## Chapter V

In this chapter, I will attempt to demonstrate UMNO's near maturity stage by highlighting a process involving the changing roles of party president and the central executive committee. A significant step in this process was the development of the UMNO headquarters as a continuously operating party headquarters that administers a sizeable staff who carry out ongoing programs. Central to this development is the theory of voluntary associations – organizations whose survival depends neither upon paid nor coercively based participation. Participation is attributed to the "offering," be it manifest or hidden, of incentives (benefits or promises of future benefits) by the organization's leaders.

There are two versions of the so-called incentive theory:<sup>2</sup> in the first, the incentives that the organization must distribute in order to ensure necessary participation are above all collective incentives, that is, benefits or promises of benefits that the organization must distribute equally among the participants. In UMNO's case, we have seen in chapters 2,3 and 4 how the party develops its official goal, that is, fighting for the interests of the Malay community. The function of the official goal is that of maintaining the identity of the organization in the eyes of its supporters. The organizational ideology is thus the primary source of collective incentives. The second internal function of the party's official aim is that of concealing the distribution of selective incentives, not only from the eyes of those who do not benefit from within the organization, but even from the

<sup>&</sup>lt;sup>1</sup> On the theory of voluntary associations see D. Sills, <u>The Volunteers</u> (Glencoe: The Free Press, 1957).

<sup>&</sup>lt;sup>2</sup> The theory of incentives owes its first formulation to C. Barnard, <u>The Functions of Executive</u> (Cambridge, Mass., Harvard University Press, 1938). It most refined formulation can be found in J.Q. Wilson, <u>Political Organization</u> (New York, Basic Books, 1973).

eyes of those who do.<sup>3</sup> Panebianco has pointed out that this dissimulation is of the utmost importance, because excessively visible selective incentives would weaken the credibility of the party as an organization dedicated to a "cause," and therefore adversely affect its distribution of collective incentives. Selective incentives, as defined in this study, are benefits that the organization distributes only to some of the participants and in varying amounts. As such, the theory of selective incentives aptly explains the behavior of party elites which compete for organizational control and more generally for power, as well as of party clients who exchange votes for material benefits and of some party members who seek career benefits.<sup>4</sup>

In this chapter, I will attempt to use the concepts mentioned above to illustrate UMNO's near maturity stage and the battles within the party to gain control of "selective incentives". Particular attention is given to the UMNO split of 1987, and the deregistration of UMNO.

## Prelude to a Crisis

In chapter IV, we have witnessed UMNO's strategy of domination in light of an unprecedented challenge from the opposition. UMNO's top-leadership had attributed UMNO's poor showing among the Malay community to the latter's economic frustrations. As a result, UMNO, under the leadership of Tun Abdul Razak bin Datuk Hussein had embarked on a social restructuring program to correct the economic imbalances that existed in the country. In addition, after the May 13 race riots, UMNO's pre-eminence as the single most influential party to have shaped not only the political

<sup>4</sup> Ibid. p.11.

<sup>&</sup>lt;sup>3</sup> Angelo Panebianco, <u>Political Parties: Organization and Power</u> (London and New York: Cambridge University Press, 1988) pp.9-13.

contours but also the overall social terrain in the country was reinforced, first by an amendment to the country's constitution and second, by streamlining the government's policies to that of UMNO's. Under Tun Razak's "new realism", UMNO played a bigger role in the government (Chapter IV) and his policy clearly favors the Malays and other indigenous groups collectively known as bumiputera (literally sons of soil), especially in the economic and educational spheres. Hence, UMNO's bigger role in the government coincided with the growth of factions within the party (factions as it is apply in this study means strongly organized groups) fighting over the distribution of selective incentives both in terms of material and social benefits. Being a governmental party, UMNO's appeal in fact lay in its patronage-dispensing function. According to Harold Crouch, in the 1960s UMNO was able to provide its supporters with access to land and government employment while the distribution of timber licenses was of importance to aspiring businessmen.<sup>5</sup> However, with the onset of the New Economic Policy (NEP), patronage networks in UMNO grew. As Edmund Terrence Gomez and Jomo K.S. have noted, it is through the NEP that rents have been created, captured and disbursed, ostensibly as part of the government's policy of "restructuring" to attain greater inter-ethnic wealth parity and to develop Bumiputera entrepreneurs.<sup>6</sup>

UMNO's growing hegemony over the state coupled with increased power in the hands of ruling politicians and bureaucracy was crucial for the development of patronage networks. Thus, some party leaders were able to exploit UMNO's dominance and found

<sup>5</sup> Harold Crouch, "Authoritarian Trends, the UMNO Split and Democracy", in Joel S. Kahn and Francis Loh Kok Wah, <u>Fragmented Vision: Culture and Politics in Contemporary Malaysia</u> (Sydney: Allen & Unwin, 1992).

<sup>&</sup>lt;sup>6</sup> Edmund Terrence Gomez and Jomo K.S., <u>Malaysia's Political Economy: Politics, Patronage and Profits</u> (Singapore: Cambridge University Press, 1999) p.25.

it politically expedient to use expanded state machinery and the party's access to economic resources to patronize groups and individuals in return for support within the party<sup>7</sup>. This use of political patronage to establish power bases has inevitably led to rancorous infighting and bickering that has deeply divided UMNO. In vying for power, each party faction, with its own sources of funding and business proxies often operated quite independently.<sup>8</sup>

When Tun Razak came to power in 1970, heightening factionalism came head on between the "old guard" and the "new blood". As Tun Razak saw it then, only bettereducated and technocratically oriented leaders could carry out the successful implementation of the NEP action strategy. Therefore, the 1974 general elections witnessed the rise of an inner circle of Tun Razak's protégés mostly hand-picked by him, some of whom became politicians and cabinet ministers overnight. Amongst them were Dr. Mahathir Mohamed and Musa Hitam, both expelled from UMNO by Tunku Abdul Rahman for "insubordination" after the 1969 general election, and Tengku Razaleigh, considered by many then as a "Malay economic genius". Naturally this move by Tun Razak was resisted by the "old guard" or *pimpinan lama* within UMNO and subsequently a crisis erupted within UMNO's national leadership which affected the grass-roots leadership as well. As Harold Crouch has rightly pointed out, the latter crisis has received less attention from most analysts although it was quite serious. This was due to the fact that the political strength of many of the "old guard" politicians, especially at the state

<sup>&</sup>lt;sup>7</sup> Ibid. p. 25.

<sup>&</sup>lt;sup>8</sup> Ibid. p.26.

<sup>&</sup>lt;sup>9</sup> For a full account of the UMNO crisis, see Harold Crouch, "The UMNO Crisis: 1975-1977", in Malaysian Politics and the 1978 Election, edited by Harold Crouch, Lee Kam Hing and Michael Ong (Kuala Lumpur: Oxford University Press, 1980), pp.11-36.

level, rested mainly on patronage distribution and they felt increasingly threatened by the new trend toward centralized and technocratic administration. Tun Razak, on the other hand, appreciated the importance of patronage in maintaining support for the party and did not attempt to overhaul and transform the party's character. Instead, he sought to impose a new type of leadership that could guide the party's national policies in a planned direction without unduly disturbing its patronage distribution network at the local level. On that account, the "new blood" began to gain political clout through effective implementation of their centralized and technocratic administration which was strongly and positively felt by grass-roots supporters as well as the emerging Malay entrepreneurial group. The "new blood" politicians, however, owed their political success to the overall economic conditions that existed in Malaysia then.

Nevertheless Tun Razak did not live to carry out his plans. His untimely death in January 1976 came at most inopportune time for his closest colleagues and protégé in that they had not yet fully established their positions in the party while their rivals were still strong. Many of the Tunku's men had been pushed aside but they remained on the

As soon as Tun Razak became UMNO's third president, there was a hard tussle for top posts in UMNO. At the UMNO general Assembly that was held on January 22 to 24 there was a tough fight for the three posts of vice-president and also for head of the youth and women sections. Among the "new blood" elected to the UMNO central executive committee were Tengku Razaleigh Hamzah, Ghazali Shafie and Musa Hitam. Before the 1971 UMNO general assembly, the "old guard" had lashed out at the "new blood". Those politicians who had grown politically under the leadership of Tunku Abdul Rahman such Mohamed Khir Johari and Senu Abdul Rahman warned of an attempt by "certain quarters" to split UMNO. Nevertheless, the "new blood" suffered a temporary setback at the 1972 UMNO general assembly when Dr. Mahathir and Ghazali Shafie failed in their bid for the vice-presidency of UMNO. The two winners were Sardon Jubir and Abdul Ghafar Baba, came from what might be termed as the party's older guard. Dr. Mahathir and Ghazali Shafie, however, were elected to the UMNO central executive committee. See James Morgan, "Changing Guard" Far Eastern Economic Review February 6, 1971; Dahari Ali, "Tengku: Beware of "new" or "old" order talk", The Sunday Times, January 24 1971; "Khir Warns of bid to split UMNO", The Straits Times, January 2, 1971; "Mahthir Nominated For Top Post" The Star April 30, 1972; James Morgan "UMNO Election" Far Eastern Economic Review July 8, 1972.

<sup>&</sup>lt;sup>11</sup> The shroud of secrecy that had been thrown around Tun Razak's illness was demonstrated by the fact that then Malaysian Foreign Minister Tengku Ahmad Ritahauddeen and Chief Secretary to the Government Tan Sri Abdul Kadir Shamsuddin arrived in London on January 13 1976 unaware that their Prime Minister

sidelines to take advantage of circumstances that might enable them to return to positions of influence. On that account, an intense and complex leadership struggle within UMNO took place in 1976-1977, one which set the tone for successive ones. This development corresponds to what Panebianco has described as an institutional order that favors party stability and leader preeminence in the case of governmental parties. A strong executive tends to make the government's party dominant coalition relatively stable whether be its internal groups' degree of organization. The factions that have allied against other factions in creating the dominant coalition at the moment of the choice of the Premier cooperate until the next crisis of succession. 12 Hence, after the death of Tun Razak, UMNO experienced a "leadership crisis" with the "old guard" going all out to oust those politicians who had risen under the patronage of the late premier. Even though the transitionary period between the death of Tun Razak and the rise of Tun Hussein Onn as Malaysia's premier was relatively calm, the question of who would fill the second leadership slot and thus the next Deputy Prime Minister was one of crucial importance. 13 This could be attributed to the fact that Tun Razak had already prepared the ground by placing several younger leaders in the positions from which they could expect to rise further. Tun Razak had smoothed the way for the return of Dr. Mahathir to the party in 1972 and appointed him as Minister of Education in 1974. The other outspoken critic of the Tunku, Musa Hitam, was reappointed in 1973 as a deputy minister and in 1974 joined

was close to death. They had come to consult Tun Razak on already-postponed Malaysian-Thai border talks; instead they were told by doctors that the Prime Minister was in no condition to talk to them. Only then did the Kuala Lumpur visitors realized0 that their Prime Minister was dying. It was many hours after Tun Razak had died that it became known that acute leukemia had claimed him. See K. Das "Speculation over Razak's Illness", Far Eastern Economic Review January 2, 1976; Ranjit Peiris "The Final, Tragic Hours of Tun Razak", Far Eastern Economic Review January 23, 1976 p.6.

<sup>&</sup>lt;sup>12</sup> Angelo Panebianco, Political Parties: Organization and Power p.169.

<sup>&</sup>lt;sup>13</sup> Harold Crouch, "The UMNO Crisis: 1975-1977", in Malaysian Politics and the 1978 Election, p.15.

the cabinet as Minister for Primary industries. Outside the cabinet, the young leader of UMNO Kelantan, Tengku Razaleigh, who had been associated with Mahathir and Musa in 1969, was appointed to head the new state corporation, *Pernas*, and then the new state oil company, Petronas, while at the same time in 1974 at the age of 37 as one of the party vice-presidents. <sup>14</sup> A political analyst described the political development in UMNO after the death of Tun Razak situation in UMNO then as anak ayam kehilangan ibu (a brood of chicken has lost the mother hen). When (later Tun) Datuk Hussein Onn became Premier, the tensions within UMNO became more intense. The power game acquired a new dimension, which in a sense, was an extension of what had begun in Tun Razak's time. Leading the crusade against Tun Razak's protégé were Tan Sri Syed Jaafar Albar, then leader of the UMNO Youth section and Datuk Senu Abdul Rahman then secretarygeneral of UMNO. Behind them were the "old guards" of the ruling organization, eager for the chance to settle old scores and throw their hats into the ring when they think a change of leadership was in the offing. The first to bare the brunt of the "crusade" were a group of politicians whose careers had been hitched to the leadership of Tun Razak and, after his death to the new Premier Hussein Onn. Tun Razak's protégé then known as the "gang of four" (Abdullah Ahmad former political secretary to Tun Razak, then Deputy

<sup>&</sup>lt;sup>14</sup> For a discussion on Dr. Mahathir bin Mohamed's return to UMNO after being expelled from the party in 1969 see James Morgan "Prodigal's Return" <u>Far Eastern Economic Review</u> March 18, 1972 p.7. Musa Hitam was active in the second echelon of UMNO leaders in the period of 1960s and was associated with the 'ultras' who led the attack on the Tunku after the 1969 race riots. Musa was subsequently expelled from the government as an Assistant Minister and spent a year on study leave at Sussex University before returning to the Malaysian political arena. Tengku Razaleigh Hamzah, a Belfast-educated economist was then 36 years old held the portfolio of UMNO treasurer. He was elected to the UMNO central executive committee (Supreme Council) at the 1972 UMNO general assembly. Following the death of Tun Dr. Ismail bin Dato' Abdul Rahman on August 2 1973, Tun Razak named Hussein Onn as his deputy. Since one of the posts of UMNO vice-president was left vacant following the appointment of Hussein Onn as UMNO's acting deputy president, Tun Razak appointed Tengku Razaleigh Hamzah as one of the party's vice-presidents. See <u>The Star</u> July 29, 1974; <u>The Straits Times</u> July 29, 1974.

<sup>&</sup>lt;sup>15</sup> See Khalid Abdullah, "Search for Second-Slot Man" <u>Asean Review</u> February 16, 1976.

Minister of Science and Technology in Hussein Administration; Abdullah Majid, press secretary to Tun Razak and then Deputy Minister of Labor and Manpower; Khalil Akasa, executive secretary of UMNO and Samad Ismail, former managing editor of the New Straits Times). The UMNO "old guard" had accused the "gang of four" of isolating Tun Razak from the UMNO "old guard" and consequently having them excluded from the decision-making process. Another charge leveled against the "gang of four" was that they persuaded Tun Razak to groom their man, Tunku Razaleigh, as a future Prime Minister, overlooking the party's "old guard". Hence, it is important to note that the UMNO crisis that occurred in 1975-1977 was not ideological in nature. Rather it was a battle to secure selective incentives. The power struggle and the acrimonious divisions within UMNO which the "gang of four" apparent monopoly over the Premier provoked could be explained in terms of the nature of the ruling party. UMNO was and is not a party which is wrecked by political debate on which "ism" it should follow. Apparently there was an agreement on objectives - raising the status of the hitherto economically underprivileged Malay community and giving them state financial and other support to achieve this economic restructuring. Within this consensus, however, conflicts do erupt over the exercise of power and the spoils of office. Therefore, for the system to function smoothly, UMNO members, or at least all of its leaders, should have access to the party president who also happens to be the Prime Minister to influence decisions, or to obtain benefits for their clients and constituencies. 16 This development corresponds to Panebianco's observation on party participation - that there exists a clear-cut distinction between the simple party members and the activists. In fact, much of the rank and file activity has a

<sup>&</sup>lt;sup>16</sup> The political developments mentioned here were abstracted from K. Das, "Succession Struggle – Round Two" Far Eastern Economic Review November 26, 1976 pp.21-25.

very discontinuous character: some members participate on particular occasions (e.g. during electoral campaigns) and the activists do not all participate with the same intensity. Some activists dedicate all their free time to voluntary political work for the party, others only part of it, and still other alternate between periods of greater participation and periods in which they reduce their commitment without, however, withdrawing altogether. However, the activist "nucleus", the party's small minority which continually participates and whose activities enable the organization to function, is clearly the most important group. The leaders' exchanges with this group will have the most relevant organizational consequences. Panebianco termed those activists whose participation depends primarily on selective, material, and/or status-oriented incentives as careerists. Careerists are active members primarily interested in selective incentives and thus their presence has considerable organizational importance. The careerists constitute the main force behind the factionistic games, are often human base for the schisms, and represent a potential source of turbulence and threat to the organizational order which the leaders must attempt to neutralize. In addition, the careerists constitute the pool from which future party leaders emerge. The selective incentives from which the careerists benefits are related to the system of internal inequality: the party hierarchy (its inherent system of unequal status) is one of the careerist's main sources of remuneration.<sup>17</sup> It is against this backdrop that the UMNO crisis of 1975-1977 could be understood. This was made evident when the "old guard" claimed that the "gang of four" by numerous powerplays, had split party unity and used their influence with Tun Razak to drive into exile men who had grown up politically with the former Premier and party president, Tunku Abdul Rahman, in an effort to establish a "new order" - the title of an UMNO manifesto

<sup>&</sup>lt;sup>17</sup> Angelo Panebianco, <u>Political Parties: Organization and Power</u> pp.26-27.

issued by them – under Tun Razak. The "old guard" also complained that the "gang of four" had ousted Mohamed Khir Johari then Trade Minister from the cabinet, and also pushed aside Tan Sri Sardon Jubir, the former Minister of Communication, who belonged to the traditional-conservative Malay element. Hence, the UMNO crisis of 1975-1977 centered on the question of the distribution of selective incentives, that is, the distribution of spoils of office and access to party leadership.

Clearly, the power struggle in UMNO from 1975 to 1977 was a potential source of turbulence that could have destabilized the organizational order. As such, the then acting party president Hussein Onn had to step in order to neutralize the situation. In fact, the most delicate problem that Hussein had to handle was the Harun Idris affair. Harun, the former Menteri Besar of Selangor and the leader of UMNO Youth section was one of the more influential personalities from the "old guard". Nevertheless, in the period after 1969, Harun had joined other UMNO leaders in calling for a new deal for the Malays and was thus no supporter of the Tunku and the "old guard". During the UMNO crisis of 1975-1977, however, this process was reversed with the "old guard" and Harun working in concert to topple the "gang of four". This was due to the fact that Harun believed that the "gang of four" was instrumental in getting Tun Razak to act against him on the charges of corruption. <sup>19</sup> Consequently, Harun was expelled from UMNO and jailed after being convicted of corruption. <sup>20</sup> Thus getting rid of the "gang of four" became an

<sup>&</sup>lt;sup>18</sup> See K. Das, "Succession Struggle – Round Two" <u>Far Eastern Economic Review</u> November 26, 1976 pp.21-25.

<sup>&</sup>lt;sup>19</sup> Datuk Harun as quoted in an interview with M.G.G. Pillai "My Fate Was Being Decide" <u>Asiaweek</u> April 2, 1976 p.7.

<sup>&</sup>lt;sup>20</sup> See <u>The Straits Echo</u> "Harun Sacked from UMNO" March 23 1976. The first charge of corruption against Harun alleged that he corruptly solicited RM 250,000 between February 22 and July 24, 1972 from the Hong Kong and Shanghai Bank Corporation as gratification for UMNO. The charge alleged that the

obsession with those excluded from the power and perks structure. The assault on the "gang of four" took shape in the guise of the party "old guard" making subtle innuendos about UMNO being infiltrated by "communists" and subsequently a hunt for "communists" in the party gained momentum. Even though the then acting UMNO president Hussein Onn managed to somewhat neutralize the situation, it was not without its toll with three of Tun Razak's protégé ending up as political detainees for alleged involvement in "communists activities". However, the new leadership under acting UMNO president Hussein Onn managed to divert a potential source of organizational instability only after reversing his resolution that Harun Idris should be kept out of UMNO. He was also pressured into detaining Tun Razak's protégé – deputy ministers Abdullah Ahmad and Abdullah Majid. Attempts made by the "old guard", however, to implicate other prominent politicians who had risen under the tutelage of Tun Razak such

money was an inducement to him as *Menteri Besar* in respect of the bank's application to amalgamate three pieces of land and for a piece of state land in Kuala Lumpur to construct a multi-story building. The second charge alleged that Harun accepted RM 25,000 gratification from the Bank at Kuala Lumpur International Airport on or about August 16, 1972 through Haji Ahmad Razali, allegedly for UMNO to obtain approval of the State Executive Council relating to the Bank's application. The third charge alleged Harun on or about March 27, 1973, while being *Mentri Besar*, accepted from the same Bank the sum of RM 225,000 in his office for the same purpose. Shortly after the sentence, new charges of criminal breach of trust involving RM 7.9 million of shares held by Bank Kerjasama Rakyat was laid against Dato Harun that resulted in his conviction and a further six months gaol sentence. The charge alleged that Dato Harun had used RM7.9 shared held by the Bank Kerjasama Rakyat of which he was the chairman to promote the world heavyweight championship between Muhammad Ali and Joe Bugner in Kuala Lumpur in 1975. See K.Das "Jail and Tears for Datuk Harun" Far Eastern Economic Review May 28 1976 p.12; See K. Das

"Harun Loses Another Round" Far Eastern Economic Review, February 4, 1977 p.13.

The communists witch-hunt that was initiated by UMNO's "old guard" culminated in the resignation of two deputy ministers – Abdullah Ahmad then Deputy Minister of Science, Technology and Environment, Abdullah Majid then Deputy Minister of Labor and Manpower. The two Abdullahs along with Samad Ismail and Khalil Akasah were part of Tun Razak's inner circle known as the "gang of four". Samad Ismail, Abdullah Ahmad, Abdullah Majid were detained under the Internal Security Act for alleged links with the communists. For an excellent account of the saga see K. Das "The Purge From Within" Far Eastern Economic Review November 12, 1976 p.20; K. Das "Switching on the Confessions" Far Eastern Economic Review, 1977 p.10; "UMNO Supreme Council Acts Against The Two Dollahs" The New Straits Times May 22, 1977.

<sup>&</sup>lt;sup>22</sup> See "Harun Back in the Fold: No Conditions on his Re-Admission into UMNO, says Hussein" <u>The Sunday Times</u> October 24, 1976; see also "UMNO Supreme Council Acts Against the Two Dollahs" <u>The New Straits Times</u> May 22 1977.

as Dr. Mahathir Mohamed, Musa Hitam and Tengku Razaleigh Hamzah with communists activities were unsuccessful.<sup>23</sup> This could be attributed to the fact that Dr. Mahathir had grassroots support from schoolteachers who he could cultivate more intensively as Minister of Education. At that time, teachers function as UMNO branch executives in the *kampongs*. The attack on Tengku Razaleigh and Musa Hitam was mounted by those who saw them as possible obstacles to their ambitions.<sup>24</sup>

The UMNO crisis of 1975-1977 demonstrated the changing pattern in UMNO's power struggle. Thus competition for party posts had become more intense partly because party members had started to equate holding important party positions at branch, division, and central executive committee (later renamed supreme council) with increased opportunities to enrich themselves.<sup>25</sup> For that reason, the claim made by some observers that UMNO in the 1970s was still "peasant in outlook with traditional values that regard any form of open defiance of the leadership as impolite" was proven inaccurate and insensitive to the social reality prevailing in Malaysia.<sup>26</sup> It was also in the late 1970s (July 1978) that for the first time ever in UMNO's history the post of party president hitherto been return unopposed was challenged. Tun Hussein Onn, who was actually the acting UMNO president at that time having taken over Tun Razak's position after the

Samad Ismail claimed that while he was detained under the Internal Security Act (ISA) he was forced to link Dr. Mahathir with the communists. Similarly, Dr. Syed Husin Ali revealed that while he was detained under the Internal Security Act, he was also forced to confess that Dr. Mahathir and Musa Hitam were communists' sympathizers. See Aliran Monthly interview with Dr. Syed Husin Ali, President of Parti Rakyat Malaysia – "We Want Change That Will Benefit The People" Aliran Monthly August 1999 19(7) p.40. A full account of Dr. Syed Husin Ali wrongful detention under the Internal Security Act is available in his book Syed Husin Ali, Two Faces: Detention Without Trial (Kuala Lumpur: Insan, 1996).

<sup>&</sup>lt;sup>24</sup> See K. Das, "Succession Struggle - Round Two" p.25.

<sup>&</sup>lt;sup>25</sup> This claim was made by an UMNO founding member Tan Sri Aziz Tapa in Sa'odah Elias "Future Directions in the Hands of a New Breed" <u>The Star</u> April 17 2000.

<sup>&</sup>lt;sup>26</sup> See for example the editorial of the <u>New Straits Times</u>, March 28 1976 and Harold Crouch, "The UMNO Crisis: 1975-1977" pp.34-35.

latter's death, was challenged by Sulaiman Palestin, a candidate put up by the "old guard' during the 31st UMNO general assembly in order to register their disapproval over the way Hussein Onn treated Harun Idris who by then had been expelled from UMNO and convicted of corruption. As Shamsul A.B. has rightly pointed out, although Hussein Onn won hands down, a "sacred" UMNO tradition was "demystified". By 1978 all the top UMNO leadership posts had been contested.<sup>27</sup> It is against this background that one must situate and understand the origins of subsequent power struggle in UMNO and by 1981, all of UMNO's top posts (president, deputy president, vice-presidents and those in UMNO Youth and Women sections) had been contested.

New Economic Policy (NEP), Mahathir's "Malaysia's Incorporated" and The 1987 UMNO Split.

Hussein Onn was at the helm of power for fairly a brief period (1976-1981). Having suffered a heart attack, Hussein was regarded as an ailing Premier and the pervasive belief being that only a frail heart beat stood between the Prime Minister and others aspiring to this office. During his tenure as Prime Minister and UMNO president, Hussein surprised the country by making politically unpopular decisions. To the amazement of his party and the country, Hussein expelled one of the most charismatic leaders the Malays had produced – Dato' Harun Idris, *Mentri Besar* of Selangor and leader of the UMNO Youth followed by the charges of corruption. This Harun-Hussein confrontation dominated his entire Premiership. According to William Case, the way in

<sup>&</sup>lt;sup>27</sup> See Shamsul A.B. "The "Battle Royal": The UMNO Elections of 1987", in Institute of Southeast Asian Studies, Southeast Asian Affairs, 1988, Singapore: ISEAS, p.172.

<sup>&</sup>lt;sup>28</sup> For a useful analysis of Hussein's retirement see K. Das "The Old Guard Changes" <u>Far Eastern Economic Review</u> July 3, 1981.

which Hussein Onn yielded the UMNO presidency to Dr. Mahathir in 1981 illustrated some of the party's formal and informal game rules. For example, the transfer of party leadership appeared first to require sanction from the retiring position holder and second, an institutionalized means for elites and sub elites to deliver up their endorsement.<sup>29</sup> Consequently, Hussein Onn's chosen successor Dr. Mahathir Mohamed stood unopposed for the UMNO presidency in the general assembly election in June 1981. At the outset of his Premiership, Mahathir's one-time ultra posture continued to appeal to many nationalist Malays. On the other hand, some sections of the Chinese community had reservations about his ascendancy due to his widely publicized Malay partisanship.30 Nevertheless Dr. Mahathir maintains: "I have been misinterpreted and misunderstood, even at the time when I was labeled as ultra. I felt that the labeling was a political gimmick, and that image was unacceptable to a large majority of Malaysians. When I was a Member of Parliament, all I was talking about was that the Malays should have a fair share in this country – no more than that." As shown by the 1982 election returns, however, many groups appreciated Mahathir's assertiveness. His evident dynamism and stated commitment to "clean, efficient, and trustworthy" (bersih, cekap, amanah) procedures in the Malay operated bureaucracy made him tolerable to many in the Chinese community. Hence, in order to realize the redistributive and growth policies favored respectively by these communities, Mahathir concentrated state power in the planning and technocratic units of an invigorated Prime Minister's Department. Mahathir's

<sup>&</sup>lt;sup>29</sup> See William Case, <u>Elites and Regimes in Malaysia</u>: <u>Revisiting a Consociational Democracy</u> (Clayton, Victoria: Monash Asia Institute, 1996) p.152.

<sup>&</sup>lt;sup>30</sup> See Dr. Goh Cheng Teik "A Malaysian Chinese View" <u>Asiaweek</u> March 12, 1976 p.10.

Mahathir as quoted in Philip Bowring "Mahathir and the new Malay Dilemma" <u>Far Eastern Economic Review April 9, 1982 p.20.</u>

fundamental policy aims may be summarized as: (1) establishing Malaysia's newly industrialized country (NIC) status through a program of state-led heavy industrialization; (2) accelerating ethnic Malay participation in this growth process by expanding *Bumiputera* equity ownership and managerial skills; and (3) furthering yet containing, the Islamization of Malaysia's political, economic, and social life. The first two objectives were carried out by the terms of New Economic Policy (NEP), while the last on an unexpected urgency in the atmosphere of the early 1980s<sup>32</sup>, that is, Mahathir's Islamization policy could be drawn up to check Parti Islam Se-Malaysia's (PAS) advancement in Malaysia's northeastern "Malay-belt" states.<sup>33</sup>

Mahathir's public policies have already received much scholarly attention and they need not be repeated here.<sup>34</sup> However, what is important for us to note here are the repercussions of UMNO's hegemony over the state and Mahathir's concept of "Malaysia Incorporated". As Gomez and Jomo have rightly pointed out, a strong and consistent advocate of the development of Malay capitalism through political patronage, Mahathir's fixation with the creation of *Bumiputera* capitalists has been evident since the publication of his 1970 "treatise" on the problems of the indigenous community, The Malay Dilemma.<sup>35</sup> Therefore what is of particular importance for the purpose of this study is to chart more closely Mahathir's combined pursuit of political patronage, specifically as

<sup>&</sup>lt;sup>32</sup> See William Case, Elites and Regimes in Malaysia: Revisiting a Consociational Democracy p.157.

<sup>&</sup>lt;sup>33</sup> See Suhaini Aznam "Godfather Party Runs Short of Islamic Plums" <u>Far Eastern Economic Review</u> January 2, 1986 p.24.

<sup>&</sup>lt;sup>34</sup> For a full account of Mahathir's economic policies see Jomo K.S. "Mahathir's Economic Policies: An Introduction" in <u>Mahathir's Economic Policies</u>, 2<sup>nd</sup> ed., edited by Jomo K.S. (Petaling Jaya: Institute of Social Analysis, 1989).

Edmund Terrence Gomez and Jomo K.S., <u>Malaysia's Political Economy: Politics, Patronage and Profits</u> p.117.

they were manifested in career experiences in UMNO. On the one hand, the implementation of the NEP has resulted in a rapid, almost phenomenal, expansion of the Malay middle class. A large portion of the new Malay middle class, however, comprising civil servants, professionals, and entrepreneurs, belongs to UMNO and consequently, this new Malay middle class was heavily dependent on the party for access to patronage. On the other hand, the NEP-produced business opportunities coupled with Mahathir's concept of "Malaysia Incorporated" inevitably increased the stakes in the struggle for power in UMNO. It is against this backdrop that we could make sense of the intense personal rivalry that developed between Musa Hitam and Tengku Razaleigh Hamzah for the post of UMNO deputy presidency (which carries the post of deputy prime minister with it) first in 1981 (when the post was contested for the first time ever in UMNO's electoral history) and then in 1984. According to Shamsul A.B., this is significant in UMNO's context because after 1981 any challenge to its top leadership was seen by its members at all levels, as a sign of their "political maturity" and not as being "un-Malay", because before this any form of open defiance of the leadership had been considered not only impolite but heretical in terms of Malay traditional values. In addition, Shamsul A.B. pointed out that it was during the protracted battles between Musa and Razaleigh that this "political maturity" developed and was realized and two identifiable factions developed within UMNO led by Musa and Razaleigh respectively.<sup>36</sup>

As we have seen in the previous section, this factional struggle within the UMNO leadership took place in the context of growing competitiveness within the party as a whole since the 1970s. This development further reiterates Panebianco's contention that control over the distribution of incentives, particularly selective incentives – incentives

<sup>&</sup>lt;sup>36</sup> See See Shamsul A.B. "The "Battle Royal": The UMNO Elections of 1987" p. 172.

being the currency of exchange (patronage) in vertical power games – constitutes another source of organizational instability; another resource of organizational power within the horizontal power games, for example, in the relations among the dominant coalition's leaders, and in the relations between the dominant coalition and the minority elites. The negotiations, in fact, do not only take place between the dominant coalition and its following, but also within the dominant coalition itself. Power equilibria within the coalition can be altered at any moment, because the control of some leaders over certain crucial zones of uncertainty<sup>37</sup> grows, thus increasing their control over the distribution of incentives at the other leaders' expense. 38 In UMNO's case, before the Razaleigh-Musa showdown, division was only felt at the top (dominant coalition) but with the onset of Razaleigh-Musa battle, it went down to the grass roots - in the words of Shamsul A.B., to the warung ("stall") and Malay dominated trade union meetings in the urban areas and to the kedai kopi ("coffee shop") and surau ("small prayer house") in the rural areas. Orang Musa ("Musa's man") and Orang Razaleigh (Razaleigh's man") were not only labels but often became the "key phrases" which opened or terminated a business or any other discussion, guaranteed or denied an individual getting a contract or a scholarship, and expedited or delayed an application for a job, a license, or even the transfer of a school teacher from an ulu ("remote") to an urban school and vice-versa. In short, the idiom of political interactions especially at the grass roots, whether amongst UMNO members or its sympathizers became highly divisive in content and nature, articulating the leadership

<sup>&</sup>lt;sup>37</sup> Angelo Panebianco defines zones of uncertainty as areas of organizational unpredictability. The survival and functioning of an organization depend on a series of activities; the very possibility that a vital activity could be denied, that someone could walk out on the organization, that an interruption could take place in crucial activities, constitutes an uncertain situation for the organization. People who control the zones of uncertainty upon the operation of the services depends, hold a trump cars, a resource that is "spendable" in the internal power games. See Angelo Panebianco, <u>Political Parties: Organization and Power</u> p.33.

<sup>38</sup> Ibid. p.38.

conflict at the in the dialect of local issues, in a manner never seen before within UMNO.<sup>39</sup> The election campaign for the deputy presidency, which began in April 1981, was unparalleled in its ferocity and in the interest it generated throughout the country. Millions of ringgit were said to have been laid in bets not only in Malaysia but also in neighboring Singapore, where the business community was reported to have come under pressure to manipulate the market to influence the election. The old bogey of Musa being an extremist was reportedly raised to give credibility to Razaleigh, whose Chinese friends in business were worried about possible changes in the Finance Ministry if he lost. There were endless rumors in the corridors of the hotels about vote buying by Chinese businessmen pouring millions of dollars into the campaign.<sup>40</sup> History has recorded that Musa Hitam won in both contests (1981, and then again in 1984). Musa's victory, however, was not without its toll. Musa had made it clear that he was a Mahathir man. Mahathir, on the other hand, was officially neutral but actually favoring Musa. 41 As Panebianco has pointed out, negotiations do take place within the dominant coalition itself and the dominant coalition's degree of cohesion depends upon the fact that control over zones of uncertainty is either dispersed or concentrated. The principal distinction here lies between parties divided into factions (strongly organized groups) and parties divided into tendencies (loosely organized groups). Factions - organized groups - may be of two types: groups which cut the party vertically, from the top to the rank and file (these being the true or "national" factions), and geographically concentrated groups,

<sup>&</sup>lt;sup>39</sup> See See Shamsul A.B. "The "Battle Royal": The UMNO Elections of 1987"pp.172-173.

 $<sup>^{40}</sup>$  These observations were made by K.Das in "The Old Guard Changes" <u>Far Eastern Economic Review</u> July 3, 1981 pp.14-16.

<sup>&</sup>lt;sup>41</sup> See John Berthelsen and Rapheal Pura, "Malaysia's UMNO Faces Leadership Rift", <u>Asian Wall Street Journal</u> March 3 1986.

organized at the party's periphery. Tendencies can be characterized as aggregations at the top without organized rank and file (which does not necessarily mean without consensus). In a party in which groups are factions, control over zones of uncertainty is dispersed (subdivided among the factions) and the dominant coalition is not very cohesive because it is the result of a compromise between certain factions.<sup>42</sup>

If we are to re-look at Mahathir-Musa confrontation that culminated in the latter's resignation in the context of Panebianco's above mentioned theory, we could argue that Musa's sudden resignation shocked Mahathir and his men because UMNO was a party that was divided into factions. Moreover, Musa's decision complicated matters within UMNO's dominant coalition (top level) but things became even more complicated and confused at the grass-roots level especially within the "Musa faction", where there were many supporters of Mahathir as well, because Musa was the Mahathir endorsed candidate in the contest for the top post of UMNO deputy president both in 1981 and 1984. Most analysts, however, would agree that Musa's differences with Mahathir was not ideological, rather it was a struggle for power and position around the question of succession to Mahathir.

The falling out over the two began soon after the UMNO triennial elections in 1984. After losing the 1981 battle Razaleigh had stayed on as finance minister and treasurer of UMNO. In 1984 he challenged Musa again for the same post in a much bitterer and more expansive campaign that drained both sides of their financial resources. With his big-business connections, however, Razaleigh had little trouble raising funds. Musa, on the other hand, was still burdened with the cost of funding his 1984 campaign. As such, Musa's supporters claimed that there was a tacit agreement between their

<sup>&</sup>lt;sup>42</sup> See Angelo Panebianco, <u>Political Parties: Organization and Power pp.37-40</u>.

mentor with Mahathir (coincides with Panebianco's contention that negotiations do take place within the dominant coalition itself) that if Razaleigh contested and lose, he would be dropped from his cabinet post and denied any nominated post in UMNO. Musa's supporters claimed that Mahathir kept only half of the promise - Razaleigh lost the party treasurer post but was kept in cabinet as Trade& Industry Minister - and left the door open for a third contest between the two in 1987. 43 One could surely see that UMNO's dominant coalition (top level leadership) at that point in time was not very cohesive. As a party that was divided into factions, the distribution and competition of selective incentives by the leaders of the various factions in the party to their followers could be a source of conflict. This could be attributed to the fact that the followers represent the potential risk-zone for the party leaders because it is within this group that the aspiration towards upward mobility is strongest. In addition, the fact that only some of the followers can be co-opted (due to scarcity of distributable resources at any moment) explains in large part the practically endemic character of intra-party conflicts.<sup>44</sup> It is against this contention that we could re-interpret Mahathir-Musa fallout. After winning the post of UMNO deputy president, Musa had thought that he could dictate and slowly consolidate his grip on the party and the government. To begin with, he wanted a transfer to the Foreign Ministry and other important cabinet portfolios to some of his close associates. Musa had asked that his own Home Ministry portfolio be given to Abdullah Badawi who he had identified as his potential deputy-to-be. Again, Mahathir met Musa halfway. Musa could take the Foreign Ministry but Tengku Ahmad Rithauddeen would be brought into the Home Ministry; Musa's choice Abdullah Badawi, would go to the Education

<sup>&</sup>lt;sup>43</sup> See "Rift at the Top" <u>Asiaweek</u> March 16, 1986 pp.32-33.

<sup>&</sup>lt;sup>44</sup> Angelo Panebianco, <u>Political Parties: Organization and Power</u> p.30

Ministry. Three days before the cabinet reshuffle in July 1984 Musa reportedly told Mahathir he did not want a transfer after all: "he wanted the powerful Home Ministry himself or under someone who would follow his orders, if he had accepted the Foreign Ministry and let the Home Ministry go to Tengku Ahmad Rithauddeen he would be in a much weaker position." Thus, the competition for the spoils of political office between the Mahathir and Musa factions was among the reasons that had caused the rift between the two top UMNO leaders. While Musa was grooming his "boys" towards upward mobility in the party hierarchy, Mahathir had decided to keep Tengku Razaleigh in the cabinet. In addition, Mahathir picked his close friend and prominent Malay entrepreneur Daim Zainuddin as the new Finance Minister and UMNO treasurer. He also announced that he had chosen his close associates and loyalist Sanusi Junid as UMNO secretarygeneral. Meanwhile, in 1982 Mahathir had co-opted the former Muslim Youth leader (ABIM) and prominent critic of the government, Anwar Ibrahim, into UMNO and he was rapidly moved up the party hierarchy. Anwar's rapid rise and his growing influence with Mahathir disturbed Musa and his followers who had begun to envisage the possibility that Anwar who was in his late 30s, might eventually displace, Musa who was in his early 50s, as the heir apparent if Mahathir stayed on too much longer. 46 Similarly, Musa's supporters saw Mahathir's choice of Sanusi Junid as UMNO secretary-general in unfavorable terms. As party secretary-general, Sanusi was flexing his muscle in the party, taking firm control of the headquarters and gradually extending his grip to the grassroots. Musa's followers claimed that Sanusi and UMNO executive secretary Kamurulzaman Bahadon had such a strong grip on the party apparatus that it was difficult for those who

<sup>&</sup>lt;sup>45</sup> A high-ranking UMNO source as quoted in "Musa's Resignation Shock" <u>Asiaweek</u> March 9, 1986 p.44.

<sup>&</sup>lt;sup>46</sup> See "Musa's Resignation Shock" Asiaweek March 9, 1986 p.43-45.

did not see eye to eye with them to act without their blessings. As such, even in his capacity as UMNO deputy president Musa was unable to gain extra clout within the administration and apparently, his supporters claimed that he had no say on how the party headquarters should be run. 47 We must, however, observe that both cohesive and divided dominant coalitions are the result of alliances between groups; what varies are the degrees of organization in the groups. Moreover, if we examine the groups (factions and/or tendencies), we discover that even these are usually the result of alliances between smaller groups. The difference is that if the group is a tendency, the ties between its subgroups are weaker and more changeable than those between a faction's sub-groups. What is important is that the dominant coalition is always an alliance of alliances, an alliance between groups which are, in turn, coalitions of smaller groups. Degree of cohesion is based upon the extent to which vertical exchanges (the elite-follower exchanges) are concentrated in the hands of a few, or are dispersed amongst numerous leaders. Degree of stability, on the other hand, is related to horizontal exchanges (elite-elite exchanges), and, in particular, to the character of compromises (whether stable or precarious) at the organization's upper echelons. 48 The source of instability in UMNO at the time of Mahathir-Musa confrontation was the nature of horizontal exchanges. If we are to look closely at the origin of Musa's discontent, we could see that his supporters were getting quite impatient and restless at the nature of the horizontal exchanges that was going on. Mahathir had placed his men in key cabinet and party positions while Musa' men felt that the purpose of those people (Mahathir's men) was to identify and isolate them as if they

<sup>&</sup>lt;sup>47</sup> See Suhaini Aznam, "Mahathir's Dilemma: Delegation Sent to Mecca to Discuss Musa's Resignation" Far Eastern Economic Review March 13, 1986 pp.10-13.

<sup>&</sup>lt;sup>48</sup> Angelo Panebianco, Political Parties: Organization and Power p.39

were preparing to oust Musa from the party. As the result of this jolting for selective incentives (power/positions) from both Musa and Mahathir factions, there was instability at the party's dominant coalition. On the one hand, Musa felt that he was left out of the decision-making process:

I am not playing much role in the party. I am the deputy president and I only attend meetings that are required of me. I am not consulted. I am not called upon to express [views] on party matters, but I am not taking issue with this. But I can't say I am happy. I accept this as a reality, as a result of what I did. I cannot force the president of the party or the supreme council to consult me.<sup>49</sup>

On the other hand, Mahathir was of the opinion that "Musa's boys" "were undermining him, threatening his position and saying bad things about him, about his being the richest Prime Minister, corrupt and a dictator." Mahathir also claimed that "certain quarters" were trying to "split", "topple the government" and "we know who they are within and without the party". In other words, Mahathir had accused Musa of privately discrediting him so as to "bring him down". These sweeping allegations by Mahathir "were too strong for me [Musa] to say well, lets forget it. The belief of the Prime Minister in what he said in accusing me...he was too convincing for me to think that it could be brushed aside." Musa was of the opinion that it was better for him to resign so that "you [Mahathir] can now choose those who you trust completely to assist you when you face

<sup>&</sup>lt;sup>49</sup> Musa Hitam as quoted in an interview with <u>Asiaweek</u>. See "A Liking for Contest" <u>Asiaweek</u>, December 7, 1986 p.34.

<sup>50</sup> Ibid.

Musa Hitam's resignation letter to Mahathir as UMNO president – widely circulated to UMNO SupremeCouncil members as reproduced in "Rift at the Top" <u>Asiaweek March</u> 16, 1986 pp.31-36.

<sup>&</sup>lt;sup>52</sup> Musa Hitam as quoted in an interview with <u>Asiaweek</u>. See "A Liking for Contest" ibid.

the people later." At a hurriedly convened UMNO Supreme Council meeting of 28 February 1986 to discuss Musa's resignation, Mahathir countered by producing another, earlier letter from Musa Hitam to Mahathir, dated 5 July 1984. By making available this letter — in which Musa wanted to "register my strongest views against Tengku Razaleigh's appointment at Ministry of Trade and Industry" — Mahathir meant to show that Musa resigned because Mahathir would not comply with Musa's demand that Razaleigh be removed from the Cabinet after Razaleigh lost his second contest against Musa. Musa eventually agreed to withdraw his resignation as UMNO's deputy president — but not his resignation from Deputy Prime Minister's position. He reasoned that he was elected by the party to be its deputy president, but was appointed by Mahathir to be his Deputy Prime Minister. By staying on as UMNO deputy president, however, Musa left little doubt that he was very much interested in the party and government. In this context, a well-known theory of organizational power captures the "sense" of intraorganizational power relations. It is the theory of power as an exchange relation. In the words of two of its most representative supporters:

Power can once again be defined as a relation of exchange, and therefore reciprocal, but in the sense that the exchange is more favorable for one of the parts involved. It is a relation of force, in that one is advantaged over the other, but where the one can, however, never totally be defenseless with respect to the other. 55

Musa Hitam's resignation letter to Mahathir as UMNO president – widely circulated to UMNO SupremeCouncil members as reproduced in "Rift at the Top" ibid.

<sup>&</sup>lt;sup>54</sup> Musa Hitam, "Letter to Mahathir" 5 July 1986 Razaleigh was removed from the Ministry of Finance. Musa's letter was "written with a very heavy heart and the greatest reluctance" and delivered "before your [Mahathir's] final decision" to offer Razaleigh appointment as Minister of Trade and Industry – which Razaleigh accepted.

<sup>&</sup>lt;sup>55</sup> M. Crozier and E. Friedberg as quoted in Angelo Panebianco, <u>Political Parties: Organization and Power</u> p.22.

Power is therefore relational and asymmetrical, but also reciprocal. It manifests itself in an "unbalanced negotiation" in a relation of unequal exchange in which one actor receives more than the other. Power is, thus, never absolute: its limits are implicit in the very nature of the interaction. One can exercise power over others only by satisfying their needs and expectations; one thereby paradoxically submits oneself to their power. In other words, the power relation between a leader and his followers must be conceived as a relation of unequal exchange in which the leader gets more than the followers, but must nonetheless give something in return. The outcome of the negotiation depends on the degree of control that different actors have over certain resources - those resources that Angelo Panebianco defines as the "trump cards" of organizational power games. Power resources are based on control over zones of organizational uncertainty", that is, over factors which, if not controlled, menace or can menace the survival of the organization and/or its internal stability. The leaders are those who control the crucial zones of uncertainty for the organization, and can capitalize on these resources in internal negotiations (in power games), swinging them to their own advantage. In organizations especially in voluntary organizations as parties, every organizational actor controls at least a small "zone of uncertainty", that is, possesses resources that can be capitalized on in power games. Even the lowliest party member possesses some resources - he can abandon the party and thus deprive it of his participation, he can give his support to an internal minority elite, and so on. 56 As for Mahathir-Musa confrontation, the definition of power as an exchange relation should be seen in light of negotiations among leaders (horizontal power games). The emergency UMNO Supreme Council meeting convened to discuss Musa's resignation turned out to be the first terrain upon which Musa's and

<sup>&</sup>lt;sup>56</sup> See Angelo Panebianco, <u>Political Parties: Organization and Power p.22-23.</u>

Mahathir's supporters commenced their tactical maneuvers to outflank one another. The UMNO Supreme Council more or less reached a compromise: it stated its allegiance to Mahathir's leadership but sent a party delegation to meet with Musa and to persuade him to withdraw his resignations.<sup>57</sup> Musa's decision to say on as UMNO deputy president exerted pressures on Mahathir. As Khoo Boo Teik has argued convincingly, never having been a real "party boss" with personal grass-roots base in UMNO, Mahathir owed his appeal to the party membership primarily to his Malay nationalist and his ideological influence. That did not quite matter as long as an unchallenged Mahathir remained above the intra-party power struggles by virtue of being UMNO president and Prime Minister. But Musa's manner of desertion effectively dragged Mahathir into the intra-party power struggle.58 This corresponds to Angelo Panebianco's theory that in voluntary organizations, political parties in particular, every organizational actor controls at least a small "zone of uncertainty" - resources that could be capitalized on in power games. Musa Hitam, however, was by no means an ordinary organizational actor - he was active in UMNO since 1964 when he was recruited by the late Tun Sardon Haji Jubir then Minister of Transport as his political secretary. Three years later Musa ran for Parliament and won by a large margin, joined the cabinet in 1974 as Minister for Primary Industries, Minister of Education in 1978 and finally as party deputy president and Deputy Prime Minister in 1981. In addition, Musa was the leader of Johor UMNO, a state with the second largest number of delegates to the annual UMNO general assembly (Perak was

<sup>&</sup>lt;sup>57</sup> "MT Ikrar Setia Pada Mahathir", <u>Utusan Malaysia</u>, March 1 1986.

<sup>&</sup>lt;sup>58</sup> See Khoo Boo Teik, <u>Paradoxes of Mahathirism: An Intellectual Biography of Mahathir Mohamed</u> (Kuala Lumpur: Oxford University Press, 1995) p.230.

the state with the largest number of delegates to the annual UMNO general assembly). <sup>59</sup> Surely, we could argue that Musa had at his disposal the control of resources, those resources that Angelo Panebianco had defined as "trump cards" of organizational power games which he could capitalize in the intra-party power struggle. It is against this background that we shall analyze how the "war of the giants" in UMNO began.

As we have seen in the previous section, this increasingly intense power struggle within UMNO, which began in the mid-1970s continued throughout the early 1980s. With Musa's resignation as Deputy Prime Minister in 1986, however, the internal power struggle within UMNO took on a new dimension. Angelo Panebianco has pointed out that in a party in which internal groups are factions; control over zones of uncertainty is dispersed (subdivided among the factions). As such, when Musa decided to remain as the party deputy president there were numerous speculations on how the "war of the giants" would take shape at the UMNO triennial elections of 1987:

Will Musa run against Mahathir or settle for a defense of the No.2 post? Will Razaleigh run against Mahathir or against Ghafar Baba, an old friend and ally who supported him in two contests against Musa? Will there be a three-way fight between Mahathir, Musa and Razaleigh for the top post or a Ghafar-Musa-Razaleigh struggle for deputy? Might not old foes Razaleigh and Musa team up to take on Mahathir and Ghafar? Or perhaps Razaleigh, not fancying his chances against Ghafar or Mahathir, might team up with them to take on the common enemy: Musa. When it comes to the crunch, will Mahathir and Ghafar stick together?<sup>61</sup>

<sup>&</sup>lt;sup>59</sup> See "A Political Man" Asiaweek March16, 1986.

<sup>&</sup>lt;sup>60</sup> This phrase was first used by Shamsul A.B. in his "The "Battle Royal": The UMNO Elections of 1987" p.173 ibid.

<sup>&</sup>lt;sup>61</sup> This astute analysis was made by a journalist in "Gearing for Battle" <u>Asiaweek</u> December 7, 1986. After Musa's resignation, Mahathir had chosen Abdul Ghafar Baba who was then a veteran party vice-president as his new deputy. Most political observers were of the opinion that Ghafar was chosen in order to strengthen Mahathir's hand in any contest with Musa at the UMNO 1987 polls. By staying on as UMNO deputy president, Musa left little doubt that he was very much interested in the top posts in the party and government. Making the picture more complicated was Ghafar's own ambitions – since he was already

The answer to this puzzle was unveiled around February 1987 when, first, Musa declared that he would defend his deputy president position, and second, Razaleigh indicated that he would challenge Mahathir. 62 Clearly, this turn of event in UMNO was the result of two formerly opposing factions forming an alliance in order to topple the top leadership. Hence, the degree of cohesion/ division of a party's dominant coalition refers to the concentration/dispersion of control over the zones of uncertainty, and thus over incentive distribution; it also refers, therefore, to the vertical power games (elite-follower exchanges). Stability/instability refers, on the other hand, to the way in which the horizontal power games are played (among the elites). It refers, more specifically, to their ability to make long lasting compromises concerning spheres of influence within the party. There is naturally a relation between a dominant coalition's degree of cohesion and its degree of stability.<sup>63</sup> The instability in UMNO's 1987 dominant coalition could be attributed to numerous factors. First and foremost, some supporters of the "Razaleigh faction" were overjoyed to see the Musa-Mahathir split and saw it as clearing the path for Razaleigh's come-back to the top. However, as later events demonstrated, this was not the general feeling of the "Razaleigh faction". They might have disliked Musa but they hated Mahathir for his alleged double-dealing made obvious by Musa's resignation and Mahathir expose of Musa's letter to him in July 1984 asking that the defeated Razaleigh be kept out of the cabinet, a request to which Mahathir did not accede. Secondly, the struggle for power within UMNO would not have escalated to such a height if Malaysia's

number two in government, would he run for UMNO deputy presidency at the 1987 UMNO polls? See "Sizing up Ghafar for no. 2' Asiaweek April 13, 1986 p.29.

<sup>&</sup>lt;sup>62</sup> See Suhaini Aznam, "In Everything but Name" <u>Far Eastern Economic Review</u> March 12, 1987 p.14.

<sup>&</sup>lt;sup>63</sup> See Angelo Panebianco, <u>Political Parties: Organization and Power</u> p.168.

economy had not been suffering from a prolonged recession. As long as the economy was booming, the competing interests and aspirations of Malay upper and middle classes were relatively easily met and fulfilled by those in power. However, when the economy suffered from serious setbacks, those who were adversely affected, especially those who were excluded from the party's perks structure, became bitter and frustrated and disillusioned. It is, therefore, not surprising when those who were looking for scapegoats transformed their dissatisfactions into political action. This corresponds to Panebianco's observation that control over the distribution of incentives constitutes another zone of uncertainty.64 Rightly or wrongly, Mahathir was seen as being very "cliquish" and "dictatorial" in the way he ran the government and conducted business, political or economic, both as UMNO President and as Prime Minister. He was accused of having a small business clique that he favored and a smaller "kitchen Cabinet" within his cabinet, thus giving the impression that the economy and the politics of the country were in the hands of the elites of the elites. As a consequence, those outside this very close circle of Mahathir allies claimed that they had only limited access to him. In addition, he was also accused of paying little attention to views different from his, from within his Cabinet, from UMNO national officials, and from those outside the government; hence the accusation that he was "dictatorial". In sum, we could attribute the 1987 UMNO crisis to the then dwindling Malaysian economy and UMNO's specific internal circumstances. Resulting shortfalls in patronage were reflected in the UMNO general assembly election in April 1987. A quarter of the delegates were, as in 1984, Malay business people,65 though now grown resentful over unfamiliar hardships and the party's narrowing

<sup>&</sup>lt;sup>64</sup> Ibid. p.38.

<sup>65</sup> The Star, March 29 1987.

favoritism in awarding contracts and licenses. Generally blaming the then Finance Minister, Daim Zainuddin, for overall mismanagement and criticizing Mahathir for suspending the NEP's 30 per cent restructuring quotas, <sup>66</sup> many delegates were receptive to new mobilizing appeals. In these circumstances, Musa Hitam, the UMNO deputy president, and Tengku Razaleigh, the Minister of Trade and Industry, recognized clear political opportunities. They conferred first through intermediaries, then personally in London over the possibility of setting asides their differences and mounting a joint challenge against Mahathir and his deputy, Ghafar Baba. <sup>67</sup>

Shamsul A.B. has pointed out that although Razaleigh and Musa did not declare officially that they were contesting for the posts of president and deputy president, respectively, until the eleventh hour, from the weeks when divisional party elections began on February 6 1987 to the end of February 1987, both Mahathir and Razaleigh received nominations for the post of president while Musa and Ghafar were nominated for the post of deputy president. Hence, as the weeks went the rumor that Razaleigh had sealed a pact with his former nemesis Musa, to oppose the Mahathir and Ghafar combination no longer remained a rumor. Things came out into the open at a symbolic divisional party meeting. Razaleigh was by Musa to officiate the lattter's divisional party meeting on February 27 1987 in Segamat, Johor and the former reciprocated by inviting Musa to officiate his [Razaleigh] divisional meeting in Gua Musang, Kelantan, on March 20 1987. At the Segamat meeting Razaleigh fired his first salvo (aimed at Mahathir of

<sup>&</sup>lt;sup>66</sup> Lee Poh Ping, "Heavy Industrialization" in <u>Mahathir's Economic Policies</u>, 2<sup>nd</sup> ed., edited by Jomo K.S. (Petaling Jaya, Malaysia: Institute of Social Analysis, 1989) pp. 98-96 and 43.

<sup>67</sup> See Khoo Boo Teik, Paradoxes of Mahathirism: An Intellectual Biography of Mahathir Mohamed p.233.

<sup>68</sup> See Shamsul A.B. "The "Battle Royal": The UMNO Elections of 1987 p.176 ibid.

course) by chiding his supporters not to wait until midnight to see him because of fear of being blacklisted by the cronies of the incumbent UMNO leader and for:

Fearing a person we vote in every three years even more than God. Sometimes people in power get a bit swollen-headed, and forget to look at the ground. If you don't dare to act, you will get what you deserve because you have become frightened hens. We don't practice dictatorship here; our leaders always say we practice democracy.<sup>69</sup>

For the first time in UMNO's political history, the incumbent party president was seriously challenged - It was not simply a personal challenge to Mahathir, the president, but to his whole team by an alternative team led by Razaleigh and Musa. UMNO was offered an unprecedented alternative involving not only an alternative president and deputy president but also vice-presidents and Supreme Council members. 70 As such, Mahathir, Razaleigh, Musa and Ghafar Baba carefully adopted strategies to defending or promoting their respective statuses. Mahathir, as national leader, initially remained aloof. However, as the party polls approaches, Mahathir decided to break his silence. He did this while opening the new UMNO headquarters in Kelantan, as a guest of Razaleigh and in front of thousands of the latter's noisy supporters. Mahathir's message was couched in the familiar subtle metaphor of Malay proverbs, ayer dicincang tidak putus ("slashed water is never severed"), expressing the brother-like relationship that he has had with Razaleigh. Nonetheless, he warned that if he was pushed too far, air boleh jadi ais dan ais boleh retak, macam hati manusia ("water would become ice and ice could break, like the human heart"). And as he stepped up his campaign he become more and more direct in his attacks on Razaleigh, to which Razaleigh replied in equally harsh terms. The verbal

<sup>&</sup>lt;sup>69</sup> Tengku Razaleigh Hamzah as quoted in "Razaleigh's Offer to Lead" <u>Asiaweek March</u> 29, 1987 p.14.

<sup>&</sup>lt;sup>70</sup> Harold Crouch, "Authoritarian Trends, the UMNO Split and Democracy" p.11-12 ibid.

exchanges continued unabatingly for about three weeks, covered extensively by the media, especially the *Star*, an MCA-owned English daily, and *Watan*, both of which had been consistently giving a more balanced coverage of the campaigns of the two opposing camps.<sup>71</sup>

The two opposing groups were commonly referred to as Team A, led by Mahathir-Ghafar, and Team B, Razaleigh-Musa. According to Milne and Mauzy, the choice of these labels were said to have been made by the press, which is quite credible, because the label "A" would seem to have conferred a decided advantage and the press was strongly pro-Mahathir. 22 What was more significant was the fact that even the thirteen UMNO Cabinet ministers were split into two camps, with six each behind Mahathir and Razaleigh and one Najib Tun Razak, sitting on the fence. However, Mahathir received the support of all the state Mentri Besars, who as early as February 26, had pledged their loyalty to him. This move was not surprising for all of them owed their offices to Mahathir. 73 The candidates for the three posts of UMNO vice-president were also split into two camps. The three from the Mahathir-Ghafar camp were Anwar Ibrahim (a Cabinet minister), Wan Mokhtar and Ramli Ngah Talib (both were state Mentri Besars), and from Razaleigh-Musa camp were Abdullah Badawi, Rais Yatim (both Cabinet ministers), and Harun Idris (ex-state Mentri Besar).74 Similarly, the line up for the party's 25-men Supreme Council could also be grouped into the two major camps, which indicated an obvious desire by both camps to control the powerful inner circle.

<sup>&</sup>lt;sup>71</sup> See Shamsul A.B. "The "Battle Royal": The UMNO Elections of 1987 p.179 ibid.

<sup>&</sup>lt;sup>72</sup> See R.S. Milne and Diane K. Mauzy, <u>Malaysian Politics Under Mahathir</u> (London: Routledge, 1999) p. 41

<sup>73</sup> See "Sounds of Battle", Asiaweek March 1, 1987 p.21

<sup>74</sup> Ibid.

Once the lines of battle had been drawn, there were very few switches. The UMNO General Assembly elections were held on April 24, 1987; the contest between the teams produced a close result. Mahathir won the battle but with a very narrow margin of merely forty-three votes, that is, only 51.45 per cent of the 1,479 votes cast (Razaleigh, on the other hand, received 718 votes or 48.55 per cent of the total votes cast, while Ghafar prevailed over Musa by 139 to 699; see appendix 2 for the 1987 UMNO election results). Team A also won about two-thirds of the Supreme Council elected seats and two of the three vice-presidential positions (Anwar Ibrahim and Wan Mokhtar Ahmad) the other winner Abdullah Ahmad Badawi was from Team B.75 Former UMNO president and Prime Minister Hussein Onn was struck by Mahathir's narrow victory margin as it showed that there were very deep divisions in the party with regard to Mahathir's leadership. 76 Hussein's astute observation coincides with Shamsul A.B.'s contention that the results clearly indicated that Mahathir's popularity had been drastically reduced, his image dented, his authority eroded, his "cleanliness" questioned, his "efficiency" doubted, and his "trustworthiness" under suspicion. Thus, Mahathir-Ghafar had won the battle but not necessarily the war.<sup>77</sup>

The narrow victory margin had also put Mahathir in a position where he was not able to make any compromise, for the sake of UMNO's future unity, with the opposite camp, either in the form of retaining some of the "rebel" ministers or appointing those "rebels" who lost in the vice-president and Supreme Council contests. This was made

<sup>&</sup>lt;sup>75</sup> For a useful analysis of the UMNO elections result see Suhaini Aznam "The Vital Forty-Three" <u>Far</u> Eastern Economic Review May 7, 1987 p.12

<sup>&</sup>lt;sup>76</sup> Tun Hussein Onn as quoted in "The Price of Victory" <u>Asiaweek</u> May 3, 1987 p.12.

<sup>&</sup>lt;sup>77</sup> See Shamsul A.B. "The "Battle Royal": The UMNO Elections of 1987 p.181.

evident when he "purged" the "rebel" ministers from the Cabinet on April 30 1987.<sup>78</sup> On the other hand, Mahathir rewarded those who were responsible for his victory and had shown unwavering loyalty to the leader.<sup>79</sup>

According to Tengku Razaleigh, by getting rid of those Cabinet ministers associated with Team B, Mahathir indicated that he did not respect 49 per cent of the delegates. As such, it came as no surprise that a group of disenchanted Team B supporters known as the "UMNO 11," brought a suit to nullify the election in the general assembly, because they alleged that the April 1987 elections was null and void since delegates from thirty branches as well some under aged women at the UMNO Women's Wing Section meeting and over aged men at the party's Youth Wing Section meeting had selected divisional delegates to the April general assembly. In relation to UMNO's organizational structure, branch elections are held each year whereby delegates are elected, who in turn attend divisional meetings (*mesyuarat perwakilan bahagian*) to elect delegates to the general assembly. The High Court delivered an unpleasant surprise when it held that UMNO, by virtue of the existence of the unregistered branches, had become an unlawful society. According to Harun J., "That being so, the plaintiffs as members of UMNO cannot acquire any right which is founded upon which is unlawful. The court will

<sup>&</sup>lt;sup>78</sup> Mahathir announced on April 30 1987 that he had terminated the services of Defense Minister Abdullah Badawi, Welfare and Services Minister Shahrir Samad and Minister in the Prime Minister's Department Abdul Ajib Ahmad. Also dropped were four deputy ministers – Kadir Sheikh Fadzir, Zainal Abidin Zin, Rahmah Othman and Radzi Sheikh Ahmad. All these ministers and deputy ministers were essentially from Team B. See "Mahathir Cracks the Whip" Asiaweek May 10, 1987 p.27.

<sup>&</sup>lt;sup>79</sup> Mahathir rewarded his allies who had supported him at the UMNO election. The most conspicuous reward went to the vocal UMNO Wanita (Women) section head Rafidah Aziz who was promoted from Public Enterprises Minister to Trade and Industry Minister – the post previously held by Mahathir's rival Tengku Razaleigh Hamzah. Most of Mahathir's other allies remained where they were, including Finance Minister Daim Zainuddin, Education Minister Anwar Ibrahim and Deputy Home Minister Megat Junid. See Suhaini Aznam "Mahathir Rewards Support" Far Eastern Economic Review May 28 1987 p.44.

<sup>80</sup> See "Mahathir Cracks the Whip" p.28 ibid.

therefore not lend its aid to the reliefs sought by the plaintiffs."81 A rush began by each group to register a new party, and lay claim to UMNO's substantial assets, frozen until their ownership could be determined (see appendix 3 for UMNO's asset in 1987). To restore the organization of the deregistered UMNO, the incumbent group in power clearly had the advantage. Dr. Mahathir as Home Minister retained the final say on all applications pertaining to the registration of political parties and societies, as the Registrar of Societies is a subordinate government official technically accountable to the Home Minister. Thus by virtue of being the Prime Minister as well as Minister of Home Affairs, Mahathir had the control of the zones of uncertainty, that is, he has a resource that is "spendable" in the internal power games. 82 The upshot was that an application of Mahathir to register was accepted, whereas the application of the two former Prime Ministers, Tunku Abdul Rahman and Hussein Onn was rejected on the grounds that the Registrar of Societies had not yet actually deregistered UMNO. Mahathir's party, after some delay, and after demonstrating that it had recruited most of the original UMNO's members, was able to gain control of the assets. It had been ruled that neither group could use the original name, "UMNO" - the name chosen by Mahathir's Team A was "UMNO Baru (new)".83

Justice Harun Hashim as quoted in H.P. Lee, <u>Constitutional Conflicts in Contemporary Malaysia</u> (Kuala Lumpur: Oxford University Press, 1995) pp.52-53. For chronology of events leading to the high court ruling see "Searching For a Compromise" <u>Asiaweek</u> October 9, 1987 p.18; "No Offers Made to UMNO 12 Who Filed Suit: PM" <u>New Straits Times</u> September 30 1987; "UMNO Given Two Weeks" <u>New Straits Times</u> October 1, 1987; "These 12 Out to Destroy UMNO: Mahathir" <u>New Straits Times</u> August 14 1987.

<sup>&</sup>lt;sup>82</sup> For a through discussion on what constitutes the zones of uncertainty see Angelo Panebianco, <u>Political Parties: Organization and Power pp.33-36.</u>

<sup>&</sup>lt;sup>83</sup> For a blow by blow account on the race to re-register UMNO see Rodney Tasker and Suhaini Aznam "Challenge of Elders" <u>Far Eastern Economic Review</u> February 18, 1988 p.13; Suhaini Aznam "The Tilt of Power" <u>Far Eastern Economic Review</u> March 31 1988 p.15; Rodney Tasker "The Balance of Power" <u>Far Eastern Economic Review</u> February 25, 1988 p.12

## UMNO: Internal Structure and Centralizing Tendencies

After the High Court ruling which declared the original UMNO as an unlawful society, the old UMNO and its spirit had in actual fact died. Thus the development of UMNO's Baru (new) internal structure should be seen in a different light. When Mahathir succeeded in registering the new UMNO, he had in effect alienated most the supporters of Team B. 84 A sizeable number of Team B supporter joined Tengku Razaleigh when he founded a new party - Semangat 46 (Spirit of 46). Razaleigh and his supporters, however, returned en-bloc to UMNO in 1996 when the party was dissolved.<sup>85</sup> When UMNO was re-instituted as UMNO (Baru), there was a marked tendency towards consolidation of power in the hands of the party president. In retrospect, the deregistration of UMNO may have come as a blessing to Mahathir for he could now design a party and a constitution more appropriately reflecting his ideals, interests, and aspirations without much opposition from the new membership. To ensure total loyalty to the party and its program. Mahathir initially established eligibility criteria for entering UMNO Baru that can be deemed arbitrary if viewed from the standpoint of the party's declared objective of uniting all Malays. Such criteria - for example, barring those responsible for the suit bringing the old UMNO to court were intended to keep out Team B leaders who were increasingly condemned as "traitors". 86 These development corresponds to Maurice Duverger observations that two essential facts seem to have

<sup>&</sup>lt;sup>84</sup> See Rodney Tasker, "A Grand Master Move" Far Eastern Economic Review March 3, 1988 p.14.

<sup>&</sup>lt;sup>85</sup> See "Semangat 46 Bubar" <u>Utusan Malaysia</u> February 8, 1996; "Pemimpin S46 Mahu Bersatu Dengan UMNO" <u>Utusan Malaysia</u> February 6, 1996.

<sup>&</sup>lt;sup>86</sup> See K. S. Nathan, "Malaysia in 1988: The Politics of Survival" <u>Asian Survey</u>, Vol. XXIX, No.2, February 1989 pp.129-130.

dominated the evolution of political parties since the beginning of the 20th century: the increase in the authority of the leaders and the tendency towards personal forms of authority. In addition, as early as 1910 Roberto Michels noted an increase in the obedience of party members when he analyzed the structure of Socialist parties and especially of German Social Democracy.87 In UMNO's case, Mahathir named himself UMNO (Baru) president, Ghafar Baba as deputy president, and his loyalist Daim Zainuddin as treasurer. Eventually Mahathir modified the party constitution so that UMNO tradition discouraging direct challenges for top posts was made nearly ironclad. Specifically, each divisional nomination of an UMNO (Baru) candidate for president or deputy president would carry with it ten "bonus" votes.88 This would ensure that nominations were followed by virtual block voting at general assembly elections, rather than permitting divisions publicly to nominate incumbent position holders, then vote secretly for challengers or high-bidders. Hence, the system adopted gave weight, not only to the votes cast for these two posts, but also provided for the number of nominations each candidate received. Furthermore, the party president was also empowered to nominate the heads of the Youth and Women's sections, rather than allow these sections to elect their own leaders (prior to the UMNO crisis of 1987, these sections were allowed to elect their own leaders). Hence this partial recourse to open autocracy did not prevent the employment of methods of disguised autocracy. According to Maurice Duverger, all parties that are officially democratic in structure employ them. Two techniques may be

<sup>&</sup>lt;sup>87</sup> See Maurice Duverger, <u>Political Parties: Their Organization and Activity in the Modern State</u> (London: Methuen & Co. Ltd., 1955) p.168.

See Fasal 7.3 <u>Perlembagaan UMNO Dipersetujukan Dalam Perhimpunan Agung Khas UMNO Pada 19hb. Jun 1994</u> (Kuala Lumpur: Ibu Pejabat Pertubuhan Kebangsaan Melayu Bersatu (Baru) atau UMNO, n.d.).

thus made use of to camouflage autocracy: the manipulation of elections and the distinction between real leaders and apparent leaders. Duverger notes that within parties, where elections take place in a narrower circle and where publicity is less considerable, these tricks are even more numerous and effective. At this stage, we could see that UMNO's organizational development moving away from a divided-unstable dominant coalition characterized by highly organized groups, national factions, or sub-coalitions to a cohesive-stable dominant coalition characterized by weakly organized groups. Thus Mahathir's methods of "disguised autocracy" (altering the methods of nomination, etc.) would ensure the cohesion and stability of the dominant coalition as well as stability of the entire organization. This translates into the leader's freedom of movement because leaders are primarily interested in a type of participation which helps the organization function and which at the same time implies that the followers support the leaders (certain kinds of participation are of no interest to the leaders for example participation in the form of protest or contestation of the leadership - which took place in UMNO's 1987 election).

However, in 1998 the "bonus system" adopted by UMNO in the aftermath of the 1987 UMNO split was scrapped. The were numerous reasons given for the abolishment ranging from being "un-democratic" on one end of the spectrum, and to curb "excessive politicking" on another. Nevertheless, as Duverger has noted, some parties in their constitution officially limit the party electors' freedom of choice by laying down a procedure for nomination. Frequently, moreover, this system is linked not only with the

<sup>89</sup> Ibid. p.138.

<sup>90</sup> See Angelo Panebianco, Political Parties: Organization and Power pp.22-23.

<sup>91</sup> See "MT Perlu Kaji Mansuh Undi Bonus" <u>Utusan Malaysia</u> Ogos 20, 1998.

desire to introduce an element of autocracy in to the party, but also with an attempt to increase centralization or decentralization (in UMNO's case local party leaders are required to submit proposal of election candidates via the State Liaison Committee to the party headquarters for approval which obviously increases centralization). Also in 1998, in lieu of the "bonus system", the leadership of UMNO formulated a new "percentage system" that requires those vying for party presidency to receive at least 30 per cent support or 50 nominations, deputy president 20 per cent or 33 nominations, vicepresident 10 per cent and Supreme Council members 5 per cent or 8 nominations. 92 Surely this requirement will limit the electors' freedom of choice and increase the incumbent's chances of being re-elected because incumbents are usually better known than others, and with more power to influence others, were likely to attract more nominations. A good example of incumbency advantage was demonstrated when the incumbent party president Mahathir Mohamed retained the UMNO presidency with 133 of 165 nominations as opposed to only one nomination for Tengku Razaleigh. Similarly, the then acting UMNO deputy president also won the deputy presidency unopposed when he received 133 nominations as opposed to only two nominations for Tengku Razaleigh. 93 Looking at the formal sanction such as the "percentage system" only tells half of the story. Maurice Duverger has noted that persuasion, even more than sanctions, has aided the development of obedience. In all parties calls to discipline and unity have multiplied. In some obedience has become the very foundation of party community, the source of the solidarity that unites its members.<sup>94</sup> In UMNO, the party's dominant

<sup>92</sup> See "Usul Pindaan Perlembagaan Dilulus" Utusan Malaysia December 14, 1998.

<sup>93</sup> The Star March 27 2000; The Star March 28 2000.

coalition (UMNO Supreme Council) has issued a "no-contest advise", that is, a method of "persuasion" advising party members to let the party president and deputy president be returned unopposed. 95 In this context we can put into perspective Maurice Duverger's contention that the development of obedience implies the homogeneity of the party, the absence of "fractions" and wings. In practice the disciplinary institutions and the system of purges serve to preserve orthodoxy of the party and to maintain strict unity among its members. Nevertheless the development of fractions is not a sign of the liberty of members and weakening in the authority of the leaders, rather does it point to differences of opinion between members of the ruling class. Each fraction is itself authoritarian in structure because it is composed of a few leaders and the party members whom they have gathered around them and whom they generally submit to a discipline similar to that which exists in the party itself. Splitting does not take place at the level of the masses but at the level of the leaders - generally it is the result of an attempt by subordinate leaders to oust leaders of higher rank, or of certain higher-ranking officials to obtain the majority in collective executive bodies. By their very nature these fractions are not opposition coming from the base but opposition coming from apex. Their existence entails a natural weakening of the authority of the leaders because of the division it introduces among them. In sum, their effect can be compared with that of the separation of powers in the State, which sets limits to each one through the others and weakens the power as a whole. In UMNO, however, after the UMNO party of 1987, organizational stability was

<sup>94</sup> See Maurice Duverger, <u>Political Parties: Their Organization and Activity in the Modern State</u> p.175.

<sup>95</sup> In 1995 the UMNO president Dr. Mahathir said that there would not be any contest for the top two party posts in the 1996 UMNO election, see Rahshid Yusof and Kamarulzaman Salleh "Anwar Won't Challenge" The New Straits Times September 24, 1995. Similarly, On January 3 2000, the UMNO Supreme Council passed a resolution calling for Dr. Mahathir and Abdullah Ahmad Badawi to be nominated without contest for the post of president and deputy president, respectively at the May 2000 UMNO polls, see Leslie Lau "Keep to Two", The Star January 4, 2000.

enhanced because the party has a cohesive dominant coalition, which resulted from the absence of competing fractions going after the party's top leadership. This came about as a result of a series of amendments to the party's constitution as well as "advice" coming from the apex. The absence of fractions competing for to leadership, however, entails greater freedom of movement for the party's top leadership and personalization of power. According to former UMNO deputy president Musa Hitam, the no-contest advise (implying no challenge to party leadership) has been a trend in the party for the past ten years and it is an unhealthy trend because if the top leaders are not contesting in the manner that all top leaders had decided time and time again, it would give top leadership a false of security and a false sense of popularity. In short, there exist in UMNO a tendency towards strengthening the power of the leader who systematically acted as to obtain from members obedience as complete as possible and to imply that the followers support the leader.

<sup>&</sup>lt;sup>96</sup> Musa Hitam as quoted in an interview with Mergawati Zulfakar "Let Members Select the Best" <u>Sunday</u> <u>Star</u> February 27, 2000.