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14

The 12th Broadyard Workshop

Great Changes in Malaysia over the Past 61 Years:

Dynamics and Prospects

September 25, 2018

INSTITUTE OF AREA STUDIES PEKING UNIVERSITY

Academic Bulletin

Moderator's introduction to the workshop

The Broadyard Workshop (博雅工作坊) is one of the regular academic events organized by the Institute of Area Studies, Peking University (PKUIAS). It invites experts and scholars from different fields at home and abroad to discuss in depth major theoretical and practical issues, academic concerns, and cultural and social issues in the field of area studies, to find solutions.

In May 2018, the opposition coalition led by former Prime Minister Mahathir Mohamed won the Malaysian general election and ended the 61-year history of the ruling coalition National Front (Barisan Nasional). Mahathir, who had served as prime minister for 22 years, once again became prime minister of the Malaysian government. The result was described by the outside world as “the most historic political earthquake since Malaysia’s independence.” On September 25, PKUIAS held a Broadyard Workshop entitled “Great Changes in Malaysia over the Past 61 Years: Dynamics and Prospects.” More than 10 experts and scholars from the Chinese Academy of Social Sciences (CASS), China Institutes of Contemporary International Relations (CICIR), PKU, Beijing Foreign Studies University, Minzu University of China and other universities and research institutions conducted an interdisciplinary discussion with focused topics and diverse perspectives.

First, on the academic level, the underlying dynamics and root causes of the recent major political changes in Malaysia were discussed in depth. This included the long-standing dominant ethnicity-based political paradigm; Malay, Chinese,

Hindu and other different ethnic groups' impact on voting and other political behaviors; and the influence of the interplay between the multi-racial society and economic structure on Malaysian politics. Important conclusions such as seeking "balance" rather than "equality" were put forward.

Second, on the policy level, the question of whether the election of Mahathir's administration represents a watershed in Malaysia's internal and foreign affairs was raised. An analysis was discussed predicting that Malaysia's future political structure will face drastic changes, political parties' competition and realignment will intensify, and the socio-economic environment will further diversify.

Third, on the public communication level, scholars discussed problems such as how to help Chinese people rationally and plainly understand Malaysia. It is believed that China lacks a basic understanding of Malaysia, and that the voices of experts and scholars are lacking in the public sphere. Even though there are some reputable articles targeting the public, they are being overshadowed by bad information.

The above issues concerning academics, policy and public communication in Malaysia are all worth deeper research, developing policy advice, and dissemination in the academic, policy and media fields.

Zhai Kun

September 30, 2018

The 12th Broadyard Workshop
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The workshop was hosted by Prof. Zhai Kun, deputy director of PKUIAS. Prof. Qian Chengdan, director of PKUIAS, said in his welcome speech that PKU's Institute of Area Studies, which was established in April 2018, will work closely on topics regarding area studies in academic research. It will probe into relevant countries and regions in the areas of politics, economy, society, culture and all other aspects, to serve the needs of national development and domestic academic research. In terms of talent training, the institute will cultivate a group of interdisciplinary doctoral students with solid academic competence and a broad knowledge base, to fill the gaps in domestic academic studies. He pointed out that unlike lectures or academic speeches, the Broadyard Workshops mainly study specific issues of specific countries through the fusion of speeches and discussions. In the previous 11 workshops, experts and scholars from various fields conducted in-depth discussion on the Korean Peninsula, the Trump phenomenon, Scotland's potential split from the UK, Turkey's political situation and Pakistan's culture. He hopes to have a deeper understanding of Malaysian issues through the comprehensive analysis of Malaysia's recent new situation from the angle of different disciplines.

Xu Liping, a research fellow at the National Institute of International Strategy, Chinese Academy of Social Sciences (CASS), made a presentation on the theme "Exploring changes

in Malaysia's political situation and their impact on China from a national perspective.”

He said that the huge change in the Malaysian political situation was beyond the expectations of many people, and even The Alliance of Hope (Pakatan Harapan) itself did not expect to win. Mahathir joked when he was in power for 100 days that because he did not expect to win in the campaign, he promised too much, and many of the promises would be difficult to achieve as a consequence. To a certain extent, this also indicates that the Alliance of Hope was not ready to be in power. There has been much discussion and analysis on the reasons for its winning the election.

Xu Liping opined that a very important factor is East Malaysia (Malaysia Timur, also known as Sabah, Sarawak and Labuan). Malaysia's political activity is dense in West Malaysia, with players such as UMNO (The United Malays National Organization) and MCA (Malaysian Chinese Association). However, the preference of East Malaysia determined the direction of the election. In addition, the attitudes of the voters in Sabah and Sarawak also affected the election.

In addition to East Malaysia, Mahathir's personal factors also played a role in the final push in the election. The 92-year-old Mahathir's passionate speech in the general election touched many people, and Najib Razak's pale speech made many people lose confidence in the National Front. Mahathir's slogan is focused on “change” and “opposing corruption.” Najib's main promise was offering everyone a holiday, leaving people the impression of not having a high goal. This confirmed many Malaysians' intuitive feelings about the National Front.

Others believe that it is UMNO that defeated UMNO itself in this election because many leaders in the opposition are former UMNO members and have mastered UMNO's social connections, which played an important role in the campaign.

From a national perspective, the primary factor affecting elections can be captured by the term "indigenous." Generally speaking, "indigenous" in Malaysia mainly refers to Malays, who speak Malay, believe in Islam, and follow the traditional culture and customs of Malaysia. These people have political and economic privileges in Malaysia, such as possessing title deeds and the rights to obtain governmental large-scale engineering projects, etc. An important feature of the Malays is that they promote the culture of "free" things, believing it reasonable to enjoy free things including privileges. This is one of the important reasons why Malaysia's ethnic politics has continued to date. This feature is rather difficult to change. Many East Malaysia indigenous people do not believe in Islam but local religions. They believe that they are marginalized in Malaysia's political and economic life.

For example, in Sabah, local people feel they are being discriminated against because most of the resources are taken away by the central government, and the local people are not able to acquire the opportunities they deserve. As a result, they voted for the opposition party. Second, Chinese have a great influence on the Malaysian economy. Because they had no political appeals traditionally, they have not played an important role in politics. This is closely related to the architecture of ethnic politics in Malaysia that Britain created in the past. This is also the reason why 90 percent of Chinese voted for the

opposition party in recent years. The Chinese wanted to show their dissatisfaction with the MCA in the National Front, thinking that it cannot represent the interests of the Chinese. Third, Indians in Malaysia account for about 7 percent of the total population. Most of them also support the opposition party due to being marginalized.

Xu Liping pointed out that in the next 10 years, Malaysia's ethnic political structure will not face a complete shift. No matter which party is in power, it needs to win the support of the Malays. It is quite difficult for the Chinese to change their political status. Before he took office, Mahathir promised to serve as prime minister only for two years, and then hand the post over to Anwar Ibrahim. However, Mahathir later obscured this commitment. Therefore, if he does not hand over power two years later, Anwar may challenge his authority. Thus, the Malaysian political situation may enter a period of turmoil, with political parties fighting for power. If Mahathir can take in UMNO support within two years, his regime will be stabilized. If Mahathir fails, Anwar may unite with UMNO or even an Islamic party, resulting in a sharp change in Malaysia's political situation.

Xu Liping opined that during Mahathir's administration, China-Malaysia relations will be in a stable stage. After all, Mahathir had been in power for 22 years and had a lot of mutually-beneficial cooperation with China. If Anwar comes to power, there may be some variables in China-Malaysia relations because he is very close to the US. In addition, Anwar is positive about promoting democracy and freedom. He appreciates the democratic reforms in Indonesia and hopes that

Malaysia will follow the path of constitutional reform in Indonesia. So if Anwar comes to power, it will bring a lot of uncertainties, perhaps exerting influences on China's projects in Malaysia. Accordingly, China should take precautions.

Luo Yongkun, an associate research fellow at China Institutes of Contemporary International Relations (CICIR), gave a speech titled "Analysis of Malaysia's Changes." He discussed four aspects: the reasons for the change, Malaysia after the change, its new diplomatic direction, and future development.

He opined that there are three reasons for the big change in Malaysia. The superficial reason is that the direct confrontation between Mahathir and Najib has led to this change. On one side, as a heavyweight in Malaysian politics, Mahathir has great influence when standing in the opposition camp. On the other, Najib's involvement in the 1MDB corruption case brought about negative repercussions. The deeper reason is Anwar's opposition to UMNO. Since 1998, the opposition party led by Anwar has been fighting against Mahathir and UMNO. It has achieved some successes and won popular support. Since UMNO's long-term administration has caused various problems, dissatisfaction burst out this year. The root cause is that Malaysia's civil society has undergone tremendous changes in the past 20 years. At the beginning of UMNO's establishment, the goal was to maintain the so-called Malay's privileges.

However, with the development of society, people's demands for economic and political development, a good livelihood, and environmental protection are increasing, while UMNO still adheres to a program of the maintenance of

privileges. Its ability to handle problems has failed to meet the needs of the people.

Luo Yongkun said that the pattern of one-party dominance has been broken, but the basic political structure has not changed. This is reflected in three aspects. First, Mahathir is the first aggressive prime minister in Malaysia's history who simultaneously faces enormous social challenges on the one hand and pressure from parliament, political parties and the cabinets on the other. Second, domestic political competition is at its most fierce stage in history, both inside the ruling coalition or within the opposition parties. Third, the opposition party still has the ability to govern. Although there is an increase in the number of people who have withdrawn from UMNO, its strength and ability still have a strong influence in Malaysian politics. It is worth noting that although UMNO is no longer a dominant party, no other single political party can achieve dominance at present. In the basic political structure of Malaysia, the Malay's supremacy has not changed. The struggle between two camps, UMNO and anti-UMNO, has not changed either.

Luo Yongkun pointed out that after the change in government, in Malaysia's diplomacy, neighboring regions will be the primary focus, ASEAN the foundation, East Asia the key, and the Islamic world the diplomatic arena. What's most likely to change is Malaysia's East Asia policy. Under the circumstance that Sino-Malaysia relations are problematic, Japan-Malaysia relations may move forward. However, since economic diplomacy remains the focus of Malaysia's diplomacy, Sino-Malaysia relations will not slump in the future.

Regarding the future of Malaysia and the development of Sino-Malaysia relations, Luo Yongkun said that it is difficult to give a definitive answer. As a transitional person, Mahathir has launched new measures and issued new policies since coming to power. If his successors can follow his path in the future, qualitative changes may happen. In the future, the political situation in Malaysia is likely to resemble the Indonesian model, that is, there won't be two fixed camps, UMNO and its opponents. Each party is free to compete for power. However, the possibility for a Chinese political party to achieve coalition governance is still very low. Sino-Malaysia relations are currently at a critical turning point, which may turn either better or worse, but the fundamentals of mutual relations remain unchanged. Sino-Malaysia relations currently face several problems. One is the South China Sea issue, another is the One Belt and One Road initiative, and the third is the local Chinese issue. The above problems will bring instability to bilateral relations. Faced with constant changes in the region and the world, Malaysia's policies will be adjusted accordingly, and new changes might be seen in its policy toward China. The key lies in the changes in its internal affairs.

Su Jingxiang, a research fellow at the CICIR, analyzed the status quo and future of Malaysia from the perspective of the international system in his presentation titled "Malaysia's Status in the Eurasian System."

He opined that the biggest trend in the world today is the formation of a new Eurasian system, that is, the combination of economies in Europe and Asia. In this regard, the ASEAN region is a marginal force that draws little attention. But Malaysia is at

the center of the ASEAN region. From the perspective of its national development and goals, it is eligible to strive for a central position in the region. Therefore, to “win” the heart of Malaysia, China and the US need to meet Malaysia’s demand for keeping its central status in the ASEAN region.

The impetus for the formation of the new Eurasian system includes not only the factors of international relations, but also some factors that transcend states and national policies. From a dynamic point of view, the Soviet Union disintegrated after the Cold War, and the entire Central Asian region was open to the world. Both the US and China began to formulate corresponding regional strategies. The once separated Eurasian continent has the possibility to be linked again. With regard to the historical unity of the Eurasian continent, there are many studies from home and abroad, in fields ranging from archaeology to history, and the formation process of a continental sphere of influence is relatively clear. The distribution of the Eurasian sphere of influence before the Westerners entered was as follows. The Mediterranean was the central sphere of influence. To its south was the Red Sea sphere of influence, including the Arabian Peninsula and East Africa. Beyond this was the Persian Gulf sphere of influence.

Thus, from a historical perspective, the combat between Shiite and Sunni forces is also a struggle between the Persian Gulf sphere of influence and the Red Sea sphere of influence. Beyond the above two spheres of influence is the South China Sea sphere of influence, from Malacca to the Bay of Bengal. To the north of the Mediterranean sphere was the Black Sea sphere of influence, followed by the Caspian sphere of influence.

Modern Western scholars believe that Eurasia mainly refers to an inland region, which is not accurate and appropriate. Historically, the Eurasian sphere of influence should be from China, Southeast Asia, and North Korea to the Balkans and then to the Black Sea. Today, the Eurasian system is in a new phase of recovery. The importance of Southeast Asia is that it is the starting point. This region is relatively rich in resources, dense in population, and relatively developed. Malaysia could always play a role of mediator in regional relations. This is proved by its good relationship with North Korea.

Su Jingxiang said that the reason why Malaysia is defined as a central country in the fringe is, as a whole, Southeast Asia is at the edge of the current Eurasian system, but the development of the entire ASEAN is relatively stable.

In the future's recovery process of the Eurasian system, political stability and economic prosperity will be the biggest advantage that could make Malaysia a new core. In addition, Malaysia and the Eurasian system share a common historical characteristic — the sacredness of the monarchy. Essentially, it is a monarchy state and a Muslim country, which works to its advantage as well.

Chen Qinghong, an assistant research fellow at the CICIR, gave a presentation titled "Mahathir's view on Asia and Malaysia-ASEAN relations." He opined that under the leadership of Mahathir, the relations between Malaysia and ASEAN will lead to an elevation in Malaysia's international role, extending beyond the construction of the ASEAN community.

Chen Qinghong said that Mahathir's return to the political

arena and his inauguration as the prime minister at the age of over 90 is a political miracle on a worldwide scale. Compared with other regions which are suffering from upheavals, in the past 50 years, ASEAN has not only made enormous progress in terms of politics, its stability in security has also promoted the regional economy's rapid development. In comparison with the EU, the miracle of ASEAN's development has its own unique characteristics. In Western academia, "community" usually refers to the EU model, which means legalization and integration. However, when it comes to cooperation, the ASEAN community is lacking legalization and institutionalization. This is because ASEAN countries place more emphasis on national sovereignty. They aim to get rid of or even forbid interference in other countries' sovereignty in the process of cooperation.

In game theory, there is a deer-hunting model for regional cooperation. Initially multiple hunters chase after a deer together. Gradually some members will choose to hunt rabbits in this process, pursuing individual interests, and failing in the original collective goal of capturing a deer. This model has three manifestations. First, countries will swing back and forth between individual interest and mutual interest, nationalism and regionalism, just as a hunter calculates the difference in the benefit of targeting deer and rabbit. If countries all pursue short-term and relatively small individual benefits, long-term regional and collective interest will be damaged. Second, every country makes short-term and long-term calculations of their interests. This leads to countries considering when to participate in regional cooperation to gain their maximum national interest. This also leads to a third manifestation — the interweaving

motivations encouraging external interference on the one hand and domestic collective consciousness on the other.

This model is similar to the regional cooperation of ASEAN. For ASEAN countries, what matters most is the independence of sovereign countries and the autonomy of the region. However, in the process of pursuing these two goals, countries may be distracted by many other factors. These factors are important to them mainly because in the past few years, countries feel that they have been politically marginalized, which may lead to the division of ASEAN, and lead to its dominance by big powers. It is the same regarding the economy. If countries don't carry out regional economic integration, the original market will be divided, and depend on big powers economically. For example, when it comes to the issue of the South China Sea, ASEAN's voice has been weaker and weaker in the past few years. We can see that the opinions of ASEAN countries are divided on this issue. Economically, Malaysia, Singapore, and Brunei have become members of the TPP, which was led by the US. Meanwhile, many countries have also responded positively to "the Belt and Road initiative." Although the ASEAN Economic Community was built in 2015, the actual effect has not reached the expected goal.

Mahathir began to promote "Asian values" in the 1990s. In practice, he proposed to establish an East Asian Economic Group and played a decisive role in promoting Asian regionalism. At the same time, he also advocated for support of domestic industrialization and even encouraged the establishment of the domestic automobile industry. In this regard, it can be seen that Mahathir has been moved between

nationalism and regionalism for the sake of protecting his interests.

Chen Qinghong opined that in the future, Mahathir will pay more attention to the measurement of Malaysia's interests and the benefits of cooperating with the ASEAN region, and shift from cooperation with big powers outside this region to emphasis on inter-regional cooperation. In the past few years, problems such as an issue about the South China Sea and a lack of economic integration have been emerging in the construction of the ASEAN community. The main reason lies in a lack of leadership. Indonesia has given up its leading position in ASEAN and is seeking to become an axis of the global waterways, and attaching great importance to international activities within the framework of the G20. The return of Mahathir will help ASEAN find relatively strong leadership, hence promote the construction of the ASEAN community. In the foreseeable future, under the leadership of Mahathir, ASEAN as the basis of Southeast Asia's regional cooperation will be more prominent. The pace of growing the ASEAN community will be accelerated. Malaysia's role within ASEAN will also be enhanced. Meanwhile, ASEAN will place more emphasis on its central position. Its relations with big outside powers will also move toward a more balanced model, and ASEAN countries' dependence upon a certain big power will also decline.

In the discussion session, Kong Jinlei, a PhD student from Peking University's School of International Studies, shared his analysis on the newly formed Malaysian Council of Eminent Persons.

After the announcement of this year's election result, Mahathir announced the establishment of the Malaysian Council of Eminent Persons to provide economic advice to the government and help Malaysia to develop. At that time, he promised that once the government successfully implemented his 100-day new deal, the Council of Eminent Persons would be dismissed. The team is made up of five people: Daim Zainuddin, Zeti Akhtar Aziz, Robert Kuok, Jomo Kwame Sundaram and Hassan Marican. It was headed by Daim, a former finance minister. The most prominent characteristic of this team is its age. First, the average age is over 70. Second, they are experienced. They have rich experience in finance, oil, and industrial development. After Mahathir came to power, the duties of the Council of Eminent Persons included advising the Pakatan Harapan government on national economic and financial issues, and re-examining commercial contracts concluded with foreign countries. Since the beginning of their work, the Council of Eminent Persons has thoroughly investigated the case of 1MDB, proposed to review the political appointments of six affiliated investment companies, abolished the GST (Goods and Services Tax), and reviewed Chinese-funded cooperation projects.

Kong Jinlei believes that the establishment of the Malaysian Council of Eminent Persons is based on consideration of both domestic and foreign factors. Domestic factors can be summarized in four parts: the weakness of the new government, problems left behind by the former government, the strong professionalism and management skills of group members, and Mahathir's emphasis on economic development.

Foreign factors mainly relate to the relationship with China. Robert Kuok is regarded as a lubricant between the new government and China. His selection will help to alleviate tension in bilateral relations with China.

All five group members have a strong professional background in economics and have close personal ties with Mahathir. There is also some speculation that the group can help the Pakatan Harapan government legitimize its policy proposals.

Mahathir did not dissolve the Malaysian Council of Eminent Persons as promised after the one hundred days in power. He said there were still many major issues left unresolved. Although he broke his promise, polls showed that two thirds of Malaysian people hold a positive attitude toward the new government. However, there are also disputes over the Council of Eminent Persons in Malaysian society. First of all, it is believed that all members come from the upper class and do not understand the suffering of the people, and cannot solve the national debt problem faced by Malaysia. Second, the team has no public opinion basis and no supervision mechanism. Third, the establishment of the Council of Eminent Persons has not been approved by parliament, and the team's position is in a grey area of power. There has never been such an organization in history. To sum up, it is necessary to continuously observe and study the future development of the Council of Eminent Persons and the impact it will bring to the new government.

At the start of the afternoon session, Zhou Fangye, associate research fellow of the Chinese Academy of Social Sciences, delivered a speech entitled "Development of Malaysia's political multi-polarization and its impact."

He opined that the study of a country's political development and reform needs to start from the angle of interest groups and the power structure. Overall, Malaysia's political structure presents the characteristic of multi-polarization, and its political dimensions are continuously increasing. After a long period of the nation-building in Malaysia, the Malay vote is the only consideration from the political dimension. As time passed, religious factors appeared to complicate the Malaysian political structure. Starting in 1998, social class also became a political concern, in addition to ethnicity and religion. A new political concern will form a new interest group. Thus new political demands and political behavior patterns will emerge. The middle class entering into the political dimension led to a "political tsunami" in Malaysia. After Mahathir stepped down, a new political dimension -- the old and the new political generation -- was added to the political structure. The influence of the interaction between both sides has become increasingly apparent. It can be said that the significant changes that have taken place in Malaysia over the past 61 years are mainly due to the political competition among different groups.

Currently, there are several major interest groups in Malaysia. The first is what everyone calls "UMNO," but in fact should be called the Malay bureaucratic capital group. It is a political business group used by Malays to control political resources and transform those resources into economic resources. Second is the "left-wing urban Chinese group," which generally refers to the Democratic Action Party. They are reformers and advocate changing the existing status quo. What's worth mentioning here is that calling them as left-wing doesn't

mean they are socialists. The third is the “Islamic conservative group,” which mainly means the Islamic Party (PAS). The fourth is the Malay middle class, mainly represented by the Justice Party (PKR). However, the Justice Party is still expanding its representation, and its definition may change in the future. The fifth is the middle and lower class of Malay, or Malay peasants, who have always been affiliated with the Malay bureaucratic capital group (UMNO). It is noteworthy that even though UMNO has collapsed for now, it doesn’t mean the disintegration of the Malay bureaucratic capital group. In the past 60 years, the Malay bureaucratic capital group has controlled Malaysia’s State-owned assets and is the leading force in the administrative system. Especially as Mahathir now is the leader of this group, he is seeking to re-integrate the political influence of this group and get his power back from the new generation. Therefore, setting up the Council of Eminent Persons and re-controlling the funds of the five affiliated institutions are the corresponding measures to achieve his goals. One reason why the 1MDB was investigated is that it is a “small coffer” for the new generation of the Malay bureaucratic capital group. In the future, Anwar, as the representative of the Malay middle-class interest group, must gain the consent from the Malay bureaucratic capital group if he wants to take over power. However, how can he achieve this goal with his personal baggage?

Regarding Sino-Malaysia relations, Zhou Fangye believes that China has been facing the Malay bureaucratic capital group for a long time, but Malaysia is now going through a process of political multi-polarization. The important issue regarding Sino-Malaysia cooperation in the future is which of the above

interest groups can help the development of Sino-Malaysia relations.

Gong Haoqun, an associate professor from the Institute of Global Ethnology and Anthropology of Minzu University of China, gave a speech entitled “How to understand Malaysia’s Political Changes from the Perspective of Malaysians.” She quoted Dr. Shamsul Amri Baharuddin, a famous Malaysian anthropologist, to analyze Malaysia’s ethnic groups and politics from the perspective of anthropology.

She said that since 1973 he has conducted extensive and in-depth research on economic development, culture, and policy in Malaysia. Since then, he has also intensely discussed issues like national identity, the Islamic revival movement, and Malaysian ethnic groups and food culture.

First of all, Dr. Shamsul points out that ethnic groups were artificially constructed under British colonial rule. This means that the boundary between ethnic groups is constructed by human beings, and is the result of mutual collaboration among various political, economic and social forces. Specifically, Malaysia’s ethnic group set-up reflects the British colonists’ strategy of “divide and rule.” Take ethnic Chinese as an example. Originally Chinese migrants did not have the concept of being “Chinese.” To help rule, British colonists divided the population into different groups such as “Fujian,” “Hakka” and “Hainan” based on different dialects, and called them “Chinese” collectively. To achieve “divide and rule,” British rulers set the educational system based on a person’s mother tongue. Chinese went to Chinese schools, and Indians went to Indian schools, further enlarging the boundary among ethnic groups. Therefore,

when discussing Malaysian ethnic politics, we need to understand its historical roots and understand the category of ethnic groups in the post-colonial context.

Secondly, Dr. Shamsul mentioned social mobility's influence on ethnic formation and its boundary. Since the 1970s, with industrialization and urbanization in Malaysia, people have been flowing into urban areas constantly. Along with social mobility, social space has shifted swiftly, which has resulted in differentiation within various ethnic groups and produced new inter-ethnic connections. When viewing the impact of the modernization process on ethnic politics, it is necessary to get rid of the stereotypes toward Malaysia's three main ethnic groups and be aware of the heterogeneity and complexity within the ethnic groups. For instance, there are many kinds of Muslim groups in Malaysia, including moderate Muslims and radical Muslims. Within the radical Muslim groups, there is a sector which emphasizes Islamic identity, and a sector which focuses on strengthening Malay identity. Classes and class relations also become important political variables across ethnic groups. To see the competition between diversified social forces in the background of social changes, we need to analyze specific problems, rather than merely politicizing and labeling ethnic groups.

Third, Dr. Shamsul comes up with two social realities and two corresponding research paths. One is the social reality defined by the government or authorities, which is mainly shown as a systematic expression by government documents and social elites. The other social reality is defined by people's daily life and manifested as individualized and fragmented life

experience. At present, people are more familiar with the officially defined social reality, while lacking understanding of daily life. Thus it's difficult to see the effect of policy implementation, as well as the specific problems and long-term effects that appear during the operation of the policy.

Fourth, Dr. Shamsul advocated replacing equity with balance, replacing nation unity with social cohesion. He believes that it's unrealistic to promote national unity in Malaysia, which not only ignores the diversity of ethnic cultures and the historical process of ethnic formation, but also may intensify ethnic conflicts by overly emphasizing unity. He personally thinks that it is necessary to coordinate different ethnic groups' interests via policy, or to provide an institutional platform for peaceful negotiation between different ethnic groups. As for the diversity of Malaysia's ethnic cultures, Dr. Shamsul believes that "diversity" can no longer fully reflect the social characteristics of contemporary Malaysia. He proposes the notion of "super-diversity," which reminds researchers to face the complexity of the formation of society in Malaysia, and take it as the starting point to understand Malaysia's future.

Fu Congcong, a lecturer at Beijing Foreign Studies University, analyzed the political change in Malaysia in combination with his personal observations in a presentation entitled "The current political landscape and power structure in Malaysia."

He said that there were three sensitive numbers in Malaysian politics: 2, 22 and 24. 2 means that Mahathir stated that he would hand over power two years later. But the question is whether he will honor the promise. 22 means that Mahathir

had been in power for 22 years, during which time a relatively “stubborn” political landscape and power structure was formed in Malaysia. Mahathir believes that this system is difficult to change. 24 means that Pakatan Harapan government may see more changes in 2024’s election after 5 years of administration.

In fact, based on this election, Malaysia’s current political development motivation can be combined with the “May 13, 1969” incident and the Reformasi, both of which changed the direction of Malaysian politics. After the ethnic conflict caused by the “May 13, 1969” incident, the economic policies and social policies of the Malaysian government were adjusted, and a larger political alliance, the National Front, was formed based on the previous alliance. After the “Reformasi,” the two-party political system gradually formed in Malaysia.

At present, Malaysia’s political situation has two things unchanged and two changes. The first thing that remains unchanged is that Malaysian politics is still dominated by elites. Second, Malaysia remains a community of interests formed by political parties. The first of the two changes is Malaysia’s democratic transition through the general election from its original authoritarian democracy to its more liberal democracy. This is a stage of democratic consolidation. The second change is that Malaysia’s multi-ethnic community has moved toward a pluralistic society.

In the power structure of Malaysia, the head of state is a political symbol. He has some influence on politics but this influence is not great. After the supreme head of state learned of the victory of the Pakatan Harapan, he also considered how to announce the election results. Although he eventually complied

with the constitutional principles of the nation and announced the victory of the Pakatan Harapan, the result was not immediately announced, which reflected the process of his consideration.

Second, Malaysia's current cabinet structure is unbalanced compared to the previous one. As of August 19, 2018, the party with the largest proportion of seats is Anwar Ibrahim's People's Justice Party, with 44.8 percent, and the second largest party was UMNO, with 49 seats. In the ruling coalition of the Pakatan Harapan, the Democratic Action Party (DAP) had 42 seats, accounting for 36.2 percent. The Malaysian United Indigenous Party (PPBM) had 12 seats, accounting for 10.3%, and Amanah, the smallest party which split from the original Islamic party, had 10 seats, accounting for 8.6%.

The ministerial positions, however, have not been divided according to the proportion of seats. Mahathir rebalanced the distribution of ministers. The People's Justice Party has been assigned seven positions, the DAP six, the PPBM six, Amanah five, and the remaining positions are assigned to the Parti Warisan Sabah. The proportion of each party was 25%, 21.4%, 21.4% and 17.9%. This distribution ratio is completely different from the National Front leadership period. Mahathir's balance of ministerial positions among political parties is actually to weaken the interests of political parties. As a result, the Pakatan Harapan may not be able to reach consensus on many policies, leading to a "1+1+1+1<4" situation.

Third, combining any two political parties, creating a majority of seats in the parliament, is sufficient to prevent other parties from passing bills. The Pakatan Harapan may adopt

certain policies at an inconsistent pace, bringing about many variables in the legislative process.

Fourth, from the perspective of political coalitions, the current two camps have actually emerged since 1987. From 1987 to 1999, the Gagasan Rakyat appeared as the first political coalition against the National Front. In 1999, the National Front was confronted by the Barisan Alternatif. In 2008, the opposition party set up the Pakatan Rakyat. In 2013, the 89 seats won by the Pakatan Rakyat were the most seats that the opposition coalition had ever won in history. The Pakatan Rakyat then disintegrated in 2015 and the Pakatan Harapan was established in the same year. In 2018, the Pakatan Harapan defeated the National Front. In the future, political party coalitions will be an important trend in the political development of Malaysian political parties.

Fifth, in terms of the relationship between federal and state governments, the constitutions of the states of Malaysia allow significant local autonomy, and a sultan is a symbol of the highest power of a state. Previously, the National Front, as the ruling party, had the right to allocate and use the resources of various states. The state governments have to cooperate with the federal government on policies. Otherwise, their development would be affected. Now, however, regardless of East Malaysia or West Malaysia, each state has its own state ruling party. For example, UMNO controls Pahang state and Perlis state, and the Islamic party controls Kelantan and Terengganu on the east coast. The Democratic Action Party's base camp is located in Penang, the People's Justice Party controls Selangor, and Johor is mainly controlled by the Parti Pribumi Bersatu Malaysia. The

state governments led by different political parties replaced the original “pan-blue” (National Front), showing a colorful diversity.

The sixth point is about political figures. The most influential political figures in Malaysia today are Mahathir and Anwar. Age is the biggest problem of the former, and the latter is now known as the “Malaysian primeminister in waiting” in the Malaysian English media. For Anwar, the biggest problem he faces now is that the internal struggles among political parties are becoming increasingly fierce. In addition, Anwar also needs to address the issue of bribery in party elections.

Regarding the future of politics in Malaysia, Fu Congcong opined that domestic and foreign scholars now refer to Malaysian politics as Malaysia Incorporated, formed by the former Malay bureaucratic capital group led by UMNO. The results of this election are mainly due to the changes in the demographic structure of Malaysia, especially changes in the structure of the electorate. But at the same time, Malaysia’s own social structure has remained unchanged. Ethnic division is the most obvious phenomenon in this election, but the division did not occur between the Malays, the Chinese and the Indians, but within the Malays, which was reflected in the changes in the People’s Justice Party. The factors leading to the division were related to changes in interests caused by stratum divisions. In the future, Malaysian politics will embark on the so-called party coalition route. The parties will form new alliances to compete for political power.

In the discussion session, Tang Shixuan, a Malaysian master student at the School of International Studies, PKU,

explored two questions under the theme: “How the ethnic paradigm affects the implementation of Malaysian politics and policy.” The first question was “When was the ethnic paradigm formed?” The second was “What are its main impacts?”

He opined that the ethnic paradigm is a rigid structure composed of Malays, Chinese and Indians in Malaysia. This structure exists in almost every corner of society. The paradigm is often simply taken for granted, but in reality it was constructed by British colonists, and widely applied in political and economic life. The construction of the “Malays” identity has been accompanied by the rise of Malay nationalist movements and the rulers’ “submission to the demands of Malay supremacism.” The “Chinese” group experienced a transition from its original “regional identity” to a “Chinese identity,” and the construction of the “Chinese” group was further completed through events including the Xinhai Revolution in 1911, the May Fourth Movement and the War of Resistance against Japanese Aggression in the 20th century. The construction of the “Indian” identity also experienced a complex and lengthy process in Malaysia.

As for the reasons behind the deepening of the ethnic paradigm, he opined that the first is the inherent phenomenon of ethnic groups living apart from each other. The second is that economic inequality between the Malays and non-Malays has deepened the inherent impressions. The third is that the Malays’ protection of their interests through Malay sovereignty also reinforced this paradigm politically. The political aspect of the “ethnic paradigm” is mainly reflected in the following ways.

The first is national security values. Malays’ security is

often equated with the security of Malaysians, and Malays' sense of insecurity is often transformed into protective policies and strategies to promote the interests of Malays.

The second is national culture. This is dominated by Malay culture.

The third is new economic policies. These focus more on the income and wealth distribution of all ethnic groups than the goal of eradicating poverty. "Fairness means that every ethnic group has the same number of rich people."

The fourth is education. A quota system is based on ethnic groups.

The fifth is government policy objectives. Economically, the government seeks to solve the inequality between Malays and other ethnic groups. Politically the government seeks to improve the lives of the Malay nation. Culturally, the government seeks to make Malay culture the mainstream culture of the country and integrate non-Malays into the Malay culture system.

Tang Shixuan said that there have been different paradigms in history. In the period of the Malacca Sultanate and the Malay native states, for example, the political system took the form of a monarchy regime in the Sultan states, with the ruler at the center.

The ethnic paradigm was a concept first promoted in the British colonial period and later inherited in the nationalist period.

In the late 1940s, the "people paradigm" and "people's sovereignty" attempted to transcend the ethnic paradigm, and a draft of the People's Constitution was introduced. But it was not adopted by the British colonial government ultimately and did

not get the support of the Malays. Najib once emphasized “one Malaysia,” which actually intended to construct a new concept of the nation and slowly end the ethnic paradigm that has long dominated this society. Although Anwar emphasized in 2008 that he would replace “Malay’s sovereignty” with “people’s sovereignty,” the long-term rule of the National Front has made the ethnic paradigm deeply rooted in the hearts of the people. Most Malaysians still tend to think about questions from an ethnic perspective. What’s more, the Justice Party also rarely emphasizes “people’s sovereignty” because of the need to stabilize Malay votes in the competition against the UMNO and Islamic parties in recent years. As a result, it is not easy to correct the “Malay’s sovereignty” idea.

He opined that it still worth observing whether the new government will slowly do away with the ethnic paradigm and enact a new policy. However, no matter whether the new policy is implemented or not, interpreting the status quo from the perspective of ethnic groups is still a phenomenon that will not change in the near future.

Kong Tao, an associate research fellow at the Institute of Social Science Survey at PKU, analyzed the current situation of Malaysia’s economic development around the theme of “Malaysia’s Challenge of the Middle Income Trap.”

According to her, the middle income trap, which is a concept proposed by the World Bank, means that many countries can no longer rely on cheap-labor advantages to enhance their national income, and get stuck in a state of slow economic growth for a long time in competition against high-growth countries after they leap from the low-income stage

to the middle-income stage. Malaysia has been in a “middle income trap” since its growth from \$300 to \$800 per capita GDP in the early 1960s, and cannot enter the high-income stage. To this end, the Malaysian government has been striving to get rid of this trap by stimulating its economic engine.

From the perspective of economic structure, the Malaysian economy is mainly based on the manufacturing and service industries. From the perspective of its development strategy, Malaysia has successfully shifted from a traditional economy to a modern economy in the past few decades. The transformation of its manufacturing industry can provide more employment and create more value. There is large room for improvement in its service industry. For example, communications, computer information, and financial services are expected to achieve a more effective transformation in the future.

In 2017, Malaysia’s overall economic growth is improving. According to data released by the central bank, the growth rate in the whole year was on average 5.9 percent, and the rate in the third quarter exceeded 6 percent, the highest since 2014. Compared with mature economies, such as Singapore and Thailand, the overall performance of the Malaysian economy is good and the performance in many areas is remarkable. The first such area is trade.

In 2017, Malaysia had an international balance of payment surplus, which had a positive impact on both employment and private sector income. The largest part of exports was electronic products, which was partly due to the recovery of global market demand, while the biggest part of imports was also electronic products, mainly intermediate products. This also reflects the

value-added characteristics of the Malaysian manufacturing industry, which can obtain higher added value through reprocessing and thus play a role of value enhancement in the industry chain and value chain. It is particularly worth mentioning that mainly due to strong global demand dynamics, private investment in 2017 had relatively high growth, and the recovery of bulk commodity prices also promoted Malaysia's economic development. From the perspective of debt, Malaysia's foreign debt accounts for more than 60 percent of GDP, which is a relatively high level. The main source is public sector liabilities. Therefore, it is necessary to increase the ability to withstand risk and reduce the increase in liabilities, which may also become an essential factor in deciding whether to launch large-scale infrastructure projects in the future. In the past year, the rate of return of capital in the Malaysian capital market has been on the rise. The exchange rate advantage of its currency the ringgit has attracted overseas investments into its bond and securities markets. This is because the outside world's positive expectations of Malaysia's growth boosted market confidence. In addition, the US dollar saw a downturn. In terms of the labor market, Malaysia has a high employment rate and stable labor force participation. In addition, Malaysia is very rich in labor force resources and its education level is relatively high compared to other Southeast Asian countries. Therefore, it has a giant labor force advantage in the transformation and upgrading of both its manufacturing and service industry in the future. From the perspective of private consumption growth, private consumption in Malaysia is very strong and consumption and income are in a positive cycle.

Despite the overall optimism, the Malaysian economy also faces some medium-term and long-term challenges that may curb its future growth. For example, there is a shortage of human capital, which here mainly refers to the mismatch between the demand for skills and the provision of skills. Such a “skill crisis” will constrain the transformation and upgrading of the manufacturing industry and the modernization of the service industry. In addition, the unequal distribution of income across ethnic groups or across urban and rural areas will hinder an effective stimulus to demand across the country. This inequality will also be reflected in the social mobility system, and prevent an effective increase in productivity. However, economic growth cannot achieve sustainability if only relying on pure factor input.

Shi Huigu (释慧固), a researcher at Taihe Institute, gave a presentation entitled “Several things that Chinese fund companies should pay attention to after the great changes in Malaysia.”

He opined that during the Najib administration, Malaysia’s policy was relatively friendly toward China, mainly because the former government was able to get money from China-Malaysia cooperation, and China could have the right to embark on projects. Mahathir, who is more pragmatic, definitely will not ignore the economic strength of China. After the great change in Malaysia, many scholars were optimistic. Especially when Lim Guan Eng entered the cabinet, they believed that the Malaysian government had put a Chinese in an important position and sent a positive signal to China. But this may be wrong. In the context of Malaysians, there is a difference between “Chinese

exclusion” and “opposition to China.” Chinese exclusion is within the scope of internal affairs and it aims to win a large number of Malay votes. Opposition to China is a diplomatic issue between countries. The reason for the opposition-to-China phenomenon is that although Malaysia’s economic growth rate has been high in recent years, the interest has been earned by foreign capital. In addition, foreign debts have increased and people are starting to complain about rising prices and low wages. Therefore, what the Malaysian people are concerned about is food and clothing, not political issues. This phenomenon should not be examined from an excessively political perspective.

On the issue of support for China or support for America, he opined that Mahathir will not rely too much on either. Malaysia will introduce more policy elements affecting both. Regarding China’s One Belt and One Road initiative, he opined that blindly exporting the initiative without fully understanding other countries’ national conditions or lifestyle will bring about negative results. Take transportation as an example. China has a vast territory, so saving time and quick delivery are its most important needs. But Malaysians are not the same. They pay more attention to the scenery along the way and there is no sense of urgency in time. Mahathir once said that there is no need for high-speed rail in a small place like Malaysia. In addition to not having to hurry, there are only a handful of cities in Malaysia that have the same strength as Kuala Lumpur. Whether the limited population of these cities can support the operating costs is a big problem. From this point of view, it is reasonable to cancel the high-speed rail project due to cost

issues. If China wants to cooperate with Malaysia, Shi Huigu suggested that social welfare stations can be established in extremely poor areas of Malaysia to provide nutritious breakfasts and scholarships for school children, which would win the appreciation of many Malaysians. When dealing with Malaysia, how to win the support of the Malay is a question worth pondering for China.

In the discussion stage, Ho Xuzhe, a graduate student of PKU's School of International Studies, shared his research entitled "New Thoughts on the East Coast Rail Line (ECRL) and the Sino-Malaysia Railway Infrastructure Cooperation."

He said the ECRL is a Sino-Malaysia cooperative railway project between the west coast and the east coast of the Malay Peninsula promoted by the Najib government. After Mahathir took office in May this year, the implementation of the project was cancelled due to a lack of funds and its high cost. Ho Xuzhe opined that this is a case of Chinese investment failure in Malaysia, and of great significance for China's investment in Malaysian infrastructure construction in the future, especially for railway projects. China should take the following points into consideration:

First, pay attention to the historical value of Malaysia. The development of the Malaysian railway dates back to the end of the 19th century. Later, due to the need to transport natural mineral resources, the British colonial government connected the entire Malaya Peninsula by building railways. The role played by Malaysia's railways has always been based on transporting cargo, supplemented by carrying passengers. Therefore, it is recommended that Chinese companies improve

the quality of original cargo trains through technical cooperation, shorten transportation time, increase transportation capacity and improve transportation efficiency.

Second, in many places in Malaysia, although the railway has gradually lost its transportation advantage compared with road and air transportation, its strong transportation capacity and quantity are still advantageous. Therefore, it is recommended to add lines of high economical added value on the basis of the original lines and eliminating the “blind spots” of transportation in underdeveloped areas to promote development by transportation.

Third, because the public transportation and its management system are still not perfect, Malaysians mainly rely on private cars, forming a certain travel culture, while at the same time facing a high risk of accident. Traveling by railway has a low risk of accident. Therefore, reasonable construction planning can guide people to change their travel habits. For example, Chinese companies can start from the original light rail and electric train system in the Klang Valley, Kuala Lumpur, and provide more favorable prices and frequent trains, serving the people in the center and suburbs of Kuala Lumpur, who will gradually become dependent on railways. For other cities, Chinese companies can focus on the bus system in the city center and provide new transportation options for people through cooperation on related projects.

Zhai Kun, deputy director of PKUIAS and professor of the School of International Studies, PKU, said at the conclusion of the conference that the Broadyard Workshop emphasizes starting from a current issue, conducting a deeper analysis from

historical, economical, societal and cultural aspects, and, in a step forward, providing reference for policy decision-makers. Zhai Kun said that he benefited a lot from the workshop. For example, in Luo Yongkun's analysis of the political changes in Malaysia, he opined that the basic political situation has not changed and the decisive variable affecting China-Malaysia relations is Malaysia's internal affairs. It is helpful for China to recognize this point. Xu Liping opined that there is a culture of "free" things among Malays, which can also help China understand Mahathir's ideas and behavior. Su Jingxiang opined that Malaysia is the core of the edge of the Eurasian system with its own pursuits and strategic interests. Therefore, both China and the US must meet Malaysia's strategic interests in order to have better communication with it at a strategic level. Currently, China seems not to have grasped what Mahathir really wants. I think Mahathir will change the way Malaysia deals with China, which involves cooperation with both strategic and economic aspects. Fu Congcong analyzed the political structure and power structure of Malaysia and also reached good conclusions. This analysis is actually beneficial to our dynamic analysis of the future political situation in Malaysia. It bases the analysis on the dynamic changes between different forces and determines different analytical dimensions. This has a positive impact on relevant policy assessments.