The Crescent Rising over Nusantara
Discourses of Re-Islamization
in Malaysia and Indonesia*

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Introduction

If one is to believe terrorism experts and the media, the attacks of September 11 have brought about a new era of globalizing confrontation between the Western world and Islam. According to this view, the existing system of nation states, still part of two solid blocks during the East-West divide less than two decades ago, is under threat from rapidly spreading international networks of terror. Spanning from Europe to Australia and from Southeast Asia to Central Asia, networking has become part of a new world order that is as much obscure as threatening and evolves from the valleys of the Hindukush in Pakistan and Afghanistan as the dark centre of remote-controlled activities in this new international system of terror.¹

This paper intends to argue from quite the opposite perspective. It wants to de-construct the “international approach” of terrorism experts such as Zachary Abuza by pointing at the local and regional causes for the emergence of Islamic discourses which only eventually become international ones. Rather than looking at the globalizing forces of terror like al-Qaeda, it argues that networking has often evolved from local settings which have developed into regional linkages; these lack, however, a specific international or even global flavor and are more often deeply embedded in society. The paper tries to tie this argument to the discourses in Southeast Asia which have emerged on various political, economic and cultural levels.

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rarely separable from each other. They have played an important political role as have networks and trajectories of knowledge, which have led to the transfer of ideas and triggered debates on governance, new forms of statehood and even on the “Islamic state” being advocated by fundamentalists and militants alike but often being misinterpreted as the worldwide “Crucible of Terror”.2

It is not so much an Islamic internationalism that is here being created, rather the nation state itself is being so transformed that it uses its institutions and organizations as a means to create inter-regional linkages. This happens both intentionally, e.g. by foreign policies that are articulately Islamic in nature, as in the case of Malaysia as an instrument to maintain the power of ruling elites, or – as is here argued – more indirectly through the authoritarian nature of the state, which leaves radical discourses as the only channels of articulation in an otherwise obstructed landscape of limited political participation.

In the latter case it is not a global network structure that threatens the state, it is the state that tends to undermine its own position and it is this rather localized viewpoint that has rarely, if ever, been applied to account for the weakening of the nation state and the emergence of new players, be it radical networks, new political parties, non-governmental organizations or human rights groups. The state has become more authoritarian as a result, a tendency that can be seen in Malaysia as in Indonesia, Thailand or the Philippines. This might lead to a vicious circle of radicalization in which the state responds to outside threats but at the same time the institutions of the state and its affiliates often hinder greater transparency and political legitimacy through their actions.

Re-Imagining Pan-Islamic Discourses

Despite an enormous increase in literature on Islamic networks since the September 11 attacks, few authors have attempted to analyze the reasons behind this phenomenon.3 Most commentators have either remained silent or

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have left it to so-called terrorism experts like Rohan Gunaratna or Zachary Abuza to explore networks as if they had only emerged on the scene six years ago. While Gunaratna claimed that al-Qaeda has “developed a well coordinated regional network” in the Southeast Asian region, Abuza has reaffirmed in his latest book that in the Southern Philippines there seem to be “exogenous factors at work”. Neither has attempted to provide the reader with a history of the Southeast/ South Asian networks they try to promulgate, one attempting to show the intricate inter-linkages created by traveling saints, Sufis and merchants in both regions that have developed throughout the centuries.

This paper argues that Islamist discourses have emerged due to specific factors that can be traced back in history, one of these being localized political, ethnic or cultural grievances that stem from a prolonged history of government suppression. Seen in this light, Islamist networks, at least initially, were far from being an epic “clash of civilizations” but rather an outcry by oppressed groups or members of society, which, because of the radicalized forms that these grievances soon take, have sought contacts with similarly oppressed, like-minded groups in different national settings.

When the Malaysian al-Ma’unah group staged an attack on a Malaysian army camp in Perak in early July 2000, there quickly emerged accusations from the opposition claiming that these attacks had been pre-fabricated by the Mahathir administration in order to discredit radical Islam. While these accusations contained a certain measure of truth, it was later revealed that members of UMNO (United Malays’ National Organization) had also been part of the group, which had allegedly planned to overthrow the government. This deep interconnectedness between an increasingly violent opposition movement and the state, can, in fact, be traced back at least to the early 20th century and Nusantara’s (the Malay archipelago’s) first encounters with political Islam.

This was a period of growing resentment of local elites towards a colonial government which was often oppressive in nature. In Malaya, the reformist-minded Kaum Muda group had emerged around the newspaper *al-Imam*, published in Singapore in 1906. Unlike the Indonesian independence movement that managed to gather mass support, the Malaysian reformers

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centered their efforts on the weakening of the local elites, the so-called *kaum tua*, the royal aristocracy, which had been established by the colonial government as national caretakers and administrators. In the case of the *ulama*, the clergy installed and sponsored by the state as a second important pillar of colonial authority, it became apparent how subtly the state sometimes attempted to gain the sympathy of the population. This was by no means a history of continued state oppression, rather the role of the *ulama* as decision-maker in all family matters, as family consultants, doctors or *bomohs* strengthened a system built on conservatism in which the traditional structures had to be preserved by all means to retain the status quo.6

At the same time, direct measures to curb the reformist Islamist teachings of Kaum Muda were taken by the British. Both directly by using the Muhammadan Laws Enactment of 1904 and indirectly through the clergy prompting the Mufti to issue fatwas against the newcomers, preventing them from speaking in some mosques and banning their periodicals from entering some states. This climate of repression was further tightened by an amendment to the enactment of 1904, which was passed in 1925–26, and imposed strict penalties for those who published literature on Islam without prior permission of the Sultan. In 1929 there was even an unsuccessful attempt to ban entry of the reformist materials altogether which continued to flow in from the Straits Settlements – not under the jurisdiction of a Sultan – notably from Penang.7 In any case, state oppression aimed at safeguarding political dominance, a stance which has been inherited by the present Malaysian government and is reflected in its Islamic policies since the early 1980s.

Meanwhile, in Egypt, the British continued to rule by emergency laws since occupying the country in 1882. The rising resistance, also expressed in Islamic terms, came from nationalists around Mustafa Kamil. By 1900, the Egyptian army had conquered Sudan with massive British support and the ruling Khedive, Abbas, allied himself more closely with the colonial power after it became clear that the French would not gain a foothold in the Nile valley. This closer alliance prompted Mustafa Kamil and his followers to pursue a more independent policy towards the British. Soon they were forbidden to publish in their newspaper *al-Mu’ayyad*, instead they founded an explicitly nationalist newspaper, *al-Linwa’*, which used pan-Islamic ideas as its main draw.

In 1906, one year after the death of reformist thinker Muhammad Abduh, the road to a pan-Islamist movement was prepared, when Mustafa Kamil

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7 William Roff, *op. cit.*, pp. 73, 80.
decided to use a border incident between British, Egyptian and Ottoman troops, known as the Taba Affair, to pursue an openly pan-Islamic policy towards the British, which increased his popularity among the Egyptian people who became politically active for the first time. Khedive Abbas and Mustafa Kamil agreed to form a political party out of what had initially been a secret society, the National Party, which was open to all who wanted the British to leave Egypt.8

In this climate, which was characterized by growing nationalism, anti-British feelings and a pan-Islamic movement, contacts started to develop between Egypt and Malaya. Pronounced as early as 1906 the tenet of ‘al-Imam’ “the one thing that will strengthen and realize all our desires is knowledge of the commands of our religion. For religion is the proven cure for all the ills of our community” indicated the desire of the Malayan reformers to become part of the pan-Islamic movement which had its roots in the teachings of Muhammad ‘Abduh. Not so much oriented towards the nation state as Mustafa Kamil, Kaum Muda had embraced the idea that reform had to come from the need to improve morality in Muslim society. It is interesting to note that the second Islamic resurgence of the late 1970s continued this concern with morality; the urge to purify Islam and to return to its roots as the main target of the Dakwah movement and the urban young middle classes behind it was always driven by the conviction that this should above all be a struggle for the morals and ethics of Islam. Therefore, from the beginning the conservative Islamic understanding of the royal Malay elites was replaced by an equally conservative new outlook that, despite calling itself reformist, was deeply rooted in the Wahhabi understanding of a moralizing return to Islamic principles – which has since become government policy and serves again as an instrument of state power.

This understanding was cultivated by frequent visits of Kaum Muda disciples to the conservative al-Azhar university in Cairo which considered itself as the major institution protecting the faith. Religious schools in Malaya like the Madrasah al-Ikbal al-Islamiyyah which opened 1908 in Singapore borrowed much from Egypt and from the West,9 thereby providing, at the beginnings of the new century, a basis for contacts that were only revived some 70 years later with the second Islamic resurgence, which dates from the early Mahathir years.

If, according to the argument of the paper, a historic approach towards Islamic (trans-)national discourses is helpful for understanding Southeast

Asian and particularly Malaysian politics, the question of the relevance of Islamic policies after the Second World War and especially after independence must be addressed. It is argued here that for an extended period of time, reaching from the late 1940s to the late 1970s, Malaysian politics were greatly influenced by internal networks which were the result of ethnic policies and bargaining between the races, notably between Malays and Chinese. According to Means (1992), Malaysia functioned on the basis of a bargaining mode in which ethnic elites worked out bargains on policy issues that coincided with the political goals of the ruling Alliance government. Gradually, however, this shared understanding of resource allocation was undermined by new younger elites who, like Mahathir, possessed a vernacular education in contrast to the Western educated “old guard”. In appealing to the constituency for electoral support, the former accommodative approach was increasingly undermined by appeals towards ethnic policies. Furthermore, elite structures changed; whereas they had initially consisted of small and medium scale entrepreneurs, this class was challenged by state employees and members of a growing state administration.10

During the 1960s, as in the 1930s and 40s, international issues affecting Malaysia were not so much the result of increased contacts between the Middle East and Southeast Asia on the basis of domestic politics, as had been the case earlier. Rather, foreign policy issues like the secession of Singapore from the Malaysian Federation, the konfrontasi policies of Indonesia and the claim of the Philippines to Sabah formed the backdrop of ongoing disputes which remained internal in nature.

The Re-Emerging Transnationalism of the Dakwah Movement

This only changed when Mahathir came to power in 1981. The Iranian revolution of 1979 provided a first glimpse of the threats posed to the Malaysian government. Both being constitutional monarchies, the new Iranian brand of “Islamic republicanism” of the Iranian regime had much in common with the Malaysian system; yet Mahathir had no intention of sacrificing the monarchy for the velayat-i mutlaq, the “absolute vice-regency” and rule of the ulama as advocated by Chomeini in 1988. Domestically, for Mahathir, the dangerous inclination towards a “Shia state” was foremost represented by the Islamist opposition PAS (Parti Islam Se-Malaysia) and their

model of ruling Malaysia as a sharia state under Islamic jurisdiction and the absolute authority of the clergy – similar to the style of governance in Iran.

At the same time, Dakwah movements such as Angkatan Belia Islam Malaysia (ABIM), the Malaysian Youth Movement, founded by Anwar Ibrahim in 1972, questioned the role of the state, which in Anwar’s eyes seemed too omnipresent. From the beginning the call for an Islamic civil society and the rule of law had been one of ABIM’s main goals, criticizing the strong and often authoritarian state machinery of religious control exercised by the Religious Division in the Prime Minister’s Department and agencies like Pusat Islam. The strict control of the Islamic discourse left little leeway between fundamentalist Islam which the government claimed for itself as the official discourse and “deviationist Islam” which characterized all others. ‘Authoritarianism through Islam’ remained characteristic of the administration throughout the eighties, sometimes opening new channels for the Dakwah movement and for the Islamic opposition. ABIM developed close ties to religious movements in the Middle East and Pakistan such as the Muslim Brotherhood and Jemaat-i Islami. However, it was only the invitation of Anwar to join the government in 1982 in order to formulate the official Islamic policies, which led to a gradual radicalization of ABIM under the new leadership of Siddiq Fadil. Since all outlets to formulate criticism through Islam had now been successfully blocked by the government and its legislative machinery, ABIM and PAS looked for new alternatives of political expression. In Fadil’s case this was the replacement of Anwar’s liberal understanding of a civil society by a more rigid Islamic one, for PAS it meant campaigning for an Islamic state and, at the same time, continuing to compete for Malay voters with the ruling National Front.

However, neither ABIM nor PAS have spread extensive networks outside the country. PAS has remained largely localized apart from its contacts with South Asia, from where a considerable number of Malay students were sent to conservative Deobandi Madrasahs in Pakistan.

The main threat for the government came from students studying abroad. Here it seemed necessary to again implement the version of “right Islam” since students who came into contact with foreign interpretations of Islam became more aware of the rigid limitations of religious policies at home and radicalized as a result. Prior to the al-Ma’unah incident of 2000 and beyond, there were hundreds of cases of ‘deviationist’ teachings, which finally set the stage for a more regionalized form of student networks in the late 1990s. Many supporters – among them many former students – of the opposition

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party PAS, ABIM and other religious groups had become particularly frustrated by the ouster and ensuing treatment of Anwar Ibrahim in September 1998 which ended his career as deputy prime minister. The perceived power block of the ruling National Front, which was temporarily challenged by the outcome of the 1999 general elections, showed no sign of letting up; on the contrary, with an economy starting to grow again after the Asia crisis, it seemed stronger than ever.

The emergence of Kumpulan Mujahedin Malaysia (KMM), founded in October 1995 by a veteran from the Afghanistan jihad, can be interpreted as the localized development of networks that eventually grew to regional ones by linking with others in the Southeast Asian region. Even though the linkages of KMM certainly do not reach beyond Indonesia, it is obvious that they originated in Kelantan, the home-state of KMM co-founder Nik Adli Nik Aziz, the son of PAS chief minister of Kelantan, Nik Aziz Nik Mat. Nik Adli had returned from Afghanistan in 1996 to teach in one of the PAS religious schools, the Sekolah Menengah Arab Darul Annuar outside Kota Bharu, Kelantan. It was from there that the majority of the students were sent to the Middle East and Pakistan and returned to expand the network. Another school with the same curriculum operates in Ulu Tiram, Johor.12 Similar networks have also spread from the International Islamic University, which was set up by Mahathir in 1982. Supposedly to counter ‘deviationist’ groups and their linkages, students from the IIU (International Islamic University) have been equally conservative and Wahhabi-trained and have either returned to their home countries to spread the Islamic message there or have become members of the Malaysian religious establishment. Both networks have similar aims; while the PAS and KMM ones fight for the establishment of an Islamic state, albeit with different means, those affiliated with the government support an Islamic state as well, which had already been proclaimed by Mahathir in September 2001. The noticeable difference is the power they wield, but not their language, since both the KMM as UMNO call for a jihad.13

12 Kertas putih jawab pembangkang [White paper answers opposition], Berita Harian, December 11, 2001; Opposition’s reaction anticipated, New Straits Times, December 11, 2001; Link to “terror school” confirmed, Metro Malaysia, December 16, 2002.

13 Seen as an attempt to gather support from the Malay electorate, this website came into being after the lost general elections of 1999: www.umno-online.com/jihad
Subtly Challenging the State: The Rufaqa Networks

In October 1994, the neo-Sufi al-Arqam group was banned by the Malaysian authorities on the grounds that they were spreading deviationist teachings. Not only was the sect described as a threat to national security, but also ministers of religious affairs in other countries of the region agreed to monitor and possibly ban the movement during a meeting in Kuala Lumpur. Al-Arqam believes in the coming of an Imam or Mahdi in the Far East, as a “reincarnation” of the group’s leader, Ashari Muhammad, who founded the sect in the outskirts of Kuala Lumpur in 1968 and lived there with group members in a “model community” of a few hundred families.

At the time of the ban, the group had grown in size. It had approximately ten thousand members in Malaysia and in addition thousands of sympathizers in the ruling party UMNO. More worrisome still, it had developed a business empire valued at an estimated 120 Million US$ that sells halal food products and cosmetics, with branches in Indonesia, Thailand, Pakistan and Uzbekistan. According to al-Arqam, it had also 300 schools in the region, teaching a Sufi form of Islam based on Shia elements of Mahdism. Mahathir accused the group of planning to overthrow the government. In July 1994 he made it clear that the group should be banned which was followed up by the decision of Pusat Islam in October. The ban was not primarily a result of the deviationist teachings, but a clash of interests between the business interests of the ruling UMNO elites and those of al-Arqam. Both have emerged from the same Malay middle classes backgrounds and have repeatedly gone to court against each other in recent months.

With the introduction of the New Development Policy (NDP) in 1991 and Mahathir’s target of a rapid privatization of the economy in which Malays should gain at least a 30 percent stake, economics had become a crucial part of the nationalist discourse. Mahathir’s Vision 2020 outlined the target of a capitalist approach towards development and a class of well-connected Malays, the Melayu baru (the new Malays), had grasped this opportunity to benefit from the increasing closeness of government and the private sector. While UMNO’s business networks are based on a strong bond of patronage, they reflect the neo-Sufi teachings on authority and hegemony of al-Arqam, which, despite (or precisely because of) their similarity in outcome and style, UMNO had tried to brand as deviationist. al-Arqam could not be allowed to

function because it made it too obvious to the Malay electorate that an alternative approach to business and its ethics was possible, thereby undermining Mahathir’s whole nation-building concept of authority and legitimacy through absolute state power.

Less than three years after the ban, al-Arqam re-emerged as a new business enterprise under the corporate name Rufaqa Corporation in April 1997. The former members of the banned movement have built up a business empire spanning five industries where staff get free housing and schooling. Since 1999 Rufaqa has begun to set up a business base in Bandar Country Homes near Rawang, Selangor. Even though the products have not changed, it is the management style that distinguishes Rufaqa from other enterprises. Its staff receives sub-market wages but free medical care and housing and every household gets 300 RM worth of groceries every month. After spending two years in prison and being confined to the East Malaysian island of Labuan, Rufaqa’s founder, Ashari Muhammad, has again been under observation for reviving al-Arqam.16

The pressure is increasing, since Rufaqa has also spread to neighboring countries including Indonesia, Singapore, Thailand and Jordan, where its businesses (some 700 companies) successfully compete in the halal food sector.

In Indonesia, Rufaqa has made use of the political vacuum after the end of the Suharto era. Following a thorough de-centralization and the introduction of sharia legislation in a growing number of provinces, many local legislators have become sympathetic to Rufaqa’s anti-democratic rhetoric which sees democracy as contrary to Allah’s teachings. Unlike in Malaysia, the Majlis Ulama Indonesia, the ruling body of the clergy, has not yet banned Rufaqa. One exception is the province of Sumatra Barat, which banned the group in 1990 as a reaction to the events in neighboring Malaysia.

Initially set up as Hawariyun, Rufaqa joined the Hawariyun Indonesia and Rufaqa Malaysia operations to become Rufaqa International in 2002. In 2004, Rufaqa’s newly opened communities started to spread throughout the archipelago. In Bukit Sentul, Bogor, they operated a cell with around 100 members and offered the usual array of shops, kindergartens and restaurants. Other communities exist in Medan, Palembang and Pekanbaru in Sumatra and in Semarang and Bandung in Java. These groups have succeeded in forming their own networks by bypassing the pressure of the state apparatus in neighboring Malaysia. The community closest to Singapore, where it is

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also banned, is that in Batam. On the Riau archipelago Rufaqa has 150 members under the leadership of Ustaz Tengku Abdul Rahman.\(^{17}\)

In December 2006, pressure was rising in Malaysia to ban the movement which was alleged to be trying to revive the old al-Arqam. Since the new administration under Abdullah Badawi took over in 2003 there has been no change in policy towards deviationist movements. Badawi adopted the official interpretation of Islam by proclaiming a ‘civilizational Islam’, Islam Hadhari, during the UMNO general assembly in 2004.\(^{18}\) Its principles of building an empowered Malay race based on Islamic values, ethnicity and economic preferential treatment are exactly in line with the goals of Rufaqa which had tried to convince the Islamic opposition party PAS to adopt Islam Hadhari as a common platform, though this was rejected by PAS on the grounds that it contravened PAS’ goal of building an Islamic state under the leadership of the ulama. Rufaqa’s alternative model of development, which mixes Sufi elements with capitalism, is especially popular among young and middle class Malays, its books and CDs are “selling like hot cakes” according to a Jabatan Agama officer (religious department) in the western state of Selangor.\(^{19}\) This is no surprise since Sufism is both deeply ingrained in traditional Malay kerajaan (kingship), as in the language of patronage of UMNO that has inherited these discourses from royal Malay governance through appeals to Malay statehood, culture, ethnicity and religion. The authoritarian streak of both al-Arqam’s and UMNO’s discourses on government and democracy makes it so attractive for large strata of young Malays who know only a continued UMNO and National Front government in the five decades since independence.

Selangor has traditionally been a state with a large influx of migrants and a long history of deviationist teachings. The Department of Islamic Development Malaysia (Jakim) lists 56 groups which had been banned by state Islamic authorities. In 2001 investigated up to 80 groups for suspected deviation.\(^{20}\) Few groups have managed to build networks abroad as had Rufaqa, but there is a long tradition of Sufi contacts with the royalty and the Sultan of Selangor. Sufis came from Uzbekistan, the ancient Khorazan, in the

\(^{17}\) Warna warni Bandar Rufaqa [The colours of Rufaqa town], Gatra, November 9 and 18, 2004; Mimpi Bandar dari Sentul [Dreaming of town, from Sentul], Gatra, May 21, 2004.


\(^{19}\) Fakrul Azam Yahya in an interview with Al-Jazeera, March 20, 2006.

1930s to preach at the royal court. The Sufi Qadiani sect was the first to be banned by the British authorities before the Second World War. British and Malaysian policies on authority again share many similarities in this regard.

**Linking Southern Regions: Limitations to the Nation State**

Islamization discourses have not only evolved among political groups and parties, states too are inter-linked by shared interests. In Malaysia’s case this is the aim to spread Islam and a capitalist-inclined approach towards developmentalism that above all creates an investor-friendly environment without too many disturbances from human rights groups. This approach, encapsulated in the slogan *Malaysia boleh* – Malaysia can do it –, has reverberated across the region ever since Mahathir announced his Vision 2020 in 1991. As this paper argues, it is the transformation of the state itself that is creating new forms of linkages and it is interestingly not the West and outside forces, but Southeast Asia itself, which has prompted these changes in a regional setting.

After the end of the Cold War and well beyond the Asia crisis of 1997/98 it used to be the “Asian way” of the ASEAN members which served as a model both for a distinctive brand of foreign policies as for development. The formula of fostering non-interference and a set of distinctive values of interregional harmony had served the organization well during the years of the Cold War. However, even during the period of the Islamic resurgence in the 1970s there were first signs of a growing illiberalism within Asian societies. The brand of a conservative Dakwah Islam which developed among the new Malay middle classes did so precisely because because of the huge discrepancy between outwardly ‘harmonious’ foreign policies and rigid internal policies that left no space for political participation except through the channels of Islam.21

The gradual disintegration of ASEAN’s ‘harmonious ways’ became visible for the first time during the Asia crisis, when members did not give any second thoughts to the separatist tendencies in Indonesia and the dawning independence of Timor Leste. None of the ASEAN members considered reforming the Treaty of Amity and Cooperation of 1976 which was a mirror of the strict doctrine of non-interference in mutual domestic and international affairs. Rather growing tensions between ASEAN members

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were set aside. Prominent examples are the continuing dispute between Malaysia and Singapore which had remained unresolved for decades, over issues such as the common border, the price of Malaysian water, border controls at the Woodlands checkpoint and the use of exterritorial lands by the Malaysian railways.

Furthermore, there were also regional issues that did not trigger any reaction from ASEAN. In Central Asia where ASEAN had been economically active since the early 1990s Southeast Asian governments have made no effort to address domestic problems of their new allies. Similarly, human rights abuses in Myanmar have never been an issue, after the country joined ASEAN. Rather, topics such as abuses of minority rights, the rising tensions in Central Asia and across the Fergana Valley, increased threats from Islamic militancy as a result of rigid suppression by the Uzbek government that led to violent clashes with hundreds of deaths in May 2005, have never been addressed or even discussed.

Neither the protests in Kyrgyzstan leading to the removal of President Akayev in March 2005 nor the fraudulent re-election of Kazakhstan’s President Nazarbayev in the same year have prompted any reaction, even though both countries had submitted official applications to the ASEAN secretariat in late 2004 to become members of the ASEAN Regional Security Forum.22

In Central Asia as in Southeast Asia itself it is this growing unease with the traditional concept of the nation state and its elites that has triggered a number of conflicts in the region, thereby posing a direct threat to the deceptive calm of the “ASEAN way”. Even Mahathir’s successor Badawi has so far failed to make decisive changes in a system that is characterized by a bargain between the races and a highly uncompetitive quota system in favor of the Malays. The widening gap between rich and poor among all races combined with the limited access to political decision making gradually seems to put the existing system into question.

But for the first time, aspirations to altogether change the concept of the nation state, are starting to cross borders – they are no longer limited to the conservative discourses of the opposition party PAS which continues to campaign for an Islamic state. It is rather the similarity of Islamic discourses between UMNO and PAS and the limited space for voicing political dissatisfaction, which has pushed a minority into questioning the nation state concept. Similar developments occur in southern Thailand, the southern

Philippines and Indonesia for similar reasons. The threat posed by the over-powering state has finally come full circle and starts to threaten the state itself. A quarter century of Islamization and of political ‘out-Islaming’ each other (competition over the right interpretation of Islam) has finally created groups such as Kumpulan Mujahedin Malaysia or Jemaah Islamiya that have replaced the discourses of Asian values with those of a Caliphate state based on the initial Arab Islamic state of the 7th century.

For the first time since Sukarno’s Greater Indonesia (Indonesia Raya) debate in the 1960s there is an equally strict anti-capitalist movement that re-negotiates the existing nation state in the most radical, this time Islamist manner. While Sukarno envisioned all Malays in one big Reich, his Islamist successors have become even more exclusive. Banning all non-Muslims from participating in the new statehood or doing so under the prejudiced terms of a weak dhimmi (protected) status, is without example in the long debate on the nation state in Southeast Asia and would totally alter the fabric of the existing multi-ethnic, multi-religious societies. Even if this remains a fiction, the largely capitalist concept of a new Asian regionalism of Mahathir’s making is very likely to clash with the rigidly anti-capitalist one of Islamist orientation, posing again the question of the position and strength of the nation state. Rising militancy shows that it is not so much the remote-controlled network of al-Qaeda that is at work here, but the state’s institutions that have largely failed, also in their negotiations with foreign partners, and which have opened a “weak flank” of their own making.

This is aptly described by John Sidel, who has linked terrorist activities in Southeast Asia to homegrown problems, the involvement of the military in the logging and narcotics trade, which it shares with Islamist-Mafia like structures in Southern Thailand and the Philippines, but also elsewhere; or the instrumentalisation of Islamist groups in order to put pressure on the former Indonesian governments of Abdulrahman Wahid and Megawati Sukarnoputri, shows all the symptoms of weakened institutions and a retreating state. New ASEAN members have quickly discovered that the “ASEAN way” gives them adequate leeway to pursue their own domestic unilateralism, the pre-existing agendas of Myanmar and Vietnam have been largely left undisturbed, while old ASEAN members such as Malaysia are not under pressure to change their policies even if there seems to be a direct connection between their Islamic policies and a rising militancy.

It is therefore no surprise that the first attempt to institutionalize conflict resolution within ASEAN was a failure. In 1994, ASEAN launched the

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ASEAN Regional Forum – initially to engage China – as an attempt to curb regional conflicts and to adopt counter-terrorism measures. Neither the heightened security concerns after September 11 nor regional problems like the increased piracy that threatens international trade in the Straits of Malacca, have been able to force the ARE to take any concrete measures beyond the attempt to reach a consensus on the lowest possible level.

During the Asia crisis in 1997/98, ASEAN organized two meetings on transnational crime, but there was no legal commitment and the 1999 follow-up meeting only produced an agreement to enhance cooperation. With active Malaysian support, a Senior Officials Meeting on Transnational Crime was held in 1999 in order to enhance interregional collaboration. Additionally, divisions among ASEAN members increased at the end of 2001 over the US involvement in Afghanistan, of which Malaysia and Indonesia as Muslim states were highly critical. Only due to the constant pressure of the US government was a nominal understanding achieved one year later over a joint anti-terror declaration. Not only because of the tradition of non-interference in each other’s affairs, but also because of respective interests outlined above, the Special ASEAN Ministerial Meeting held in May 2002 in Kuala Lumpur did not result in any concrete policy recommendations.24

Since 2002, security and anti-terrorist agreements have been mostly bilateral in nature. The capture of Philippine Moro rebel leader Nur Misuari was a result of a joint border surveillance carried out by the Joint Malaysia-Indonesian General Border Committee. In December 2001 the countries involved had agreed to deport Misuari to Manila, this initial success led to further bilateral activities. In May 2002, Malaysia, Indonesia and the Philippines signed a counter-terrorist treaty after four months of negotiations. The treaty was supposed to be a counter-weight to US involvement in the Philippines as part of the “war on terror”.25 Throughout 2003–2007 the ASEAN Regional Forum has met several times to discuss measures on transport security and transnational crime. However, because of the ASEAN policy of non-interference it has never come up with policy recommendations that address the growth of local Islamist networks which end up becoming regionalized only due to negligence.

24 Ministers arrive for special ASEAN meeting on terrorism, New Straits Times, May 20, 2002; ASEAN to show resolve in countering terrorism, Business Times, May 20, 2002.
Discourses of Knowledge\textsuperscript{26} and the Beleaguered State

The State attempts to establish inter-regional discourses have often been hampered by the particular culture of conflict resolution as in case of the ASEAN. Malaysia has been much more successful in spreading the message of an islamically inspired developmentalism and an Islamic state as understood by Mahathir through networks of knowledge which have been developed locally. The institutional pillars of this discourse are the International Islamic University (IIU), established in 1982, the Institute of Islamic Understanding and the Institute of Islamic Thought and Civilization (ISTAC), all situated in Kuala Lumpur. They are a direct outcome of the way local politics have affected Islamization during the last quarter century and reflect the major principles of power machinations and regulation through Islam deeply ingrained in both Mahathir’s and Badawi’s politics.

Since its inauguration as a research centre under the International Islamic University, ISTAC has functioned as conveyor of the message of the Islamization of knowledge to a wider, international audience. The idea of ‘de-westernizing’ knowledge can be traced back to the time of the Islamic resurgence in Malaysian universities when Anwar Ibrahim was still active as student leader at the Universiti Malaya. When Anwar was invited to join Mahathir’s administration in order to formulate the government’s Islamic policies, it was clear that a formula had to be adopted which linked Malay nationalism with Islam, yet providing an outlet for the Malay middle classes who demanded a return to the fundamentals of Islam in order to gain more political participation.

At the same time, Mahathir’s Vision project was built around intellectual populism and the need to win over civil society. UMNO’s hegemonic networks started to spread in the 1990s because they were able to capture the popular mood which is on the one hand nationalist and secular in nature, but which on the other hand has moved further and further towards a conservative Islamic doctrine that blurs any distinction between a formally secular UMNO and the Islamized opposition. Both have been well received by the electorate, as the results of the 2004 general election have shown. The creeping Islamization of the state has its roots in the production of Islamic knowledge, which has gradually pushed aside ‘older’ progressive Muslims in the state universities, as in Universiti Malaya, and after Anwar’s

\textsuperscript{26} “Discourses of knowledge” here refers to secular or Islamic interpretations of the state, governance etc.
ouster as deputy prime minister in 1998 also in ABIM, and has replaced them with a new class of jihadis.\textsuperscript{27}

The jihad promulgated on the website of UMNO, which officially still is a secular party, stands for the changes that have taken place during the decade since Anwar’s arrest. By the late 1990s, the administration seemed to be more split between an Islamic liberalism on the one side that eventually produced Islam Hadhari, and a growing radicalism that has led to decisions which seem directly to come from PAS. The opposition is similarly divided and tries to uphold Islamic purity in the conflict between rural \textit{ulama} and newly emerging urban middle classes. Thus, the government’s Islamization of knowledge project also reflects the needs and frictions of realpolitik that created figures like Syed Naguib al-Attas at ISTAC who were the result of the political manipulations of state elites that tried to boost their Islamic credibility by sponsoring ostensibly Islamic educational initiatives, a false “Viva Islaam” which is so prominent in Malaysia. The Malaysian government’s patronage of al-Attas was foremost a demonstration of the old styles of patronage by a government which – again – used and misused Islam as an instrument of power.\textsuperscript{28}

It is interesting to note that al-Attas’ thinking at that time revolved around neo-Sufism, above all with the understanding of social hierarchies that were of so crucial importance for the Mahathir administration and remain so for Badawi despite continued appeals to modernism. The ‘old’ class of progressive Muslims in Malaysia depended on the kind of loyalty described by Chandra Muzaffar that brought both the electorate and the government together in a mutual dependency.\textsuperscript{29} The understandings of patronage and power seen in al-Attas’ writings are reflected in the pompous building style of ISTAC that tries to re-invent itself as a “castle built on sand” … “that was not in Malaysia but could be somewhere in the Middle East” as Abaza notes.\textsuperscript{30}

The weakness of the Islamization of knowledge then lies in the fact that those scholars involved have not been able to prove that they have been really able to emancipate themselves from the state discourses of power,


\textsuperscript{30} Mona Abaza, \textit{op. cit}, p. 88.
Islamization and patronage. Rather, being provided with prestigious titles such as “Sasterawan Negara”, they have been lulled into compliance which in return has exposed them to the criticism that they mainly supported already weakened regimes. This criticism has exposed a new level of knowledge production, this time stemming from the more radical strata of Muslim society. While in Malaysia there are new “Islamists” across the whole party spectrum, from UMNO to PAS and the most radical groups such as Kumpulan Mujahedin Malaysia (KMM), other countries have had similar experiences.

The networks of scholars spanning the Islamic world from Malaysia to Egypt, be it at the IIU in Kuala Lumpur or at similar institutions in the Middle East, have been patronized by their own Muslim rulers and have been engaged not so much in intellectual discourses as in struggles over favors and hand-outs from the state, which has left them in a permanent state of conflict with each other. This intellectual culture of state dependency has created a feeling of tremendous frustration and anger among the Islamist circles involved, which in turn has led to a further radicalization of the Islamic debate, only too obvious in the last few years in Malaysia, but also in Egypt, Algeria or Uzbekistan, and has nothing or very little to do with the West.31

In order to proceed further with the Islamization project, the “older” progressive Muslim modernizers around Mahathir and Anwar become gradually replaced with the new jihadi s that come out of Malaysia’s state patronage institutions like ISTAC, IIU and the local universities. Since 2000, this has become obvious in the growing Islamic assertiveness at the universities, where the grassroots fight for their own Islamic revolution and seem to be determined to counterbalance the more liberal views expressed by Anwar Ibrahim and the globalizing influences of the Internet, which in the view of many radical Muslims are a reflection of continued Western hegemony. Almost all student councils have come under the control of the opposition party PAS, creating a new theocracy at the local Malaysian universities, which leads to angry new discourses as to how the state should deal with the practical application of religion in a time of spiritual crisis.

If networks are bred locally, this is the place to watch the transformation of the state from a secular towards a more religiously inclined one, in which the clash between libertarian and communal values occurs over the debate on individualism, the primacy of private space and the legal enforcement of

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31 John L. Esposito and John O. Voll, Islam and Democracy, New York: Oxford University Press, 1996, pp. 173–191, discuss this phenomenon with regard to Egypt in the 1990s but, nonetheless, it has lost nothing of its validity.
morality. While Islam Hadhari still reflects a temporary plea for a more liberal image of Islam, the court cases concerning the right of non-Muslims to child custody (the Shamala case), the status of deceased converted Muslims and their right of burial (Muhammad Moorthy Abdullah case) and the Muslim right to convert to another religion, here Christianity (the case of Lina Joy) reflect the gradual take-over in the judiciary and state administration by a “post-progressive” Islam that joins forces with the “progressivists” around Anwar and Badawi to defend an Islam beleaguered within and by the West.32

While the “modernists” retain the illusion of Islam and modernity which has been upheld through the discourses of Anwar’s Masyarakat Madani (Islamic civil society) and Mahathir’s Vision 2020, the rest of the conservatives show a tendency to move further to the right. This tendency has been evident in recent months, when a directive against extending Deepavali greetings to fellow Hindu citizens, a fatwa condemning religious liberalism and pluralism, demonstrations against open discussions of religious freedom and a death threat to a lawyer who defended the right of his client to convert from Islam clearly indicate a radicalization that has not come from the opposition party PAS, but from the center of the state and its institutions.33

A move to the right at the centre of the state and the ebb for terrain of progressive Islamic discourses are a far more worrisome tendency than the presumed network theories that see the state endangered by outside forces of al-Qaeda and the like. How Malaysia resolves its differences about the way Islam is practised and discussed, will also have repercussions on its neighbors, like Indonesia, where a similar Islamic resurgence is underway as well as in southern Thailand and southern Philippines, where discourses are also centered around a more rigid form of Islam.

Jihadis at Work: Working Through the State

Both Malaysia and Indonesia held general elections in 199934. In Malaysia, the ruling National Front retained its two-thirds majority despite huge losses

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32 Hannah Beech, Malaysia at a Crossroads, Time, March 5, 2007, pp. 18–19.
33 Uproar over Ban on Deepavali Greetings, Malaysia Today, October 12, 2006; Marzuki Mohamad, Zainah Anwar’s Hate Ideology. Desecularization or DeIslamization or both, Malaysia Today, October 29, 2006.
to the opposing Parti Islam SeMalaysia (PAS). By that time the reformasi\textsuperscript{35} 
street protests had already lost their steam, the newly formed opposition front Barisan Alternatif was lost in infighting over PAS’ refusal to give up its plans for an Islamic state – in fact the refusal of the ulama within the party to compromise this plan in any way assisted UMNO to re-ascertain its position as leading political and ideological force until early 2000.

In Indonesia, the general elections of 1999 had brought about an affirmative step away from Islamic support and towards nationalism, a development that was confirmed shortly afterwards in Malaysia – Islamic forces in both countries seemed to be at a loss over what to do with their earlier electoral successes. The united Islamic front under Habibie had dissipated into fractioned Islamic parties and a strong showing of Megawati Sukarnoputri’s Indonesian Democratic Party of Struggle (PDIP). Despite their weak performance, the Muslim parties managed to elect Abdurrahman Wahid as president through a protracted vote-casting operation in the People’s Consultative Assembly (MPR) in October of the same year, in which they formed the Central Axis to defeat Sukarnoputri in the elections. Nevertheless, the Islamists did not gain ground through Abdurrahman’s refusal to work together with his supporters, removing them from the cabinet and re-establishing the traditionalist NU (Nahdatul Ulama) circles in power who more disposed to Wahid’s strict rejection of jihad in the Moluccas and the struggle for an Islamic state. While the election of such a prominent Muslim figure had first been welcomed by the Muslim coalition partners, they soon started to complain about the betrayal of trust and took the opportunity to remove Wahid at the earliest possible time. When Sukarnoputri’s became President in 2001, radical Islam was further stimulated, since it became clear that the Muslim project that had still been very much alive under Habibie, was politically on the retreat in the parliament. Furthermore, the war on terror after September 11 of that year left little space for the representatives of moderate Islam, much less for achieving unity among themselves, since foreign pressure on Indonesia – interpreted as a move against Islam – was only reflected by the strong mandate of the Protestants within Sukarnoputri’s party itself\textsuperscript{36}.

Only at this moment of constant pressure, internal and external, did such local Islamic networks as Jemaah Islamiya spread across Indonesia and beyond its boundaries, where they were readily integrated into others like Kumpulan Mujahedsin Malaysia. Prior to the elections of 2004, two common

\textsuperscript{35} The reformasi street protests took place in Kuala Lumpur after the arrest of Anwar Ibrahim in September 1998. Reformasi was the initial call for political reform.

strains appeared in both Malaysia and Indonesia – Islam working from the
provinces and a general inclination towards conservatism – that helped to
strengthen the Islamic forces on the local level. After being elected president
in 2004, Bambang Yudhoyono relegated Islamic discourses further to the
political margin by closer cooperation with the Indonesian military that
seems divided over the Islamic vote. A general himself, he has not been able
to counter Muslim dissatisfaction over continued corruption and mismana-
gement of resources by a strong central government, which is now divided
among several non-Islamic and Islamic parties, Golkar being the strongest at
21.6 per cent. 37

Instead, a comparatively divided government combined with the ongoing
decentralization of governance has considerably increased the influence of
the provinces and enabled Islamist parties to work through the grassroots
and through local institutions. In Malaysia, the handling of religious affairs
has traditionally been left to the federal states – indeed this is enshrined in
the constitution – and has only seen interferences from the federal govern-
ment, when the plan of the opposition party PAS to enforce sharia laws was
about to be implemented or if it had to move against “deviationist teach-
ings”.

Since political Islam moved to the right in both Malaysia and Indonesia
in recent years, it has become obvious how successfully it operates through
the state and manages to transform its institutions. In Malaysia it is by no
means only the Malaysian east coast state of Kelantan, under PAS rule since
1990, which actively implements conservative religious laws, it is foremost
the UMNO controlled states. Most of them have introduced legislation
against women who do not wear the headscarf to work, against drinking of
alcohol by Muslims and the indiscriminate mixing of the sexes, and in fa-
vour of the introduction of an Islamic state in Terengganu, which had been
the goal of PAS until the state was taken over by UMNO in 1999. While this
is a process of Islamization that can be observed throughout the last quarter
century in Malaysia, the path in Indonesia is even more breathtaking. It
seems as if the country has to make up for the years during which Islam was
suppressed under the Suharto regime. Due to decentralization, sharia legis-
lation has been devolved to the provinces. Dozens of regencies and political
subdivisions of the provinces have introduced sharia-based by-laws that
function on a similarly cultural but nonetheless very effective level as in
Malaysia.

37 Indonesia’s April 2004 Parliamentary Elections: Implications for Presidential Elections
and Politics, Asia-Pacific Center for Security Studies, 3,6 (July 2004).
In Malaysia it is fact that the introduction of the sharia at state level is forbidden by the federal constitution which can only be changed by a two-thirds majority in parliament (which the opposition does not have) that has forced UMNO and PAS to fight for the Islamization of the states by such symbolic steps as the banning of alcohol, the whipping of delinquents and restriction of close proximity (\textit{khalwat}). In Indonesia, Islam is not part of the constitution and Indonesia is even less an Islamic state than is Malaysia. But the recourse to Islamic symbols through which jihadis fight for its implementation on the provincial level is nevertheless highly successful. In 2003, only seven Indonesian districts had enforced sharia-based by-laws, in 2007 this has risen to 52 districts, more than ten per cent of the whole country.\textsuperscript{38}

While the Religious Affairs Department of the Prime Minister’s office in Kuala Lumpur effectively controls all deviationist interpretations of Islam and thus supports the conservative leanings of the provinces, the Indonesian Ulema Council has only lately risen to the task of implementing a more conservative brand of the religion. Since being given more power by a retreating state, the council issued a fatwa in 2005 that all religious teachings influenced by pluralism, and secularism are against Islam. This of course has also to be seen against the background of the continuously weak position of conservative Islam in all the seven years of government since the Wahid administration. At the same time, the current administration in Jakarta has, as in Kuala Lumpur, not done much to stop the ongoing debate on the benefits and permissible extent of the sharia in the provinces.

Instead of defending the in principle secular nature of the constitution, Bambang Yudhoyono and his cabinet have largely ignored the debate. President Jusuf Kalla has called it “normal” in a Muslim state and makes the subtle difference between sharia laws and laws inspired by the sharia, as in this case.\textsuperscript{39} These attitudes of indifference do not reflect public opinion, however, which in its majority supports the application of the sharia. This grassroots movement is a reflection of the disappointment in large strata of the population at the unsuccessful fight against corruption and poverty, demanding more political accountability from a secularized elite in Jakarta, which had never represented the rural population well. Giving a voice to Islam as an instrument of more political responsibility has already worked successfully, it has brought about the Islamic resurgence which finally forced the government to make concessions in terms of more Islamic policies. The religious grassroots movements in Malaysia and Indonesia combined could

\textsuperscript{38} Hannah Beech, A Call to Prayer, \textit{Time}, March 5, 2007, p. 16.

\textsuperscript{39} We are not a sharia state, \textit{Jakarta Post}, February 9, 2007.
give a voice to the dissatisfied and oppressed Muslim minorities in South-
east Asia, which in turn would reverberate through the umma, finally turning
national discourses into international ones.

### Conclusion

This paper has argued that transnational Islamic discourses develop in local
settings which emerge on various levels that are rarely separable from each
other and are crucial in the exchange and production of knowledge, in
formulating new or transformed models of statehood or in debates on govern-
ance. However, they are not imposed from outside, as many terrorism experts
have recently argued. Networks are rather part of the transformation of the
state, which happens both through national and international politics, as
through the authoritarian nature of the state itself, which allows networks to
function as an outlet for expression in an otherwise restricted political dis-
course. It is from this perspective of a tradition of oppression that contacts
first developed between the Middle East and the Nusantara Region in the
early 20th century. The British government had no interest in supporting
Islamic parties that were both critical towards traditional Malay kingship
and to British colonial rule. The moral rigidity of the Islamic reformers de-
veloped not only because of political models followed in the Middle East,
but because morality allowed the national movement to proclaim its distinction
from and protest against the political establishment. Not surprisingly, after
several decades in which political Islam was of secondary importance, this
form of networking-protest arose again during the “Islamic resurgence” of
the late 1970s signaling the growing uneasiness of the young, aspiring middle
classes with the “old” elites that functioned mainly through politics of
accommodation.

The networking of Islamic fundamentalists under the banner of political
reform gained new dimensions under the Mahathir administration. Political
organizations such as ABIM and parties like PAS have linked up with
groups in the Middle East and South Asia. The Islamic discourses on mo-
rality, purity and rigidity have gained momentum and an international di-
mension for the first time. But they have always remained a reflection of
events on the local level. They have been a means to pressure local rulers for
more political reform and have only become more radicalized when these
demands for more substantial change were not met.

The growing frustration within the ruling elites over the inflexibility of
the system has led to discourses of a more conservative nature, and conse-
quently resulted in a split, where a younger generation of radicals as in the case of KMM decided to work only outside the political system, while young jihadis have transformed it from within.

Political discourses on Islam have also very much functioned to retain the political status quo as in the case of the debates on knowledge between different institutions of the Malaysian state, which have enforced notions of patronage and authority. Officially neo-Sufi in nature, they are a reflection of older traditional discourses on Malay kingship and governance inherited and promoted by UMNO as a means of political control. Both state neo-Sufi networks and those of the opposition group Rufaqa (al-Arqam) share a common understanding of authoritarianism and patronage, which explains the great popularity of neo-Sufi cults among the young Malay middle classes that grew up in an equally authoritarian and anti-democratic environment. Young jihadis have learned to work through the state and have been quite successful in both Malaysia and Indonesia in turning society into a sharia-based one – be it in name (Malaysia) or in practice (Indonesia). Grassroots networks in a decentralized state like Indonesia are a good example for the gradual transformation of the state towards the sharia, as in Malaysia during the Islamic resurgence a quarter century earlier.