisation has resulted in the “institutionalisation of political violence.”

Since 1983, there has been virtual open warfare between the Sinhalese and the Sri Lankan Tamils, and increasingly, violence is also directed by Sinhalese against Sinhalese, and Tamil against Tamil. The rift between the two communities is deep and wide, and there is a general and widespread feeling that the two races can never peacefully live together in the same country.

Like the Malays, the Fijians enjoyed certain “special rights” in the colonial era because of their status as the indigenous people. After independence, a few additional preferential policies expanded the range of preferences for the Fijians. These policies were in the areas of education and business. It is difficult to evaluate the success of Fiji’s preferential policies because of the lack of available data. However, the economic disparities between the Fijians and Indians did

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narrow by the late-1970s. The evidence gathered in this study does not reveal a significant effect on Fiji's political stability as a result of the adoption of the preferential policies. Rather, it appears that there were other causes for the country's current problems, especially intra-Fijian conflict.

In the 1980s, the position of the chiefs, the traditional elites who had ruled Fiji, came to be challenged by some Fijian commoners, and eventually led to a dramatic change in the composition of Fijian elites in 1987 when the Fijian Labour Party, which was dominated by commoners, won office. In Sri Lanka, a similar situation occurred in 1956 when the SLFP displaced the UNP in office. The latter was made up of Westernised, English-speaking moderate Sinhalese elites who identified with their Tamil counterparts. The SLFP on the other hand, attracted the support of Sinhalese nationalists and militant Buddhist monks when it promised to make Sinhala the sole official language of Sri Lanka "within twenty-four hours" if elected. Thus, by portraying themselves as pro-Sinhalese and pro-Buddhist, the SLFP won the 1956 election by a landslide over the UNP. The 1956 election can be seen as a watershed event in Sri Lankan history since it ushered in the beginning of a highly competitive two-party system, in which each Sinhalese party had to compete for the same votes by vying to take the more extremist Sinhalese position. Hence, the Tamils were marginalised in the political system. In contrast, the change in elite composition in Malaysia was very gradual and even then, all the elites have belonged to the same party, UMNO. This factor has contributed significantly to the political stability in the country.

It was found that the ethnic configuration can play a part in influencing the manner in which preferential policies are adopted. A more balanced configuration has a restraining effect and induces greater moderation, as can be seen in Malaysia,
and to a lesser extent Fiji. This reduces the degree of resentment by the discriminated group. In Sri Lanka, the overwhelming majority status of the Sinhalese allowed it to implement its policies with impunity, and Tamils were usually neither consulted nor their interests taken into consideration. The ethnic configuration of a country also affects the outcome of political competition: in Sri Lanka, Sinhalese domination is guaranteed by virtue of numbers. In Malaysia, the position of the Malays is considerably more tenuous, but by some "sleight-of-mouth" concerning the definitions of "bumiputra" and "Malay," they have ensured that they constitute a majority in the country. The Fijians' position appears even weaker than that of the Malays since from the time of independence until recently, the Fijians made up a minority vis-à-vis the Indians. However, because they have been able to count on the support of the other minorities, the General Electors (whose political power was greatly disproportionate to their numbers), the Fijians were also able to ensure their political dominance, that is until 1987.

In terms of geographic distribution, the concentration of the Sri Lankan Tamils in the northern and eastern regions has made their separatist demands more viable. This option is not available to the Chinese or Indians, and has not been proposed. Fiji has no immigrant ethnic enclaves, but regional differences among the Fijians have played an important role in generating political instability in recent years. Western alienation from the chiefly-bureaucratic class of the East has surfaced in Fijian politics, dispelling the myth of Fijian cultural homogeneity, and revealing that the lines of polarisation in Fiji are not necessarily based just on race, but also on region and class. This factor will probably become even more significant in the future.

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Turning to economic factors, one can see that they can either soften the impact of preferential policies on the discriminated group, or exacerbate them. In Malaysia, few Chinese were employed in government service (traditionally a domain of the Malays) and so, the government’s strategy which involved increasing government employment and encouraging state economic enterprises did not greatly affect Chinese opportunities. The booming economy also reduced the impact of the preferential policies on the Chinese as it meant that the increased Malay participation did not necessarily squeeze them out of the picture. In contrast, Sri Lanka’s economic downturn meant that the Tamils were much more adversely affected by the preferential policies since it further reduced already shrinking job opportunities. Since large numbers of Tamils were previously employed in government service, the change to Sinhala which automatically excluded them, was a particularly severe blow. The state of Fiji’s economy was also an important cause of political instability. However, unlike Malaysia and Sri Lanka, the economic downturn there affected Fijians and Indians alike, despite the preferences enjoyed by the former. By the mid-1980s, Fijians of both races were disenchanted with the government’s handling of the economy. Instead of seeing their economic position advanced, Fijians felt increasingly marginalised. The support given to the FLP by working class Fijians alienated by the Alliance, proved to be more crucial to the party’s success than Indian disenchantment, and was thus, a more important cause of the subsequent instability.

In Malaysia, the acceptability of preferential policies were based in part on the legitimacy of claims to “protection of the indigenes.” The Malays had always enjoyed certain ‘special rights’ which were accepted by the Chinese in return for their right to continue in their economic pursuits. Thus, when the NEP was adopted
and the ‘special rights’ extended and entrenched further, it was not that great a change from previous governmental policy. The 1969 race riots also led to an awareness that the ethnic inequalities had to be addressed somehow, and it is probable that the Chinese minority saw the necessity of the policies - up to a point. There was thus a degree of consensus which was missing in the Sri Lankan case.

The Tamils have always regarded themselves as equals to the Sinhalese. The latter had not enjoyed any ‘special rights’ previously, and indeed, both the Sinhalese and the Tamils viewed themselves as indigenous peoples. The preferential policies were thus unacceptable to the Tamils. The ‘piecemeal’ introduction of the policies by different governments at different periods of time shows that they were more ‘knee-jerk’ responses to nationalist Sinhalese demands rather than a planned, comprehensive strategy to achieve certain well-defined goals. On the other hand, in Malaysia under the NEP, specific targets and quotas were set up, thereby reducing the abuse of it by the majority who could have used their advantages to gradually and completely exclude the non-Malays. Such an exclusion happened in Sri Lanka.

As in Malaysia, Fijians had certain “special rights” which were also accepted for the most part by the Indians. Perhaps this accounts for the relatively mild response of the Indians when preferential policies were adopted in 1975. The Indians were of course, unhappy about them, but they did not resort to radicalism. The only discernible effect was a greater consolidation in Indian support for the NFP at the polls. Indian reaction to the policies was thus not a very important cause of political instability in Fiji.

The discussion on the political system seemed to indicate that firstly, in ethnically plural societies, the exclusion of any major ethnic group from effective or
genuine participation in the political system undermines the system’s legitimacy and leads to instability. Secondly, if the dominant ethnic group is able to exercise "hegemonic control," the prospects for political stability are enhanced. In chapter one, some of the literature on how political stability could be maintained in plural societies was reviewed. On the one hand, there are the consociationalist theorists such as Arend Lijphart and Eric Nordlinger who emphasise bargaining, concessions and negotiation. In consociationalist theories, techniques such as mutual veto, proportionality and coalitions are common. On the other hand, there are “control” type theories which stress the need for dominance by one ethnic group to maintain political stability. It was pointed out that some writers have combined approaches from both schools in their study of plural societies. It appeared that the best way for the maintenance of political stability is a form of “hegemonic control” or “exchange” whereby one ethnic group has a dominant position vis-à-vis the other, but also applies consociationalist techniques when dealing with the dominated group, and so, a degree of consensus and accommodation occurs.

Looking at Sri Lanka’s political system, from which the Tamils have been excluded since independence, it is patently obvious that “control” techniques when applied without other moderating factors, can lead to disastrous consequences. The Tamils in Sri Lanka had no viable political voice in the political system which favoured the overwhelming Sinhalese majority, and which eventually became a vehicle for Sinhalese chauvinism and an instrument of repression against the minority Tamils. Unable to make their demands through political means, and lacking or rejecting the option of emigration, the alienated Tamils began to turn to extra-constitutional solutions, even separatism. It has to be noted that separatism was an option available only to the Tamils since in neither Malaysia nor Fiji was
there a territorially-based anti-government population or a foreign haven for its extremist insurgents.

Malaysia’s intercommunal approach in politics meant that the interests of the Chinese were taken into account by the government: the policies were designed to cause as little dislocation in the economic position of the Chinese as possible. The aim was to encourage growth which would allow both groups to improve their economic position. Furthermore, some Chinese political leaders were part of the government coalition itself, thus assuring the Chinese that the policies would be reasonably acceptable, or at least tolerable.

In Fiji, an intercommunal approach was also taken by the government in the initial period after independence and although Indian interests were not as well accommodated in Fiji as were those of the Chinese in Malaysia, the Alliance did try to remain in the political centre and moderate the rise of Fijian nationalism. As can be seen by the 1977 elections and 1987 elections, Indians were not excluded from the political system, and when the Fijian vote was split, they could even gain considerable power. This is one probable reason why the Indians who were the discriminated group, felt no need to resort to radicalism.

The Malaysian and Fijian experiences also point to the fact that a perceived or actual threat to the political position of the dominant ethnic group can result in political instability, especially if the group in question is indigenous and thus especially sensitive about maintaining control. These two cases also show that often political power comes to be identified with a particular clique or class within the dominant ethnic group - in Malaysia’s case, UMNO, and in Fiji’s, the Alliance/chiefly class - so much so that loss of political control by them is perceived as a loss of control by the whole ethnic group.
In Malaysia, the pre-1969 political arrangement allowed the Malays in UMNO to assume political supremacy, but did not guarantee it. Flank parties on both the Malay and non-Malay sides were able to resort to outbidding techniques which weakened the position of the Alliance party at the centre. This was the conclusion drawn from the results of the 1969 election. Faced with a more than 10% drop in the popular vote, the Malays in UMNO saw that unless something was done, they might very well lose the next election through a split in both the Malay and Chinese votes, and the result would be political instability. The outbreak of race riots further confirmed UMNO's fears. Hence, changes were taken to ensure Malay (i.e. UMNO) political dominance, while at the same time keeping the intercommunal approach. This was achieved by expanding the Alliance into the National Front. All the major flank parties except the DAP were co-opted, which neutralised their ability to outbid. At the same time, this ability was also limited by a deliberate policy of depoliticising ethnic issues, and limiting 'politicking'. This means that opposition groups are unable to capitalise on ethnic issues and to raise communal passions in an attempt to gain votes. This was not true in the Sri Lankan case where 'politicking' and voicing highly communal sentiments were de rigueur in politics. While the Malaysian curbs on free discussion may seem "undemocratic", it reflects an awareness of what can happen if communalism is allowed to develop unchecked. In this regard, it is more realistic given the nature of the society, and it has obviously enabled Malaysia to diffuse and contain its ethnic tensions. The dominant position of UMNO in the National Front was also enhanced, and instead of being the senior partner as it was under the Alliance arrangement, UMNO now become in effect, the "chairman of the board."
As in Malaysia, the Fijian political system could not guarantee continued political dominance by the chiefly class, which was demonstrated in the 1977 election. However, this event, which had implications for the Fijians, similar to those of the 1969 election in Malaysia for the Malays, did not immediately lead to any changes in the political system by the Fijian chiefs. Fiji had adopted the Westminster model with one slight modification - the electoral system was based on both national and communal rolls, which favoured the Fijians. However, despite these ethnic constituencies, the Fijian chiefs' hold on political power was not as secure as they thought. But even after the 1977 election, it appeared that they did not realise that in the future, they could actually lose an election as well as political office given the trends in voting patterns, or perhaps they were more hesitant about the implications for Fijian democracy if they took steps to modify the system to suit their own purposes, as the Malays did. In Fiji, there were also few restrictions on opposition parties and their ability to outbid, as in Sri Lanka. Hence, demands by the Fijian nationalists increasingly shifted the Alliance to the right, and its approach too became more communalist. This factor alienated the Indians, and increased the appeal of the FLP/NFP coalition which sought to cut across the traditional, racially-based voting system. There were also some Fijians who had become disillusioned with the Alliance and who viewed the FLP as the first credible Fijian alternative to the Alliance. Thus, in 1987 the Alliance lost the election and for the first time in Fiji's history, the chiefs were no longer in power. This perceived loss of Fijian political control led the army to overthrow the FLP/NFP government. Although Malaysia's changes to its party system and

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restrictions on certain human rights such as freedom of speech seem undemocratic, they did prevent outbidding which in plural societies, is likely to have a destabilising effect, as happened in Fiji.

However, in Fiji, there is less identification of Alliance control with Fijian control in the eyes of many Fijians, than in Malaysia where UMNO control is virtually synonymous with Malay control. After the coup, a middle class Fijian movement opposing the army and the Taukei (native Fijian) movement emerged.

Over 10,000 Fijians, defying the likely loss of jobs, promotions and scholarships, voluntarily signed the Back to Early May Movement petition. Some emphatically stressed that it was the sacrifice on the part of the Fijian Indians that had facilitated the Fijian community's retention of its customary lifestyles without compromising its tradition and culture.4

Also, well over 60% of the individual Fijians who sent submissions to the Constitution Review Committee were not in favour of any change to the 1970 constitution. According to Victor Lal, “the dominant opinion held by many moderate Fijians” was that the chiefs had lost the support they had enjoyed from Fijians in the past, and that the vision of Fijian political unity clung to by the chiefs was “an illusion.” “One main reason why the Great Council of Chiefs is obsessed with Fijian unity at the national level is that many chiefs can no longer rely on the villagers for co-operation.”5 The extent of the chiefs’ fear of the erosion of their bases of support is revealed in one of their submissions to the Constitutional Review Committee. Attempting to turn the clock back to a simpler and for them,
safer time, the chiefs called for total Fijian (i.e. chiefly) control of the country, and proposed that Fijians be disenfranchised, and Fijian MPs selected by the traditional process of consensus by the Fijian provincial councils. Hence, in Fiji the fact that working class Fijians and Indians were starting to discover common interests, especially economic concerns, upset the status quo and threatened the entrenched ruling chiefly/bureaucratic class. The 1987 coups and subsequent developments were its way of gaining back political control. Since these measures did not enjoy a great degree of legitimacy, even among some Fijians, it appears likely that further instability will occur.

In Malaysia, all education above the level of primary school is conducted in Malay, and thus, non-Malays who have gone through the education system since 1969 are proficient in the language. This serves as a means of communication between the different ethnic groups, and can lead to a greater understanding of each other. In Sri Lanka, although proficiency in Sinhala has been deemed an essential skill in employment, there has been no attempt by the government to educate the Tamils in Sinhala. One writer has said that Sri Lanka is “the only country in the world that has failed to provide for the teaching of the official language in all the schools of the country.” Instead, the two communities continue to be educated in two different linguistic streams, thus reinforcing the notion that they are mutually exclusive. Reconciliation is hard to imagine when the two groups do not even speak the same language.

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6Ibid., 219.
In Malaysia and Fiji, the immigrant communities have been more open to the “exit” alternative of emigration. This factor has reduced the adverse impact of the preferential policies in Malaysia, although its importance should not be exaggerated. There are more Chinese who lack the capability to choose this option than those who can. In Fiji, the willingness of some Indians to leave may reduce future political instability, although again, it is unlikely to be that important a factor. Furthermore, if the Indian community becomes reduced to a minority similar to the Sri Lankan Tamils, it might increase Fijian intransigence since the ethnic configuration would then favour them, as it favours the Sinhalese in Sri Lanka. This would greatly increase instability.

From the above discussion, it appears that the two most important factors which affect political stability are the political system (i.e. the degree of hegemony as well as that of accommodation) and to a lesser extent, the state of the economy. Economic growth may in the short run, “soften” the impact of preferential policies on the discriminated group, but in the long term, the political variables are more significant. Even in Fiji, the economic crisis did not result in instability. It was the loss of power by the chiefs to the FLP/NFP which was the cause.

In this study, since the Malaysian preferential programme has been the most successful, both in terms of achieving its objectives and its impact on political stability, it is useful to assess what the benefits and costs of such policies are, under the best of circumstances. The Sri Lankan experience indicates that unless certain conditions are present to moderate the impact, preferential policies come with too high a political price.

The Malaysian experience indicates that a strategy which minimises the dislocation effects on the ethnic minority, and where the ethnic minority is
accommodated in the political process and system, can be successful in elevating the economic, educational and political status of the ethnic majority. However, this 'success' is a qualified one. Since the preferential policies were aimed primarily at removing the ethnic aspect of the inequalities, ethnic distribution has occurred without an elimination of the hierarchical dimension, i.e. inequality within ethnic groups. Because it has not benefited all Malays equally, the NEP has led, ironically, to divisions within the Malay community itself.

On the surface, the statistics seem to indicate remarkable progress in the eradication of poverty. Overall poverty levels have fallen dramatically, and bumiputra income grew by about 30% during the period 1979-84. However, these figures obscure the true picture: there is still a considerable gap between rural and urban incomes, and the Malay rural poor have seen precious little change in their lifestyles. Statistics show that the top 30% of Malays (by income) increased their share of total Malay income from 54.4% in 1957 to 65.1% in 1979, thus underlining the widening gap between the Malay rich and poor.

The NEP has come under criticism from organisations like the state Malay Chambers of Commerce, which represent primarily the interests of small Malay businessmen, for favouring big businesses at their expense. In a report by the Malaysian Institute of Economic Research (MIER), a semi-official think-tank attached to the Prime Minister's Office, entitled 'The New Economic Policy after the 1990s', executive director Kamal Salik charges the NEP with creating a 'narrow band of tycoons living off investments.' He also hits out at the way Malaysia's educational institutions have lowered standards to favour the Malays, calling it the 'institutionalisation of mediocrity.' The NEP's side-effects are: a lack of competitiveness, the erosion of meritocracy in education, and a huge degree of
Malay dependency on government-supported programmes which may contribute to ‘a closing of the Malay mind and induce a heightened degree of ethnic polarisation.’ MIER believes that the focus of the NEP should reaffirm its original goals - the eradication of poverty regardless of race; achievement of 30% bumiputra equity; and restructuring employment so that it better reflects the ethnic composition of the country. However, says MIER, this should be done through the promotion of a genuine bumiputra commercial and managerial class under conditions of competition, not subsidies.

Even within UMNO, there is a lack of consensus over the NEP’s achievements, and over what direction a post-1990 policy should take. In his public statements, even Prime Minister Mahathir has frequently expressed his Jisappointment with bumiputra entrepreneurs who continue to be dependent on the state. However, at a recent congress, UMNO Youth passed a resolution that Malay ownership should be increased from 30% to a ‘level consistent with their position as the backbone of the national community.’ Given that Malays (or more accurately, bumiputras) make up just over 50% of the population, this statement has brought criticism from the non-Malays, while at the same time, it has increased pressure on the government not to abandon or modify the NEP too much.

Perhaps more worrying for the government is the fact that the disenchanted Malays may move towards supporting the opposition parties such as the fundamentalist Parti Islam (PAS) and the UMNO splinter party, the Spirit of ‘46 or Semangat ‘46. PAS’ electoral strength is concentrated in the eastern, predominantly Malay-Muslim states which are generally poor and underdeveloped. Thus, there are signs that the poorer Malays are unhappy with the NEP. The Spirit of ‘46 came into existence in early 1989 largely as a result of a power struggle among the
ruling elites within UMNO. Unlike PAS, it is made up mainly of Malay moderates who are concerned with Mahathir's increasing authoritarian style of government and its impact on democracy in Malaysia. As an offshoot of UMNO dedicated to continuing the Malay political dominance, the '46 will insist on continued government largesse to help the Malays move up the socioeconomic ladder.

In the recent general elections in October, the '46 formed an uneasy alliance with first, PAS, and now, other smaller parties as well as the main opposition non-Malay party, the Democratic Action party (DAP). In the end, the threat to Malay political power, an issue which dominated the election, worked to the advantage of the BN. Malay fears of losing control of the government induced them to close ranks and rally behind UMNO. The non-Malays, especially the Chinese, were apprehensive because of their memories of the May 13, 1969 riots, and with the Malays solidly behind UMNO, many non-Malays felt that it was pointless to support the two opposition groups headed by the Spirit of '46. The BN was thus able to retain its two-thirds majority, although it did not perform as well as it did in the 1986 elections.

Thus, the negative impact of the NEP on Malay unity seems to have been neutralised for now. Despite the recent internal feuds and splits within the BN's component parties, the cracks in Malay unity are unlikely to result in any significant changes in the country's political landscape. As the New Straits Times puts it, voters want the same parties and fundamental coalition of interests which have guided the country over the past 3 1/2 decades. For the foreseeable future at least, neither PAS nor the Spirit of '46 seem likely to be able to take advantage of the Malay unity problem since even the Malays who are unhappy with UMNO, and its implementation of the NEP, are reluctant to "rock the boat."
From the evidence drawn from the cases, it appears that too much consociationalism and not enough control can be as dangerous as too much control. What is needed in short, is a balance between "hegemonic control" and "accommodation." In Malaysia, the consociational model and the policies of the Alliance government cannot be said to have been a success since a major crisis developed in 1969. The 'bargain' which allowed the Malays and non-Malays to achieve some kind of communal balance of power had to be modified, and Malaysian politics has come to be characterised by overwhelming Malay dominance. In Fiji, it was the step towards consociationalism, embodied in the multiracial FLP/NFP coalition, which led to political instability.

However, the consociationalists are correct in their emphasis on the importance of including all ethnic groups in the political process, as the Sri Lankan experience has shown. The consociational element of grand coalition appears to be essential if plural societies are to maintain even a modicum of democracy and achieve lasting stability. Like Lijphart and other consociationalists, W. Arthur Lewis argued that it is not democracy per se which is unsuitable for plural societies, but the two-party system British-style democracy which is irrelevant. Lewis points out that in a democracy, all who are affected by a decision should have the chance to participate in making that decision, either directly or through chosen representatives. In plural societies, one needs a system which will "give minorities adequate representation, discourage parochialism, and force moderation on the political parties."8

8W. Arthur Lewis, Politics in West Africa (Toronto: Oxford Univ. Press, 1965), 64.
Thus, it appears that on the one hand, it is absolutely crucial for the interests of the minorities to be accommodated to some degree in plural societies, particularly when such societies adopt preferential policies, since these policies have the potential to further exacerbate the deep cleavages which already exist. A grand coalition such as the National Front avoids the permanent exclusion of a minority from the government. It also ensures that majorities cannot use their political power to impose patently unfair and discriminatory policies on the minorities for an extended period of time, without taking the latter’s interests into account. On the other hand, it also appears that political stability in a plural society such as Malaysia and Fiji, requires that the politically dominant group has political hegemony. This allows it to feel secure enough to negotiate, give concessions and bargain with the other ethnic community. Thus, the evidence in this study supports the hypothesis that political stability in plural societies which adopt preferential policies is best enhanced when there is hegemonic control by the preferred ethnic group, still with significant accommodation to the other. Milne’s “hegemonic control,” which includes a consociational component, seems to be the best model.
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