TWO PATHS OF NORMATIVE ISLAM: MALAYSIA AND INDONESIA
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In late 2009 the international community and the Indonesian public were shocked by the news that the religious authorities in the North Sumatran Province of Aceh had attempted to pass a law that stipulated that Muslim adulterers would be stoned to death. Almost immediately the Indonesian government and the Provincial government of Aceh stated that no such law would be allowed to pass and that the Indonesian republic would not allow any of its citizens to be killed for any offence that was deemed serious enough to merit such a punishment, even if it was a crime according to Shariah law.

In the following month the former Mufti of the Malaysian state of Perlis, Dr Asri Muhamad, was arrested by the religious authorities of the Malaysian state of Selangor on the grounds that he did not have the license to do so in the state. A few months earlier, a Muslim woman by the name of Kartika Seri Dewi Shukarno was arrested for the offence of drinking beer in public and sentenced to be whipped by the Shariah court of the state of Pahang, also in Malaysia. The Malaysian government tried to intervene and the Prime Minister himself stated that the woman ought to appeal against the sentence to save herself.

In all these cases we see parallel developments at work: Both Malaysia and Indonesia happen to be Muslim majority countries where Islam has been part and parcel of social and political life for centuries and where the forces of political Islam are increasingly visible and vocal in their demands. Yet these demands have, at times, gone against the spirit and form of the respective constitutions of the countries and the historical development of these societies as well.

Furthermore they point to the fact that both countries cannot control or determine the shape and form of Islamic political normativity that is developing in their midst, and that there is increasingly the fear—among Muslims and non-Muslims alike—that expressions of Muslim piety are taking on an increasingly political face, sometimes at odds and competition against the very governments that have promoted Islam for so long.

How did this come about, and why? In looking at both countries we need to understand the role that Islam has played in the past and how Islam has become a factor that cannot be bracketed out of the political equation any longer. Coming in the wake of the «war on terror» and the global paranoia against Islam and all things Islamic, the rise of such sectarian and often exclusive forms of political Islam has led many to ask the question of where Islam is heading in both countries.

Yet at the root of the problem is the simple historical fact that in both Indonesia and Malaysia the rise of a conservative brand of politicised Islam has been the result of the state’s manipulation of Islam as a political symbol as well as a discourse of state legitimation. For too long many Muslim majority states have fallen back on the discursive repertoire of Islam as a means to rationalise, justify and even foreground exclusive communitarian concerns that serve the ends of the di-
visive mode of communitarian politics that they have been characterised by. Yet this mode of statist promotion of political and politicised Islam depends in part on the state’s ability to play the role of promoter and patron of political Islam as long as the economy is booming and there is ample surplus state revenues to spend.

In the wake of the economic crisis of 1997–98, both Malaysia and Indonesia find themselves in a situation where the same economic leverage they once enjoyed have been curtailed and/or compromised in no uncertain terms. The state’s ability to play the role of patron-promoter of political Islam has been consequently limited and with that so has its power to control and regulate the religio-political forces that were once under their control.

The rising independence and single-mindedness of Islamist parties, movements, lobby groups, NGOs and the parallel religious bureaucracy in both countries therefore points to what can only be described as a crisis of governance in both Malaysia and Indonesia today. What was once the best and most readily available tool for state legitimation and the justification for the centralisation of power and authority (both secular and religious) has now been unleashed and is showing signs of autonomy and agency as never before. No longer solely a discourse of legitimation, Islamic political normativity has become also the source of a politics of delegitimation and counter-hegemonic resistance; and in the face of increasing opposition couched in the religious language of absolutes, the state stands paralysed and impotent, not knowing what to do.

**Indonesia: keeping islam at bay and the transformation of islam politik to islam kultural**

Since it gained its independence, Indonesia has had to deal with the demands of the Muslim movements and parties that had played a key role in the struggle for independence and who wished to see their efforts rewarded by the newly independent post-colonial state. From the outset many of the Indonesian Islamist movements have been motivated by political concerns: The fear of being swamped and overtaken by both European and Chinese political and business interests was a key factor in the mobilisation of Indonesian Muslims in the early 20th century. Organisations like Sarekat Islam and Muhamadiyah played a vital role in generating awareness among Indonesian Muslims of their economic and political condition, and harnessing the meagre resources at their disposal to form a cohesive bloc against both European and Chinese dominance in the East Indies.

The Dutch colonial powers were wary of the rise of political Islam in Indonesia and attempts were made to stop the mass mobilisation of Muslims, but in 1941 the arrival of the Japanese army at the onset of the Second World War ended Dutch attempts to contain the rise of Indonesian political Islam and opened the way for the rise of the Modernist-Muslims. In that context, the Japanese authorities realised the potential of the forces of Islam which were well entrenched in the country. During the Japanese occupation of Indonesia (1941–1945) the Japanese
military establishment courted the support of both the traditionalists (from movements like the *Nahdatul Ulama*) and reformists (from movements such as the *Muhamadiyah*). During the period of Japanese rule, the *Majlis Shura Muslimin* (Masjumi) was formed to bring together the diverse traditionalist and modernist-reformist strands of Islam in the country. Masjumi eventually came under the leadership of prominent Islamist thinker Muhammad Natsir. The Japanese also sponsored the creation of Islamist militias such as *Hizbullah* in their attempt to build up a local defence force to help them in the event of a Western counter-attack in Indonesia. At the end of the war, the Japanese left behind a number of organised Islamist bodies and militias that later took part in the anti-Dutch war of Indonesian independence of 1945, like Masjumi, Nahdatul Ulama and Muhamadiyah.¹

When Indonesia finally emerged on the global stage of the world as an independent nation-state, the modernist Muslims were among those at the forefront. Political representation and religious education were the key concerns of the Indonesian Islamists then. The 1945 Constitution of the Republic of Indonesia had clearly stated that education was one of the fundamental rights of each and every citizen of the country, and by extension this also included Islamic education for all Muslim citizens.²

In an attempt to keep Indonesian Muslims on his side, President Sukarno made several concessions to the Islamist movements: He initially supported the Islamist parties such as Masjumi and in 1951 he formally elevated the Islamic Studies faculty of the Islamic University of Indonesia to the level of a state-funded research centre, the Perguruan Tinggi Agama Islam Negeri (PTAIN- State College of Islamic Studies). But when Sukarno attempted to create a loose coalition of Muslim, nationalist and communist groups and parties in his NASAKOM (*Nasionalisme-Komunisme-Agama*) alliance, that project soon unravelled as the parties began to bicker over key positions in government.

During this time of conflict Indonesia was being contested between secular-nationalist forces that were at odds with Islamists who envisioned the creation of an Islamic state of Indonesia. The Islamists of Indonesia were reluctant to enter into any bargaining process over Islamic reform with the Sukarno administration which was then seen as «weak» on Communism and too heavily influenced by the Communist Ministers and governmental advisors from the PKI. When President Sukarno attempted to disband the political parties in Indonesia and introduce his own version of «guided democracy,» the Islamist intellectual Muhammad Natsir was one of the first to attack the President and declare that «guided democracy»

¹ For a comprehensive account of the role played by the various Islamist movements of Indonesia in the lead-up to the war of independence and beyond, see Harry J. Benda (1958). *The Crescent and the Rising Sun: Indonesian Islam under Japanese Occupation 1942–1945*. Leiden: Fouris.

was nothing more than legalised dictatorship.

By the late 1950s and early 1960s, the tension finally led to the eruption of a number of popular Muslim revolts such as the Pemerintah Revolusioner Republik Indonesia (PRRI) revolt in Sumatra (1958) and the Darul Islam rebellion in Sulawesi (1950–65).  

Sukarno’s response was to come down hard on these Islamist movements, and Masjumi was banned in 1959. The climax was reached in 1965 when the open hostility between the Islamists and Communists of Indonesia led to all-out conflict and a failed coup attempt. In the debacle that followed, the Indonesian communist party was all but wiped out by the nationalists and Islamists, and Sukarno fell from power to be replaced by the General–turned–President Suharto. By then the Indonesian government, dominated as it was by the secular generals of the army and backed by Indonesian Christian business interests were deeply concerned about the radical potential of political Islam in Indonesia.

Indonesia’s experiment with the modernisation of Islam really took off during the era of President Suharto, and despite the deterioration of human rights and the routine abuse of civil liberties during his time in power, the reform of Islamic education remains one of the few success stories of the Suharto years. Ironically, these reforms took place against the backdrop of a state that was deeply suspicious of Islam in general and political Islam in particular.

As Ichwan has noted the regime of President Suharto regarded Islamic religious education as a vehicle by which to disseminate the state ideology and its development agenda.  The Suharto government was deeply worried about the imminent rise of the Islamists in the country, and were keen to keep the forces of political Islam at bay. To this end attempts were made to domesticate the Islamist opposition by banning the use of Islam in politics, putting an end to the multi-party system (by collapsing the many political parties of Indonesia into three main political coalitions), persecuting those deemed of having militant Islamist ambitions and dividing the Islamist camp by using the tools of state patronage and coercion. To complicate things further elements within the Indonesian army and intelligence community were also known to be actively involved in forming in-

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3 The Darul Islam revolt was actually a series of local uprisings across the Indonesian archipelago that was motivated and organised by local Muslim leaders who wished to see Islam play a more important role in postcolonial Indonesian politics, but also to have the Indonesian state recognise the contribution of Muslims in the anti-colonial struggle against the Dutch. The western world, notably the USA, was worried about the proximity of Sukarno to the Communist. Consequently, the American CIA played a crucial role in backing these outer island revolts, while the Indonesian army was over-stretched from Aceh to Sulawesi and forced to fight on all fronts. See Harry J. Benda (1958). The Crescent and the Rising Sun: Indonesian Islam under Japanese Occupation 1942–1945. Op. Cit. Cees van Dijk (1981). Rebellion under the Banner of Islam: the Darul Islam in Indonesia. The Hague: Martinus Nijhoff; Elisabeth F. Drexler (2000). Aceh, Indonesia: Securing the Insecure State. Philadelphia: University of Pennsylvania Press; and Barbara S. Harvey (1974). Tradition, Islam and Rebellion: South Sulawesi 1950–1965. Ph.d thesis, Ithaca, Nueva York: Cornell University.

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instrumental links with some radical Islamist groups, both to penetrate them further and also to mobilise them for specific political ends when necessary. It was during this murky decade that Indonesia’s first clandestine Islamist radical groups like the Komando Jihad first appeared on the scene, with dubious links to the Indonesian state itself.5

The Suharto government was also concerned about the new generation of urbanised Muslim youth who had come to the fore as student leaders and activists. Islamist student-activists such as Nurcholish Madjid and Imaduddin Abdulrahim were leading the students who were rallying to the banner of the «Salman movement» sweeping across the campuses of Indonesia, and calling for the inculcation of Islamic values in governance and social life. Faced with these challenges, the technocrats and policy-makers of the Suharto government focused their attention on the twin goals of nation-building and rapid economic development. With technocrats like B. J. Habiebie as his advisor, President Suharto sought to turn the Indonesian economy from an import-substitution based system to one geared towards manufacturing and low-tech industries instead.

One factor however had to be taken into account: While the country’s mainstream national schools, colleges and universities were predominantly secular and aimed at producing skilled workers for a developing economy, there also existed tens of thousands of traditional religious schools (madrasahs and pesantrens) all over the country that were providing rudimentary Islamic education to millions of ordinary boys and girls from poorer families. The Ministry of Education that was responsible for the provision of mainstream secular education all over the country, and the Departemen Agama that was left in charge of the religious schools of Indonesia. The technocrats of Suharto’s government realised that something had to be done urgently to narrow the growing divide between the secular universities and the traditional Islamic schools of the country, or else face the prospect of hav-

5 The shadowy Komando Jihad militia emerged in Indonesia in 1977 and was under the leadership of the young Indonesian cleric Imran bin Zein. An underground paramilitary movement, it was based mainly in Jakarta and Bandung, West Java, and its members were mainly young disaffected Muslims from the cities. Between 1977 to 1978 they were responsible for some minor attacks in some of the cities of Java, but their influence and their ability to project their power was limited by their own lack of resources. After the Iranian revolution of 1979, however, the leaders of the Komando Jihad claimed that they would embark on a revolutionary struggle against the Indonesian state. In March 1981 members of the Komando Jihad staged an attack on a police base outside Bandung and managed to steal a number of small arms. Analysts at the time suggested that the attack on the police base may have been an inside job, with rogue elements of the Indonesian army secretly working to ensure that the arms heist was successful. By then it was widely speculated that the Komando Jihad had actually been set up under the watchful eye of Indonesian army intelligence personnel who wanted to use the Komando Jihad to eliminate opponents of the government and residual elements of the banned Communist party of Indonesia. Later on 28 March 1981 members of the Komando Jihad staged the hijacking of a Garuda airlines DC-9, which they directed to Malaysia and finally Bangkok. The hijacking was ultimately foiled by the Kopassandha (later KOPASSUS) unit of elite para-commandos. By then the Indonesian army commanders were distancing themselves from the Komando Jihad, and the group had grown beyond their control. Later in the 1980s the Indonesian army and intelligence would provoke the radical Islamists to gauge their strength, but this in turn radicalised them even further.
ing thousands of graduates with little else save knowledge of religious scripture and rituals.

Another factor that also had to be taken into account was the rise of campus-based Islamist student activism in other parts of the world at the time. By the early 1970s Muslim students worldwide were agitating their governments and calling for the inculcation of Islamic norms and values into governance and nation-building. In neighbouring Malaysia the Malaysian Islamic Youth Movement (ABIM- Angkatan Belia Islam Malaysia) had been created by young student activists like Anwar Ibrahim and were openly opposing the secular developmental policies of the Malaysian government. Understandably, the Suharto government was keen to monitor these developments and to see which direction political Islam took on the campuses of Indonesia.

Motivated by the factors mentioned above—which, it has to be said, were more guided by security concerns rather than the desire to improve the standards of Islamic education—the Suharto government began to introduce gradual changes to the overall structure of the Muslim schools and colleges in the country. By the 1970s the government established the first National Academies for Islamic Studies (IAIN – Institut Agama Islam Negeri) in Indonesia. On 6 September 1971 the crucial decision was made to appoint the scholar Prof. A. Mukti Ali to the position of head of the Departemen Agama (Department of Religious Affairs). Another contemporary of Mukti Ali was Harun Nasution, who was likewise an Islamic scholar of repute and who was well versed in traditional Islamic studies but who could see the need and value for a scientific approach to socio-religious norms. Mukti Ali oversaw the running of the IAIN in Jogjakarta which was established in 1951, while Harun Nasution ran the IAIN in Jakarta.

A further shift in the Suharto regime’s views on Islam came later in the early 1990s when it became clear—due to demographic and political factors—that it could no longer neglect the huge Muslim constituency that made up an overwhelming majority of Indonesia’s population. In an attempt to bring the Islamist scholars and intellectuals closer to the fold of the state, the Suharto government created the Association of Indonesian Muslim Scholars (ICMI- Ikatan Cendekiawan Muslim Indonesia). ICMI was formally launched on 6 December 1990. Although scholars like Robert Hefner have noted that a complex popular narrative had been spun around the early stages of the formation of ICMI, it is clear that it was «a Suharto-sponsored association designed to mobilise Muslim support at a...»

The IAINs were primarily research institutes which also had teaching responsibilities and which were regarded as teaching and research centres almost on par with colleges and universities then. At that time there were no fully-fledged Islamic universities in the country and the IAINs were the natural choice for Indonesian students who wished to further their education in Islamic Studies after graduating from the madrasah and pesantrens in the country. With the backing of the state and funded by the Departemen Agama, the IAINs were the only state-sanctioned and state-sponsored institutes of Islamic research and teaching where the graduates would be given official certificates and diplomas that would entitle them to jobs in the civil service.
time when segments of the Indonesian military were challenging the president. Suharto also hoped to use ICMI to take the wind out of the sails of the fledgling pro-democracy movement by dividing it along religious lines. The formation of ICMI gave Suharto the opportunity to publicly show off his religious credentials and newfound commitment to Islam. Suharto was quick to court the progressive elements of the Islamist movement to lend their support to the project: Nurcholish Madjid, Dawam Rahardjo, Imaduddin Abdulrahim and General Alamsyah Ratu Perwiranagara (former Religious Affairs Minister) were all on the committee which drew up the guidelines and working parameters of the institute.

By promoting Islamic education and Islamic studies then, the Suharto establishment was trying to domesticate the forces of political Islam by giving them an outlet in culture and education instead. While the more radical groups led by hardline Islamists such as the controversial cleric Abu Bakar Ba’asyir resisted these moves, other Islamist intellectuals such as Nurcholish Madjid accepted the offer of the state and began to promote their own brand of «Islam Kultural» (Cultural Islam) as part of their effort to Islamise Indonesian society from within (and also retain the culturally specific forms of Indonesian, as opposed to Arab, Islam.) Nurcholish Madjid went as far as declaring that political Islam was no longer an alternative with his famous slogan «Islam Yes, Islamic state, NO.»

As Ichwan has argued, the real aims of the Suharto establishment—dominated as it was by a coterie of army and intelligence officers working closely with allied local business and foreign diplomatic interests—was to modify the Islamic educational system in Indonesia via a combination of coercion and patronage, with the long-term goal of shifting away the public’s dependency on traditional religious schools to the more modern and development-oriented state mainstream schools, colleges and universities of the country. As Ichwan points out: «The impact of this government-hegemonised discourse on Islamic education was not only to achieve the modernisation and secularisation of Islamic education, but also to ensure its (political) "moderation".»

Nothing, however, could have prevented the Suharto regime from disguising the fundamental weaknesses of the Indonesian economic developmental model that was still dependent on the injection of foreign capital and the backing of the country’s Western donors. The East Asian economic crisis of 1997–98 brought to an end the rule of Suharto as he and his supporters were swept from power by massive student-led revolts all over the country, leaving behind a weak-

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ened state and a fragile economy that remains even more dependent on foreign aid and trade than ever before.

Following the fall of General-turned-President Suharto in May 1998, Indonesian society has experienced many painful and traumatic changes. Following Suharto’s exit from power a succession of weak and ineffective leaders (B. J. Habiebie, Abdurrahman Wahid and Megawati Sukarnoputri) took over the helm of the state but were unable to stem the tide of religious and racial sectarian violence; until the Presidency was finally won by the current President, Bambang Susilo Yudhoyono. Between 2002 to 2005, Indonesia also bore witness to some of the worst instances of religiously-inspired violence in its history, first with the Bali bombing in 2002 and then with the flaring of religious and communal tension in the Moluccas between 2002 to 2004. Religious groups like the Hizb’ut Tahrir, Laskar Jihad, Fron Pembela Islam and the Jama’ah Islamiyah made the headlines and seemed on the brink of determining the future development of Indonesia.\(^10\) The implication of the rise of these new Islamist groupings will be discussed in the last section of this paper, but for now we will turn to parallel developments in another Muslim country close to Indonesia, Malaysia.

Malaysia: co-opting islam as the respond to the islamic revolution

Like Indonesia, Malaysia happens to be a Muslim-majority country where ethnicity and religion have been the two main defining factors in domestic politics. As in the case of Indonesia, Malaysia’s struggle for independence from colonial rule also witnessed the rise of the country’s Islamist movements and parties, notably the Pan-Malaysian Islamist party (PAS) that, in the 1940s to 1960s was an anti-colonial, anti-imperialist nationalist Islamist party.\(^11\) As was the case of Indo-

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\(^{11}\) The nucleus of the Pan-Malaysian Islamic Party lay in the Bureau of Religious Affairs of the Conservative-nationalist Malay party, UMNO. But deep-rooted differences of opinion between the Ulama and political elite of UMNO eventually led to the split between the two factions and the emergence of PAS on 24 November 1951. In 1951, PAS was formed under the leadership of Haji Fuad Hassan, who was the head of the UMNO bureau of religious affairs. In 1953 Fuad Hassan was replaced by Dr. Abbas Elias, a doctor by training who was also a member of the colonial medical services in British Malaya. Between 1956 to 1969, the combined leadership of Dr. Burhanuddin al-Helmy and Dr. Zulkiflee Muhammad had helped to turn PAS into a modern political organisation. They were largely responsible for turning the movement into a political party with a centralized organisational structure, a chain of command and links with other Islamic parties and movements abroad. Under the leadership of Dr. Burhanuddin al-Helmy, PAS developed into an Islamist party that was both nationalist and anti-imperialist in its outlook. Dr. Burhanuddin’s heroes and models were men of the day like President Soekarno of Indonesia and Gamal Nasser of Egypt. Rather than the Muslim community of Medina during the time of the Prophet, he looked to the Bandung conference and the Pan-Arab alliance as models of collective political action. In 1969 Dr. Burhanuddin passed away after being put under detention without trial by the Malaysian government. PAS then came under the leadership of Mohamad Asri Muda, who was a staunch defender of...
nesia, Malaysia’s Islamists also wished to see their political aspirations fulfilled by the creation of an Islamic state in Malaysia.

Unlike Indonesia, however, Malaysia’s independence was won not by the nationalist forces (for there was no nationalist army or militia as in the case of Indonesia) but rather the pro-Western anglophile aristocratic elite of the UMNO (United Malays National Organisation) party. Unlike Indonesia, Malaysia never experienced military rule and nor did it experience the internal revolts and revolutions that plagued Indonesia during its first three decades of independence.

In Malaysia the ruling elite of the UMNO party —governing the country alongside other right-wing communitarian race based parties such as the Malaysian Chinese Assembly (MCA) and the Malaysian Indian Congress (MIC)— were given full use of the Malaysian police force and security services to deal with the combined «threat» of the Malayan Communist party (MCP) and the Islamists of PAS. While the MCP was banned and fought in the jungles of the country, the UMNO-led government was more careful with the Islamists of PAS for fear of upsetting the sensitivities of the Malay-Muslim population. To this end, a mode of co-optation was favoured as a means of keeping the Islamists at bay. Beginning from the late 1960s, the UMNO government of Prime Minister Tunku Abdul Rahman preferred to fight the Islamists at their own game by presenting the UMNO led government as the «champion of Islam» in the country. This led to what has been called the «Islamisation race» of Malaysia with both the UMNO-led government and the PAS opposition trying to out-do each other through the demonstration of their respective Islamic credentials. It led to both sides trying to gain control of the state to use as a means of patronage for more mosque-building, the construction of Islamic schools, the patronage of Islamic charities etc.

However the Islamisation race took on a momentum of its own following the rise of Islamist student activism on the campuses in the 1970s with the emergence of Islamist groups like (ABIM — The Malaysian Islamic Youth movement) led by charismatic Islamlist leaders like Anwar Ibrahim. The ABIM was formed by a number of Malay-Muslim university student activists from the National Association of Malay rights and privileges. Between 1970 to 1982, Asri Muda turned PAS into an ethno-centric Malay-Muslim party concerned about the promotion of the status of Malay-Muslims in the country. In 1982, PAS experienced an internal coup which led to the overthrow of Asri Muda and the rise of the «Ulama faction» led by senior PAS ulama like Tuan Guru Yusof Rawa and Tuan Guru Nik Azu Nik Mat as well as a number of ex-ABIM activists like Ustaz Fadzil Noor, Ustaz Hadi Aswag and Muhammad Sabu. The 1980s witnessed the first violent clashes between PAS and the Malaysian government as the Islamist party became more uncompromising in its demands. PAS’s fortunes were mixed in the mid-1990s. At the 1995 general elections, it managed to retain control of the northern state of Kelantan but failed to make inroads anywhere else in the country. At the November 1999 elections PAS made its biggest gains ever, gaining control of two states. But in 2004 the party suffered another setback. At the elections of March 2008 PAS regained some of its losses as it joined the People’s Alliance (Pakatan Rakyat) coalition and gained control of Kelantan as well as Perak and Kedah. Today PAS remains the second biggest Malay-Muslim party in Malaysia with an estimated one million members and supporters throughout the country, though it remains committed to its goal of creating an Islamic state in Malaysia. For more details see Farish A. Noor (2004). Islam Embedded: The Historical Development of the Pan-Malaysian Islamic Party PAS: 1951-2003. Kuala Lumpur: Malaysian Sociological Research Institute (MSRI).
Muslim Students led by Razali Nawawi, Anwar Ibrahim and Siddiq Fadhil on 6 August 1971. ABIM was launched at the 10th General Assembly of the Muslims Students Association of Malaysia (PKPIM) which was held at the Dewan al-Malek Faisal, in Petaling Jaya on 3rd to 6th August 1971. ABIM’s first president was Razali Nawawi, who was elected at the movement’s first general meeting in Kuala Lumpur. Its Secretary-General then was Anwar Ibrahim. At the beginning the small organisation had only forty members. But as it developed the movement became centred around the charismatic and dominant personality of Anwar Ibrahim who took over as the movement’s second president in 1974. ABIM’s aim was to spearhead the struggle for Islamic reform and revival in the country, and to work towards «Islamisation from within.» Like the other Malaysian Islamist movement at the time Darul Arqam, ABIM sought to create an Islamic society instead of trying to build an Islamic state. The movement constantly monitored developments in countries like Afghanistan, Palestine and the Philippines, and it eventually established links with other Islamist movements in the neighbouring countries of the region such as the Muhamadijah in Indonesia.

The second major catalyst to the Islamisation race was the Iranian revolution of 1979 –that also coincided with Pakistan declaring itself as the world’s first Islamic republic that same year. In 1979, Anwar Ibrahim and other ABIM leaders visited Iran and met Ayatollah Khomeini. Upon his return, Anwar called for an «Iranian Liberation and Solidarity Day» to be held on 16 March 1979. The Iranian revolution had an immediate impact on Islamists in Malaysia as well as Indonesia.

In 1981 Malaysia came under the leadership of its fourth Prime Minister Mahathir Mohamad, who chose to up the stakes in the Islamisation race by co-opting the leader of ABIM, Anwar Ibrahim, into the UMNO-led government. The UMNO leaders were not about to sit still and allow PAS to gain the upper hand in the discursive contest to define the meaning and content of Islam. True to its form and calling, UMNO rose to the challenge and once again attempted to play its role as «protector» –but this time on behalf not only of the Malay race but also Islam. The 1980s witnessed the implementation of the UMNO-led state Islamisation policy, designed to promote and project UMNO’s vision of Islam as a modern way of life, culture and government. No stone was left unturned in the pursuit to redefine the meaning and essence of Islam itself, as UMNO sought to out-Islamise its rival PAS.

The Malaysian government under Dr. Mahathir preferred to beat the Islamists at their own game. It has to be noted that throughout his political career Dr. Mahathir had a different way of addressing the challenge posed by the Islamist opposition in his own country. He did not favour the confrontational approach,

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on the contrary, he had a clear idea of which course he wanted Islam to take in the country. While the discourse of PAS was shaped by a form of oppositional dialectics which divided the world between «good Muslims» and «kafir», the Islamist worldview of Dr. Mahathir was one which divided Muslims into «moderate progressives» and «misguided fanatics.» As Shanti Nair writes: «Domestically, Islamisation focused on the distinction between a “moderate” and “extreme”, in effect, encompassed intra-Malay rivalry.»

UMNO’s brand of modernist and moderate Islam was based on a chain of equivalences that equated Islam with all that was positive in its eyes. Islam was equated with modernity, economic development, material progress, rationality and liberalism. To this end, the state machinery was directed towards an Islamisation programme designed to eliminate the discrepancies between different sites and sources of Islamic authority while out-doing the claims and promises of PAS and the other Islamist movements like ABIM.¹³

While the Indonesian government under Suharto was trying to forestall the expansion of the Islamist public sector, Malaysia under Mahathir was doing the opposite, in an attempt to win over all Islamist potential opposition in the country. In 1983, the Universiti Islam Antarabangsa (International Islamic University, IIU/UIA) was founded. The UIA project was announced after the Prime Minister’s visit to the Arab Gulf states.¹⁴ UIA’s initial funding came from Malaysia, Saudi Arabia, Pakistan, Bangladesh, Maldives, Libya, Turkey and Egypt, and the university’s first president was ex-ABIM leader turned UMNO politician, Anwar Ibrahim. To add substance to the UIA initiative a number of international conferences around the theme of Islamic knowledge and science were held. Between 1983 and 1989 Kuala Lumpur was host to the International Conference on the Islamic Approach towards Technological Development (1983), Islamic Civilisation (1984), Islamic Thought (1984), International Islamic Symposium (1986), Islamic Economics (1987), Islam and Media (1987), Religious Extremism (1987) and Islam and the Philosophy of Science (1989).¹⁵

Also in 1983 (on 1 July), the government launched Bank Islam Malaysia (Malaysian Islamic Bank), the first bank in the country to offer regular banking

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¹⁴ The National Fatwa Council, as we have seen, was formed in 1978 to effectively centralise religious power and authority and keep it in the hands of the federal government
¹⁵ The announcement was made just a few months before the 1982 general election —something that the UMNO– led government claimed was purely coincidental. For more details see Khoo Boo Teik (1995). Paradoxes of Mahathirism: An Intellectual Biography of Mahathir Mohamad. Kuala Lumpur: Oxford University Press, p. 176.
services in accordance with Islamic restrictions and norms related to commerce.\(^{17}\) It did not charge interest on loans and (on paper at least) avoided the practice of *riba*. Although Bank Islam was condemned by Islamist economists like Abdur Razzaq Lubis as a cosmetic attempt to bolster the government’s Islamic credentials, other Islamic economic initiatives followed suit.\(^{18}\) Soon afterwards, Takaful (Islamic insurance company) was launched, as well as Lembaga Urusan Tabung Haji (LUTH) (Hajj Pilgrims Management Fund). By creating UIA, Bank Islam, Takaful and LUTH it appeared as if UMNO was the only party that could keep its promises to the Malay-Muslim constituency.

By initiating its own Islamisation programme, the government of Dr. Mahathir had effectively stolen a march from the Islamists of PAS. In time, the labours of the Mahathir administration began to pay off. The UIA project received considerable financial assistance from the governments of numerous Arab states. Cash injections came from countries like Kuwait and Saudi Arabia, though they were aimed more at projects related to Islamic *dakwah* (missionary) activities.\(^{19}\) Also, Dr. Mahathir was gaining recognition for his efforts as a Muslim leader. In 1983, he was awarded the «Great Leader» award by President Zia ‘ul Haq of Pakistan (who had previously anointed Anwar Ibrahim). In 1984, Dr. Mahathir received another honour from the Pakistani government during his visit to that country.\(^{20}\)

Malaysia’s development from the mid-1980s to the late-1990s was therefore characterised by this unusual relationship between material development and the expansion of the Islamic public sector. The UMNO-led state reaped the profits of the economic boom years to build not only commercial infrastructure but also to provide avenues of employment for potential Islamist opponents who might have instead become supporters of the Malaysian Islamic party PAS. But by doing it was unwittingly contributing to the further Islamisation of society, the bureaucracy, and crucially, the state.

In both Malaysia and Indonesia we see similarities in the way in which ostensibly secular nationalist elites have tried to co-opt and domesticate the forces of political Islam, with varying degrees of success. However in both cases such modes of co-optation depended on the state’s ability to produce surplus earnings on an

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\(^{17}\) The plan for the Malaysian Islamic Bank was announced one year earlier, on 6 July 1982.

\(^{18}\) For a critique of the Bank Islam project, see Abdur-Razzaq Lubis (1995). *Tidak Islamnya Bank Islam*, George-town: PAID Network. Lubis condemned the Islamic banking project in Malaysia on the grounds that the bank did not, and could not, represent a radical challenge to the existing global banking system rooted in the practice of interest. Lubis argued that the Islamic Bank in Malaysia was doing the same thing, merely collecting interest in a different form. Such nominal changes were for him cosmetic and ineffectual.

\(^{19}\) In 1982, Kuwait donated more than RM120 million for projects launched by Pusat Islam’s *Yayasan Dakwah Islamiah* (Islamic Dakwah Foundation). In 1986, eight loans totalling RM390 million were secured from the Saudi Fund to help with other missionary and welfare projects for Muslims in the country.

annual basis to sustain the parallel Islamic public sector that they themselves had created, including a parallel Islamic bureaucracy that came in the form of Islamic courts, schools, universities etc that were on the state’s payroll. While the economic boom years of the 1980s and early 1990s lasted, this seemed to be a winning formula. But things fell apart with the East Asian Economic crisis of 1997-98, and both Malaysia and Indonesia were left to deal with the problem of an Islamist public sector that was by then too big to control.

Islamism ascendant and the crisis of governance in Southeast Asia

On 2 July 1997, the government of Thailand and its Central Bank decided to allow the Thai baht to float naturally on the currency market because of the general opinion that the baht was overvalued as it was pegged to the US dollar. It was felt that the unnaturally high price of the baht was causing Thai goods to be less competitive on the international market, thus making Thailand a less attractive destination for foreign capital investment. Few could have imagined the devastating consequences that would follow from the decision to allow the baht to float, for the currency collapsed almost immediately. (Its value dropped by 15% on the very first day.) As local and foreign investors panicked and pulled out their investments, foreign bankers began calling in their loans. Thai businessmen, in turn, began dumping the baht for dollars, suspecting that further devaluation was in the air and fearing the prospect of having to pay more to service their foreign loans. Fund managers compounded the situation as they began furiously selling the baht, sensing the prospect of a possible collapse in the economy, which soon became a self-fulfilling prophesy. Within a matter of days, the panic had turned into a rout, and the economy was rapidly following a downward spiral.

This chaotic turn of events had serious repercussions on the currencies of all Southeast Asian and Far Eastern economies (many of which were also pegged to the US dollar). Currency speculators, fund managers and foreign investment firms (along with the IMF) had been watching the ASEAN economies closely since the mid-1990s, and had grown increasingly worried about the trend of rapid development that seemed to suggest that the economies were beginning to overheat. The growing current account deficit figures and the glut of business and office properties in capitals like Bangkok, Jakarta and Kuala Lumpur had sent the signal that the economies might well be on the verge of peaking.

After the Baht began to collapse in July, investors and fund managers immediately turned their attention to the economies of Malaysia, Indonesia, the Philippines and Singapore, which were showing the same symptoms of structural overheating. Their prognosis was sadly similar: the time had come to pull out their money «from the region as a whole» as the economies there were exhausted and in danger of structural collapse. The absence of an early warning system and circuit breakers made the countries even more vulnerable to this sudden change in mood.

The contagion spread like wildfire. Between August and December 1997,
the Indonesia rupiah, the Filipino peso and the Malaysian ringgit were also hit. The collapse was further exacerbated by the flight of capital and cash due to the hysteria of the foreign media, the manoeuvrings of fund managers and the herd-mentality of foreign investors.\textsuperscript{21} Local investors also played their part by abandoning their own economies post haste. Between 2 June and 1 August, the Malaysian ringgit fell from RM2.52 to the dollar to RM2.65 to the dollar. The Kuala Lumpur Stock Exchange (KLSE) Index fell from 1,150 points to 978 points during the same period. By 22 September, the ringgit had plunged to RM3.12 to the dollar and the KLSE Index was down to 760 points. By December, the ringgit had dropped below RM4.00 to the dollar, and the National Bank spent RM14 billion trying to save the Malaysian currency from collapse. The seriousness of the situation forced the Malaysian government to establish the National Economic Advisory Council (NEAC) that effectively took over some government functions.\textsuperscript{22} After nearly two decades of uninterrupted growth and prosperity, Malaysians woke up to discover that their dream was over and that reality had arrived on their doorstep, bearing bad tidings.

The 1997–98 economic and political crises had a profound effect on the social, economic and political structures of the ASEAN countries. So rapid was the flight of foreign capital from the region and so spectacular the collapse of the local economies that it seemed as if the «economic miracle» of the 1980s and 1990s was nothing more than a grand illusion. The dislocation of the present opened the way for crisis and antagonism to surface, rupturing settled hegemonies that had been precariously kept together for so long. Almost overnight, a host of new subjectivities and political configurations emerged. Yet nobody knew how these new formations would play themselves out and what the final outcome would be.

The 1997 economic crisis finally brought out into the open the tensions and contradictions that had been growing within the respective ASEAN countries all along. Indonesia was the worst to suffer and the sudden outpouring of public anger and frustration could only be matched by the explosion of violence that had swept the country more than three decades earlier during the anti-communist pogroms of 1965. Conflict broke out in the outer islands of Indonesia in places like Aceh, East Timor, Kalimantan and Maluku, pitting ethnic and religious groups against one another. During the first months of the crisis, ordinary Indonesians were on the lookout for scapegoats and victims; among the first to suffer

\textsuperscript{21} The situation in July-December 1997 can only be described as a mindless panic. As economist Jeffrey Sachs of the Harvard Institute of International Development put it: «what we have experienced (in Asia) is massive inflows based on high optimism about the region followed by massive outflows that one can only characterise as panic. While it is fashionable to talk about crony capitalism in Asia and the myths of East Asian economic performance, I believe that (while those weaknesses are real) they cannot account for the real collapse.» \textit{cf.}\textsuperscript{ Far Eastern Economic Review}, 12 February 1998, p. 48.

\textsuperscript{22} The daily running of NEAC was left to Tun Daim Zainuddin, economic advisor to the Prime Minister. Dr. Mahathir and Dato’ Anwar Ibrahim were also senior members of NEAC.
were the Chinese Indonesians, who were singled out as «economic traitors» and summarily dealt with in the most brutal and inhuman manner. By not coming to the rescue of persecuted communities like the Chinese and Christians, the Indonesian army and intelligence agencies seemed to be inviting violence and chaos into the public arena. At times, the army was directly involved in the violence. This was the case in East Timor, where the armed forces’ response to the growing resentment among the Timorese came in the form of the aptly named Operasi Tuntas (Operation Eradicate) that began in earnest in 1997. This climate of hostility was kept on the boil and later served as the laboratory for the army’s experiment with radical Islamist militias like the Laskar Jihad, Laskar Pembela Islam and Laskar Mujahidin Indonesia.

From the early 2000s to the present, both Malaysia and Indonesia have witnessed the emergence of a host of new Islamist actors that are, in many respects, the indirect result of the new forms of communications technologies and communicative infrastructures that were put in place by the globalisation process pioneered by the governments of Malaysia and Indonesia themselves. One such case is the nebulous Jama’ah Islamiyah (JI) movement, said to be one of the first pan-ASEAN Islamist terrorist networks that spans the boundaries of Malaysia, Indonesia, Singapore and Thailand and whose members include disgruntled Islamists from both Malaysia and Indonesia. The Jamaah is said to be an underground organisation dedicated to toppling the Indonesian government; fighting against what it perceives to be the evil influence of Western culture and secularism in Indonesia; and creating a pan-ASEAN Islamic state (Daulah Islamiyyah) that brings together Indonesia, Malaysia, Brunei, Singapore, Philippines and Thailand into a single political entity where Islam is the official religion and Islamic Shariah law will be enforced. In reality the Jamaah Islamiyah (JI) is a loose assembly of different radical and militant groups spread out across Indonesia and other parts of Southeast Asia. The movement does not have a visible organisational or leadership structure, and thus far all those who have been accused of being members of the JI have denied the existence of the group and their own affiliation to it. The JI seems to be a loose assembly of disparate cellular groups and units, some of which may have different functions and operational modalities. The JI does not have a headquarters, office, public outreach facility and has no official spokesmen to represent it. Most analysts and researchers claim that the head of the JI is the Indonesian cleric Ustaz Abu Bakar Ba’asyir, whose religious seminary (The Pesantren al-Mukmin) is based in Ngruki, Surakarta, in central Java. Along with another cleric, Ustaz Abdullah Sungkar, Abu Bakar Ba’asyir attempted to revive the struggle of the Darul Islam movement that emerged in Indonesia after it gained its independence in

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23 The name Jamaah Islamiyah, however, is misleading as few, if any, of its alleged members have ever referred to the movement by that name. Furthermore they have pointed out that the term Jamaah Islamiyah simply means «Islamic community» and thus can be applied to any Muslim community anywhere in the world; and by extension can also refer to the entire Muslim Ummah.
1945. In 1982 Abu Bakar Ba’asyir fled to Malaysia and opened a madrasah in the southern Malaysian state of Johor. It was around this time that the Jamaah Islamiyah was formed, as an underground Islamist movement in exile. Ba’asyir collected around him followers like Abdullah Sungkar and Riduan Isamuddin (a.k.a. Hanbali) who became his commanders in the JI. It was also during this time that the JI in Malaysia began to court the support of Indonesian and Malaysian Islamists who had gone to Afghanistan to take part in the Mujahideen struggle against the Soviet Union, with the backing of the United States of America and the rich Gulf States. It was the members of the «Afghan Mujahideen International Brigade» who made up the rank and file of the JI then, as they prepared to turn their attention to the countries of Southeast Asia following the collapse of Soviet rule in Afghanistan. It was also during this time that the JI was said to have made contact with Arab and Afghan mujahideen who would later become part of the al-Qaeda movement led by Islamist militants like Osama ben Laden. JI transferred its base of operations back to Indonesia in 1998 after the fall of President Suharto and the leaders of the movement no longer felt threatened by the Indonesian security forces. Abu Bakar Ba’asyir resumed his teaching duties as the Pondok Pesantren al-Mukmin Ngruki in Solo, and began to preach for the need of an Islamic state in Indonesia. During the period of rule under President Megawati Sukarnoputri, Abu Bakar Ba’asyir openly opposed her rule on the grounds that a woman was not allowed to govern a Muslim society. Following the bombings in Bali in 2002 Abu Bakar Ba’asyir was arrested and imprisoned by Indonesian authorities on charges that he was the head of the JI and that he was informed of the attacks in Bali. Ba’asyir was released after serving a shortened sentence and in June 2006 was let out of jail. The JI remains a shadowy movement without a clear leadership and organisational structure and there exists no reliable account of the group’s strength in numbers and its organisational capabilities and/or future trajectory and development.

Another group that has grown in strength and visibility is the Hizb’ut Tahrir, that emerged in Palestine but which now has strong representation in both Indonesia and Malaysia: At the Hizb’ut Tahrir Indonesia (HTI) meeting that was held in Jakarta in 2008, more than 120,000 members and supporters from all over Indonesia and Malaysia were present, making it the biggest showing of the HT in the world ever.

Like the Jama’ah Islamiyah, the Hizb’ut Tahrir of Malaysia and Indonesia are transnational actors that do not recognise the limits of political territoriality

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and which see their goals as being transnational and global in nature. As presently constituted they represent the latest stage in the evolution of Islamic political normativity in Southeast Asia and are in many ways the children of late industrial capitalism and globalisation; each of them having their own counter-hegemonic ambitions while seeing the world as the unlimited field for their present and future activities.

Here then lies the irony of political Islam in Malaysia and Indonesia today: while both states had used the tools of nation-building and governance in the name of development and material progress, they have perhaps unknowingly also prepared the conditions for the emergence of counter-hegemonic forces from within who are now using the tools of globalisation and nationalism against themselves. Neither the Malaysian nor Indonesian state has the means or apparatus to deal with these latest expressions of global pan-Islamism, but they on the other hand are more than willing to engage in critique against their respective states in order to fulfil their dreams of global Muslim mobilisation and political power. A second counter-hegemonic moment has perhaps arrived, from the most unexpected of sources. To paraphrase Sartre in his introduction to Franz Fanon’s Wretched of the Earth: «The ex-subject […] bends that (hegemonic, imperial) language to new requirements, makes use of it, and speaks to the colonised only.»

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ABSTRACT
This article charts the complex trajectories of Malaysia and Indonesia and highlights the role of the primary actors and agents that were the key players during this long historical process. Firstly, the case of Indonesia, where decades of state control in the effort to domesticate the forces of political Islam merely ended up with the marginalisation of the state’s own official discourse and the emergence of a host of new actors and agents who have used the language of Islam to delegitimize the very state that had been protecting them for so long. Secondly, the analysis of the parallel developments that is taking place in Malaysia. Thirdly and lastly, a discussion on the implication of the rise of new Islamist groups in Southeast Asia.

KEYWORDS
Islam, politics, Islamist groups, Malaysia, Indonesia.

RESUMEN
El presente artículo describe las complejas trayectorias de Malasia e Indonesia y destaca el papel de los principales actores y agentes que han desempeñado un papel clave en este largo proceso histórico. En primer lugar, el caso de Indonesia, donde décadas de control del Estado, esforzándose por domesticar a las fuerzas del islam político, simplemente terminaron con la marginalización del discurso oficial del propio Estado y con la aparición de una serie de nuevos actores y agentes que han utilizado el lenguaje del islam para deslegitimar al mismo Estado que los había protegido durante tanto tiempo. En segundo lugar, el análisis de la evolución paralela que está teniendo lugar en Malasia. En tercer lugar y, por último, una discusión sobre las implicaciones del ascenso de nuevos grupos islamistas en el Sudeste Asiático.

PALABRAS CLAVE
Islam, política, grupos islamistas, Malasia, Indonesia.

الملخص
هذا المقال يصف المسارات المعقدة لمالزيا وإندونيسيا ويرمز دور الشخصيات الفاعلة والأشخاص المهمين في هذه العملية التاريخية الطويلة. في المجال الأول، هناك حالة إندونيسيا التي انتهت حقب سيطرة الدولة والجهد من أجل ترويض قوى الإسلام السياسي فيها بمساحة تهتم الخطاب الرسمي للدولة نفسها وبظهور مجموعة من الأطراف الفاعلة الجديدة التي استعملت لغة الإسلام لإزالة الشرعية عن الدولة نفسها التي حممتها خلال وقت طويل. في المجال الثاني، هناك تحليل للتطور المواقع الذي يحدث في ماليزيا. في المجال الثالث، وأخيرًا، فهناك نقاش حول نتائج ظهور جماعات إسلامية جديدة في جنوب شرق آسيا.

الكلمات المفتاحية
إسلام، سياسة، جماعات إسلامية، ماليزيا، إندونيسيا.