

CHAPTER 1

INTRODUCTION

The Research Problem: Class Formation and the New Malay Middle Class

In a paper published almost three decades ago, Hans-Dieter Evers (1973: 108-131) argued that 'the framework of a theory of class formation and class conflict' could be used to analyze a major trend in the modernization of Southeast Asia, i.e. the emergence of new social positions and class formations. In his opinion, Southeast Asian societies then had already developed or were in the process of developing a rather specific type of class structure and that this class structure and its inherent conflicts provided the framework within which political activities and economic efforts would have to take place. He contended that 'the dynamics of class formation itself will influence if not determine future social, political and economic developments in the area.'

To my mind, this observation, made about the time when Malaysia – an important country in the Southeast Asian region -- just began to implement the New Economic Policy (NEP) (1971-1990) and rapid industrialization, was not only insightful but has also been borne out by subsequent historical developments. Today, when class formations and conflicts have crystallised with the emergence and

expansion of the capitalist, middle and working classes in Malaysia and other Southeast Asian societies, class theory either from the Marxist or Weberian tradition, or a convergence of both, still has a heuristic value and relevance.

My study, shaped to some extent by both the Marxist and Weberian traditions of class analysis, is about the new Malay middle class in Malaysia. Together with their non-Malay counterparts, the new Malay middle class, comprised of managers, professionals and administrators, has become very visible in Malaysian towns and cities over the last three decades during which Malaysia experienced rapid industrialization and economic growth. Members of this class work in comfortable air-conditioned offices and very often in large organizations, commute daily to work in air-conditioned cars, and live mostly in suburban housing estates. As managers, professionals and administrators, they are playing important roles in Malaysia's development. Being relatively affluent, they have become an important market for various types of consumer products and have become trendsetters for certain lifestyles. Being highly educated, they are expected to be important social and political forces in promoting modernization and the growth of democracy and civil society.

Though modern classes in Malaysia emerged about a century ago with the development of colonial capitalism, their rapid growth and expansion are post-independence phenomena tied up with state-led modernization, namely the implementation of the NEP and export-led industrialization. Based on official statistics, over the last two and a half decades between 1970 and 1995, several major changes in the occupational patterns can be seen, viz. an increase in the proportions

of: managerial, professional and administrative workers from 5.9 per cent in 1970 to 13 per cent in 1995 (7.1 percentage points increase); clerical, sales and service workers from 21.9 per cent in 1970 to 33.8 per cent in 1995 (11.9 percentage points increase); and production workers from 27.3 per cent in 1970 to 32.2 per cent in 1995 (4.9 percentage points increase). On the other hand, the proportion of agricultural workers fell sharply from 44.8 per cent to 21 per cent, i.e. a drop of 23.8 percentage points during the same period (see Tables 3.3 and 3.5 in Chapter 3). This shows that the proportions approximating the new middle class in the work force, i.e. those in the professional, managerial and administrative categories have increased considerably. The most significant proportional increase is the managerial and administrative category, which went up by 2.45 times, from 1.1 per cent in 1970 to 2.7 per cent in 1995, while the proportion of professional and technical workers increased by 2.14 times, from 4.8 per cent to 10.3 per cent during the same period.

When comparing the three major ethnic groups, the most noticeable increase in the proportion of managers, professionals and administrators is among Malays/Bumiputera.¹ Among Malay/Bumiputera work force, the proportion of managers, professionals and administrators increased by 2.98 times from 4.9 per cent in 1970 to 14.6 per cent in 1995; among Chinese, it increased by 1.94 times from 7.1 per cent to 13.8 per cent, while among Indians and others, the increase was small, from 6.1 per cent to 7 per cent (see Tables 3.3 and 3.5 in Chapter 3). In fact, if we examine *only* the proportions of managers and administrators (excluding

¹ While the 1970 and earlier census reports used the term 'Malays', later census reports combined Malay and other indigenous ethnic groups in one category, Bumiputera. However, since Malays constitute the largest proportion of the Bumiputera community, the figures for Bumiputera in later censuses are still comparable with earlier census data on Malays.

professionals) in the work force of the respective ethnic groups, the proportion of Malay/Bumiputera managers and administrators increased by 3.8 times, from only 0.5 per cent in 1970 to 1.9 per cent in 1995, compared to 2.58 times increase in the proportion of Chinese managers and administrators from 1.9 per cent to 4.9 per cent, while among Indians and others, the proportion of managers and administrators remained constant at 1.4 per cent during the twenty five year period. In absolute terms, Malay/Bumiputera managers and administrators increased by 10.2 times from only 7,556 in 1970 to 77,100 in 1995; Chinese managers and administrators increased by 5.9 times from 19,721 in 1970 increased to 116,900 in 1995, while Indian (including other) managers and administrators increased by 4.8 times from 4,076 in 1970 to 19,700 in 1995. In short, the number of managers and administrators in all the major ethnic groups – though still a tiny minority in the total work force -- increased in absolute terms over the period, with the increase within the Malay/Bumiputera community being the most noticeable. For professional and technical workers category, in absolute terms, the number increased by 5.96 times from 136,814 (4.18 per cent of the labour force) in 1970 to 815,300 (10.3 per cent of the labour force) in 1995; the fastest increase was also recorded by Malay/Bumiputera professionals, from 64,439 in 1970 to 524,300 in 1995, i.e. an increase of 8.14 times. The number of Chinese professionals and technical workers too increased, though at a slower rate, by 3.95 times from 54,041 in to 213,600, while for Indians and others, the increase was by 4.22 times from 18,333 to 77,400 during the same period.

Since as recently as thirty years ago, Malay society had predominantly been rural and agricultural, with only a small proportion involved in the modern economic

sector, and its middle class mostly comprised of government administrators, the emergence of a modern and influential class of Malay managers, professionals and administrators – or the new middle class as they are referred to in the literature -- reflects the extent Malays have undergone modernization and social transformations. This class is still in the process of formation and expansion as Malaysia enters the twenty-first century. Thus, a study of the new Malay middle class – an exercise which has not yet been comprehensively undertaken (see Chapter 2) -- is not only timely, but also important to serve as a window to the historic transition.

Objectives and Scope of the Study

As in the West² and East Asia,³ the new middle class in Malaysia has attracted a number of Malaysian as well as foreign scholars, who over the years have conducted research and produced numerous writings on the middle class. As will be shown in detail in Chapter 2, though aspects of the Malaysian middle class have been studied since the 1960s, a broader approach in its research and writings is quite recent, taking shape mostly since the late 1980s and early 1990s. Empirically, while the few middle class studies of the 1960s and 1970s focused on the most important and powerful middle class of that period, i.e. the Malay government administrators in the Federal Capital of Kuala Lumpur and its suburbs, later studies have broadened their scope to include the middle class working not only in the state or public sector but also the

² Middle class studies conducted in the West are too numerous to quote here. Among the few referred to in this study are Mills (1975), Giddens (1980), Edgell (1980), Abercrombie & Urry (1984), Goldthorpe (1980, 1982), Wright (1991, 1994), and Vidich (1995), Butler & Savage (1995), and Lockwood (1995).

³ Some of the studies of the East Asian middle class include Hsiao (1993), Robison & Goodman (1996), Hsiao & Koo (1997) and Hing Ai Yun (1996).

private sector, the middle class of various ethnic groups, and the middle class in the metropolitan area of the Kelang Valley as well as in provincial towns.

My study of the new Malay middle class in Malaysia is one of a number of recent studies of the middle class in Malaysia (see Chapter 2 for details). Though my study focuses on the new Malay middle class, its main purpose is to be comparative. Unlike earlier studies which were conducted mainly in metropolitan Kuala Lumpur and Petaling Jaya, or in other urban centres in the West Coast, my study compares the new Malay middle class in the metropolitan area of the Kelang Valley with the new Malay middle class in two provincial towns -- Kota Bharu in Kelantan and Kuala Trengganu in Trengganu. At the same time, my study also draws comparison between the new Malay middle class and the new Chinese and Indian middle classes as well as the Malay working class.

As indicated in its title, my study examines the new Malay middle class against the backdrop of state-led modernization. Thus, the choice of the metropolitan Kelang Valley as the research site – though ostensibly replicating some of the earlier studies that have chosen it as their site – is necessary, especially in a comparative study. Being the most multi-ethnic, modern and advanced region economically and socially, and also the region which seats the national capital, the new middle class in the metropolitan area is expected to be the most affluent and modern, with urban lifestyles and cosmopolitan outlooks, compared to their counterparts elsewhere in the country. Being the most industrially developed region, the Kelang Valley has attracted large numbers of migrants, especially Malays, from rural areas and smaller

towns, seeking higher education, better job opportunities and a generally better standard of living. It is in the Kelang Valley that one can find the modern classes -- the capitalist class, the various middle class fractions and the working class -- that are multi-ethnic in composition, and which, for our purposes, can serve as a yardstick for comparison.

Kota Bharu, the capital of Kelantan, and Kuala Trengganu, the capital of Trengganu -- both on the East Coast of Peninsular Malaysia -- have been chosen as research sites for comparison with the Kelang Valley for a number of reasons. First, as will be shown in Chapter 2, most studies of the middle class thus far have been Kelang Valley-centric or mainly focussed on the West Coast states. Thus, a comparative study of the new Malay middle class in the two provincial towns and the Kelang Valley is in order to somewhat offset the over-concentration on the latter. Second, besides having predominantly Malay populations, which are still basically rural and agricultural despite having experienced some degrees of modernization, urbanization and industrialization, these states have been neglected for some time in terms of development. As a result, Kelantan had the second highest number in poverty while Trengganu the third highest in Malaysia in 1995.⁴ Compared to the more modernized, industrially developed and urbanized West Coast states, the two East Coast states thus stand at the lower rung of the developmental ladder, and this has particular impacts upon the characteristics of their new middle class. Conducting a study of the new middle class in both states helps to demonstrate empirically that

⁴ According to the Ministry of Rural Development, there were 417,200 households (9.6 per cent of all households) throughout Malaysia living below the official poverty line in 1995. 16.2 percent of the total poor households were found in Sabah (highest), followed by Kelantan with 14.7 per cent (second highest), and Terengganu with 9.9 per cent (third highest).

despite being less developed, both states too have produced a new middle class of their own just like the West Coast states.⁵

Third, politically the UMNO-led Barisan Nasional (BN) and the Islamic opposition party, Parti Islam Se-Malaysia (PAS), compete intensely with each other to win the support of Malay voters in both Kelantan and Trengganu. A study of the new middle class in the two provincial capitals is thus especially interesting because, over most of the post-independence period until today, Kelantan has been ruled by PAS, while Trengganu had experienced PAS rule for a brief period after the 1959 general election. A comparison between the metropolitan new Malay middle class and its provincial counterparts is of interest, not only theoretically, but also empirically, since it provides the opportunity to examine the internal differentiation within the new Malay middle class based on geographical area and levels of development.⁶

While the above comparison gives us an idea of the extent of horizontal differentiation, i.e. differentiation within the same class of the same ethnic group, this study – wherever possible and appropriate -- also makes inter-ethnic comparison, i.e.

⁵ Though this procedure may exaggerate the characteristics of the provincial new middle class respondents because of the apparent over-sampling there, its risks are minimized since in the chapters that follow (Chapters 4 to 8), the author always analyses each of the three sub-samples on its own before making the overall comparison between the metropolitan and provincial new middle class respondents.

⁶ However, the metropolitan and provincial divide is only for analytical purposes. It should not be seen as a dichotomy, but rather a continuum. This is because large proportions of the metropolitan middle class consist of 'outsiders', i.e. people who have migrated to the Kelang Valley from the various provincial states. They have roots in their places of origin and return to these places during cultural festivals and other occasions.

comparison between the new Malay middle class and its non-Malay counterparts. Such comparison allows us to see the internal differentiation within the new Malaysian middle class of various ethnic groups, to see the extent to which it has developed similar or dissimilar characteristics independent of ethnicity.

However, the social transformation over the last three decades has also brought about social inequalities within Malay society expressed in the form of class inequalities with the emergence of the Malay capitalist, middle and working classes. In this study, comparison is also made between the new Malay middle class and the working class, but because of data limitations, it is only confined to the Kelang Valley. This comparison allows us to examine the extent of class inequality and its impact upon class boundaries, viz. whether class boundaries have crystallized over the last three decades within Malay society, or whether Malay society is still very much homogeneous in nature culturally despite economic differences.

Methodology and Sample

The main method used in the study is the survey by administering questionnaires, containing mostly close-ended questions, with some open-ended ones. The survey of the new Malay middle class was conducted in 1996, with short follow-up studies undertaken in 1997 and 1998. The total sample consisted of 284 respondents -- 108 in the Kelang Valley, 80 in Kota Bharu and 96 in Kuala Trengganu. This study does not claim to be representative since its sample was captured by using the purposive snow-ball sampling technique. The purposive sample is obtained by means of capturing from a group in the population those whose occupations can be taken as proxies for

new middle class jobs. Since they could be identified by their professional positions, the respondents were approached mostly in their work places, though some were approached in their homes after making appointments if they could not entertain the researcher during office hours.

The researcher adopted the purposive snowball sampling for two reasons. First, since the objective of the study is to examine the new middle class, i.e. managers, professionals and administrators, it is better to focus on respondents who occupy such positions. This can be done better by going to their workplace where their professional positions are easily identifiable. Though lacking in representativeness, the strength of this technique is that the researcher can obtain a sample that meets his or her criteria. Second, while random sampling has the advantage of representativeness, it is more practical to a research team, rather than to a single researcher. A researcher on his own would face lots of practical problems if he were to administer questionnaires by approaching respondents in their homes, because the middle class values privacy, and would normally not open their doors easily to strangers. In their offices, middle class respondents are more approachable and willing to cooperate once the purpose of the study is clearly explained to them. Admittedly, if the researcher concentrates only in one residential area and a sampling frame is available, random sampling technique is more feasible. However, since the study is comparative between three different geographical areas, it would be much more costly and time-consuming if the researcher proceeded with this technique.

To complement the survey data, the researcher conducted a series of in-depth interviews with twenty informants, who occupied important positions in their organizations. The researcher also made observations through informal interactions with members of the middle class, personal participation in middle class family functions (such as *Hari Raya*, *tahlil* or thanksgiving prayers, and weddings), social gatherings (such as 'Old Boys' dinners), and meetings of Malay professionals on various issues. These interviews and observations enabled the researcher to grasp the qualitative dimensions of the new middle class not easily captured in surveys, namely, how informants through their narratives, reflections, opinions and metaphors, engaged in the social construction of the new middle class.

Apart from the primary data collected through the survey, interviews and observations above, to facilitate comparison, the researcher also draws upon findings of other studies, including the study of the Malay working class in the Kelang Valley, in all of which he has participated as a key researcher in the four years since 1995. However, the bulk of the analysis in this study is based on the researcher's own data of the 284 Malay new middle class respondents, and due acknowledgments were made whenever data from other studies were referred to.

Besides relying on primary data, the researcher also made use of secondary materials in the form of statistics culled from official documents and other publications, especially for the macro-level historical analysis. At the same time, the researcher also undertook a careful reading of newspapers and magazines to capture views and sentiments of various quarters of Malaysian society on issues related to the

subject under study. Speeches by Malaysia's leaders, from the Prime Minister to other Cabinet Ministers, especially on issues pertaining to the capitalist and middle classes, *Melayu Baru* (the New Malay), *Bangsa Malaysia* (Malaysian nation), education, language and culture, and so on have also been used.

The Concept of the Middle Class

Class, particularly middle class, is a highly contested concept in the social sciences. It is not only elusive but also difficult to define, thus making research on class, especially the new middle class, a very complex and demanding task. Our task even becomes more formidable because among scholars, a 'war' on the issue of class has been raging not only between the Marxist and Weberian traditions, but also between those who uphold class or stratification analysis with those who dismiss it as largely irrelevant to the sociological understanding of the contemporary industrialized societies (and, by extension, to industrializing societies). Criticisms of class as a concept and as an analytical tool have come from various quarters, including of late, the postmodernists. However, scholars who have been researching on class maintain that it is a useful concept that has not been exhausted, and that class analysis has a promising future. Arguing that class analysis should be 'brought back in' (Levine & Fantasia 1991), they not only have defended class analysis, but have also shown its continued relevance in sociological inquiry today by making a continuing research programme in trying to understand social inequality in advanced societies as well as societies of the so-called Third World.⁷

⁷ Among the prolific writers in the West today researching on class include Wright (1991, 1994), Marshall (1997), Marshall et al. (1988), Lockwood (1995), Edgell (1993), Crompton (1993), Vidich

My study of the new Malay middle class adopts the position that class and class analysis are useful analytical tools in the sociological understanding of Malaysia's social transformation and social inequality. Following the Marxist tradition, class in this study is taken to mean the social formation defined in terms of their position in relation to ownership of the means of production. The capitalist class thus is the class that owns the means of production and commands power over labour, while the working class is one that has neither capital nor high qualifications and sophisticated skills, but has labour power to sell to the capitalists in return for wages.

While defining the concepts of the capitalist class and the working class is relatively easier by following the Marxist tradition, defining the middle class is more complicated, partly because Marxist analysis used to see societies in rather dichotomous terms, without paying much attention to the class in the middle. To operationalise the concept of the middle class in this study, I have to rely on both the Marxist and Weberian traditions, particularly the works of the neo-Marxists namely Wright (1985, 1991, 1994) and neo-Weberians namely Goldthorpe (1980, 1982), Edgell (1993) and Marshall (1988, 1997). However, utilising the analytical tools derived from both traditions is not unproblematic. As cautioned by various scholars (Marshall 1988, 1997; Edgell 1993, Abercrombie & Urry 1984), there is an unbridgeable epistemological gap between the Marxist and Weberian frameworks for the society generally; while Marx's philosophy emphasises practice, Weber insisted on the logical and methodological separation of fact and value, and advocated a value-

free sociology. However, our concern here is not their divergent political and ideological standpoints. Though the competing intellectual traditions have made research into class more complicated, it should be acknowledged that these traditions have made sociology a very lively and dynamic discipline. In fact, despite their divergent starting points, there is strong evidence to suggest that scholarly works in both traditions have today tended towards a convergence especially when they come to the question of operationalising the concept of class (Edgell 1993: Chs. 2 & 3; Marshall 1997). In fact, their respective accounts of class mechanisms appear to be not wholly dissimilar (Marshall 1988: 14), something which can clearly be seen in the works of both neo-Marxists and neo-Weberians.

Let us deal briefly with how neo-Marxists and neo-Weberians formulate the concept of the middle class today. Wright, a neo-Marxist, argues that the Marxist tradition stresses ownership of the means of production and class exploitation, and sees class as a fundamental determinant of social conflict and social change, with the non-owning class launching struggles against the owning class. Taking what he calls the 'maximalist' position on class,⁸ Wright explains the problem of the 'middle class' from the Marxist perspective, by using the concept of 'contradictory class location' in an attempt to provide a systematic theoretical status to non-proletarian or white-collar employees. To him, the middle class occupies a contradictory class location because, on the one hand, it is on the side of the bourgeoisie vis-à-vis the workers since it has

Hsiao (1994), Hsiao & Koo (1997) and Hing Ai Yun (1997).

⁸ Among Marxists, Wright distinguishes two positions, viz. the 'minimalist' position whereby some Marxist writers try to keep the concept of class structure as uncomplicated as possible, reducing it to a simple polarized vision of the class structure of capitalism, and the 'maximalist' position whereby writers like himself attempt to increase the complexity of the class structure concept in the hope that such complexity will more powerfully capture the explanatory mechanisms embedded in class relations

authority over them and serves as an instrument of the bourgeoisie to exploit the workers; on the other hand, in relation to the bourgeoisie, the middle class is in a similar position with propertyless workers since it also does not own the means of production. The often ambivalent political character and stands of the middle class on various issues have thus to be understood in this context.

In a life chances class concept following the Weberian tradition, the central claim is that people in the middle class control a particular kind of resource – namely high qualifications and skills -- which enhances significantly their market capacity compared to people without this resource. Though the Weberian class concept is relational, it is not based on an abstract model of polarized, antagonistic class relations as in the Marxist tradition. Classes within the Weberian tradition are viewed as stratification categories specific to market societies. Using the Weberian theoretical insights, scholars like Goldthorpe (1980, 1982) and Lockwood (1995) put forth the theory of the service class, and propose that the new middle class (or service class I and II in their schema) consist of those with high qualifications and skills, who make up ‘the salariat’, i.e. professional, managerial and administrative employees who share a ‘distinctive employment status whose principal feature is the ‘trust’ that employers necessarily have to place in these employees whose delegated or specialized tasks give them a considerable autonomy’ (Lockwood 1995).

In both approaches, it is recognised that members of the new middle class – because of their relatively superior cultural and organizational assets not possessed by

those from the working class -- enjoy a special position because they exercise some autonomy and have their employer's trust, and at the same time, they have power over labour. However, in Wright's formulation, such trust and autonomy are given only in so far as when the new middle class performs in the interests of the bourgeoisie to exploit and exercise control over the workers. In the formulation by Goldthorpe and Lockwood, trust and autonomy are not instruments of exploitation, but are given because employers recognise that members of the new middle class have greater market capacity in performing their tasks.

Besides the new middle class, there are two other fractions within the middle class which need some brief mention here, i.e. the old middle class and the marginal middle class. In Wright's formulation, the old middle class is referred to as the petite bourgeoisie – members of a social category who own some capital to hire workers, but they themselves must work – while in Goldthorpe's formulation, they consist of members of class IV, i.e. small proprietors with or without employees. However, as regards the marginal middle class, there is some difference between the two formulations. In Goldthorpe's class map, the marginal middle class is actually grouped under class III, i.e. members of the intermediate class consisting of routine non-manual employees in administration and commerce, sales personnel, and other rank-and-file service workers. However, in Wright's class map, following his proletarianisation thesis, this group of semi-autonomous workers is not distinguishable from that of the working class; in fact, he merged this class with the proletariat, thereby abandoning the category of semi-autonomous workers. However, since the focus of our study is the new middle class, we shall not therefore go into

details regarding the old middle class and the marginal middle class here except to show their class place in the both the neo-Marxist and neo-Weberian class schemes.

What is germane here is that from these two conflicting traditions, it can be seen that in their approach to class, both traditions examine the occupational positions occupied by individuals defined by employment relations in labour markets and production units. In other words, when it comes to actual operationalisation of class, both traditions recognise occupations as a measure of class. In fact, occupations are a basic ingredient of all class maps (Edgell 1993: 37) constructed by researchers from both traditions. More specifically, both traditions recognise the growth of and significant role played by the new middle class in modern capitalist society, and that members of this class are recognised by their positions in the occupational hierarchy.

The relevance of class analysis and the fact that the concept of class can be operationalised by examining occupations, is summed up succinctly in the words of Marshall (1997: 49-50), one of the most prominent class theorists today. He argues that "class analysis ... has as its central concern the study of relationships among class structures, class mobility, class-based inequalities, and class-based action. More specifically, *it explores the interconnections between positions defined by employment relations in labour markets and production units in different sectors of national economies; the processes through which individuals and families are distributed and redistributed among these positions over time; and the consequences thereof for their life-chances and for the social identities that they adopt and the social values and interests that they pursue*" (italics added). Marshall argues further that

looking at it in this way means that class analysis involves a commitment not to any particular class theory, but to a research programme within which different, and even rival theories may be formulated and assessed in terms of their heuristic and explanatory performance.

Main Arguments of the Study – The Intellectual Terrain

This study revolves around three major intellectual questions. First, who are the new Malay middle class? Second, how did members of this new middle class come into being in Malaysia? Third, what are the economic, social, cultural and political characteristics of the new Malay middle class, and what are the roles of this class? A corollary question, following from the second and the third, concerns probable trends of Malaysia's future transformations. However, this question is not examined fully, save for a few passing references in the concluding chapter.

The three questions presented above deserve some explanations and elaboration. First, as discussed above, the question of 'who are the new middle class?' (and by extension, 'who are the new Malay middle class') is a complex one, defying precise definitions. However, a working definition is necessary so that we know who we are talking about. Thus, this study has to begin with some clarifications and operational definitions of the term 'class', including the new middle class. Following the brief theoretical discussion in the preceding section, in this study, it is argued that classes can be operationalised by using occupations as their indicator in the same way scholars in advanced countries who have been researching on class have

done. This is so because in countries like Malaysia, members of the work force can be recognised by their occupations, and that most of them are employees in the same as members of the work force in the advanced countries.

At the same time, it should be recognised that classes -- as manifestations of persistent and structured social inequalities -- are historically constituted and dynamic entities, emerging in the specific historical, political, economic and cultural context of society's development, and that their definitions, while universal, have also to be historically and culturally informed. In Malaysia, it is argued that though the evolution of the modern class structure began about a century ago, classes are not new phenomena in pre-colonial Malay society, which was already divided along class lines -- by virtue of differences in wealth, status and political power -- into the ruling aristocracy on the one hand, and the peasantry on the other, with merchants and craftsmen forming the intermediate class. What is *new* today are at least three things, viz.: (1) modern classes that have emerged and expanded as part and parcel of the modernizing process in tandem with the expansion of the modern state and capitalist development, taking place most clearly since independence and more so since the beginning of the NEP period; (2) new occupational positions, namely managers, professionals and administrators, which were uncommon in Malay society and Malaysia in earlier historical periods, but are becoming more common today, forming an important new class; and (3) new idioms used in popular discourse, such as *orang korporat* (corporate players),⁹ *orang bergaya korporat* (corporate-styled

⁹ Referring to managers and professionals in the corporate sector.

individuals),¹⁰ *orang kaya baru* (new rich)¹¹ or *Melayu Baru* (New Malays)¹² to refer, in one way or another, to members of this class. Examined from this perspective, the new Malay middle class then refers to the group of Malay managers, professionals and administrators employed in both the state and private sector organizations, including transnational corporations, that has objectively emerged and expanded in the process of Malaysia's post-independence state-led modernization, and who are also perceived in popular discourse as the 'newly arrived'. Imprecise though it may be, this working definition not only allows us to come up with a broad answer to the question of 'who are the new Malay middle class?' in our study, but also directs us to the underlying historical and cultural processes that have brought about the emergence of this class.¹³

Second, the question of 'how did members of this middle class come into being in Malaysia?' refers to the underlying processes leading to the making of the Malaysian middle class in general, and the new Malay middle class in particular. This question has to be answered in the light of Malaysia's political economy and socio-

¹⁰ Referring to administrators in the state sector, who try to run their organizations in accordance with their defined 'corporate philosophy and work ethics', and wield sufficient power in their dealings with the private sector as well as the lay public.

¹¹ Literally meaning new rich persons, who become so through business enterprise.

¹² Literally meaning 'New Malays', a term used by Prime Minister Mahathir Mohamad when enjoining Malays to transform their work culture and ethics. (See Chapter 9).

¹³ To my mind, a definition is useful as long as it delineates the entity by indicating what it is and is not, and also as long as it draws attention to objective and subjective processes leading to its formation and expansion. The working definition employed above, in some measure, not only conforms to the historically-based political economy approach that offers an 'objective' definition of the phenomenon of the new Malay middle class, but also the 'cultural construction' approach that defines it 'subjectively', i.e. from the viewpoint of the people, including members of the new middle class themselves. When reviewing the first volume in the series on the 'new rich' in Asia edited by Robison and Goodman (1996), Shamsul (1999) notes the absence of the 'cultural construction' approach in the study. He takes the contributors to task for the imprecision and elusiveness of the term 'new rich' employed by the contributors to the volume, a fact also acknowledged by the editors. Shamsul's critique is that the volume unintentionally excludes two significant factors pertinent to the 'cultural construction' of the new rich in Asia: 'first, the changing idiom, texts and contexts of popular discourse that shape the social meaning of the new rich in the public sphere, past and present; second, the role of 'cultural politics' in the formation of the new rich' (Shamsul 1999: 86-87).

cultural history. In this study, the author argues that the dynamics of at least two major social forces – capitalist economic development and the formation and expansion of the modern state – operating with different strengths during different historical periods over the last one hundred years, especially in the post-independence era, had transformed Malaysian society. The author disagrees with the view that one-sidedly emphasizes the role of the state, underplaying, or even denying the role of capitalist development in middle class formation.¹⁴ It is argued in the study that while the role of the state is very critical in middle class formation, especially that of the new Malay middle class, it is the dynamics of capitalist development – guided and at times directed by the state during the NEP's state-as-entrepreneur phase -- that has transformed Malaysian society into what it is today. The author contends that while the state has been directly instrumental in the growth of the new Malay middle class, the state's role in the formation of the new non-Malay middle class, has in the main been indirect; that since the state has generally been market-friendly, even when it was implementing the NEP's affirmative action policies, it enhanced the growth of capitalism, which provided the economically stronger Chinese community, opportunities to produce their own new middle class. At the same time, the author argues that though the new Malay middle class has been state-created, its future development will most likely be less state-dependent, because of the neo-liberal shifts

¹⁴ Kahn (1991: 56), a proponent of the over-riding role of the state, maintains that the Malaysian middle classes did not so much owe their existence to the changing demands of capital, but more to the emergence of the modern state, and that the middle classes have been just as embedded in the state as in capitalist relations. In fact, he further argues that the emergence of a new middle class, at least in post-colonial Malaysia, might have as much, if not more to do with the emergence of the modern state than with capitalist development per se, and that the middle class "is composed largely not of private, self-employed entrepreneurs, or middle ranking employees of private enterprises, but those employed directly or indirectly by the state" (Kahn 1996b: 24). (See Chapter 3 for detail).

towards privatisation as well as because of the changing outlook and attitudes of members of the new Malay middle class.

The third question -- 'what are the economic, social, cultural and political characteristics of the new Malay middle class, and what are the roles of this class?' -- revolves around the question of the economic position and activities of the new Malay middle class, which enable them to enjoy their current class position; their social and cultural values and practices, as reflected in their work culture and ethics; their lifestyles, family and kin relations and interactions with other members of the community; and their values, stances and practices with respect to democracy and civil society, as reflected in the political domain through formal institutional politics as well as in informal everyday politics. In this study, the author argues that the new Malay middle class is a first generation middle class, which is relatively affluent, and has developed a new work culture and ethics consistent with the demands of a rapidly industrializing society and has earned the trust and confidence of others in the ability of their members. Nevertheless, the new Malay middle class is not homogenous in their lifestyles, religious commitment and political beliefs and activities. This is so because modernization is not something linear, with the resultant breakdown of tradition on the one hand and the adoption of Western values and lifestyles on the other. Rather, the dynamics of modern social class formations and urban living produces a myriad of cultural forms including a complex array of adaptations, innovations and changes. Thus, while some common patterns can be discerned among the new Malay middle class in both the metropolitan area of the Kelang Valley and in the provincial towns, they nevertheless tend to exhibit greater cultural varieties

and nuances especially if they work and live in a less familiar, cosmopolitan environment such as the metropolitan Kelang Valley area, compared to a more familiar environment like Kota Bharu and Kuala Trengganu, which they can easily identify with. In terms of the new Malay middle class politics, it is argued that it too does not follow a straightforward equation of for or against democracy and civil society. While their demand for change cannot automatically be taken to mean a demand for democracy, their insistence on maintaining the current political order does not necessarily mean support for authoritarianism.

The above three questions lay the intellectual terrain traversed through in this study. They are discussed in detail in the various chapters outlined below.

The Organization of the Study

To deal in detail the intellectual questions set out above, the study is divided into three parts. The first part begins with Chapter 2 in which a critical review is made of studies on the Malaysian middle class that have been conducted thus far. The review examines not only the theoretical and empirical thrusts of these studies, but also their foci, highlights some of their main findings, and evaluates their contributions. In the course of the review, an attempt is made to locate the present study in the context of other studies to show its significance.

The second part, which is presented in Chapter 3, offers a macro-historical analysis of the evolution of class structure, with particular reference to middle-class formation, in Malaysia since the early twentieth century till the present. It examines

the middle class in four phases, viz. (1) the colonial or pre-independence period, i.e. prior to 1957; (2) the immediate post-independence years until 1970, i.e. the pre-NEP period; (3) the NEP period 1971-90; and (d) the post-NEP period since the beginning of the 1990s. The chapter engages in detail the debate on the role of the state and capitalist development in middle class formation and expansion in Malaysia.

The macro-historical analysis in this chapter provides the background to subsequent chapters which contain micro-analysis based on my field work conducted in 1996 among the new Malay middle class in the metropolitan city of Kuala Lumpur (and Petaling Jaya), and two provincial towns – Kota Bharu in Kelantan and Kuala Trengganu in Trengganu. While the first part provides the backdrop and the second part the macro-level historical analysis, the third part consisting of the rest of the study deals with the analysis and findings of the substantive study. Chapter 4 analyses the making of the new Malay middle class by examining the ‘first generation’ hypothesis, which posits that the new middle class is of recent origin; it also shows that the new middle class is relatively affluent, and that it has experienced a transformation in its work culture and ethics, in keeping with the *Melayu Baru* concept espoused by Prime Minister Mahathir Mohamad.

Chapter 5 examines several inter-related questions pertaining to the impact of industrialization, urbanization and modernization on the new Malay middle class family. It examines the pattern of marriage and parenthood among the new Malay middle class, power sharing within the new Malay middle class family, class reproduction, and the relationship between the nuclear family with its extended kin

networks. It concludes that the new Malay middle class family, though nuclear in form, is embedded within a modified extended family framework adapted to urban conditions.

Chapter 6 builds on earlier chapters by examining several aspects of the new Malay middle class lifestyles and culture, such as living conditions (namely housing status and types), asset ownership, consumption patterns (such as shopping and dining), leisure activities (such as television viewing, reading, and participation in social clubs, travel and tourism), and the respondents' evaluation of their own class positions to see if their subjective evaluations match our objective definition of the middle class. This chapter aims to show that the new Malay middle class lifestyles and cultural preferences are not homogenous; and that while the more affluent sections of the new Malay middle class have developed distinct high status lifestyles and cultural preferences and become cosmopolitan urbanites, many still have lifestyles and cultural preferences that do not differentiate them as a distinct social category from the lower classes.

Chapter 7 examines the social culture of the new Malay middle class by looking at the processes in which the new Malay middle class attempts to establish communities within new urban environments and the relationship between these processes with their religious commitment and activities. It shows that the *surau* (Muslim prayer-house) is pivotal in community-building among the new Malay middle class, and though Malay urban communities are built by relying on certain

cultural resources acquired by Malays when they grew up in their *kampung*, they also contain new, innovative elements created under changed material conditions.

Chapter 8 examines the role of the new Malay middle class in the democratization process, politics and civil society in Malaysia, focusing on the question of the civic and political consciousness of the new middle class, and the activities of the latter in civil society organizations as well as political activities in an attempt to assess its attitudes towards democracy and state authoritarianism. The chapter shows that the new Malay middle class politics is not monolithic, that while the majority, especially those in the Kelang Valley, seems to accept the ruling Barisan Nasional government framework, and tolerating its authoritarianism, an important segment has become critical of it and want change.

Chapter 9 examines the question of the new Malay middle class and *Melayu Baru*. It suggests that the *Melayu Baru* is a project of transformation and modernization of Malay society, and that the new Malay middle class is an important component of *Melayu Baru*. This chapter traces the *Melayu Baru* debate historically, and shows that the current emphasis in the *Melayu Baru* discourse is biased towards the creation of the Malay capitalist and new middle classes and industrial work ethics because of the ideological orientation of Prime Minister Mahathir, who strongly believes in the creation and expansion of Malay capitalism and the Malay capitalist class.

The study ends with Chapter 10, which draws together some major arguments regarding the social and political culture of the new Malay middle class, and explores their implications for Malaysia's social transformation.