

**IDENTITY POLITICS AND ECONOMIC
DEVELOPMENT IN SABAH, MALAYSIA DURING
PBS ERA, 1985-1994**



**CENTRE FOR THE PROMOTION OF KNOWLEDGE
AND LANGUAGE LEARNING
UNIVERSITI MALAYSIA SABAH
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MADIYEM LAYAPAN



**CENTRE FOR THE PROMOTION OF
KNOWLEDGE AND LANGUAGE LEARNING
UNIVERSITI MALAYSIA SABAH
2023**

UNIVERSITI MALAYSIA SABAH

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DECLARATION

I hereby declare that the material in this thesis is my own except for quotations, excerpts, equations, summaries, and references, which have been duly acknowledged.

16 February 2023

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Madiyem Layapan
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ABSTRACT

This thesis investigates the significance of identity politics in the undeveloped economy of Sabah during the reign of Parti Bersatu Sabah (PBS) (1985-1994). Scholars frequently argue that any state's economic development is heavily influenced by government policies, external parties such as international socioeconomic movement and competition among local and international business communities, and citizens' socioeconomic activities. This resulted in an incorrect assessment of the importance of other factors in economic development, particularly identity politics. For this reason, the thesis contends that a state's economic development frequently has a strong relationship with identity political activities among its citizens, particularly the politicians who are always interested in gaining or retaining political power. The thesis also contends that the connection between identity politics and economic development is mediated by federal-state relations and in-group favouritism among political leaders. In order to determine the significance of identity politics in the undeveloped economy of Sabah during the PBS era, the thesis also investigates the mediating role of prolonged federal-state relations and in-group favouritism among political leaders in this context. Through the application of ethnohistorical investigation using a mixed-method design, this thesis demonstrates that political identity played a significant role in the underdeveloped economy of Sabah, Malaysia during the reign of PBS. It is also appeared that both prolonged federal-state relations and in-group favouritism among political leaders played a significant mediating role in the relationship between identity politics and the underdeveloped economy of Sabah, Malaysia during the PBS era. The case of Sabah clearly demonstrates how identity politics affects the economic development of a resource-rich state in a modern democratic federation country, making the country vulnerable to ethnoreligious conflict. As a result, from a policy standpoint, this thesis implies the importance of ending identity political practices to prevent the country from decaying. Most importantly, such a move is required not only to prevent politicians with a lack of integrity from dominating politics, but also to ensure the provision of more universal benefits to citizens and the prevention of full-fledged conflict within an ethnically and religiously diverse population.

Keywords: Identity Politics, Economic Development, Sabah

ABSTRAK

POLITIK IDENTITI DAN PEMBANGUNAN EKONOMI DI SABAH, MALAYSIA SEMASA ERA PBS, 1985-1994

Tesis ini meninjau kesignifikanan politik identiti dalam kemunduran ekonomi Sabah semasa pemerintahan Parti Bersatu Sabah (PBS) (1985-1994). Para sarjana seringkali berhujah bahawa pembangunan ekonomi sesebuah mana-mana negeri biasanya dipengaruhi oleh dasar kerajaan, pihak luar seperti pergerakan berkaitan sosioekonomi antarabangsa serta persaingan diantara peniaga tempatan dan antarabangsa, serta aktiviti sosioekonomi rakyatnya. Ini mengakibatkan penilaian kita tentang kepentingan faktor lain dalam aspek pembangunan ekonomi, terutamanya politik identiti kurang tepat. Oleh yang demikian, tesis ini menegaskan bahawa pembangunan ekonomi sesebuah negeri selalunya mempunyai hubungan kuat dengan aktiviti politik identiti dalam kalangan penduduknya sendiri, khususnya ahli politik yang sering berusaha meraih mahupun mengekalkan kuasa politik. Tesis ini juga menegaskan bahawa hubungkait diantara politik identiti dan pembangunan ekonomi dimediasikan oleh faktor hubungan pusat dan negeri serta 'in-group favouritism' dalam kalangan pemimpin politik. Bagi mengetahui kesignifikanan politik identiti dalam kemunduran ekonomi Sabah semasa era PBS, tesis ini turut menerokai peranan faktor hubungan diantara pusat dan negeri serta 'in-group favouritism' sebagai pembolehubah pencelah. Berdasarkan aplikasi pendekatan ethnohistorical dengan penggunaan kaedah gabungan, tesis ini mendapati bahawa politik identiti memainkan peranan signifikan dalam kemunduran ekonomi Sabah, Malaysia semasa pemerintahan PBS. Tesis ini turut mendapati bahawa faktor hubungan diantara pusat dan negeri serta 'in-group favouritism' dalam kalangan pemimpin politik turut memainkan peranan signifikan sebagai pembolehubah pencelah dalam hubungkait diantara politik identiti dan kemunduran ekonomi ekonomi Sabah semasa era PBS. Kes Sabah ini jelas menunjukkan bagaimana politik identiti dapat menjelaskan pembangunan ekonomi sesebuah negeri yang kaya dengan sumber semulajadi dalam sebuah negara demokrasi persekutuan moden. Oleh itu, dari perspektif dasar, tesis ini menekankan tentang pentingnya menamatkan politik identiti bagi mengelak negara terjerumus dalam arus keruntuhan. Langkah sedemikian adalah perlu bukan hanya bagi mengelak politik negara dikuasai oleh ahli politik yang mempunyai masalah integriti tetapi juga dari segi praktisnya langkah tersebut memastikan manfaat lebih menyeluruh dapat dirasai oleh rakyat serta mencegah konflik berhubung etnik dan agama daripada berlaku.

Kata Kunci: Politik Identiti, Pembangunan Ekonomi, Sabah

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LIST OF GLOSARY

Bangsa serumpun	of the same racial stock
Borneo Utara	North Borneo
Bumiputra	Bumiputra
Lain-lain	others
Majlis perkahwinan	wedding ceremony
Pasaraya	supermarket
Pesta Kamatan	annual Kadazandusun's traditional harvest festival
Pesta keramaian kampung	village festivals
Rakyat	people
Rumah panjang	long house
Sharia'ah	Islamic law
Sultan	King
Tamu	traditional weekly market
Waras	Sane/Rational/Stable/Mentally Healthy



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LIST OF ABBREVIATIONS

BERJAYA	- Sabah People's United Front (<i>Parti Bersatu Rakyat Jelata Sabah</i>)
BN	- National Front (<i>Barisan Nasional</i>)
EDIs	- Economic Development Indicators (<i>Indikator Pembangunan Ekonomi</i>)
EPU	- Economic Planning Unit (<i>Unit Perancangan Ekonomi</i>)
EP-ED	- Ethnic Politics – Economics Development Relations (<i>Perkaitan Politik Ethno-agama – Pembangunan Ekonomi</i>)
FIP	- Federal-Independent Party (<i>Parti Bebas Persekutuan</i>)
GDP	- Gross Domestic Product (<i>Keluaran Dalam Negara Kasar, KDNK</i>)
GNP	- Gross National Product (<i>Keluaran Negara Kasar, KNK</i>)
IC	- Malaysian Identification Card (<i>Kad Pengenalan Malaysia</i>)
IDS	- Institute for Development Sabah (<i>Institut Kajian Pembangunan Sabah</i>)
IWGIA	- International Work Group for Indigenous Affairs (<i>Kumpulan Kerja Antarabangsa untuk Hal Ehwal Orang Asal</i>)
LDP	- Liberal Democratic Party (<i>Parti Liberal Demokratik</i>)
LMX	- Leader-Members-Exchange
PBS	- Sabah United Party (<i>Parti Bersatu Sabah</i>)
PLPG	- Progressive Local Government Party (<i>Parti Maju/Progresif Kerajaan Tempatan</i>)
PNG	- Papua New Guinea
PM	- Pasok Momogun (<i>Pasok Momogun</i>)
SANAP	- Sabah National Party (<i>Parti Kebangsaan Sabah</i>)
SAP	- Sabah Alliance Party (<i>Parti Perikatan Sabah</i>)
SCA	- Sabah Chinese Association (<i>Persatuan Cina Sabah</i>)

- SLA** - The State Legislative Assembly (*Dewan Undangan Negeri*)
- UMNO** - United Malays National Organization (*Pertubuhan Kebangsaan Melayu Bersatu*)
- UNKO** - The United National Kadazan Organization (*Pertubuhan Kebangsaan Kadazan Bersatu*)
- UPKO** - The United Pasok Momogun Kadazandusun Organization (*Pertubuhan Pasok Momogun Kadazan Bersatu*)
- UPMO** - United Pasok Momogun Organisation (*Pertubuhan Pasok Momogun Bersatu*)
- USIA** - The United Sabah Islamic Association (*Pertubuhan Islam Seluruh Sabah*)
- USNO** - The United Sabah National Organization (*Pertubuhan Kebangsaan Sabah Bersatu*)
- YDPN** - The Yang Di-Pertua Negara Sabah (*Yang Di-Pertua Negara Sabah*)



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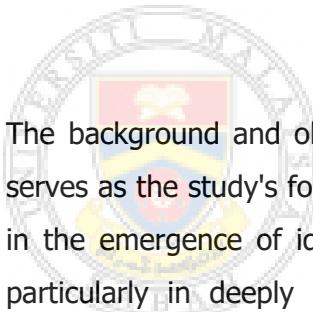
CHAPTER 1

INTRODUCTION TO THE STUDY

1.1 Introduction

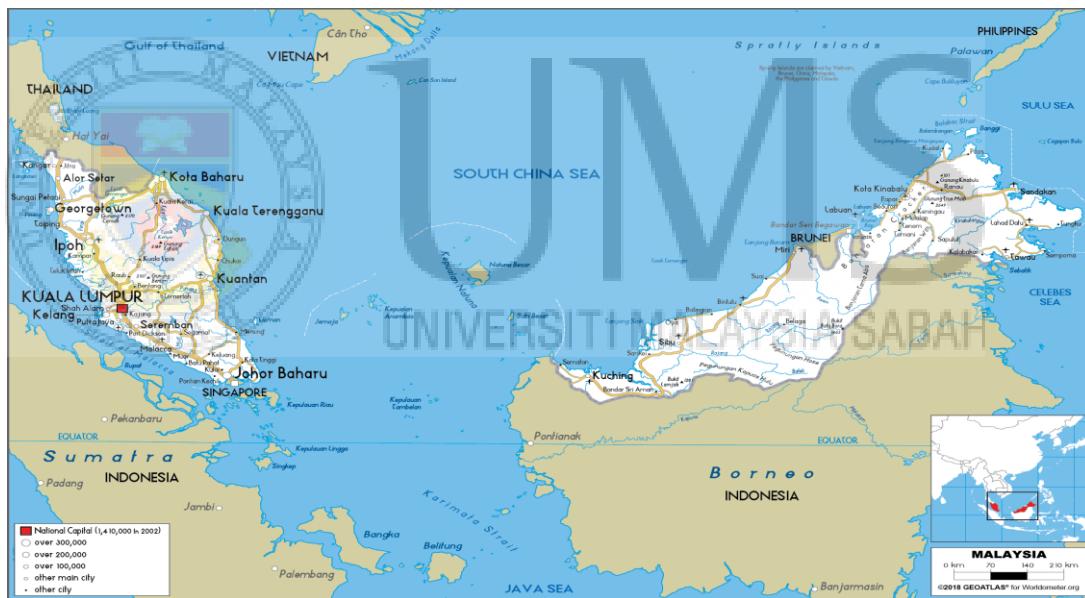
"Sabah has been the third richest state in 1970; however, for the last decades or more, Sabah has been lagging behind and placing her as the third poorest state in Malaysia"

(Muzafar, Nur Azura, Suhal, Asan & Normi, 2018: 269)



The background and objectives of the study are provided in this chapter, which serves as the study's foundation. The context discusses the roles of political actors in the emergence of identity politics and how they operate in various contexts, particularly in deeply divided societies like Malaysia. Meanwhile, the problem statement explains the subject matter, justifying why it is important to investigate the significance of identity politics in economic development of modern democratic federation societies through the lens of Sabah in Malaysia, a state described by Lim (2008) and the Japanese Times (2019, November 29) as a resource rich state in the 1970s, but has since become a resource poor state (Muzafar, Nur Azura, Suhal, Asan & Normi, 2018). Sabah is a Malaysian state located on the island of Borneo (see Map 1.1). It is home to more than 42 ethnic groups (see Map 1.2) who speak a variety of languages and dialects (IWGIA, 2016). As a result, the model of identity politics that has traditionally affected the centre of Malaysian politics, namely West Malaysia, has become incompatible in this land. West Malaysian politics are defined by what Boulanger (2009) refers to as the 'tri-ethnic schema,' owing to the presence of three major ethnic groups: Malays, who are the

majority, ethnic Chinese, and ethnic Indians. Thus, rather than focusing solely on ethnicity, both federal and state political actors in Sabah are generally interested in using ethnicity and religion, or in other words the ethnoreligious, for political mobilisation activities by reclassifying the population into three major communal groups, as in West Malaysia (Daily Express, 1 January 2005). For this reason, the study's main argument, emphasising the significant relationship between political actors' proclivity to mobilise political support through ethnicity and religion, is also laid out in this chapter. This chapter discusses the research questions and objectives of this study based on the key argument. Following that, this chapter describes the scope, rationale, definition of terms, and outline of this investigation.



Map 1.1

Source

: The Location of Sabah, Malaysia

: Worldmeters (2022)