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LABOUR MARKET IN ASIA AND EUROPE: A COMPARATIVE PERSPECTIVE ON UNEMPLOYMENT HYSTERESIS

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Abstract

The main problem of the European labour market is its high unemployment. By contrast, Asian countries do not face the high unemployment. In order to explain this differences, this paper aims to compare labour market outcomes, particularly unemployment rates, labour market institutions and unemployment protection mechanisms, in Asia and Europe. Despite numerous studies on this topic using econometric analysis, there is still lack of descriptive analysis of labour market in this important topic in the labour economics. Thus, this paper uses some descriptive statistics to explain the differences in the labour market between Asia and Europe. Results of secondary data analysis indicate that there is a remarkable difference in labour market outcomes between the two regions, especially in unemployment rates, where the rates for Asia are relatively lower than those for Europe. The main feature of Asian unemployment is that unemployment rates are quite stable, whereas for Europe they are persistently high. In Europe, unemployment rates tend to increase when a country faces an economic crisis and will reduce when the economy recovers from the crisis. However, the level of reduction often does not reach pre-crisis rates. This appears to be mainly due to provisions of the generous unemployment benefits in Europe, where policymakers often have to make a paradoxical balance between labour market flexibility and employment protection. By contrast, in Asian countries, unemployment rates do not seem to be affected by economic conditions. Some possible factors contributing to this trend include a weaker unemployment protection mechanism, a strong existence of an informal sector and a prevailing culture of self-help in the region. As a conclusion, Europe appears to face a greater problem with unemployment hysteresis while Asia’s the severity of the unemployment problem is less because the effect of economic crisis on unemployment tends to be smaller in Asia than in Europe.

Keywords: Asia-Europe employment, labour market outcomes, non-standard labour, unemployment hysteresis, labour market institution, employment protection

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Introduction

There is a remarkable difference in labour market outcomes, especially unemployment rates, between Asia and Europe. A recent analysis by The Economist (2018a) suggests that there is no similarity in unemployment patterns between the two regions. Simply put, unemployment rates in Asia are generally low while unemployment rates in Europe are relatively and persistently higher.

Persistently high unemployment rates among European countries have been a well-known fact among economists since the 1980s. Some of the leading researchers who have debated on this issue include two American economists, Olivier Blanchard of Massachusetts Institute of Technology and Lawrence Summers of Harvard University. They argue that, particularly in the 1980s, unemployment rates in Europe would increase during economic crisis but would not decrease to original levels even after the end of the crisis. This interesting phenomenon in the European labour market is called “unemployment hysteresis” (Blanchard and Summers, 1986).

By contrast, unemployment in Asia is typically low. A distinctive feature of the Asian unemployment pattern is that unemployment rates are quite stable and do not appear to be affected by economic conditions (The Economist, 2018a). This contrasts with the situation in Europe, where unemployment rates are much more volatile and react sensitively to the ups and downs of the economy.

Figure 1: Unemployment rates in Germany and Thailand (1980-2015)

For a typical example, the unemployment rates for the period of 1980-2015 in Germany and Thailand are depicted in Figure 1. These countries are chosen because pattern of the unemployment rates are different. In other words, Germany is a typical European country with relatively high unemployment rate and Thailand is a typical Asian country with relatively lower unemployment rate. As the graph clearly indicates, the unemployment rates for Germany are much higher and more volatile than for Thailand. In Germany, the unemployment rates in the
1980s were around 6 percent and increased to around 8 percent in the 1990s. Much of Europe, including Germany, faced an economic crisis in the mid-2000s. As a result, the unemployment rates in Germany were around 11 percent during this period. After a slow recovery from the crisis, by 2010 the rate had gone down to 7 percent (World Bank, 2018).

By contrast, unemployment rates in Thailand were around 4 percent in the 1980s. Southeast Asian economies, including Thailand, enjoyed a high economic growth in the first half of the 1990s, during which the unemployment rates in Thailand were around 1 percent. Even when the region faced the Asian Economic Crisis at the end of the 1990s, unemployment rates in Thailand increased to only 3 percent. After its recovery from the economic crisis, unemployment rates in the country decreased back to 1 percent (World Bank, 2018).

To understand the above differences between Asian and European unemployment patterns, this paper set out to examine labour market dynamics and their connection with unemployment rates in the two regions. This is done not only from an economic perspective, but also from a socio-cultural one. In other words, there is a relatively weak tendency of the mean-reversion in the unemployment rates in Europe. It would mean that there is a hysteresis in the unemployment rate in the European labour market. By contrast, there is a relatively strong tendency of the mean-reversion in the unemployment rates in Asia. It would imply that there is no hysteresis in the unemployment rate in the Asian labour market. In other words, unemployment rates in Thailand are relatively lower than Germany. These differences could be explained by the difference in social security. European countries tend to have a better social security system to protect their workers than Asian countries.

The paper consists of five sections. Following this introductory section, the second section offers a theoretical framework for unemployment dynamics. The third and fourth sections examine the main characteristics of European and Asian labour markets. The final section concludes with key lessons and implications of the study.

**Theoretical perspectives on labour market dynamics**

There have been numerous empirical studies of labour market dynamics since the seminal publication on unemployment hysteresis by Phelps (1972), and Blanchard and Summers (1986). Some researchers have used the time-series unit root method to examine labour market dynamics (Neudorfer et al., 1990; Brunello, 1990; Mitchell, 1993; Roed, 1996) while others opted for the panel unit root method (Song and Wu, 1998; Tieslau and Lee, 2001; Christopoulos and Leon-Ledesma, 2007; Chang et al., 2005; Camarero and Tamarit, 2004; Ener and Arica, 2011). There are also those who have used more advanced methods, such as the Lagrange Multiplier (LM) test and the fractional integration method, et cetera (Romero-Avila and Usabiaga, 2007a; Romero-Avila and Usabiaga, 2007b; Sephton, 2009; Lee et al., 2009). Geographically speaking, most of these empirical works have focused on European countries and there is very limited research on this topic done on Asia. Some notable exceptions are studies conducted by Smyth (2003), Lee et al. (2010), Furuoka (2012), Furuoka (2017a), and Furuoka (2017b).

More importantly, there is no formal theoretical model to describe labour market dynamics. However, an employment model suggested by Blanchard and Summers (1986) could be used for the baseline model to underline some basic characteristics of labour market dynamics. This employment model has been further developed by other researchers (Song and Wu, 1998; Bell and Mankiw, 2002; Furuoka, 2017a; Furuoka, 2017b). To summarise, the employment model assumes that money supply \((m)\) has a positive impact on the firm’s output \((y)\). Additionally, it also assumes that the price level in the country \((p)\) has a negative impact on the output. In
this model, there is a difference between output price in the firm \((p_i)\) and the price level in the country \((p)\). This difference in price level would have a negative impact on the output. The output function is expressed as;

\[
y_i = (m - p) - a(p_i - p)
\]

where \(a\) is a constant, \(m\) is money supply, \(y_i\) is the output in the firm \(i\), \(p\) is price level in the country, \(p_i\) is output price in the firm \(i\). The demand of labour could be considered as a “derived” demand in which the firm’s output is proportional to labour demand in the firm. In this sense, the output function can be used for the employment function in the firm \((n_i)\). In this employment function, the price \((p)\) is replaced with the wage \((w)\) in the output function. It means that the employment function can be expressed as;

\[
n_i = (m - w) - a(w_i - w)
\]

where \(a\) is constant, \(m\) is money supply, \(w_i\) is the wage level in the firm \(i\), \(w\) is wage level in the country. This employment function may be simplified by assuming that employment and wage level is the same in all firms. In this simplified version, the level of employment at time \(t\) can be expressed as;

\[
n_t = m_t - w_t
\]

where \(n_t\) is the employment level at time \(t\), \(m_t\) is the level of money supply at time \(t\) and \(w_t\) is the wage level at time \(t\). The level of employment would be determined by the difference between the level of money supply \((m)\) and level of wage rate \((w)\). In the case that the increase in money supply is greater than the increase in wage level, this would cause a positive effect on the employment level. By contrast, in the reverse case that the increase in wage level is greater than the increase in money supply, this would cause a negative effect on the employment level.

Under the insider model of employment, the insider in the firm would have a maximum bargaining power to ensure that the expected level of employment \((n')\) is equal to the level of employment at time of the negotiation \((n_{t-1})\). It would mean that the bargaining parameter \((\beta)\) is equal to unity under this insider model of employment. In the case that the insider’s bargaining power is less than the maximum value, the expected level of employment could be less than the level of employment at time of the negotiation. Therefore, the employment function can be reformulated as:

\[
n_t = \beta(n_{t-1}) + (m_t - m_t^e)
\]
where $\beta$ is a bargaining parameter that would measure the level of strength of insider in the firm, $n^*$ is expected level of employment, $n_{t-1}$ is the level of employment at time of the negotiation. This employment formula indicates that some insiders who is currently working in the firm could lose their employment during an economic recession if $\beta$ is less than one. More importantly, if the bargaining parameter is less than unity, the monetary shock will disappear in the long-run. It means that a monetary shock would have a transitory impact on the employment. In this case, the unemployment rates would follow a stationary process. In the stationary process, the unemployment would have a mean-reversion tendency and in the unit root process, the unemployment rate would not reverse to its mean value. In other words, a higher-than-normal unemployment rate would revert to an equilibrium level. However, if the bargaining parameter is equal to unity, a monetary shock would not disappear. In this case, the unemployment rates would follow a unit root process (Wang, 2009). Thus, the main point of this theoretical framework on the employment model is that the strength of the insider in the firm will determine the labour market dynamics. In other words, the insider power could be the main element which determines whether unemployment rate would follow the stationary process. It means that the unemployment rate could follow a unit root process if the bargaining parameter of the insider in the firm is equal to unity under the pure insider model. Otherwise, the unemployment rate would follow the stationary process. In this context, the theoretical model suggests that unemployment rates in Europe may follow a unit root process because of stronger insiders’ power while the unemployment rates in Asia may follow a stationary process due to the lack of strong insiders.

**Main characteristics of labour market in Europe**

There are five major characteristics of labour market in Europe. The first characteristic of European labour market is the strong employment protection. In the European labour market, employment protection mechanisms, such as unemployment insurance, is seen as a potential cause of persistently high unemployment rates. It has been argued that the strong existence of employment protection in the region can prevent the labour market from becoming flexible enough to absorb negative shocks in the labour market. In other words, strong employment protection would prevent wage levels from becoming lower enough to provide job opportunities to unemployed workers during the economic crisis.

The second characteristic of European labour market is the lack of flexibility. There is an ongoing debate on the relationship between worker protection provided by labour market institutions and the flexibility of labour market. This debate is known as the labour market flexibility debate. Some economists who believe in the importance of flexibility argue against employment protection. These neoclassical economists promote the importance of natural rates of unemployment, the efficiency wage theory and the job search theory to explain the market equilibrium of labour supply and demand. According to this school of thought, unemployment insurance can be seen as a “social wage” which contributes to high unemployment. This line of argument is promoted by some international organisations, such as the Organisation for Economic Cooperation and Development (OECD) and the International Monetary Fund (IMF). Thus, this economic thought is also known as the OECD-IMF orthodoxy for the labour market. For example, the OECD has proposed the OECD Jobs Strategy for all its member countries.

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2 This paper’s theoretical foundation is based on the employment function within the insider-outsider theory suggested by Blanchard and Summers (1986). More recently, Gustavsson and Österholm (2007) have provided empirical evidence to indicate a distinctive difference between unemployment and employment hysteresis. According to them, empirical tests tend to produce mixed evidence for hysteresis in unemployment. By contrast, unit root tests are able to produce more consistent results to support hysteresis in employment.
Under this policy recommendation, the OECD suggests that all member countries should promote higher flexibility of the labour market and recommend some policy reforms with respect to “working time”, “wage and labour costs”, “employment protection legislation” and “social security benefits” (Berg and Kucera, 2008).

The third characteristic of European labour market is the promotion of decent work. Other economists view employment protection as an important labour market policy in Europe to ensure decent working conditions for all workers. A number of international organisations, such as the International Labour Organisation (ILO), have made recommendations to its member countries to establish appropriate labour market policies and action plans to protect the rights of workers. These recommendations are known as the “ILO Standards” (Berg and Kucera, 2008). Thus, a most crucial challenge in the European labour market is to strike an effective balance in the relationship between labour market flexibility and employment security. On the one hand, policymakers need to ensure that the labour market is business-friendly by making it more flexible. On the other, there is an urgency not to destroy the existing high standard of employment security in the region. This is a fundamental paradox in labour market dynamics. As a result of this paradox, there is a rise of ‘non-standard’ labour in Europe. More precisely, during an economic crisis, European employers may face a difficulty to decrease the wage level of workers. This is mainly because strong wage-setting mechanisms, such as the employment protection laws, will resist any negative change in wages. In response to this, European employers may try to increase the usage of part-time workers who are not protected by employment protection laws. It means that the presence of non-standard workers has played the role of a “cushion” during economic crisis in the region (Muffels, 2008).

The fourth characteristic of European labour market is a change in work value. There has also been a tremendous change in work values across Europe. Current trends in demographic, cultural, economic and legal environments have had an impact on many aspects of employee recruitment and retention strategies globally (Idris, 2014; Vaiman et al., 2012). Specifically the quest for work-life balance, considered nowadays as a basic requirement by an increasingly enlightened workforce, has contributed to the demand for flexible working practices (Smith et al., 2011). Although monetary factors such as salary, bonus, and allowance are still important, non-monetary benefits including flexible working are increasingly being used as a tool in managing employee turnover. More significantly, there are scholars (Arvanitis, 2005) who argue that monetary benefits are not sustainable drivers of job motivation and commitment since social value shifts have resulted in a greater concern for work-life balance among the younger generations.

The fourth characteristic of European labour market is a decline in full-time job. There has been a rapid decline in permanent, full-time employment within the region. The standard career pattern in European countries is shifting toward a more diverse working experience with a richer variety of the non-standard work forms, such as flex-time and flexplace, part-time employment, temporary employment and labour-sharing. In the 1980s, only ten percent of European workers were employed as part-time employees. By the 2000s, this figure had increased to around twenty percent. With such a rapid increase in the number of workers engaged in non-standard employment in recent decades, currently a fundamental question in the European labour market is how to provide sufficient protection to this category of workers (Muffels, 2008).

In the Nordic countries, part-time employment is a manifestation of ‘flexicurity’ (a combination of flexibility and security) which allows women more options depending on the stage of their life-cycle without having to opt for career breaks (Kinoshita and Guo, 2015, p.16). The flexibility in work arrangements allows women to juggle their work and family
responsibilities. The Nordic model of female labour supply which emphasises on work-life balance is highly successful, with Norway having the highest rate of female labour force participation among OECD countries (Kinoshita and Guo, 2015). Recent statistics show that about 83 percent of mothers with young children are employed (Kinoshita and Guo, 2015). This is attributed to comprehensive parental provisions and subsidised child day-care for working parents.

Nordic countries are often known as ‘welfare states’ and generally provide ample social security to their workers (Furuoka, 2017b). For example, Finland extends generous public support to families through high levels of maternity and parental leave allowances, long periods of payment and excellent day-care service provisions (Kinoshita and Guo, 2015). Additionally, strong gender equality in Nordic countries provides equal opportunity and labour market access to women (OECD, 2018). The utilisation of female workers, especially in view of their rising education level in the long term, can contribute to a country’s economic growth. Non-standard work forms provide more alternative to workers, enabling them to remain employed while enjoying greater personal autonomy, increased earning potential, flexibility, and more control over work-life balance (Walker, 2011). This can potentially reduce unemployment problems. Furuoka (2017b) suggests that this explains why some European countries, such as Nordic welfare states, may not have problems of high unemployment.

Figure 2 presents the unemployment rates of Nordic countries from 1980 to 2015. Despite some occasional differences among them, there is still a common pattern in the unemployment dynamics of these countries, especially since the mid-2000s. In the 1980s, the unemployment rates in Nordic countries, with the exception of Denmark, were low, at four percent or less. Although the mid-1990s saw a rise in these figures, instances of high unemployment were relatively short-lived compared to other European countries such as Germany, France, Spain and Italy. Norway, in particular, has maintained an unemployment rate of approximately four percent since the late 1990s, while the rates for Denmark and Sweden have been stabilising at less than eight percent over the past ten years. In other words, these countries seem to have smaller unemployment issues than other European economies. It should be noted that Norway is one of the wealthiest countries in the region and the country provides well-established social security for its workers. In spite of its provision of generous social security protection, Norway does not face the problem of unemployment hysteresis. In other words, existence of strong employment protection could result in a high unemployment problem in the Nordic countries due to the lack of sufficient flexibility to counter-balance the negative effects of business cycle. However, it is likely that existence of flexible working and non-standard employment practices would provide a good cushion to absorb the negative impact of business cycle. It would mean that the Nordic countries are exceptional European countries which would not suffer from the higher unemployment rates.
Main characteristics of labour market in Asia

The most salient characteristic of the labour market in Asia is that unemployment rates in the region tend to be low even during periods of economic crisis. It would mean that unemployment rate would not increase rapidly during the economic crisis in comparison with European countries. In other words, unemployment rates in Europe tended to be affected by economic condition. By contrast, in Asian countries, unemployment rates do not seem to be affected by economic conditions. This raises the question of why many Asian countries have consistently lower unemployment than European countries.

There are three main reasons which can explain the lower unemployment rate in Asia. Firstly, there is still a lack of adequate labour protection in the region, so much so that unemployment may be considered as a ‘luxury good’ (The Economist, 2018a). Simply put, Asians cannot afford to be unemployed. In many Asian countries, social security for workers is underdeveloped and unemployment benefits are patchy. Some countries, such as Thailand and Malaysia, have various types of unemployment insurance. However, the level of protection for unemployed workers is very weak. For example, in Thailand, they are entitled to receive only 1,650 baht (US$52) per month for six month. Secondly, there is a strong informal sector which can readily absorb unemployed workers in Asian countries. Unemployed workers may earn temporary income by becoming a casual day-by-day labour for manual jobs such as selling lottery or washing dishes (The Economist, 2018a). Thirdly, the poor social security in Asia could have originated from the Asian culture of self-help. According to Hofstede and Bond (1998), most Asian societies share common cultural values such as masculinity and long-term orientation, which promote the importance of hard work, sense of shame, thrift and financial independence. Asians generally do not expect their governments to provide for their sustenance and instead accept the need to look after themselves (The Economist, 2018b).
In a study by Furuoka (2017a), it was found that labour market dynamics in Asia can be classified into two basic patterns. The first pattern highlights countries which have unemployment rates with a weak reversion tendency in some Asian countries, such as Japan and Singapore, whereas the second shows those that have unemployment rates with a strong reversion tendency in other Asian countries, such as South Korea and the Philippines. These patterns suggest that some Asian countries face the issue of unemployment hysteresis while others do not.

As demonstrated in Figure 3, the first category is represented by Japan and Singapore. Unemployment rates in these countries tend to increase during economic crisis but do not revert to normal levels or mean values after the Asian financial crisis in the end of 1990s. For example, like other Asian countries, Japan and Singapore went through the Asian Economic Crisis in the late 1990s. Thus there was a noticeable upward climb in their unemployment rates in the early 2000s. However, when the economy recovered in the late 2000s, unemployment rates in these countries did not immediately decrease to pre-crisis levels. A plausible explanation for this is the effect of aging population on unemployment rate (Serban, 2012). Since Japan and Singapore are two of Asia’s fastest aging societies, unemployment among the older generation is an issue they have been struggling with for the past few decades. Thus unemployment hysteresis is more likely to happen in these countries than others in the region. In other words, some Asian countries also experiences unemployment hysteresis, but at a lower extend as compared to European countries.

By contrast, South Korea and the Philippines seem to belong to the second group of countries which have less problem with unemployment hysteresis. These countries are typical Asian economies have not hysteresis in their unemployment rate. In other words, their unemployment rates have a stronger mean reversion tendency. South Korea’s unemployment rate increased during the Asian Economic Crisis in the late 1990s, but almost immediately reverted to a lower level after the crisis ended. In the case of the Philippines, its unemployment rates are relatively higher. Despite this apparent volatility, the country’s unemployment rates have strong mean reversion tendency and reverted to a much lower level as soon as the economy recovered in the mid-2000s. Again this can be explained by the aging population theory (Serban, 2012). Since the aging population issue is not as severe in these two countries as it is in Japan and Singapore, they are likely able to overcome unemployment hysteresis more easily.
In recent years, changing work values and systems have also affected labour force participation in Asia, especially among women. Female labour force participation varies across Asian countries, reflecting differences in economic development, social norms and access to childcare (Asian Productivity Organisation, 2018). In other words, a relatively lower female labor force participation could be considered as fourth factor that would explain the lower unemployment rate in Asia. Kinoshita and Guo (2015) highlighted three main differences between Asian and Nordic countries that influence female labor force participation. First, childcare benefits and services are more generous in Nordic countries. The flexibility of the childcare system in Nordic countries reduces career breaks among female employees with young children. Second, paternal roles in childrearing are given equal emphasis as maternal role, resulting in higher work involvement for females. Third, family-friendly policies and flexible working arrangements enable women (and men) to balance work and family. Unlike the Nordic countries, the Asian region has less developed flexible work arrangements. Particularly in Japan and South Korea, long and inflexible working hours associated with full-time employment prevents qualified women to take up employment (Kinoshita and Guo, 2015). Nevertheless, due to the effects of globalization, there is now a growing awareness of the benefits of flexible working; hence an increasing demand for it (Asian Productivity Organisation, 2018; Idris, 2014). In Thailand, for example, flexible working arrangement has been found to increase female labour force participation (Asian Productivity Organisation, 2018).

This paper focuses on the response of labour market to economic crisis in Asia and Europe. This is basically because there are significant difference in their responses. Due to strong employment protection, European countries are more responsive in responding to economic crisis. Whereas, unemployment rate in Asian countries is rather stable because of lack of such employment protection.
Conclusion

The basic problem in the European labour market is persistently high unemployment while Asian countries does not seem to face this problem. The current study made an attempt to compare labour market outcomes, namely unemployment rates, labour market institutions and employment protection mechanisms, in Asia and Europe. Results of secondary data analysis demonstrate that there is a remarkable difference in labour market outcomes, especially unemployment rates, between the two regions. On the one hand, the main characteristic of the Asian labour market is that the unemployment rates are more stable and relatively lower than those in Europe. This means that unemployment rates of Asian countries are less affected by economic conditions than those of European countries. On the other, Europe’s unemployment rates are much more volatile and relatively higher than Asia’s. With the exception of the Nordic welfare states, European countries generally show less capacity to absorb the shock effects of economic crisis on unemployment than Asian countries.

In addition, Europe appears to face a greater problem with unemployment hysteresis, where unemployment rates tend to increase during an economic crisis but do not immediately reduce to pre-crisis levels even after the economy has recovered. Although some Asian countries also demonstrate a similar trait, the severity of the problem is less because the effect of economic crisis on unemployment tends to be smaller in Asia than in Europe.

Main contribution of current paper could be its comparative analysis on the response of labour market to economic crisis in Asia and Europe. The above differences between Asian and European labour market outcomes can be explained by the unique characteristics of labour market institutions and socio-cultural background of the two regions. In the case of Europe, the persistently high unemployment rate may be caused by the provision of generous unemployment benefits. This has produced a challenge for policymakers to make a paradoxical balance between labour market flexibility and the employment protection. In the case of Asia, the relatively lower unemployment rates are mainly due to weaker unemployment protection mechanisms, the existence of a large informal sector and the prevailing culture of self-help in the region. However, an aging population poses its own threats for some Asian countries. In this regard, there is a possibility that both Asia and Europe may be able to benefit from non-standard and flexible work systems which meet the needs of the 21st century workforce.

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INTERNATIONALISATION OF HIGHER EDUCATION IN MALAYSIA: INSIGHTS FROM HIGHER EDUCATION ADMINISTRATORS

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Abstract

The rationale for internationalisation of higher education can be political, economic, socio-cultural as well as academic and incorporates motivations for assimilating an international element into higher education. Malaysia aspires to create a higher education system that ranks among the world’s leading education systems. The country has had a strong focus on internationalisation since the introduction of the National Higher Education Strategic Plan 2007-2020. Its internationalisation rationale requires that extensive initiatives and strategies are in place for the country. The study aims to evaluate the rationale for international cooperation in the Malaysian higher education internationalisation agenda. The qualitative study using expert sampling was conducted through semi-structured interviews with 15 officials in the Malaysian public higher education sector. The interview data was analysed using the qualitative data analysis software Nvivo-11. The findings indicate that the Malaysian higher education system focuses on the economic and socio-cultural rationale moderately supported by the political and academic rationale. The study also identifies that international networking through international cooperation is crucial in strengthening Malaysian higher education internationalisation. The results can assist higher education administrators and policymakers to design a comprehensive internationalisation policy to realise Malaysia’s aim to become an excellent international higher education hub and attract 250,000 international students by 2025.

Keywords: Internationalisation of higher education, Malaysian higher education system, international cooperation, networking and rationale for internationalisation

Introduction

A recent global trend is the formation of higher education hubs and internationalisation of higher education (MOE, 2015, p. 8-1; Vidya & Gauri, 2014). Five countries, namely, South Korea, Singapore, Taiwan, Hong Kong and Malaysia are seen to be competing among each other to become an excellent international education hub in Asia (Clark, 2015). Malaysia’s key aspiration is to create a higher education system that ranks among the world’s leading education systems which will allow it to compete in the global economy (MOE, 2015). The goal of becoming a regional education hub by 2020 (The Economic Planning Unit, 2010) was revised and upgraded to becoming an international higher education hub through the launching of the new policy document, the Malaysia Education Blueprint - Higher Education 2015-2025 (MEB-HE 2015-2025) (MOE, 2015, p. 8-4).
The globalisation of economies, societies and the increasing importance of knowledge have influenced the development of internationalisation of higher education. In developing countries, the globalisation of the education process has impacted on strategies for the internationalisation of higher education. Knight (2003) specified that “globalisation is presented as a process impacting internationalisation” (p. 3). The international dimension in higher education plays an important role in political, economic, social development and academic performance of a country (Arokiasamy, 2012; Chankseliani, 2017; de Wit, 1998, 2010; Jeptoo & Razia, 2012; Knight, 2003, 1994, 2004a, 2004b, 2007, 2012; Tham, 2013; Van Der Wende, 2001). The emerging significance and needs of internationalisation of higher education has stimulated countries around the world to compete and become world-leading education hubs (Mohd Ismail & Doria, 2013). Scholars have argued that the recent evolution of regional education hubs is related to three important developments; (1) the growth in the scope and scale of cross-border education; (2) the new emphasis on regionalisation of higher education and; (3) the key role that higher education plays in the knowledge economy (Knight & Morshidi 2011, p. 594).

Background to the study

In 2018, only one Malaysian higher education institution is ranked in the top 100 globally (QS Global ranking). The top Malaysian university, University of Malaya, is currently ranked at 87 (QS, 2018). The Universitas 21 Ranking of National Higher Education Systems 2018 indicates that in 2018, Malaysia is ranked 26th overall, a combination of ranks of 12th for Resources, 15th for Environment, 33rd for Connectivity and 42nd for Output (Williams & Leahy, 2018). The UNESCO benchmarking reported that the annual total expenditure of the higher education sector of MOE is equivalent to 5.5% of the annual Government of Malaysia expenditure (MOE, 2015). Conversely, in accordance with the substantial investment in higher education, the output is very low; Malaysia is ranked 42 out of 50 countries (Williams & Leahy, 2018). Therefore, Malaysia’s internationalisation approach and rationale require extensive initiatives, strategies and efforts in order to fulfil the aim to become an excellent international higher education hub, (Ismail et al., 2011; Knight & Morshidi, 2011; Mohd Ismail & Doria, 2012, 2013, 2014).

The main purpose of this study is to evaluate the rationale for international cooperation in the internationalisation of higher education in Malaysia by focusing on four main areas: political, economic, socio-cultural and academic. This research focuses mainly on the public higher education sector of MOE’s involvement in internationalisation. Effective internationalisation will provide opportunities for greater international cooperation and collaboration as Malaysia moves to become a stronger player in the field of higher education. The findings of this study can assist policy makers, stakeholders and regulators to design and develop a comprehensive internationalisation policy to further strengthen international cooperation in higher education.

The Malaysian higher education system

The Malaysian higher education system officially began in 1959 with the establishment of the University of Malaya in Kuala Lumpur. Since then, the development in the Malaysian higher education system has been very much connected to societal development or domestics needs. In modern Malaysia, international factors such as globalisation, internationalisation and trade in higher education have influenced the Malaysian higher education system (Morshidi, 2010, p. ix). The development of higher education has been given significant focus after the establishment of the Ministry of Higher Education Malaysia (MOHE) on 27 March 2004.
In May 2013, the Ministry of Education (MOE) and MOHE were merged to speed up transformation and to harmonise the education strategic plans between both ministries. Two years later, MOHE was re-established in 2015 to fulfil the demand of human resource development (Sack & Jalloun, 2017); however, it was abolished after the 14th General Election in May 2018 in line with the new Malaysian agenda.

In Malaysia, there are 20 public universities, 36 polytechnics and 94 community colleges, 467 private higher education institutions and 10 international branch campuses (as of 30 April 2018) (MOHE, 2018; JPT, 2018). Malaysia is one of the countries in ASEAN hosting a number of branch campuses from Australia and the United Kingdom. The higher education system in Malaysia is generally well structured through the introduction of the National Higher Education Strategic Plan 2007-2020 in 2007. The plan highlighted seven key strategic principles (MOHE, 2007). The aspiration to become an education hub was illustrated in the fifth thrust - intensifying internationalisation. This thrust aims to achieve the target of 200,000 international students and to position Malaysia as a top-six destination for international students by 2020 (Mohd Ismail & Doria, 2013). MOHE also introduced additional policy documents: National Higher Education Strategic Plan 2 Beyond 2020: Intensifying Malaysia’s Global Reach: A New Dimension and Internationalisation Policy for Higher Education 2011 to boost internationalisation. The aim of Phase 2 of the strategic plan is to further enhance the foundation, approach and action plan for the internationalisation agenda at regional and international levels (Azman, Sirat, & Ahmad, 2014). Meanwhile, the Internationalisation policy focuses on six core strategies: student mobility, staff mobility, academic programmes, research and development, governance and autonomy including social integration and cultural engagement (MOHE, 2011).

The MEB (HE) 2015-2025 was launched in 2015 as a continuation of the Malaysia Education Blueprint 2013-2025 which was launched in 2013. MEB (HE) 2015-2025 covers all aspects related to higher education management and development including internationalisation. The substantial goal of the MEB (HE) 2015-2025 is to rank the Malaysian higher education system amongst the top higher education systems in the world and to empower the Malaysian higher education system to survive in the globalised world.

**Definition of internationalisation of higher education**

Internationalisation is not a new term in the field of education (Knight, 2003); it has appeared since the early 1980s (Knight, 2008a). Higher education internationalisation includes international activities, international linkages, partnerships, joint programmes and projects and delivering education to other countries (de Wit, 2013) and branch campuses (Knight, 2008; Pinna, 2009). Knight (2003) defined internationalisation at the national, sector, and institutional levels as the “process of integrating an international, intercultural, or global dimension into the purpose, functions or delivery of post-secondary education” (p. 3). Knight (2008) introduced five types of approaches: programme, rationales, ad hoc, policy and strategy which are vital to developing policies and strategies for the international dimension of tertiary education.

The national policies for internationalisation are based on various rationale. The rationale approach is vital for a national level higher education to become more international in the higher education sector (Gunsyma, 2014). There are multiple rationale encouraging various national governments, higher education institutions, international organisations and the private sector to proactively engage in educational services across national borders for internationalisation of higher education. Rationale also refers to motivations for integrating an
international dimension into higher education (Jiang, 2010). Knight (2004; 2007) affirmed that rationale dictates the kind of benefits or expected results from internationalisation efforts and it is important to grab new international opportunities that become available.

The rationale for internationalisation of higher education

“Rationales driving internationalisation have been divided into four groups: socio-cultural, political, academic and economic” (de Wit, 2013, p. 17; Knight, 1997, p. 9, 2004a, p. 4). Knight (1997; 2004a) reinforced that these four rationale remain as useful ways to analyse the rationale for internationalisation of higher education. In addition, she claimed that the internationalisation policy is supported by the political, economic, educational and cultural rationales. Knight (2008) also suggested that the imperative national level rationale can be strategic alliances, income generation, commercial trade, competitiveness, human resources development, nation-building and socio-cultural development. But, the main question is why nations or institutions are involved in the internationalisation of higher education. De Wit (1998) expressed that there is no single answer for it and asks what then are the driving forces for internationalisation and what are the benefits? (de Wit, 2011; Florecilla et al., 2015)?

Qiang (2003) concurred that the four types of rationale as identified by Knight (1997, p. 9; 2004, p. 4 and (De Wit, 2013, p.17) have major influences on nations and institutions’ involvement in internationalisation. The nations’ and institutions’ aims and drives for the internationalisation of higher education are deconstructed with the help of these four rationale (Barcaru, 2015; Wadhwa & Jha, 2014). The political rationale is “closely linked to issues regarding a country’s status and role as an independent nation in the world” (Jiang, 2010, p. 884) and is related to matters such as national sovereignty, identities, security, stability, peace, culture and ideological influence (Jiang, 2010). The economic rationale is directly linked to higher education as it can be seen as the platform for the production of skilled workers (Beerkens, 2004; Qiang, 2003; Salas, 2014). The academic rationale is one of the major elements in strategic alliances (de Wit, 2011). Knight’s (2003) definition of internationalisation emphasises the importance of diversity of cultures that exists within countries, communities, and institutions. The intercultural element is included in the definition to address the global dimension. Wadhwa & Jha (2014) concurred that the intercultural exchange and understanding are important factors for students achieving international competencies.

The four types of rationale are still relevant and have become increasingly important (Knight, 2008). To distinguish the rationale between national and institutional level, Knight (2004) suggested an additional national level rationale that consists of human resource development, strategic alliances, commercial trade, nation building and socio-cultural development. The embedding of these in the internationalisation process is crucial. Strategic alliances have been identified as an important element in international cooperation at the national level. This element can be a driving rationale and an instrument for internationalisation (Knight, 2008) together with the cooperative approach (Teichler, 2009). The strong competition between countries is usually accompanied by strategic alliances with selected partners (Kehm & Teichler, 2007).

Qiang (2003) suggested a rationale model for national policy for internationalisation of higher education for a country (Cited in van der Wende, 1997). Rationale elements introduced by Knight and De Wit are grouped to understand how rationale and strategies are put in place to work together. They show how stakeholders benefit from internationalisation (Qiang, 2003; Salas, 2014). The model proposed (Figure 1) revealed that special attention needs to be given
to various international and national forces and actors to examine the formation of policies and influences on the internationalisation of higher education.

Figure 1: Rationale for the internationalisation policy of a given country


Internationalisation of higher education in Malaysia

Many Asian countries are leaning towards becoming an education hub in the region by reforming their higher education system through enhancing the quality of higher education, ranking, international collaboration and increasing the total number of international students. Malaysia, like other Asian countries, is paying more attention to the criteria in internationalising the higher education system to become an international higher education hub in the region (MOE, 2015; Shahijan, Rezaei, & Preece, 2016). Internationalisation has transformed the Malaysian higher education system. The phenomena is experienced through the students, faculty members, education and mobility programmes and higher education providers. Since the 1980s, Malaysia has embarked on improving approaches in international collaboration, student mobility and academic programmes (Ramanathan, Thambiah, & Raman, 2012; Shahijan et al., 2016).

Malaysia is actively finding ways to enhance the access and quality of higher education with the final target being to internationalise the higher education system (Mohd Ismail & Doria, 2014). Tham (2013) reported that Malaysia is shifting from being a sending to a receiving country for students and has an embedded ambition to be a regional hub for higher education (p. 649). Since the mid-1980s, Malaysia has supported Transnational Higher Education (TNHE) to brand the country as a regional higher education hub and to internationalise higher education (Morshidi, 2006). Naidoo (2009) identified that in 2006 itself Malaysia already had 490 TNHE programmes with foreign higher education institutions mostly from Australia, United Kingdom, Canada, Ireland and New Zealand. International branch campuses in
Malaysia that have the aim of recruiting local and regional students are also one of the components of TNHE (Garrett, 2002).

Cooperation and competition are also a part of the internationalisation process at national and institutional level. Malaysia is focusing on cooperation strategy as an internationalisation tool to transfer and learn best practices from foreign partners to further enhance the quality of higher education and institutions (Chan, 2013). However, the major challenges in the Malaysian higher education system are the international coverage in the curriculum, higher education institutions’ staff involvement in the internationalisation process, resources for projects and new initiatives, research and academic collaboration, exchange programmes, and networks to recruit international students and staff (Arokiasamy, 2012). Therefore, Malaysia needs to focus on international cooperation as it is an integral part of internationalisation to enhance the visibility in the international sphere (Chan, 2004).

Data and Methodology
A non-experimental qualitative study and non-probability sampling techniques were conducted in this study. The judgment sampling or purposive sampling (Etikan, Musa, & Alkassim, 2016) was used to select samples from a segment of the higher education sector. The expert sampling method was applied under the judgment sampling to select subjects based on their knowledge and professional experience in internationalisation. Face-to-face semi-structured interviews were conducted with 15 public higher education sector officials from headquarters of MOE including senior officials and top management of departments and agencies under the higher education sector of MOE and administrators of five Malaysian research universities as well as one international expert. The semi-structured interview questions encompassed elements related to the four rationale for internationalisation and the overall understanding of internationalisation, achievements and challenges.

The interview data was recorded using an audio-recorder. The results were transcribed in word format and transferred to the Qualitative Data Analysis (QDA) software (Nvivo-11). The data was analysed using the general process of qualitative text analysis (Kuckartz, 2014) by emphasising the qualitative content analysis (Schreier, 2012). Data was coded according to thematic qualitative text analysis and categories were constructed through the inductive approach (Kuckartz, 2014). The coding frame was created by applying concept-driven and data-driven strategies (Schreier, 2012). Then, the coding structure was generated based on the central themes according to the four rationale of internationalisation. The perception of internationalisation, achievements and challenges of Malaysian higher education internationalisation were also coded under the central themes. Firstly, the volume of data was coded broadly and central themes created. Secondly, the same data was involved in major refined coding and categorisation under the central themes. These provide opportunities to identify new themes within the volume of data through the evaluation and modification of existing themes.

Findings
Malaysian higher education administrators labelled internationalisation of higher education into seven main themes: higher education system competitiveness, the impact of globalisation, competences of local staff and lecturers, Transnational Higher Education (TNHE), international networking, internationalisation at home and mobility programmes. A key element observed under the first theme, competitiveness of Malaysian higher education system, was recruitment of international students. One of the administrators in a research university
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stated that “The focus at the time or probably until now in many institutions are around recruitment of international students. So, internationalisation perceived at bringing in international students only”. For that reason, building a conducive environment and promotion activities by Education Malaysia Office (formerly known as Malaysian Student Department) abroad play a major role in the recruitment of international students to Malaysia. Teaching in English, publication of papers and journals and international recognition of courses and programmes are also seen to be key measures in staying competitive in higher education.

The second theme highlighted by administrators was the force of globalisation. This has influenced Malaysian higher education system to promote higher education globally and encouraged the sending of Malaysian students to study abroad. Education Malaysia offices supervised Malaysian students’ welfare and build networks with foreign higher education institutions. A Senior Officer at the Department of Higher Education said that “historically Malaysia has set up Malaysian Student Department (MSD) way back in the 50s. It shows that how important internationalisation in education and specifically for higher education”. The third theme perceived was the competencies of local staff and lecturers. It was observed that local staff and lecturers experienced international exposure through various internationalisation programmes. In addition, internationalisation also occurred due to the influence of the internationally trained local staff.

Under the fourth theme administrators emphasised that TNHE has enhanced technology transfer between Malaysia and collaborating countries. It has also encouraged research collaboration, promoted programmes and courses in collaboration with international universities abroad. TNHE has increased the presence of international staff and lecturers at local higher education institutions. The major impact of TNHE is the establishment of foreign branch campuses in Malaysia. The branch campuses promote Malaysia as an international hub for higher education and increase the visibility of Malaysian higher education on the global map. Furthermore, for the fifth theme, bilateral agreements between governments and between local and foreign higher education institutions have enhanced the international networking required to advance the internationalisation of the Malaysian higher education system. Cooperation with foreign higher education institutions through international networking also “encourages outreach and getting an international partnership for research output and collaboration,” according to an administrator of a research university.

The last two themes highlighted were the internationalisation at home and mobility programmes. More emphasis has been given to internationalisation at home to produce graduates with a global outlook through holistic students’ development programmes. Additionally, special attention has been given to curriculum internationalisation to achieve a global standard of workforce globalisation. A respondent of a research university indicated that “our syllabuses are more in line with providing students with international exposure”. Internationalisation at home has encouraged the establishment of an international office at higher education institutions to oversee students, staff and researcher mobility programmes. Hence, a Senior Officer at the department under MOE said internationalisation also “involves exporting Malaysian expertise for consultation, technology transfer, or even transfer of mobility of cultures in between and vice-versa countries that we are collaborating”. The perception of internationalisation of higher education in Malaysia notably touched on several elements of the four rationale for internationalisation.
The Political Rationale

The political rationale was ranked at fourth place among all rationale. Only 7 out of 15 administrators specified that the political rationale is significant for internationalisation of higher education in Malaysia although some administrators mentioned that these four rationale are important without ranking them accordingly. Many administrators agreed that the political mandate from the Minister in charge of higher education is crucial to foster higher education internationalisation in Malaysia. The mandate is also vital for inter-ministries and agencies cooperation which are directly involved in higher education internationalisation. The welfare of international students at undergraduate and post-graduate level studying in Malaysia in term of scholarships, being allowed to work in Malaysia and other services such as medical and visa requirement are also governed by a clear mandate from the top management of higher education stakeholders. Likewise, the welfare of Malaysian students studying abroad also comes under the political mandate of the Ministry’s stakeholders. This include conducting awareness programmes and promoting the national culture by Education Malaysia offices which are also involved in promotion activities for recruitment of international students to Malaysia.

The political directive has also influenced the development of a specific policy on internationalisation and its sub-policies. The policies were introduced to achieve a certain target of international students and the focus was on post-graduate international students. Several administrators from the research universities including a Senior Officer from the Ministry declared that “Ministry only focus on KPI to reach 250,000 international students by 2025”; “So basically the mandate is more numbers of international students...... The previous government mandate in very clear, so by 2025 easily the government could reach the target of 250,000 international students”; and “Malaysia is aiming for 250,000 international students by 2025”.

The aim of becoming an international higher education hub was also mooted by the political mandate. Thus, the Private Higher Education Act (Act 555) was introduced in 1996 and it allows for the establishment of quality international branch campuses such as Monash University from Australia and Nottingham University from the United Kingdom. In terms of leadership, “the charisma and wisdom of Minister are important for internationalisation process” stated by a Senior Officer from the agency under MOE. A senior expert of internationalisation expressed that “… in the case of Malaysia, internationalisation and ranking also about politics because issues of ranking were discussed in the Malaysian Parliament”. In addition, an administrator of a research university expressed that the “Government allocate money to strategies internationalisation for ranking”.

The political rationale influences inter-regional cooperation such as the Asia-Europe Meeting (ASEM) and the Asia-Pacific Cooperation (APEC) to promote strategic alliances, regionalism and networking opportunities. “The idea of the strategic alliances could be related to regionalism such as ASEAN, East Asia and European Union” (Senior expert of internationalisation, Research University). Malaysia participates in inter-regional cooperation to promote the exchange of students and to enhance the understanding between ASEAN members and with other regions. The country is also involved in the internationalisation agenda predominantly to improve the understanding and learning between collaborating nations and partners.

The networking between Malaysia and other nations through bilateral and multilateral cooperation such as interregional cooperation is also generated through political will. Administrators indicated that networks bring leaders, researchers, policymakers within the region and cross-region to collaborate and exchange ideas to overcome the challenges of the
21st century. The inter-universities cooperation or networking is vital for reciprocal research grant opportunities, new ventures, credit transfer and community engagement. It also provides a platform for local higher education institutions to benchmark against foreign higher education institutions. Benchmarking opportunities are also significant in the networking with political influencers. “Inter-regional collaboration is the formula of success. We can benchmark each other and learn the success story and past mistakes. It enables us to benchmark with best practices from all over the world” as specified by a Senior Officer of an agency under MOE. Within the framework of international cooperation and networking, administrators specified that soft power also materialised as an important tool for participation in international negotiation and volunteerism.

Internationalisation of higher education in Malaysia has also been promoted to sustain national identity and regional identity. “Lot of students come to Malaysia because we have a strong national identity in sense of ways of thinking, ways of doing things and the process involved” was offered by an administrator from a research university. The cultural similarity between Malaysia and several ASEAN countries has contributed towards an enhanced regional identity. This can be seen in through the implementation of the ASEAN International Student Mobility Programme (AIMS). The cooperation within ASEAN and Asian regions have also helped to promote inter-regional exchanges among students and academics.

Although many administrators were of the view that the political rationale shaped the inter-regional cooperation for networking and partnerships, several interviewees mentioned that networking often tends to be loose and less effective in terms of cooperation and collaboration in the field of higher education. These are due to the fact that “interregional cooperation is not binding” and that it is “very difficult to get consensus or getting majority agreement between the blocks” (Senior Officers, departments under MOE).

The Economic Rationale

The economic rationale was placed at first ranking; 12 (80%) out of 15 administrators specified that the economic rationale played an important role for Malaysia to embark in internationalisation. Under the economic rationale, the dominant factors were income generation, financial sustainability, incentives and sources for economic growth. Respondents stressed that revenue from international students and their families’ expenses during the study period in Malaysia contributed to income generation. The biggest contributors are postgraduate international students. The international students’ positive experiences during their stay in Malaysia encourage them to buy things on their return to their home country which also generates income for Malaysia. A Senior Officer of a department in MOE expressed that “... currently (2018) there are 173,000 international students in Malaysia and they are contributing more than RM7 billion. The contribution of international students is equal to the budget of 20 public universities”. Other sources of income were from the establishment of foreign branch campuses in Malaysia, financially supported exchange programmes and foreign research grants. A senior administrator of a research university stated that research universities in Malaysia receive many research grants through networks and partnerships from abroad.

The interview results confirmed that there is a strong connection between internationalisation of higher education and economic growth. Nearly 70% of respondents stated that international students at local higher education institutions and branch campuses including their families are major contributors to the economic growth in Malaysia. The positive economic growth in Malaysia attracts foreign investment and creates stronger economic ties between Malaysia and ASEAN countries. Opportunities of reciprocal learning and training, international lecturers and
curriculum, internationally trained local lecturers and recognised courses and the presence of foreign branch campuses in Malaysia have all contributed to graduates with a global outlook. Several respondents articulated that the development of human capital in Malaysia through internationalisation initiatives has led to intercultural competencies in Malaysian graduates.

The last two themes that fall under the economic rationale are financial sustainability and incentives. These two elements are reasons that make stakeholders of the Malaysian higher education sector and higher education institutions enter into internationalisation strategies. The major concerns were on strengthening international cooperation, lowering administrative cost, opportunities for human resources and infrastructures development and research outputs. “We need to put money to strengthen international cooperation for internationalisation” (Administrator, Research University). Financial incentives are essential for foreign lecturers and foreign branch campuses which operate in Malaysia. Reward incentives for having more international students as well as creative and innovative incentives were also given. However, many of the Malaysian higher education institutions aim for incentives from international organisation and conferences besides incentives through commercialisation. This is why “universities attending the international meeting to increase the universities capabilities and capacities” (Senior Administrator, Research University).

The economic rationale is vital to generate income from fees and living expenses for the higher education institution and for the government. The findings from the economic rationale show that the recruitment of international students is an important shift in income generation. Additionally, many administrators aim for other sources of income such as through research grants and international aid.

The Socio-Cultural Rationale

The socio-cultural rationale for internationalisation is listed as second ranking; 13 administrators (86.67%) stated that the essential factor for the social and cultural rationale in Malaysian higher education internationalisation is to sustain the national cultural identity and intercultural understanding for nation and community development. As a multicultural country, Malaysia provides a platform for international communities to learn the Malaysian culture and language. Moreover, respondents are of the view that national cultural identity is vital for nation and community development. The importance of national cultural identity was reinforced in Malaysian students studying and working abroad in order to sustain, maintain and share Malaysian culture with other citizens. An argued by an administrator, “students going to work abroad must have the national identity and intercultural understanding in order to survive in globalised world” (Administrator, Research University).

Respondents shared positive thoughts that Malaysian higher education internationalisation strategies and initiatives lean towards the importance of cultural diversity awareness, tolerance for others, intercultural influences monitoring system, adequate knowledge on multicultural literacy and influences on the lifestyle of people. Several respondents stated that in the context of Malaysia as a multi-ethnic country, lack of intercultural understanding causes some tension among citizens. However, intercultural understanding enables the local and foreign students to enhance their understanding of other cultures. A Senior Officer of department under MOE stated that apparently “international students create much a more diverse society in Malaysia. We can share our best practices in term of building a peaceful society and social and community development”. Some respondents praised that the presence of international students and lecturers in Malaysia has contributed towards a peaceful society.
The main concern of respondents under this rationale was on the strategies to enhance the quality of education level and prosperity for the locals. Hence, the interview results on the social and cultural rationale also discovered some negative viewpoints. Administrators indicated that there is no study that has been conducted so far to evaluate the rationale for internationalisation in terms of social and cultural aspects.

The Academic Rationale

More than 50% of respondents concurred that the academic rationale drives internationalisation. “Leading factor as far as the concern of internationalisation it has to be academic” and “we cannot run away from other three rationales, but the very important rationale is academic” mentioned by several administrators of research universities. The major elements underlined were ranking, quality and competitiveness, the landscape of higher education system, teaching and research and cross-border higher education. Although ranking is influenced by the political rationale, an administrator viewed that “ranking is the product of successful internationalisation in term of research, employability and teaching” (Senior Officer, department under MOE). Teaching and research have been identified as a major sub-rationale under the academic rationale. In terms of teaching the focus was to develop an internationally recognised curriculum. This intention is facilitated by the presence of international staff and lecturers at public and private higher education institutions and at branch campuses. “It is important for international lecturers to improve our higher education system and change the mind-sets of local researchers” stated by an administrator of a research university. Furthermore, “Malaysia is moving from teacher centric to students centric” (Administrator, Research University) by adapting to international teaching methods. 50% of respondents stated that effective research collaboration, publication and outputs has stimulated Malaysian higher education internationalisation. “Research is nothing without internationalisation especially on scientific and syntactic technology” (Senior Officer, department under MOE). Internationalisation plays an important role in joint research activities between local and international institutions. A respondent from the top research university in Malaysia stated that “we encourage research internationalisation mainly because we want our researchers to produce high-quality research work”.

The competitiveness of the Malaysian higher education system is another imperative element that pushes internationalisation. Competitiveness arises from the local higher education institutions rating system by the Ministry, internationally recognised quality assurance system and the highly ranked international branch campuses in Malaysia. Cooperation with internationally recognised quality assurance bodies such as UK-NARIC (Senior Officer, Agency under MOE) brought about internationalisation of various mobility programmes and qualifications framework development. Several respondents viewed that the competitiveness of the Malaysian higher education system is enhanced through the initiatives implemented under the higher education blueprint.

Besides the internal factors, Malaysia embarked on internationalisation due to the impact of external factors such as cross-border higher education. This external factor has allowed for transnational higher education, transnational and international research, international lecturers and staff presence and cooperation with foreign higher education sectors. One of the major elements expected from these factors is international academic standards. A senior administrator of a research university declared that “research universities try to copy or emulate the international academic standards which are being used or exit in or from a foreign university”. In addition, some courses at higher education institutions received international recognition; “11 or 12 subjects in universities are ranked at top 50 in the world” (Senior Administrator, Research University).
Director, department under MOE). Foreign countries requested assistance from Malaysian experts to develop their country’s higher education policies. Malaysian post-doctoral students are allowed to supervise PhD students abroad. “It shows that internationalisation process has been successful in making Malaysian higher education system visible in the world” (Senior Director, department under MOE).

Up to 70% of respondents conveyed that internationalisation initiatives have enhanced the quality of higher education. This is supported by a respondent who stated that “...in 2017 a British Council survey on Shape of Global Higher Education: National Policies Framework for International Engagement has named Malaysia as the best performer in national policies on quality assurance and recognition, along with Germany, Australia, and United of Kingdom” (Senior Officer, agency under MOE). A senior administrator of a research university further stated that “for an example when we do research with Imperial College, Imperial is the one going to mention our name in their circle”. This shows that internationalisation efforts have pushed Malaysia to focus on research, publication and curriculum development to gain maximum benefit and to enhance the quality of higher education.

Although only 50% of administrators mentioned that the academic rationale influences the internationalisation initiatives in Malaysia, “international students choose Malaysia because of the quality of higher education” (Administrator, Research University) and this is directly related to the academic rationale. In addition, “in terms of educational quality, internationalisation offer great opportunities for the higher education sector to remain dynamic, keeping up with the current trend in teaching, learning and scholarly activities as well as tapping rich academic diversity for mutual benefits” (Senior Officer, agency under MOE).

Discussion

The four types of rationale as introduced by Knight (1997, pg. 9; 2004, pg. 4) and (de Wit, 2013, p.17) have been a stimulus in the internationalisation of the Malaysian higher education system. The advantages and outputs of internationalisation can be seen through examining these four as stated by Knight (2004; 2007). The respondents ranked the four types of rationale for Malaysian higher education internationalisation as follows: 1. economic, 2. socio-cultural, 3. academic and 4. political. Income generation becomes an important motivation for Malaysian higher education to pursue internationalisation under the economic rationale. Chankseliani (2017) found that in the United Kingdom higher education system, the economic rationale played a different role by generating swift income from fees and living expenses for the higher education institutions and for the government. Likewise, the interview results proved that Malaysia also emphasises income generation through revenue from international students and their families’ expenses. Moreover, in Europe, the internationalisation policies and efforts are dominated by the economic rationale at institutional and national levels (van der Wende, 2001). Hence, a study by Tham (2013) supported that internationalisation effort in Malaysian higher education is primarily motivated by the economic rationale. Although the human capital development is another important sub-element under the economic rationale (Tham, 2013), respondents highlighted that besides human capital development, the economic growth through income is vital for Malaysia. Therefore, the focus is on the recruitment of more post-graduate international students via various internationalisation initiatives.

In terms of the socio-cultural rationale, the study revealed that Malaysia gives priority to sustain and maintain the national cultural identity in internationalisation efforts. But the recent important element was the enhancement of the student experiences (Chankseliani, 2017;
This rationale also emphasised the “individual development as a local, national and international citizen with intercultural understanding and communication skills” (Jang, 2009, pg.13). Intercultural understanding can also be a tool to eradicate any prejudice and be a factor for building a peaceful society. As an example, the international students studying in Norway have adopted Norwegian culture and contributed to the development of diversity and the open-minded society in Norway (Salas, 2014). In the case of Malaysia, efforts to build a peaceful society have been in place since independence. For that reason, international students have the opportunity to learn from Malaysia and can also contribute to further enhancing the community development in Malaysia and in their home country.

The main aim of the academic rationale is to enhance the teaching and learning process as well as achieve an excellence status in research and scholarly activities (Jeptoo & Razia, 2012; Qiang, 2003). The respondents constantly stated that teaching and research are a major focus of Malaysian higher education internationalisation. Through teaching and research, Malaysia continues to develop partnerships with foreign higher education institutions for quality curriculum development and research enhancement. Despite that, Knight (2004a) believes that higher education sectors have “always been competitive in trying to achieve high academic standards and more recently an international profile” (p. 21). In line with that, there is a number of international recognitions that have been received by Malaysian higher education system such as the best performer in national policies on quality assurance and recognition. Another two important elements underlined in the academic rationale for Malaysia were ranking and quality of higher education. Van der Wende, (2001) found that quality improvement becomes a significantly important argument for the internationalisation policies. Conversely, quality becomes a major concern to improve ranking and to attract more international students to Malaysia. But there is no special attention given to ranking in terms of higher education internationalisation. Knight (2004) listed ranking and competitiveness of higher education as one of the important elements under academic rationale. In Malaysian higher education, ranking was emphasised under successful internationalisation and it helps to strengthen the quality of higher education. The quality of higher education improves the ranking. As an example, a study by Al-Zubaidi (2013) shows that 45% of the international students from the sample of 163 respondents chose to study in Malaysia due to academic standard, university reputation and quality of higher education.

The political rationale is “closely linked to issues regarding a country’s status and role as an independent nation in the world” (Jiang, 2010, p. 884). Malaysia is generally politically stable. Therefore, internationalisation of higher education is not much influenced by political matters. Still, the political mandate will be needed to achieve 250,000 international students by 2025 and for Malaysia to attain international higher education hub status. The target for international students is deliberated under the political rationale due to MOE’s stakeholders aspiration through the new higher education blueprint MEB-HE (2015-2025) (MOE, 2015). This is also supported by Education Malaysia offices abroad assigned to bring more international students Malaysia (de Wit, Hunter, Howard, & Egron-Polak, 2015). The same scholars also mentioned that public universities Malaysia have autonomy to recruit and manage post-graduate international students. Beerkens (2004), found that political mandate was used for the international exchange of students, scholarships regulation and management of international students. The political mandate at national level (Ministry) is not only vital for the management of international students in Malaysia, but also crucial for the welfare of Malaysian students abroad in terms of scholarships and sustainability of national cultural identity. One of the important components observed under the political rationale was the strategic alliances through networking. Wendy (2006) anticipated that strategic alliances rise across national borders due
to the impact of globalisation. In the case of Malaysia, networking through regional cooperation and inter-regional cooperation creates important alliances for cooperation and collaboration within nations and higher education institutions. The international cooperation and exchange programmes are important elements for the agreement between nations and its solely driven by political rationale. (de Wit & J.W.M, 2001). The political rationale empowered the Malaysian higher education stakeholders to participate in various international events to build networks in order to promote the exchange of students and staff, knowledge transfer, sharing of best practices and exposure to international cultures. Although ranking is noticeably related to academic rationale, it is also linked to the political rationale due to the concern of Malaysian Members of Parliament. The political rationale fits well with Malaysian higher education system since “internationalisation agenda became a major thrust which will position Malaysia as a hub of higher education excellence and become a destination of choice for scholars, researchers and investors for global community” (Farina et al., 2015, pg. 18).

Even though the target of 250,000 international students by 2025 was perceived to come under the political rationale by administrators, Knight (2004b) argued that in the last decade more emphasis has been given to recruit more fee paying students under the money-making rationale. Therefore, the target of 250,000 international students will certainly contribute to the economic growth of Malaysia. Thus, it is agreeable that recruitment of more international students is linked to both the political and economic rationale. The cooperation and collaboration elements are linked to the political rationale. However, it is also much related to the other three rationales. This is because networking which comes with cooperation and collaboration between Malaysia and foreign countries, higher education institutions as well as within local communities and international students is vital for internationalisation strategies for international cooperation. A study by Van der Wende (2007) about Internationalisation of Higher Education in OECD Countries recommended that intensive networking through cooperation and collaboration could demonstrate strong internationalisation of higher education. In addition, Chan (2013) underlined that to achieve greater internationalisation, comprehensive cooperation and collaboration is needed and this involves large-scale reform at institutions and national level. Therefore, the reform for cooperation and collaboration undoubtedly involves the four rationale of internationalisation of higher education introduced by Knight (1997;2004) and De Wit (2013).

Conclusion

Internationalisation and the development of a higher education hub has become a major trend in higher education across the world especially in Europe and Asia. It has been argued in the beginning that the Malaysian higher education international approach needs extensive efforts to become an excellent international higher education in the region. Therefore, the four rationale as introduced by Knight (1997, pg. 9; 2004, pg. 4) and (de Wit, 2013, p.17) are a useful tool to evaluate Malaysia higher education internationalisation. The findings suggest that Malaysia embarked on internationalisation due to forces of globalisation which impacted the development of higher education at national and higher education institutions level. Scholars and policymakers have stated that the four rationale are equally important for the progress of internationalisation. This study suggests that economic and socio-cultural factors play a significant role. The study raises an important consideration that international networking is an important part of the political rationale and academic collaboration vital for strategic alliances. While internationalisation is an important consideration for building Malaysia’s higher education system, this study calls for the importance of maintaining international cooperation through sustainable relationships through international networking,
partnership and strategic alliance which fall under the political and academic rationale as well as reasonably supported by the economic and socio-cultural rationale.

The study recommends that Malaysia needs to consider all the four rationale as proposed by Knight (2004) in order to further strengthen the internationalisation of higher education. The four rationale have to be inter-related to gain the full benefits of internationalisation and to develop a comprehensive policy as stated by Qiang (2003). Even though Malaysian internationalisation efforts started in the early 1980s and achieved some recognition, there is still room for improvement. It would be fruitful if further research is conducted to identify the rationale for internationalisation focusing on private higher education institutions and challenges faced by the Malaysian higher education system due to internationalisation efforts.

The findings of this study should help policymakers and higher education stakeholders to better understand the current state of Malaysia’s higher education internationalisation agenda and its rationale. They should also assist policymakers to develop a comprehensive policy of internationalisation for the Malaysian higher education system. This would help Malaysia to move forward with its internationalisation efforts and achieve 250,000 international students by 2025 as well as become an international hub of higher education in the region.

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ISLAMIC REVIVALISM IN INDONESIA: CONTESTATION BETWEEN SUBSTANTIVE AND FORMALIST MUSLIMS

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Abstract
Indonesia in the late 1970s saw a rejuvenation of Islam among Muslim communities just as it occurred elsewhere in the Muslim world. Islam gradually became a popular source of Indonesian social, ethical and spiritual life. As a result, Indonesia witnessed the proliferation of mosques, religious schools, and devotional programs, the emergence of a vast market of Islamic books, magazines, and newspapers has developed, and a well-educated Muslim middle class that had begun to raise questions about modern issues, including on the role and rights of women, the challenges of pluralism, the merits of market economies, and most generally, the proper relationship of religion to the state. This paper aims at highlighting the dynamic Muslim communities in facing modern challenges. Using historical analytical method, this paper finds that Islamic revivalism in Indonesia was unique as was provided for the demands of a new style of religious and political activities. Muslim intellectuals arose with nontraditional training and unconventional concerns. New Muslim intellectuals were responding to the demands of the modern world and the threat posed by the West. Though traditionally trained Muslim scholars, who are considerably formalists, responded equally to the modern social and religious issues, the new Muslim intellectuals, who are considerably substantive Muslims, prevailed in the Islamic discourses in Indonesia.

Keywords: Islamic Revivalism, Substantive, Formalistic, Pluralism and Indonesia

Introduction
The term Islamic Revivalism has been used interchangeably with the words resurgence, reawakening, revitalization, and reassertion by many Muslim as well as non-Muslim scholars.1 It has been defined as “the desire to revive and return to fundamental teachings and precepts of the Islamic faith” (Mutalib, 1993, p. 1). Chandra Muzaffar (1986) asserts that Islamic resurgence implies three significant points. Firstly, many Muslims see the growing impact of the religion among its followers. Secondly, it suggests a phenomenon which has happened before. Finally, it carries the notion of a challenge or even a threat for other groups of different religious affiliation. John L Esposito (1984, p. 32) says Islamic revival denotes “a sense that something had gone wrong in Islam and diagnosis that decline in Muslim fortune due to a departure from the straight part of Islam.” Esposito (1984, p. 32) further says that “revivalist

1 The terms are interchangeably used. However, Candra Muzaffar differentiated them by emphasizing that resurgence refers to “act of rising again”. Islamic resurgence means Islam is becoming important again, which is closely related to awakening (re-awakening). Re-assertion tends to refer to the absence of challenges to the existing social organisation. Finally, revivalism indicates the idea of returning to the past and a desire to revive what is antiquated (Muzaffar, 1986).
maintained that Islam had become corrupted through its historical accretions from foreign influences”.

On the same token, Azim A. Nanji (1996) defined Islamic revivalism as a situation which has been “characterized by consciousness that Muslims had strayed from the essential principles of their religion, and it advocated renewed attentiveness to the Qur’an, emulation of the Prophet in daily conduct, and strict adherence to the Shari’ah” (Azim A. Nanji, 1996, p. 35). This paper attempts to analyse Islamic revivalism in Indonesia. It argues that Islamic revivalism in Indonesia is a continuous process of Islamisation. This is reflected in the increasing piousness of Muslims. Finally, it draws on the nature and causes of the Islamic revivalism since its rupture in the 1970s.

Islamic Revivalism in Indonesia

Despite Indonesia being the largest Muslim-populated nation in the world, Islam in Indonesian politics, especially during the era of the Old Order (Sukarno era) and the early reign of Suharto, was considered an outsider. Being politically and economically restricted, Muslims reacted differently to the new developments of the New Order era (Hassan, 1982). Firstly, there were many young Muslims who joined the government as civil servants, from the university-based Islamic Student Association (HMI- Himpunan Mahasiswa Islam) and high school-based Indonesian Islamic Students (PII- Pelajar Islam Indonesia) association. These young Muslims were willing to cooperate with the New Order regime and work for change from within the system (Hefner, 1997b, p. 80). This was due to the collaboration between young Muslim students’ association and the military in combating the Communists upon the rise of the New Order era.

Secondly, there were also modernist Muslims included amongst the senior members of the Council of Indonesian Muslim Associations (Masyumi-Partai Majelis Syuro Muslimin Indonesia), which constituted the ‘legalistic-formalistic’ Muslim groups, who had been sceptical of the government’s commitments to Western-oriented principles of constitutional government and separation of powers (Hefner, 1997b, p. 81). This group was committed to Islamist political ideals. As a matter of fact, after the defeat of political Islam, the senior supporters of Masyumi were called to concentrate their effort on dakwah to pave the way to revive the people’s mental and spiritual development. This led to the establishment of the Dewan Dakwah Islam Indonesia (DDII) under the leadership of the former leader of Masyumi, M. Natsir, in 1967 (Hefner, 2000). In fact, there were several dakwah organisations that sought to revive the people’s awareness about Islam such as Nahdatul Ulama (NU), Muhammadiyah, Islamic Union (Persis- Persatuan Islam) and many others that preceded the DDII (Federspiel, 1970).

Despite the fact that the DDII was newly-established, Indonesian Muslims felt its influences and missionary effects. Unlike other dakwah organisations, the DDII has been attributed with two significant characteristics. First, it has a belief in the superiority of democracy over the neo-patrimonial forms of rule adopted by the first two presidents, Sukarno and Suharto, and an almost paranoid obsession with Christian missionary effort as being a threat to Islam. Second, it has been very strongly-orientated towards the Middle East, especially Saudi Arabia (Bruinessen, 2002, p. 123). As such, the DDII has been viewed as not purely spiritual but also political in its struggle (Crouch, 1978, pp. 167-171). According to Samson, as highlighted by Hefner, DDII leaders felt that the movement could bring about the cultural change required to restore political Islam to its proper place (Hefner, 1997b; Samson, 1973). The DDII was established five years after the establishment of the Islamic World League (Rabitah al-‘Alam
al-Islami) in which Natsir himself was one of the vice-chairmen. Consequently, the DDII has been one of the beneficiaries of Saudi Arabia’s financial contributions (Bruinessen, 2002, p. 123).

The DDII uses its own media to convey its message to the masses. This included a weekly known as Media Dakwah. Since it was partly sponsored by the outside Muslim world, especially Saudi Arabia, the DDII also followed the developments in the Muslim world. As such, in the late 1980s, a committee was created in order to organise demonstrations of Indonesian Muslims’ solidarity with Palestine, Bosnia, Chechnya, and so forth (Hefner, 2000, p. 110). This committee is known as the Indonesian Committee for Solidarity with the Islamic World (KISDI- Komite Indonesia Untuk Solidaritas dengan Dunia Islam). On the other hand, KISDI was also very concerned with external threats against Islam especially towards Indonesian Muslims. Its founders belonged to the most fundamentalist group of DDII, who were firm believers in the Western Jewish and Christian conspiracy to weaken and destroy Islam (Hefner, 2000). Therefore, they supported Suharto during his last years. They also extended their support for Habibie’s transitional government and defended him from the leftist and non-Muslims threats who wanted to topple his government (Hefner, 2000).

It also should be noted that from the beginning of the 1980s, there were many books on Islam that were published, not only those authored by Indonesian scholars, but also translations from foreign works, especially from the Middle East countries such as Iran, Egypt, and other Arab countries (Tamara, 1986, p. 6). In 1982 a publishing house in Bandung was set up using an Iranian name ‘Mizan’ which emphasised Islamic teachings, including the shi’ite school of thought. The publishing house of the Institute of Technology Bandung (ITB- Institut Teknologi Bandung), Pustaka Bulan Bintang, and later on Gema Insani Pers, also publish Islamic books (Tamara, 1986).

The books from outside Indonesia that were translated include those such as the writings of Hassan al-Banna, Abu’l –A’la Mawdudi and several works of Syed Qutb. Inevitably their thoughts have been influential among the Indonesian Muslims. Several works of Iranian intellectuals behind the Iran revolution such as Ali Shari’ati and Khomeini, whose writings were very popular during the revolution in Iran, and later, Mustafa Muthahari, were also translated into the Indonesian language. As such, discussions on Islam spread throughout the country. Publications on Islam easily sold out and thus Islam emerged to predominate the intellectual and cultural life of the Indonesian middle class. The Shiite school of thought also emerged in Indonesia, especially in Bandung, as a result of the publications.

Upon Suharto’s domestic political consolidation in 1978, the government introduced the Normalisasi Kehidupan Kampus (Normalization of Campus Life, NKK) (Ridjal & Karim, 1991; Widjojo, 1999). It was used to control students’ activities while emphasising that campuses should be places for studying and not an arena for political discussions. Nevertheless, the NKK had a significant and surprising side effect. Universities, in fact, were at the forefront of political discussion and activities. In the 1950s and 1960s Indonesian national universities were controlled by secular nationalist groups, whereas committed Muslims were the weaker of the factions in the student body. However, in the late 1970s, there was a rapid growth of several

2 The books that were translated are, Hassan al-Banna, Risalah (Letter); Sayyid Qutb such Ma’alim fi al-tariq (Signposts on the Road), his Ma rakah at Taqqaalid (Struggling Against the Blind Imitation); and Abu’a – A’la Mawdudi, Understanding Islam. These are being translated and published in the 1980s.

3 Jalaluddin Rakhmat was known as one of the Muslim scholars who have been associated with the spreading the Shiite teaching in Indonesia. He established the al-Mutahariyah in Bandung. Indonesia has been the most liberal Muslim country in the region, in which the government does not control religious thought. As such the Shiite has been to some extent, accepted by some Muslims in Indonesia.
religious discourses that led to the domination of Islamic activities in the students’ organisation.4

Moreover, upon the policy of Azas tunggal (Pancasila as the only ideology for all mass organizations in Indonesia), Indonesian Muslims turned to mental and spiritual training. The Salman mosque at the ITB was known as one of the outstanding communities of Muslim activities that actively propagated Islamic discourses under the supervision of Imaduddin Abdurrahim, an Indonesian scholar who had successfully prepared Islamic module for youngsters on Islamic courses, including on Islamic creed, management and others (Rosyad, 1995; Abdurrahim, 1979). Thousands of young Muslims - most of them university-educated, had joined the courses. Probably, it was this period that invalidated the theoretical classification of Islam into santri and abangan in Indonesian politics, for the Muslim middle class had increased and the nominal Muslims had turned to becoming better and more committed Muslims (Geertz, 1960).

In the 1980s, the Muslim students’ activities were motivated to socialise Islam through an intellectual and cultural approach. Dakwah groups emerged in university campuses which came to be known collectively as the tarbiyyah movement.5 Later these groups created the Campus Dakwah Institute (LDK- Lembaga Dakwah Kampus, ), a loose umbrella organisation for the dakwah groups (Diedersich, 2002, p. 103; Azra, 2022, p. 169). This process of education basically took the form of halaqah (study circle) which convened in campus mosques and usrah (family), which are discreet discussion groups that usually met in the houses of their members. These groups were usually influenced by the Ikwan Muslimin from Egypt and focused their discussions on the writings of Sayyid Qutb such as his Ma’alim fi al-Tariq (Signposts on the Road). One of them even named itself as Ikwan Muslimin and claim to be the Indonesian branch of the Brotherhood. Most students of this group were inward-looking and apolitical; their primary concerns were on moral self-improvement. The emphasis of discussion was on personal morality and piety, discipline, and an inner rejection of the Pancasila state (state based on Pancasila) and un-Islamic practices in modern Indonesia (Bruinessen, 2002, p. 133).

Usrah groups are often affiliated with such discussion as on the militant Muslims’ aims of establishing an Indonesian Islamic state and Indonesian Islamic Army (NII- Negara Islam Indonesia / TII- Tentara Islam Indonesia) as attempted in the in the Sukarno’s era (Horikoshi, 1975; Dijk, 1981; Awwas, 2007). There was also a group which was heavily influenced by the puritan Islam of Wahhabi or Salafi movement in the Arabian Peninsula. This group was assisted greatly by the Saudi-financed Institute for Islamic and Arabic Studies (LIPIA- Lembaga Ilmu Pengetahuan Islam dan Arab) in Jakarta (Bruinesse, 2002, p. 134).

Notwithstanding the absence of political Islam, there was a resurgence of Islamic ideas, on politics, economics as well as social and legal systems (Tamara, 1986). It was an Islamic renewal that called on Muslims to seek a revival of “cultural” Islam.6 This group was also led by young Muslims of the ‘66’ generation, most of whom were the junior supporters of Masyumi. The most well-known Muslim scholars who propagated Islam as a cultural

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4 Throughout 1970s, Islamic liberal was the dominant trend among committed Muslims in the student movement, especially when Nurcholish Madjid became the chairman of HMI. However, the fundamentalist Muslims appeared controlling the student movement in 1980s (Bruinessen, 2002).

5 Tarbiyyah basically means education. It was adopted as the major aim of this religious discourse.

6 Cultural Islam refers to cultural approach in socialisation of Islam, especially its relations with the state. In the Muslim world, Islamic discourse has dominantly been in political approach, Islam and the state. In Indonesia, the relations between Islam and the state was antagonistic and thus, difficult in socialisation of Islam. This group attempts to socialise Islam through the social transformation without emphasising Islamic ideology (Effendy, 2000).
discourse are Nurcholish Madjid with his theme “Desacralisation”; Abdurrahman Wahid with his own language of nationalisation (pribumisasi) or Islam as the complementing factor; Dawam Rahajo with his expertise on ‘village society’ development through the Islamic boarding schools (pesantren); and Munawir Sjadzali with his call on looking at Islam from the Indonesian context (Effendy, 2000). Nurcholish Madjid, Harun Nasution, Djohan Effendy, Ahmad Wahib, Munawir Sjadzali gave theological foundations on the new “cultural” Islam. Their colleagues, Dawam Rahardjo, Abdurrahman Wahid, and Adi Sasono on the other hand, contributed to the sociological foundations for those involved in politics (Ali & Effendy, 1986).

With the emergence of cultural Islam, the Suharto government implemented two inter-linked approaches: Firstly, supporting the religious institution and encouraging the Muslims community to think of political participation in terms of developing programs rather than religious affiliation (Watson, 1994). As such, the development of religious institutions through the Ministry of Religion was taken care of by the New Order government. Under the Old Order government, this ministry was accused of lacking professionals (Noer, 1978). Under the New Order, greater emphasis was given to modern professional skills and accordingly reorganised. The ministry has been entrusted to manage the administration and management of hajj (Noer, 1978).

In terms of social programs, the New Order government implemented what became known as the ‘neo-association’ policy, almost in the same way that Snouck Hurgrounje designed the association policy during the colonial era (Watson, 1994). If Snouck Hurgrounje had advised the Dutch governor to establish an education system that gradually integrated the culture of the Indonesian people with the Western, especially Dutch, culture, Suharto in his early leadership adopted the policy of seeking to turn people away from the emphasis on Islamic ideology and urged them to contribute to national development by joining the development programmes of the New Order government (Suminto, 1985).

The government subsidised many religious institutions such as mosques and Islamic schools from the primary and higher learning institutions such as the National Islamic Religious Institution (IAIN- Institut Agama Islam Negeri). Some of the institutes have been transformed into the National Islamic University (UIN- Universitas Islam Negeri). This policy was manipulated and propagated in every electorate campaign, whereby the Golkar tried to persuade Muslims to vote based on the government’s performance rather than religious sentiments (Suminto, 1985). Secondly, a new strategy of employing political rhetoric to gain people’s support for the New Order government was put in place to assimilate all Indonesians under Suharto’s leadership, whereby Suharto himself was known as ‘father of development’ (Suminto, 1985, p. 180). If the Old Order government used revolution as part of its political rhetoric, the New Order government used development.

As such, Indonesia in the late 1970s saw a rejuvenation of Islam among Indonesian just as it occurred elsewhere in the Muslim world. Islam gradually became a popular source of Indonesian social, ethical and spiritual life. As a result, many Indonesian Muslims, as highlighted by William Liddle (1999, p. 174), looked for a new understanding of their religion that gave them a more realistic set of guidelines, a real code of ethics for private and family life, and for dealing with the outside world.

Robert W. Hefner (1997a, p. 5) observes that in the 1970s, Indonesia witnessed the proliferation of mosques, religious schools, and devotional programs, the emergence of a vast market of Islamic books, magazines, and newspapers has developed, and a well- educated Muslim middle class that had begun to raise questions about modern issues, including the role and rights of women, the challenges of pluralism, the merits of market economies, and more generally, the proper relationship of religion to the state. To Hefner (1997a), Islam in Indonesia
was unique as it provided for the demands of a new style of religious and political activities. Muslim intellectuals arose with nontraditional training and unconventional concerns. New Muslim intellectuals were responding to the demands of the modern world and the threat posed by the West.

With the revival of cultural Islam among the Muslim community, there were also attempts by the political elite to change their own personal behaviour and attitudes. It was evident during the 1990s that the Islamisation process had penetrated the middle class and the central power based on the New Order government. The government began to take sides with Muslims’ aspiration and interests in the late 1980s onwards (Effendy, 2003). Naturally, the change in the government’s perception and attitude towards Islam had been doubted by some Muslim activists, for it was within a short period that Suharto changed his stance towards Islam. Many Muslim activist and scholars were surprised with Suharto’s accommodative attitudes. Some political analysts even argued that the shift was motivated by the coming presidential election in 1993 (Liddle, 1996).

In the 1980s, the Muslims community turned to spiritual development. Muslims were becoming more educated and professional (Hefner, 1993). Many young Muslims are graduates and some are even Ph.D. holders, awarded from various universities; locally as well as abroad such as Middle Eastern, European and American universities. This phenomenon is partly related to the government’s program of mass education, by which the government directed all students to undergo religious education. In neutralising Islamic political tendencies, the government adopted the policy of sponsoring Islamic institutions and the establishment of mosques to compensate its ‘containment’ policy of separating religion from politics. This policy aimed at gaining Muslims’ support and participation in national development (Watson, 1994).

It could also be argued that in the late 1980s Suharto was interested in courting a base support beyond the armed forces. Political analysts note that the president’s anxiety about Murdani, the most powerful Catholic general and a former Minister of Defense and Commander of the Armed Forces, was the only influence on his policy towards Muslims (Liddle, 1996). Hefner, however, criticised this analysis as being bias, as he had found from his own interviews with several of Suharto’s ministers that Suharto was already aware of and genuinely concerned about the growing Islamic resurgence. He and his advisors reflected regularly on the Islamic revivalism in Iran and Algeria. According to Hefner (1997b), Suharto saw Muslims as a potentially significant force in the near future.

It might be true that in the beginning Suharto made his rapprochement with Muslim community partly because of his worsening relationship with Murdani, who had dared to question him about his family’s corrupt business activities. As such Suharto, launched a ruthless campaign to neutralise Murdani’s influences in the armed forces and sought to counterbalance the military power with that of the Muslim community. However, Suharto at that particular time has also changed his personal image and perception towards Islam. In the early 1990s, Suharto successfully replaced the Catholic general Benny Murdani as head of the Armed Forces with

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7 The emergence of educated Muslims from various universities was considered as an outcome of the government’s policy, sending young Muslim scholars to study Islam at universities in the Middle East, the United States, and Western Europe, through making collaborations between the Department of Religion under the Ministry of Religion and several high learning institutions such as Azhar University in Egypt, Chicago University in the United States, Mac Gill university in Canada, and Leiden University in the Netherlands. For further reading on this Muslim graduates (Abaza, 1993; Hefner, 2000; Federspiel, 2006).

8 These programs were under the Ministry of Religion. However, Suharto himself under the auspices of a presidential foundation for the support of Islamic initiatives, the Amal Bakti Muslimin Pancasila, constructed 4000 mosques and provided support to one thousand Muslim proselytizers (dai) (Hefner, 1997).
another general he regarded as more sympathetic to Islam, such as General Feisal Tanjung, and reshuffled other key positions by 1992 (Vatikiotis, 1993; Hefner, 2000). The Islamisation of Indonesian politics came to be known as ‘ijo royo-ray’ (literally means all greens) in the armed forces. Many middle-class Muslims, meanwhile, especially from the alumni of HMI, joined Golkar and gained certain significant positions in the government. Consequently, the Islamisation penetrated the ruling party along the same lines as the ‘greening’ process within the army (Hamayotsu, 2002, p. 370).

This significant shift from a perception of antagonistic Islamic political tendencies to offering political patronage to the Muslim community can also be explained by the changing personal behaviour and attitudes of the elite. Suharto’s personal life changed from being an abangan to a practising Muslim. As his confidant, and later successor, Habibie himself queried Suharto on these suspicions. As Vatikiotis (1996, p. 132) notes, Suharto answered by saying, “I was born a Muslim, I will struggle for the Muslim cause.” By reasserting his faith, Suharto seemed to be marking a fundamental break with the New Order’s disregard for mixing religion with politics. This is again supported by his intention to call on his family to perform the umrah and hajj to Makkah in 1991 and his increasingly frequent calling on appearing at Islamic festivals (Tebba, 2001).

Suharto evidently had improved his relationship with the Muslim community. Suharto’s policies also began to reflect Muslim aspirations and interests. It was only in 1989 that the DPR approved the establishment of the Islamic court, and, in 1991, the compilation of Islamic laws. The Presidential Decree No. 1 Year 1991 that covered three areas, namely, marriage, inheritance (Mirath), and endowment (Waqf) was undertaken despite non-Muslim protests (Effendy, 2003). As a matter of fact, the proposal for the Islamic court had been forwarded to the government during the Guided Democracy of the 1960s. Under the New Order government, the proposal was again shelved due to unsympathetic attitude towards Islam as noted above. At the same time, laws that recognized the establishment of private Islamic schools were approved by the government, thus helping to further the process of Islamisation by giving increased educational opportunities for young Muslims (Effendy, 2003).

Certification of halal food was also approved in the late 1980s. The Majelis Ulama Indonesia (MUI) collaborated with the Ministry of Religion and Ministry of Health to allow the inspection of the ingredients of products before the endorsement of the product as halal. Since then, food, drink and cosmetics ingredients are ensured their permissibility before being sold to the public. Later on, the government agreed to establish the first bank based on Shari’ah in Indonesia known as Bank Muamalat Indonesia (BMI) in 1991 (Tebba, 2001).

In fact, the Muslim community had proposed the Islamic bank since the 1970s. The Islamic Development Bank (IBD) endorsed this proposal but it was rejected by the New Order government due to the conflict of interest between conventional banks and Islamic banks. The reason was that the New Order government did not yet want to accommodate Islamic aspirations. The emergence of BMI in 1991 led to other Islamic projects, such as takaful as an alternative to conventional insurance, and the Islamic credit system (BPR- Bank Perkreditan Rakyat) for small projects based on the Profit and Loss Sharing Scheme (PLS). BMI has been successful in attracting Muslim customers. This was due to its reliability and its ability to weather through the 1997 economic crisis. As a result, there have been increased research and studies on the Islamic economic and banking system in Islamic universities and high schools (Tebba, 2001).

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9 Halal mark is an indication that foodstuffs, drinks, and cosmetics were examined and being certified as halal (lawful) products to be consumed by Muslims.
The culmination of the accommodative policy towards Islam is remarked by the establishment of the Indonesian Association of Muslim Intellectuals (ICMI- Ikatan Cendekiawan Muslim Indonesia), which is composed of diverse social and cultural forces (Fauzi, 1995; Uchrowi & Usman, 200). ICMI is different from other Islamic organizations and movements as it has been backed up by various Muslim groups such as government bureaucrats and technocrats, moderate Muslims groups and non-government Muslim leaders (Schwarz, 2000). However, this association has been severely criticised by many officers in the military as well as conservative Muslim scholars, such as those in the NU led by Abdurrahman Wahid (Ramage, 1995; Schwarz, 2000).

With the establishment of ICMI, Modern Muslims have been given further opportunity to express Islamic voices. The Muslim newspaper Harian Republika, for instance, was given a license in 1992 due, undoubtedly, to the support of Suharto. On the other hand, the Monitor, a weekly tabloid owned by Catholic-Gramedia publishing group, which also publishes the well-read newspaper, Kompas, was closed down after it published the results of a readers’ poll of the most admired public figure. In the findings, Suharto was placed as the most popular public figure, while Prophet Muhammad SAW was voted as being in the eleventh place. This severely annoyed the Muslim community, which led to the government to cancel its license (Ramage, 1995).

As a Muslim organisation that was looked upon as enjoying the president’s favour, many nominal Muslim bureaucrats and Golkar cadres joined ICMI, thus, the Islamisation that took place in the state and society. This was evident in the increased number of Muslim members of Cabinet and high-ranking military officers after Suharto was re-elected in 1993. In his cabinet, 99 percent of the 38 ministers were Muslims, as opposed to the earlier Cabinet which was composed of only 60 percent Muslims (Suryadinata, 1998). Since 1993, furthermore, Suharto had deployed other think tank groups. Previously the Centre for Strategic and International Studies (CSIS) was known as the centre where input on the government decision-making, especially in the area of government political, control was studied (Anwar, 1999). After the establishment of ICMI, Suharto deployed another think tank made up of Muslim experts, the Center for Information and Development Studies (CIDES) (Anwar, 1999).

Nevertheless, Habibie’s ICMI has successfully contributed to the building of Islamic awareness among the New Order government officers and the establishment of positive perception of Islam. Islam during the early New Order had been labelled as an extremist and radical when it was associated with Darul Islam (DI). As such, many Muslims, especially among the bureaucrats, were afraid of implementing Islam publicly. To some extent, they did not even want to be seen as practising Muslims (McVey, 1983, p. 200).

But in the 1990s, Islam was finally given the opportunity to enjoy the good relationship and strong patronage of Suharto’s government. This patronage was perceived by non-Muslims and some nominal Muslims, especially from the NU, as the result of ‘sectarian Islam’- which is seen as seeking the establishment of an Islamic state (Schwarz, 2000). This revivalism has, to some extent, contributed to the fall of Suharto. As Islamisation penetrated the government body, many groups of the senior non-Muslim and nominal Muslim army officers who supported Suharto during the early period of political consolidation were neglected, especially after the establishment of the ICMI. This analysis may partly explain why Suharto failed to maintain his power (Singh, 2001). At the demise of the Suharto government, some Muslim groups who defended Suharto expressed the belief that Suharto’s fall was due to a political conspiracy of Chinese-Catholic-Zionists aimed at the destruction of Islam in Indonesia (Hefner, 2000).
Contestation of Formalistic and Substantive Muslims

Muslims in Indonesia experienced a polarisation due to the formalistic and substantive Shari’ah approach that had ruptured from the previous Geertz’s abangan and santri polarization. The ‘formalistic’ articulation of Islam refers to Muslim political idealism and activism in which Islam is deployed as a political ideology. They aim at establishing an Indonesian Islamic state in which Islam is adopted as the state ideology or religion, along with all its socio-political ramifications. This idealism and activism had been kept intact since the years of independence up to present days.

There are at least two factors that lead to the continuity of this idealism in Indonesia: international factors and domestic factors. The international factor suggests that this continuity is due to the emergence of Islam as a potential political power in other Muslim countries, especially in the Middle East. The indirect impact of the Middle East has probably been of paramount importance to this revivalism. As noted by Mehden, the Iranian Revolution was a milestone to the Islamic revivalism in Indonesia. “The revolution of Iran has been perceived by many Indonesian Muslims as an example of anti-imperialist, anti-establishment, anti-secular victory of Islam,” said Mehden (1993, p. 101).

The 1979 Iranian revolution bears witness to the fact that it is not impossible for Islamic political forces to merge with the government. It also yields a moral shield against the “attack” of western “anti-values”. Finally, it acts as an anchor for individuals and social groups caught in the tempest of the magnitude, relativism, and identity crises (Choudhury, 1994). Furthermore, the political and socio-economic plight of Muslim world provides an ideal breeding ground for its rapid spread, which resulted in the victory of the mujahidin of Afghanistan over the armed forces of the Soviet Union, and the formation of Sudan’s Islamic government in the 1990s (Choudhury, 1994).

In Algeria, the electoral victory of the Islamic government forced the traditional bastions and proponents of parliamentary democracy to invoke individual human rights as universal principles of an order “higher” than the will of the majority, thus justifying their open support for the military coup. In Egypt, Morocco, Tunisia, Syria, Iraq, Jordan and other Muslim countries, politicized Islam remains an important force to be reckoned with (Rahmena, 1994, p. 1).

Islamic idealism is also the result of contact with new ideas that have formed the basis for the worldwide Muslim resurgence. Exchanges of contemporary Islamic thought during such times as the hajj in Makkah, and in Middle Eastern universities such as Azhar University in Cairo, the University of Baghdad in Baghdad, and Islamic University in Medina have occurred. A wide range of contemporary Muslim literature found its ways into Indonesia. The works of Shariati, Maududi, Qutb, and other have reached books stores, religious schools, Muslim students’ organisation and universities (Mehden, 1993).

Furthermore, this formalistic idealism was driven by a negative encounter with Western colonial power, especially the Dutch in Indonesia. Undoubtedly, the long and penetrating process of colonial control had a devastating impact on Islamic idealism. As a result, as Bahtiar Effendy (2003) highlights, the venture of the country’s political Islam during the early days of independence played a crucial role in the evolution of a highly strained relationship between political Islam and the Indonesian government. This group was being represented by the modernist Muslims who continued the spirit of Masyumi such as members of the DDII and its allies.

The substantive articulation of Islam refers to the embedding of Islam’s essence in Indonesian politics and society rather merely in form, such as the Islamic state. This endeavour began with
the emergence of a new Islamic intellectualism led by a new generation of Islamic thinkers and activists who, since the early 1970s, have sought to develop a new format for political Islam in which substance, rather than form, serves as the primary orientation. Domestically, after political Islam was oppressed during the early phase of the New Order government, Muslims cadres turn to greater introspection (Watson, 1994, p. 186). As a result, many Muslims involved with the religious discourse saw it as a period of moral rearmament. This activity rose as a response to a strong feeling of malaise throughout the country, which can be construed as a reaction both to blatant corruption in official circles and to grosser forms of materialism (Watson, 1994).

Intellectually, there has been cooperation between the Ministry of Religion and other Western universities to send Indonesian Muslim students to study Islam. As such, liberal Islam also spread throughout the country. Fazlur Rahman’s thought, as noted by Bruinessen (2002), became very influential in Indonesia due to the facts that several Indonesian scholars had studied with him in Chicago and became the propagators and defenders of his ideas. Undoubtedly due to them, many Indonesian young scholars developed his ideas further.11

Both formalistic and substantive Muslims are in agreement with the democratic system. In fact, senior supporters of Masjumi were the proponents of the western democratic system during the Sukarno era. With the demise of Suharto’s government that marked “reform” and democratisation, Muslims have again been given wider space in Indonesian politics. The formalistic legalistic Muslim groups gradually formed Islamic movements whose basic ideology have been based on Islam, Qur’an and Sunnah. This group was sometimes called ‘radical’ and ‘fundamentalist’. Radicalism, thus, does not refer to one particular religion in a particular place but is a universal occurrence that can happen in all religious traditions. According to the social sciences, radical social movements, regardless of whether there is a religious impute or not, can be seen as movements of defiance (McAdam, 1999). This is because their attitudes, views, and social behaviours are markedly different from those of mainstream society.

According to the modern political approach, radical movements, as noted by Jamhari, are rebellious, but should be rather seen as a natural movement consisting of individual political goals (Jamhari, 2003, p. 19). Radical Muslims movement as one form of the Islamic revivalism is best explained by anthropologists. For them, it is a movement which is inspired by cultural and religious factors and is a response to an external power – such as colonialism or the introduction of a foreign culture. It uses cultural and religious symbols in opposition to the symbols used in mainstream society. As such this movement is a form of struggle against and rejection of foreign cultural and power (Jamhari, 2003).

In the modern era, the majority of people are pre-occupied by the materialist and hedonistic lifestyle, and their lives, thus, have been wrongly-directed. The religious groups who perform their religious practices and enjoin people to do good and forbid them from doing evil have been labelled as ‘radical’ or ‘fundamental’. But since these religious practices are carried out only by a small number of people, and the Islamic revivalism is always precipitated by a small

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10 This was basically advocated by the proponent of Cultural Islam led by Nurcholish Madjid. In this model, Madjid introduced the notion of religious renewal, political reform and social transformation (Effendy, 2003).
11 These are graduates from the Western universities and propagated the Islamic liberal which was characterised as rationalist, secular, pluralist. Harun Nasution, Nurcholish Madjid and others introduced the reformation of the Islamic ideas, especially on socio-political issues in Indonesia. Their writings are used as guidance on how the Muslims should endeavour in order to realise the socio-political objectives of Islam in this modern world (Effendy, 2003).
group of people who seek to re-orientate the society towards Islam, they are often considered as radicals or fundamentalists (Marty & Appleby, 1991; Akhtar & Sakr, 1982).

After the fall of the New Order government, there have been many fundamentalist groups. In Indonesia, there have been four fundamentalist groups that aim at the implementation of Shari’ah and have Islam as the basic ideology of their movements. These include Islamic Defenders’ Front (FPI - Front Pembela Islam), Laskar Jihad, Majelis Mujahidin Indonesia (MMI), and Hizbut Tahrir. The FPI was established ‘to combat the evil and fornication’. This movement is led by Habieb Mohammad Rizieq Syihab known as Habieb Rizieq, an Arab descendent who was born in Jakarta. This movement was initiated by the incident of Tanjuk Priok September 1984, but the formation of this organisation only took place on 17 August 1998. Since then, there have been many activities of ‘enjoining good and prohibiting evil’ conducted by its members. The activities include protests and demonstrations against the government, calling on it to close nightclubs in the city, harassing people who committed adultery, consumption of alcohols and the like. Furthermore, this group also aims at the implementation of Shari’ah in their private as well as public life (Jamhari, 2003).

Another fundamentalist Muslim group emerged when the religious conflict took place in the Islands of East Indonesia, Maluku where the Christian and Muslims communities fought each other in 1999. This tension killed many Muslims as well as Christians. The root cause of this conflict was widely believed to have been due to the economic inequality between the two groups. Due to this incident, the Muslim community established the so-called ‘Laskar Jihad’, other Islamic groups that were ready to wage holy war were formed in early 2000 by the Ahlussunnah Waljama’ah Communication Forum (Forum Komunikasi Ahlussunnah Waljama’ah), which was led by Ja’far Umar Thalib (Davis, 2002). This movement was dissolved when the Maluku conflict ended in 2003 (Jamhari, 2003).

The MMI was formed in at the same year as Laskar Jihad in Yogyakarta, on August 2000. This group is led by Abu Bakar Baasyir, one of the founders of Ngruki Islamic boarding school and alleged as being one of the leaders responsible for the Bali and W J. Marriot bombings, respectively, in 2002 and 2003. This group aims at the implementation of Islamic Shari’ah (Jamhari, 2003)

Finally, Hizbut Tahrir is a political party whose ideology is based on Islam but has not registered as an Islamic political party that participates in the national election. In fact, it was established to seek the restoration of the caliphate and to be ruled by God’s laws. This group does not agree with liberal democracy. Hizbut Tahrir was established in 1953 in Arab countries such as Lebanon, in response to the injunction “Let there be among you a group that invites to the good, orders what is right and forbids what is evil, and they are those who are successful” (Qur’an: 3;104).

Its activities have been directed to promote the Islamic way of life and to convey the Islamic dakwah to the world. Hizbut Tahrir attempts to shape people’s behaviour in such a way that their affairs in society are administered according to the Shari’ah rules and under the leadership of the Islamic state headed by a caliph. Although Suharto accommodated Muslims’ aspirations and interests and implemented a more open political system in the 1990s, Islamic political parties were not yet formed. Upon the demise of Suharto, the demand for reformation was voiced at all levels by pro-democracy advocates, both Muslim as well as non-Muslim. The emphasis of the reformation was democratisation, demilitarisation of politics, and abolishment of Suharto’s influences, including Corruption, Collusion, and Nepotism (KKN- Korupsi, Kolusi, dan Nepotisme).
As a response to the reformation, Habibie announced that the chief priority was to root out the KKN and to create a clean government. On the political front, he highlighted five fundamentals of the political system, namely, the DPR (Dewan Perwakilan Rakyat or House of Representatives), the MPR (Majelis Permusyawaratan Rakyat or People’s Consultative Assembly), political parties, regional administration and elections. To be more democratic, the laws on subversion, which used as a means to suppress political opponents, was revised immediately (Pratiknya, Juoro & Samego, 1999; Singh, 2000). Despite his short-lived presidency, Habibie did his best to implement the above, but time did not allow him to complete his mission. However, he successfully established significant alterations to the political system, including the abolishment of the azas tunggal (Laws of the Mass Organisation), the conduct of the 1999 election, increased freedom of the press and upholding human rights, and the reduction of the number of the military as political representatives, especially in the DPR.

Upon the abolishment of the azas tunggal policy, Indonesia witnessed the emergence of hundreds of political parties, many of them were established along religious lines (Singh, 2000). Nevertheless, only 48 parties were qualified to participate in the 1999 election. The classification of Islamic and non-Islamic political parties was not as easy as for the previous political parties. Presently, the Islamic political parties are recognised from their basic ideological foundation, name, and symbol. Thus, of the 48, only 19 are Islamic political parties (Ananta, Nurvidya & Suryadinata, 2004).

Out of the 19 Islamic parties, only a few parties gained significant support in the 1999 election; PPP, the long-established Islamic party, secured 11% of the votes. The Crescent and Star Party (PBB- Partai Bulan Bintang), which was claimed as Masyumi’s successor, gained only 2%; the Justice Party (PK- Partai Keadilan), which represented what was known as the LDK, secured only 1.5 %, and the other Islamic parties received even less vote. Nevertheless, the National Revivalism Party (PKB- Partai Kebangkitan Bangsa) and National Trust Party (PAN- Partai Amanat Nasional) which were also known as the nationalist party though led by prominent Muslim leaders secured 13% and 7% of the votes respectively. The rest of the votes were accumulated by the two other New Order parties: Indonesian Democratic Party (PDI-P- Partai Demokrasi Indonesia) under the leadership of Megawati which won the most votes with 35% and Golkar, which won 23% of the votes (Ananta, Nurvidya & Suryadinata, 2004).

In the latest election of 2004, the Islamic parties were defeated. It is, however, interesting to note that the Justice and Welfare Party (PKS- Partai Keadilan Sejahtera), previously known as PK, gained more votes compared to during the 1999 election. It is partly because of its elected members of the house were perceived as being ‘clean’ by people. As a matter of fact, the rest of the Islamic parties, except PPP, secured fewer votes and were, thus, unqualified to participate in the next election. PKB and PAN secured more or less the same result as the 1999 election. Golkar won more votes than PDI-P. On the other hand, the new party called Democrat Party (PD- Partai Demokrat) surprisingly secured more votes, partly due to its presidential candidate, a charismatic general whom people admire for his intellect and determination. It

12 In the Old Order era, Islamic parties were based on Islam. It could be seen from its ideological and basic foundation of the parties such as Masyumi, the NU, Persatuan Tarbiyah Islamiyah (PTI), and Partai Syarikat Islam Indonesia (PSII). In the early New Order there were NU, PTI, PSII and Partai Muslimin Indonesia (PMI), which later on fused in the United Development Party (PPP- Partai Persatuan Pembangunan). The basis of the respective party was Islam except PPP which later on based on Pancasila and thus the Islamic political party did not exist totally since early the 1980s.

13 For the very beginning this party selected Bambang Susilo Hudoyono as presidential candidate and then became the elected president in 2004.
was even clearly evident that in the 2009 election, Islamic political parties secured more or less the same votes as the previous elections. Despite the fact that the 1999, 2004, and 2009 elections did not reside with Islamic parties, it gave the Muslim middle-class control over the parliament.

This series of elections to some extent depicted the scenario of Indonesian Muslims. Though there was an Islamic awareness among people, this awareness is limited to the substance, not formal-legalistic, of Islam. Secondly, the failure of Islamic parties in the previous elections shows that Muslims in Indonesia are substantive groups. They want Islamic values to be applied in their politics, but they do not support the formalistic Muslim groups. This is evident in the decision-making processes in the DPR. Nurcholish Madjid shared the same view with Azyumardi Azra, a well-known Muslim scholar and the former rector of Islamic State’s University Syarif Hidayatullah, on the lack of relevancy of formality and symbols of political Islam in present Indonesia. Azra (2003) argues that most Indonesian Muslims are leaning towards what he calls “substantive Islam” rather “formalistic Islam”.

Conclusion

With the increasing number of the Muslim middle class, Suharto began to accommodate the Muslims’ aspirations and interests through his domestic policies. Among remarkable accommodative policies was his blessings to the establishment of ICMI in December 1990. With the rise of ICMI in Indonesian politics, Islamisation penetrated the New Order government, including the military and Golkar. On the other hand, with the decline in support from the secular nationalist army, which was heavily influenced by nominal and Christian generals, Suharto reshuffled the high-ranking army officers and appointed Muslim generals. As a result, Suharto offered the special patronage to Muslim groups. During the post-Suharto era, Islamic political force was more discernable with the proliferation of Muslim fundamentalist groups and Islamic political parties.

However, the so-called cultural Islam proponents who pursue the substance of Islamic values have dominated Indonesian Muslims as evident in the previous elections in which Islamic political parties got very little support from the Muslim constituents. The substantive Muslim groups played crucial roles in the decision-making process in the DPR. Indeed, the Islamic revivalism obviously influenced the Indonesian politics in the 1990s and post-Suharto era. As an extension to this context, the contestation between formalist and substantive Muslims could also occur in other Muslim countries in Southeast Asia and beyond.

References


THE POLITICS AND POLICIES OF POPULATION CHANGE IN INDONESIA AND MALAYSIA

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Abstract

Indonesia and Malaysia will soon experience the consequences of an ageing population. Both countries, however, are not yet prepared well for this major demographic change and have only adopted few policies with regard to an ageing society. This article explains the features of and the reasons for the demographic changes in Indonesia and Malaysia before it will analyse the main policy challenges in a comparative perspective.

Keywords: Demography, Ageing, Demographic Policies, Malaysia, Indonesia

Introduction

The population in both Malaysia and Indonesia, has changed to a great extent in the last 50 years and a further population transformation is predicted. If the UN prognoses become true both Indonesia and Malaysia will not only witness a substantial increase of their respective populations in the next 25 years but also a significant ageing process.

Both countries were chosen, because they are two major states in Southeast Asia which have common roots but have taken somewhat different economic and political ways in the last 70 years after becoming independent countries. Additionally, both countries do not seem to be well prepared to deal with the challenges of a society with a higher proportion of older people. In so far, the comparison will be based on a “most similar” design.

Indonesia is the fourth-largest country (after China, India and the USA) in terms of population size worldwide. The country is home of at least 400 hundred different ethnic groups and cultures. However, nearly 40 percent of the population can be classified as Javanese, the dominant ethnic group of Indonesia. Indonesia's national motto is "unity in diversity" (Bhinneka Tunggal Ika) and reflects the multitude of ethnic, cultural and linguistic in the world's largest archipelago, which stretches more than 5000 kilometres from West to East through three different time zones. In the latest (2016) Human Development Index of the United Nations Development Programme Indonesia is ranked on position 113 worldwide as a country with medium human development.

Indonesia’s neighbour country Malaysia has a similar cultural, linguistic and historic background as the Western parts of Indonesia. However, the country is much smaller and has seen, not least due to the British colonial past, a massive influx of labour migrants from South China and India in the first half of the 20th century. After independence in 1957/1963 Malaysia progressed quite fast and developed markedly better in socio-economic terms than Indonesia. Malaysia is now (together with the small city states of Singapore and Brunei), one of the wealthiest and most developed states in Southeast Asia. In the above mentioned Human Development Index Malaysia is ranked on position 59 worldwide as a country with high human development.

There are multitude of country studies on either the Indonesian or Malaysian demographic developments (e.g. Kohler/ Behrmann 2017, Mahari 2011, McDonald 2014, Rabi 2017), but
there are very few comparative papers. Additionally, many of the papers written by demographers focus on mathematical models and analyses of population developments, whereas I will focus on the politics and policies of population change in the two countries under research.

To this end, I will first give a concise description of the major demographic trends in Indonesia and Malaysia before drawing some tentative conclusions about the demographic challenges for both countries in a comparative perspective.

The Political Demography of Indonesia

Since its independence in 1945, Indonesia has witnessed an impressive population growth. Within 40 years the population more than doubled from 72.8 million people in 1950 to 181.4 million people in 1990. Until the mid-1960s Indonesia was an extremely poor and underdeveloped country. Since then, the country has steadily developed and is now regarded as a lower middle income country in World Bank terms. In so far, one of the explanatory factors of the rapid population growth is the improvement of the living conditions for the average population.

Since 1990 the population growth continued, but with slower pace (see table 1). Population growth peaked near 2.6% per year in the late 1960s when Indonesia’s population was around 110 million. For the next 25 years after 2015, population growth is estimated to be around 1.1% and it is projected to decline to 0.2% by 2050 when the population is expected to reach 321 million (Kohler/Behrman 2017: 6).

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<th>Total Population</th>
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<td>1990</td>
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<td>2015</td>
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Table 1: Total Population of Indonesia, Data from Database Global Political Demography v1_20171006

Indonesia has currently (end of 2017) a population of more than 260 million people and is expected to grow by 50 million more people until 2040. The UN predicts that the country will have more than 312 million citizens then.

The birth rate of Indonesia was very high in 1960 with 44.56 births per 1000 citizens, still very high in 1970 with 39.97 and only became lower in 1980 with 33.40. In 1990 it was 25.81 births per 1000 citizens. The birth rate of the Indonesian population fell steeply from the 1960 until the mid-1990s, but has then declined only slowly since the mid-90s (see Figure 1 below). The numbers were 21.76 in the year 2000, 20.86 in 2010 and 19.35 in 2010.
The declining birth rate is closely connected with the decrease of the total fertility rate of the Indonesian population. This rate dropped from an average 5.5 children per woman in 1970 to about 2.3–2.6 children per woman in 2010–15 (Kohler/Behrman 2017: 6) as can be seen in Figure 2. This means that in only 40 years, the average number of children per woman went down by 3.

Population growth in Indonesia is quite uneven. Between 2000 and 2010 it was highest in the province of Papua (5.46 percent) and lowest with 0.37 percent in Central Java (VDSI 2017). It can be seen in Figure 3 that the most developed and richest areas of the country (Jakarta, Java, Yogyakarta, etc.) have the lowest fertility rate, whereas the poorest and least developed areas
such as Nusa Tenggara Timor and Papua in the Eastern parts of Indonesia have the highest fertility rates.

Figure 3: Variation in Fertility Rate 2012, from Sonny Harry Budiotomo Harmadi, in: Kohler/Behrman (2017: 14)

One reason for the reduced population growth in Indonesia is that the Indonesian governments since the late 1960s promoted the use of contraceptives. Family planning in Indonesia is until now coordinated by the National Family Planning Coordinating Board (NFPCB).

Another factor which changed the demographic structure of Indonesia is the growing average life expectancy. It has grown enormously in the last 70 years. In 1950, the average citizen died with 38.8 years. This number moved up to 46.9 years in 1970 and 58.8 years in 1980. As we can see in table 2, the life expectancy continued to grow from 1990 (62.67 for males and 65.67 for females) until 2015 (67.35 for males and 71.65 for females). It is expected to be above 70 years for both sexes in 2040.

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<th>Year</th>
<th>Life Expectancy for Males</th>
<th>Life Expectancy for Females</th>
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<tr>
<td>1990-95</td>
<td>62.67</td>
<td>65.67</td>
</tr>
<tr>
<td>2015-20</td>
<td>67.35</td>
<td>71.65</td>
</tr>
<tr>
<td>2040-45</td>
<td>70.31</td>
<td>75.60</td>
</tr>
</tbody>
</table>

Table 2: Data from Database Global Political Demography v1_20171006

All the above describe population developments in Indonesia led to a remarkable change of the age structure of Indonesian society. Table 2 below shows the distribution of different age sectors in 1990, 2015 and 2040 (UN prediction).
Table 3: Data from Database Global Political Demography v1_20171006

In 1990, young people below 15 years were a quite big group with 35.43 percent of the total population. Their absolute number was only growing slowly until 2015. Their percentage of total population, however is nearly 10 percentage points lower. This will continue until 2040 when the proportion of young people below 15 years is expected to drop to 21.36 percent of the total population.

<table>
<thead>
<tr>
<th></th>
<th>0-14 years</th>
<th>15-65 years</th>
<th>65-100 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>66.104,4 mio.</td>
<td>108.465,7 mio.</td>
<td>6.866,8 mio.</td>
</tr>
<tr>
<td>2015</td>
<td>71.325,6 mio.</td>
<td>172.912,6 mio.</td>
<td>13.325,7 mio.</td>
</tr>
<tr>
<td>2040</td>
<td>66.745,6 mio.</td>
<td>209.983,9 mio.</td>
<td>35.709,9 mio.</td>
</tr>
</tbody>
</table>

Table 4: Data from Database Global Political Demography v1_20171006, own calculations

Nearly 70 percent of the population were in the productive age between 15 and 64 in 2015. Such high numbers indicate that - from a demographic perspective - there is great potential for both productivity and economic growth in Indonesia. The proportion of working people in the total population is high and this demographic dividend gives more people the chance to be productive and contribute to growth of the national economy. It must be seen in the Indonesian context as well, however, that there are currently millions of (educated) unemployed Indonesians who cannot be absorbed by the labour market (VDSI 2017). The unemployment rate, particularly for people between the age of 15 and 24 is quite high and far above the country's national average.

Slowly, as can be seen in Figure 4, the population age structure will shift from a still relatively young population pyramid to one that is characterized by significant population ageing, with the share of the population above age 65 increasing from 5.17 % to 11.43 %.

Table 4: Data from Database Global Political Demography v1_20171006, own calculations
The same development towards an ageing society can also be seen if we take the median age as indicator. Median age is the age that divides a population into two numerically equal groups - that is, half the people are younger than this age and half are older.

<table>
<thead>
<tr>
<th>Year</th>
<th>Median Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>21.30</td>
</tr>
<tr>
<td>2015</td>
<td>28.01</td>
</tr>
<tr>
<td>2040</td>
<td>34.33</td>
</tr>
</tbody>
</table>

Table 5: Median Age in Indonesia, Data from Database Global Political Demography v1_20171006

As table 5 shows, the median age in Indonesia has increased significantly. However, even by 2040, Indonesia will not yet have an ‘old’ population age structure. In 2015 in countries such as Germany or Japan already had a median age above 46 years.

Nevertheless the number of old people will rise to a great extent as can be seen in table 6. Particularly the number of older people above 80 years will more than double in the years between 2015 and 2040.

<table>
<thead>
<tr>
<th>Year</th>
<th>Population above 65 years</th>
<th>Population above 80 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>3.78 %</td>
<td>0.43 %</td>
</tr>
<tr>
<td>2015</td>
<td>5.10 %</td>
<td>0.65 %</td>
</tr>
<tr>
<td>2040</td>
<td>11.15 %</td>
<td>1.48 %</td>
</tr>
</tbody>
</table>

Table 6: Proportion of Old People in Indonesia, Data from Database Global Political Demography v1_20171006
Indonesia is a country that has a negative migration balance, meaning far more people are leaving the country every year than migrating to Indonesia. The following table 7 illustrates that Indonesia has quite a significant amount of workers abroad, particularly in neighbouring countries such as Malaysia or in Middle Eastern countries near the Persian Gulf. The labour migration is predicted to continue until 2040 and afterwards.

<table>
<thead>
<tr>
<th>Year</th>
<th>Migration Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990-95</td>
<td>-381.823</td>
</tr>
<tr>
<td>2015-20</td>
<td>-825.000</td>
</tr>
<tr>
<td>2040-45</td>
<td>-700.000</td>
</tr>
</tbody>
</table>

Table 7: Data from Database Global Political Demography v1_20171006

Another population trend in Indonesia is urbanization. The United Nations projected that by 2050 two thirds of Indonesia’s population will live in urban areas. Over the last forty years the country has experienced a process of rapid urbanization, resulting in the current situation in which over half of Indonesia's total population resides in urban areas (see table 8 below). For the economy this constitutes a positive development as urbanization and industrialization are necessary to grow into the ranks of a middle income country (VDSI 2017).

<table>
<thead>
<tr>
<th>Year</th>
<th>Rural Population</th>
<th>Urban Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>64%</td>
<td>36%</td>
</tr>
<tr>
<td>2000</td>
<td>58%</td>
<td>42%</td>
</tr>
<tr>
<td>2005</td>
<td>52%</td>
<td>48%</td>
</tr>
<tr>
<td>2010</td>
<td>46%</td>
<td>54%</td>
</tr>
<tr>
<td>2050</td>
<td>33%</td>
<td>67%</td>
</tr>
</tbody>
</table>

Table 8: Rural and urban population in Indonesia, Source: World Bank Development Indicators

The Political Demography of Malaysia

The first census in Malaysia in 1970 counted a population of about 11 million people. As table 9 shows, a significant rise of the population has taken place since then. The number of citizens nearly tripled to over 30 million people. The population of Malaysia is expected to further grow up to 38.5 million people in 2040.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>18.211,1 mio.</td>
</tr>
<tr>
<td>2015</td>
<td>30.331,0 mio.</td>
</tr>
<tr>
<td>2040</td>
<td>38.852,9 mio.</td>
</tr>
</tbody>
</table>

Table 9: Population Development Malaysia, Data from Database Global Political Demography v1_20171006

The crude birth rate of Malaysia went down quite steeply from 42.69 in 1960 to 33.85 in 1970. In the following years the decrease was markedly lower to 31.31 in 1980 and 28.09 in 1990. Between 1990 and 2000 it fell quite strong again to 21.97 and only very slow until then (17.09 in 2015).
The total fertility rate of Malaysia declined enormously in the last 55 years. Whereas every Malaysian woman gave birth to an average 6.5 children in 1960, this number went down to 5.0 in 1970, 4.07 in 1980, 3.55 in 1990, 2.78 in 2000, 2.15 in 2010 until a comparatively very low 2.06 in the year 2015.

It is apparent that the Malaysian population is growing but at a decreasing rate. This was caused by a decline in the number of births, as the crude death rate remained constant while the total fertility rate fell. As can be seen in Figure 7 below, there are some remarkable regional differences in terms of the birth rates in the various Malaysian states. The birth rates in the rural and rather traditional Islamic states of Kelantan and Terengganu are higher than in the rest of
the country, whereas the birth rate in Pulau Pinang, a rather urban state with a high percentage of Chinese population is the lowest in all states. The birth rate in the rural and less developed East Malaysian states Sabah and Sarawak on Borneo island with a lower percentage of Islamic population is also remarkably low. It is not clear why there is such a high birth rate in the federal administrative capital of Putrajaya near Kuala Lumpur, maybe due to a relatively high number of good quality hospitals where neighbouring state citizens come for giving birth there.

As can be seen in the tables 10 and 11 below, Malaysia had a very young population in 1990 with a high number of young people below 15 years and only very few senior citizens older than 65. This has already changed to some extent until 2015, when the percentage of young people below 15 years quite steeply dropped from 37.1 to 24.5 percent. This trend will continue. Until 2040 the percentage of young people (despite only a small decrease in absolute numbers) will go down to 18.9 percent of the total population.

<table>
<thead>
<tr>
<th></th>
<th>0-14 years</th>
<th>15-65 years</th>
<th>65-100 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>6.755,7 mio.</td>
<td>10.797,8 mio.</td>
<td>0.657,6 mio.</td>
</tr>
<tr>
<td>2015</td>
<td>7.432,6 mio.</td>
<td>21.122,4 mio.</td>
<td>1.776,0 mio.</td>
</tr>
<tr>
<td>2040</td>
<td>7.371,2 mio.</td>
<td>26.522,6 mio.</td>
<td>4.959,2 mio.</td>
</tr>
</tbody>
</table>

Table 10: Age Structure of Malaysia, Data from Database Global Political Demography v1_20171006
At the same time the number of people who are older than 65 years, which is relatively low with 3.6 and 5.8 percent in 1990 and 2015 respectively, will significantly increase until the year 2040. For that year the UN predicts that 12.86 percent of the Malaysian population will be older than 65 years old.

Another phenomenon for an ageing population is a rise in the life expectancy. A Malaysian who was born in 1955 in average reached an age of 55.4 years. This number rose to 60.6 in 1960, 64.9 years in 1970 and 68.1 in 1980. If we analyse the statistics presented in table 12, we can see the average life expectancy at birth further increased to over 70 years in 1990 and to about 75 years in 2015. It is expected that it will further grow near the age of 80 years in 2040.

In correlation with the rising life expectancy the median age in Malaysia (see table 13) will further rise. Whereas it was only 21.56 years in 1990, it already grow to 27.68 years in 2015. For 2040, the UN predicts a further rise up to 37.65 years.

The demographic changes in Malaysia can also be depicted in form of population pyramids. As shown in Figure 8, the form of the pyramid in 1980 is that of a developing country in which the largest group are children and young people. In 2015, the largest group is that of persons in working age providing a favourable demographic profile for the labour market. In 2050, however, the pyramid has more the features of an ageing society.
As already mentioned several times above, the proportion of older people will rise significantly in Malaysia. Particularly the percentage of people above 80 years will more than triple between 2015 and 2040.

<table>
<thead>
<tr>
<th>Year</th>
<th>Population above 65 years</th>
<th>Population above 80 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>3.68</td>
<td>0.49</td>
</tr>
<tr>
<td>2015</td>
<td>5.86</td>
<td>0.83</td>
</tr>
<tr>
<td>2040</td>
<td>12.40</td>
<td>2.60</td>
</tr>
</tbody>
</table>

Table 14: Proportion of Old People in Malaysia, Data from Database Global Political Demography v1_20171006

As a rather well-developed and comparatively rich country Malaysia attracts a number of labour migrants from nearly all neighbouring countries. This particularly refers to Indonesia, but also to the Philippines and more distant countries such as Myanmar, Bangladesh, Nepal, China and India.

Official figures are difficult to obtain, because a high number of migrants is not officially registered. However it is estimated that at least 2.5 million labour migrants (among them more than 1 million from Indonesia) are currently in Malaysia. The UN predicts that there will be more migration to Malaysia in the future (see table 15) which will add to the population growth in the country.

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Migration</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990-95</td>
<td>298,812</td>
</tr>
<tr>
<td>2015-20</td>
<td>250,000</td>
</tr>
<tr>
<td>2040-45</td>
<td>250,000</td>
</tr>
</tbody>
</table>

Table 15: Net Migration in Malaysia, Data from Database Global Political Demography v1_20171006

As in many other parts of the world, urbanisation also took place in Malaysia and transformed the population quite considerably in the last 50 years. In 1960 only 26.6 percent of Malaysians...
lived in urban area and 73.4 percent in the countryside. Until 2015 the living situation has turned in the opposite when nearly 75 percent of the Malaysians live in cities.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural Population in percent of total population</td>
<td>45.3</td>
<td>38.0</td>
<td>33.4</td>
<td>29.1</td>
<td>25.3</td>
</tr>
<tr>
<td>Urban Population in percent of total population</td>
<td>55.7</td>
<td>62.0</td>
<td>66.6</td>
<td>70.9</td>
<td>74.7</td>
</tr>
</tbody>
</table>

Table 16: Rural and urban population in Malaysia, Source: World Bank Development Indicators

The population growth of Malaysia will produce significant changes in the ethnic composition of the population in the next 50 years. The percentage of Malaysian Chinese and Malaysian Indians is predicted to shrink as their birth rates are significantly lower than that of the Malay Muslims. Their fertility has remained relatively high due to pro-natalist cultural values and to some extent also the traditional role model of women as housewife and mothers in traditional Islamic lifestyle. Additionally, the Malaysian government has offered financial incentives for children of Malay Muslims as part of their Bumiputera policy, which is a kind of affirmative action program for Malay Muslims.

The relations between the major ethnic groups are a very sensitive issue in Malaysian politics. Particularly the Chinese community in Malaysia sees the expected demographic changes with anxiety. The socio-economic and cultural milieu of the Chinese community (generally more urban, wealthy and educated than other ethnic groups in Malaysia) is responsible for a faster ageing of this population group than others. It is thus the Malaysian Chinese community that will most probably “bear the impact of the many problems and issues associated with ageing ahead of the Malays and Indians” (Chai/ Hamid 2015: 11).

**Political and Social Problems of Population Change in Malaysia and Indonesia**

Despite their country-specific and historic differences, the similarities between Indonesia and Malaysia in terms of political demography are remarkable. Both countries witnessed an extremely high population growth between the 1970s until around 1990. At least since then both countries have enjoyed a relatively favourable demographic environment characterised by a very high working age population, which was growing at a higher rate than the overall population. Particularly Malaysia, but also Indonesia to a lesser extent, has been very successful in translating this demographic window of opportunity into a sustained economic growth path, poverty reduction and achievement in non-income dimensions (Nori 2017).

However, Malaysia and Indonesia are both now coming slowly at the end of their demographic window of opportunity. After 2050, both countries are predicted to become “aged nations”, which is defined when the post-working population (65 years and older) constitutes 14 percent or more of the total population. Compared to other countries worldwide, the transformation from a very young to an ageing society within a few generations is very fast.

The key drivers of Malaysia’s and Indonesia’s ageing population relate to longer life expectancies and declining fertility rates. What were the reasons for this? Malaysia and Indonesia have sustained a long period of consistent economic growth starting from the 1970s which has led to improved living conditions, advances in medical science and contributed positively to healthcare system. Meanwhile, new social norms relating to more Malaysian and Indonesia women pursuing their education and career aspirations led to later marriage and less
children per woman (Sumra 2016). It was observed in Malaysia that the mean age of the first marriage of women has increased from 21.6 to 25.1 years from 1970 to 2000 (Mahari 2011: 4). The opportunity for women to pursue higher education and skills level empowers them to participate in the labour market. This contributed to delay in their marriage (see also Hirschman/ Bonaparte 2012: 30f.). Another reason for the declining birth rate was the availability and acceptance of contraceptives in both countries. The Indonesia government actively promotes and financially supports family planning since the later 1960s until today. Consequently, the birth rate in both countries dropped significantly as can be seen in Figure 9. Together with a sharply rising life expectancy due to better nutrition as well as medical and hygienic progress in both countries, the declining birth rates will lead to ageing societies.

Figure 9: Birth Rates per Woman in Indonesia and Malaysia, Source: World Bank Development Indicators

The consequences of an ageing population will surely become a major policy concern for Indonesia and Malaysia in the years to come. Both countries can hereby refer to the experiences which the European countries and their governments already made. All efforts to raise the very low fertility rates by tax and other incentives failed in the EU countries so that in the end the high percentage of elderly people had to be accepted and dealt with. One consequence was the raising importance of pension systems as policy issue, whereas the management of migration to counterbalance the unfavorable balance between working (tax-paying) population and non-working (tax-receiving) elderly population has become another debate.

Population ageing in lower middle-income countries such as Indonesia brings potentially more challenges as in the upper-middle income economy of Malaysia. In both countries nevertheless two important national development goals will get into conflict: How to sustain robust economic growth while at the same time provide welfare to the growing number of old people?

Achieving these two goals simultaneously “will require new policies, most importantly policies that encourage saving, and investment in health and education to improve productivity” (Kohler/Behrman 2017: 11). The problem for emerging economies such as Indonesia – which have not yet reached a middle income country status and where poverty is still widespread – could be that economic growth stalls before they transition into high-income status. Getting
old before getting rich is one the biggest medium-term structural challenges for developing countries in Asia and other parts of the world. The main reason why middle-income countries are concerned about this is that it might inhibit their ability to join the group of high-income developed countries (Yen Nee Lee 2017).

Compared with other countries in Asia and the rest of the world, Malaysia and Indonesia will still have relatively young populations in 2040. Therefore Deloitte Malaysia risk advisory leader Cheryl Khor stated that “compared to a number of nations, the impact of ageing on Malaysia’s economic growth is relatively gentle and will not really be felt until the 2050s. Our economy will avoid many of the more challenging downsides of population ageing for some time yet, although those challenges will eventually arrive here too” (Quoted in: Dhesi 2017).

The Malaysian Employers Federation (MEF) commented that a smaller manpower pool might not be the biggest problem in a country with an ageing population because industries would opt for increased automation. “The types of jobs needed in the future won’t be labour intensive,” said MEF executive director Shamsuddin Bardan (Quoted in: Augustin 2017).

One of the socio-political challenges which, however, most probably will affect both countries is the financial aspect of ageing. If the Indonesian and Malaysian population continue to age, the proportion of elderly dependents, who are older than 65 years will increase. Accordingly, the two governments will have to address this challenge through their fiscal policy, including the provision of spending on health care. Both national governments need to be proactive in anticipating the elderly population. However, finance pressures and human capital challenges (Sumra 2016) will most probably emerge.

Both countries so far have not yet sufficient welfare state capacities in terms of pensions. Indonesia so far has not yet developed a general pension system for old people. Except for public servants including the staff of police and army, who receive a modest state pension, the care for old people is generally regarded as a family affair. In recent years, however, the government started the first steps of a welfare state program including a mandatory universal pension program for all citizens. The Social Security Administration Body for Employment (BPJS Ketenagakerjaan) is responsible for dealing with the policy implementation of this ambitious government program. It is yet difficult to predict whether BPJS will be successful or not.

Malaysia has a pension scheme called EPF (Employee Provident Fund). The fund is managed by the national Ministry of Finance and both employers (12% of payroll) and employees (11% of payroll) must contribute to the fund. At the age of 60, any person paying into that fund will get a monthly pension after retirement. However, this amount is seen as very low. There are already proposals to raise the pension age from 60 to 65. According to Tunku Alizakri Raja Muhammad Alias, deputy chief executive officer of EPF, Malaysia will be missing out if the country does not increase the age of retirement from 60 to 65 years, as, according to him, many elderly people can still work and offer their skills in the labour market. He proposed that elderly people can be put into industries such as consultancy, childcare and coaching (Nori 2017).

Two other aspects of population change will influence both countries quite significantly. One is rapid urbanisation. In both countries the population changed from a rather rural one to a very urbanized one within only 50 years. The growing urbanisation raises new challenges for political decision-makers. Currently, Malaysian and even more Indonesian cities are already plagued with problems such as air pollution, smog, noise, limited space and lack of infrastructure. A substantial urban population rise, especially among the urban poor, will compound these problems.
Another important issue is that there are regional diversities in terms of demography in both countries. Generally, the more rural and less developed parts of both countries (in Indonesia particularly the Eastern islands or Kelantan/Terengganu in Malaysia) have a significantly higher birth rate than the more developed urban areas (such as Java). Mass internal migration into urban areas or rising contradictions between centre and periphery might occur.

Migration from other countries will also affect the population policies in both countries. Malaysia will continue to see an influx of (mostly relatively unskilled) labour migrants from many South and Southeast Asian countries including Indonesia. Many of them have the target to live permanently there and/or become Malaysian citizens as the socio-economic situation is regarded as more favourable than that of their country of origin. Indonesia, in contrast, will have a continued outflow of (mostly relatively unskilled) labour to its neighbour countries and the Middle East.

It is not yet well researched to what extent all these demographic changes will affect the cornerstones of political order and regime stability in both societies. Indonesia’s fragile democracy, which is the second largest in the world after India, will probably deal better with the demographic challenges in political terms than Malaysia. The more pluralistic national political landscape and the high degree of local autonomy in a highly decentralized political system are more prone to adapt to societal pressures than the more centralized power structures in the neighbour country.

In Malaysia, which is a semi-democracy or a half-authoritarian political system, the demographic changes will bring probably some regime instability as politics is dominated by race-based political parties. The economically influential ethnic group of Chinese Malaysians will lose further political influence due to a shrinking percentage of the Malaysian population. This can lead to frictions and conflicts between the different ethnic groups.

Since elections are taking place in both countries, the population strength of certain societal groups matters. Since there are no statistical information available of the voting patterns of people older than 65 years, it is very hard to predict what will be the electoral effects of the ageing process of both populations. In both countries rural Islamic people have the highest birth rates. Consequently it is plausible that this group of the population will gain some more political influence in both countries in the near future.

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Book Review

REVIEW OF “POST-INDUSTRIAL DEVELOPMENT IN EAST ASIA, TAIWAN AND SOUTH KOREA IN COMPARISON” BY MIN-HUA CHIANG, PALGRAVE MACMILLAN, 2018

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Abstract

There has been no shortage of books discussing the impressive economic development experience of East Asian countries in the past few decades. Thirty years since the publication of Chalmers Johnson’s seminal work “MITI and the Japanese Miracle: The Growth of Industrial Policy 1925-1975”, scholars have continued to examine and debate the circumstances that define and shape the economic success of East Asian countries. Today, much of the interest lies with China’s growth and dominance, however, South Korea’s and Taiwan’s development are also significant as they are the only other two non-city state countries that have achieved rapid economic growth since the end of the Second World War. For Malaysia, the recent change in government has brought about a re-emergence of the Look East Policy and renewed interest in learning from the countries in East Asia. Min-Hua Chiang’s book “Post-Industrial Development in East Asia, Taiwan and South Korea in Comparison” provides a detailed insight in the recent development progress of South Korea and Taiwan since the mid-1990s to the present. As South Korea and Taiwan are also major trading partners for Malaysia, the development experience of these countries can provide significant lessons that would benefit local policy makers and scholars alike.

Keywords: East Asia, developmental state, post-industrial development, Taiwan, South Korea

Introduction

The comparative study of South Korea and Taiwan have long been a popular topic for scholars of East Asian development, particularly in the 1980s and 1990s. Most importantly the reasons for the fast-paced economic development of these two countries, as well as their other East Asian counterparts, has been subjected to intense debate. Neoliberals have argued that the economic success of the East Asian countries have been the result of engagement in international free trade (World Bank 1993; IMF 2006), claiming that the East Asian development indeed proved that the market was the main driver of economic development.

The developmental state paradigm, on the other hand, emerged as a response to the shortcoming of the neoliberal ideas. Scholars of the developmental state approach argue that the role of the state was paramount in steering the development trajectories of these countries. Some of the seminal work analysing the development experience of South Korea and Taiwan include Alice Amsden’s book Asia’s Next Giant: South Korea and Late Industrialization (1989) and Robert Wade’s book Governing the Market: Economic Theory and the Role of Government in East Asian Industrialization (1990).
Therefore, this book fits well into the ongoing discussion of East Asian development, analysing the role of the state, businesses as well as changes in international factors in affecting the development of South Korea and Taiwan. The author assesses how South Korea and Taiwan have been affected by China’s rapid development, the role of the small and medium enterprises (SMEs) in both countries, and the governments’ policies towards industrial upgrading and promotion of trade. The author also looked at some of the contemporary challenges faced by both countries namely income inequality and an ageing population.

Summary of the book and main arguments

With the Asian Development Bank arguing that the 21st Century in the ‘Asian Century’, it is only natural to examine how the leaders of the Asian development experience has continued to grow in recent times (ADB 2011). The changing economic environment and the increasing trade interdependence demands that governments play a role in facilitating freer trade but at the same time provide the best means of growth and development for its people. This book takes a comparative perspective on South Korea and Taiwan’s more recent economic development experience. As mentioned earlier, the author presented three main factors in the initial development experience of South Korea and Taiwan – the importance of the United States as a trade partner, the role of the state in terms of setting and implementing economic policies, and the effort of the private sector in driving growth.

The role of the United States, the most important trading partner for Taiwan and South Korea, have been replaced with China. China’s changing economy also changed the dynamic of the business and trade of Taiwan and South Korea. Not only has Taiwan’s and South Korea’s investments and productions facilities in China have to adjust with China’s economic growth but the production effort has also begun to focus on producing for Chinese local market as opposed to export. China’s impact on manufacturing production was also discussed in the following chapter where “the relocation of labour-intensive manufacturing” meant that Taiwan and South Korea depended on China’s considerably cheap labour (p.88). This changed as China continued to grow and both South Korea and Taiwan’s manufacturing bases needed to relocate to different parts of China in order to continue benefiting from lower labour cost.

The book provides an important viewpoint on the impact that China has had on what was previously two of East Asia’s faster-growing economies. In particular, Taiwan’s complicated relations with China has also shaped its economic relationship with its much larger neighbour. Much of Taiwan’s outward direct investments (ODI) has been in China despite policies discouraging investment (p.26). According to the author:

"The “Southward Policy” was launched twice in the 1990s with an aim to divert Taiwan investors’ interest from China to Southeast Asia. Despite the policy discouragement, Taiwan’s investment in China continued to surge (p.26)"

In the following chapter, the author also explored how China’s economic rise also changed the environment for the small and medium industries of Taiwan and China. This is especially critical for Taiwan as Taiwanese SMEs were the main drivers of its export drive as opposed to South Korea’s reliance on its large conglomerates (chaebols). The rise of China has resulted not only in increasing labour cost which most SMEs can no longer afford but China’s industrial and technological catch-up has also created more competition for the manufacturing sectors of Taiwan and South Korea (p.89)

In the case of small and medium enterprises (SMEs), both Taiwanese and South Korean SMEs focused on their domestic market and despite their declining contribution to export, the SMEs from both countries continue to provide a high percentage of domestic employment. However,
unlike Taiwan’s integration of SMEs with larger companies, the South Korean chaebols continue to crowd out SMEs particularly in the manufacturing sector (Chiang 2018, pp.57-58). One of the important lessons from the book is the impact of SMEs in the manufacturing and service sector in both Taiwan and South Korea. Although the service sector now makes up a larger portion of the employment opportunities in South Korea, the manufacturing sector continues to be the largest contributor.

However, the high need for increased research and development (R&D) which generally only large corporations can afford means that SMEs are increasingly losing space in the manufacturing sector. Conversely, SMEs in the service sector accounts for a high portion of the domestic employment (p.50). This means that although SMEs might not be the biggest economic growth contributor in Taiwan and South Korea, they are the biggest contributor to social and income security for a large part of the population.

The governments of both Taiwan and South Korea focuses much of the industrial upgrading effort on the manufacturing sector in order to improve export despite the growing service sector in both countries. A large part of this is because the service sector of both countries is too weak to stimulate economic growth (p.74). Competition from Chinese firms as well as the growing reliance on large corporations for research and innovation also contributes to the declining competitiveness of the SMEs (p.76 & 84).

The role played by the government in both countries have also changed particularly in the wake of increasing trade liberalization. In this case, the author focused on two roles that the government plays – efforts for industrial upgrading and the effort to further trade liberalisation through bilateral and multilateral trade agreements. As Taiwan and South Korea are strongly dependent on international trade in driving their economic growth, the emphasis has also been given to diversifying trade relationships. South Korea, in particular, has been much more successful than Taiwan in establishing free trade agreement as it doesn’t face the same political constraints as Taiwan (pp.97-98).

The author also links these issues (China’s growth, the manufacturing sector decline and SME competitiveness) among others, to the social economic challenges that Taiwan and South Korea face; namely the income gap. The author argues that although Taiwan and South Korea’s Gini coefficient rations are” not high by international standards’, this is not adequate to explain the problem of income inequality (p.128). Taiwan’s and South Korea’s development and labour structure will also face severe challenges as both countries become ageing societies.

The author points to the governments’ past population control measures as one of the root cause of the ageing society (pp.137-138). However, the author’s claim that “both societies may not be fully aware of the significance of a shrinking youth population” is not quite true as the issue is extensively covered by local media and the issue regularly creates political pressure on the government. Still, the author rightly points out that policies to increase the fertility rate has not been successful (p.139).

This book provides an enlightening continuity to the development experience of South Korea and Taiwan by structuring her analysis based on the contributing factors that have been established in earlier academic discourse. In doing so, it presents readers with an opportunity to understand how the changing economic environment affects Taiwan and South Korea. Its abundant use of data provides a detailed analysis of the difference not only between the two countries but also the changing trends experience by Taiwan and South Korea individually. On the other hand, readers will also need to look elsewhere to find a richer discussion on the contemporary political, social and security issues that impact the economies of both countries.
For example, the author touches the political constraints that Taiwan faces in establishing trade agreements without a deeper examination of the security impact of its relation between China and the United States. The author also discusses South Korea’s effort to leverage FTAs in order to strengthen its diplomatic relations, but the author stops short in the examination of why this is important for South Korea. Although it is understandable that the book focuses on the economic development of Taiwan and South Korea, more casual readers are less likely to understand the larger dynamics of intersecting factors that shape the economic environment of both countries.

Conclusion
This is certainly a book that students of East Asian development would benefit from. Its dense data comparison of Taiwan and South Korea provides readers with a comprehensive look at how both economies have changed since the late 1990s and it raises some interesting questions about how the government of both countries can rise to the challenge. More importantly, for Malaysian readers, this book provides some really important lessons for this country’s own development.

Malaysia’s own shrinking manufacturing sector relative to its service sector could face a similar need for better value-added upgrading. As China continues to grow, Taiwan and South Korea’s southward pivot would also mean greater trade engagement with ASEAN countries which Malaysia, as one of the more developed ASEAN country, can strategically take advantage of. Overall, the book places itself well within the continuing discourse of the Asian economic development experience.

References
Experiences

ARCHITECTS FINDING INSPIRATION IN EUROPE: ERASMUS MUNDUS PROGRAM EXPERIENCES

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Abstract

The European Union has run its higher-education exchange program “Erasmus Mundus” to enable the mobility of students and academics between Europe and other continents, including Asia since 2004. The benefits of studying abroad are multifold, but for most people it gives the once-in-a-lifetime chance to experience what they have read in books or heard about in lectures. In this paper we share our own study-abroad and staff mobility experiences which were enabled by the European Union’s Erasmus Mundus scholarship programs for 1. A senior lecturer of architecture at Universiti Malaya (UM) to conduct research as a visiting scholar at the University of Porto. 2. A recent graduate in architecture degree from UM to study for a master’s degree in the same discipline at the Milan Polytechnic. For the young student, living and studying outside of Malaysia for the first time was exciting and challenging, whereas for the experienced academic, who used to live and study in the U.S.A. and U.K., her month-long experience in Porto was rejuvenating her passion for architecture, travel and life despite her disability. After finishing their programs, they both returned to Malaysia. In this paper, they share the impacts of their Erasmus Mundus programs on their personal and professional lives.

Keywords: Erasmus Mundus, architecture, study-abroad, disability

Introduction

It is no secret that many Malaysian architects study in Europe, and their years spent in this part of the world might influence their careers (Yaacob and Hashim, 2018). The Erasmus Mundus program allows students and academics from the East to experience life in the West (EU countries). In this case, the program had enabled the journeys of two architects, Naziaty, a disabled academic, and Pacilia, a post-graduate student. In 2015, Naziaty attended a staff mobility program for a month in Portugal, whereas, Pacilia enrolled in a two-year master’s course on architecture conservation in Italy. Both women faced particular challenges based on their needs and circumstances during their programs. The details of each architect’s journey in Europe is shared below, in the hopes that others (architects or not) will benefit from our accounts and anecdotes.
Firstly let us briefly introduce our narrators, both of whom were women. 1. Naziaty, at 53 years old was suffering from stage 3 to stage 4 Osteoarthritis and traveling with the aid of a manual wheelchair, and used her circumstances as a participant observer while traveling and visiting places and also rediscovering her teaching roots at FAUP (Faculdade de Arquitectura da Universidade do Porto) School of Architecture at the University of Porto. The one-month stint provided her a much-needed chance to reflect on her mid-career situation, seven years before compulsory retirement. As a visiting scholar and researcher, Naziaty shared and learned from her colleagues at FAUP, as well as from the architecture professionals whom she met. She is sure that this knowledge and experience has enriched the contents and approaches to her teaching and advocacy work in disability and accessibility of transportation and heritage buildings. 2. Pacilia, at 27 years old had never been to Europe before. She previously did her undergraduate architecture degree at Universiti Malaya and worked for three years after her graduation. Understandingly, she grabbed the opportunity to do the two year course under Milan Polytechnic although based in Mantua, a small town surrounded by three artificial lakes and rich with Renaissance Architecture, which is the backdrop of her studies, she entered headlong into an experience that built her character, giving her much needed boost in her confidence, which she struggled hard to gain within the context of far-off Italy, especially in small-town Mantua, in contrast to her multi-cultural Malaysian background. Traveling alone for most of the time, she delved into a world that forced her to engage, adapt and embrace a foreign society in the heart of old Europe.

An academic’s journey in search of the roots of architecture

Naziaty deliberately chose Porto as the place to re-discover her architectural roots, even though the new construction activity in the city is not as rapid and fast growing as in Kuala Lumpur where Naziaty lives and works, Portugal’s favourite architecture school ties imagination, innovation and identity consistently through the legendary work of Alvaro Siza and Souto de Moura in this vibrant city. This is clear in the architectural heritage and education of FAUP, which is definitely not old school but a fervent follower of the modernist tradition undeniably appreciating the non-digital drawing skills and methodical architecture talents.

On the 21st of June 2015 was the day that Naziaty arrived at Porto, where she stayed at an Airbnb residence and wheeled and walked at times 1.6 miles to and from FAUP. In learning and teaching architecture history, she had heard of Alvaro Siza, a famous architect from the modern movement era, but she did not know of his great influence on FAUP and Porto. Professor Rui Fernandes Póvoas who was in-charge of CEAU (Centro de Estudos de Arquitectura e Urbanismo) a research centre located at FAUP met Naziaty on the 23rd of June with Maria, his ever-helpful assistant. Naziaty was given a room at FAUP and was assisted by several tutors whom she met regarding the design studio content and program of the various years. Her visit also included a trip to the north of Porto to various heritage sites and meeting a local authority officer. Naziaty was doing research work on urbanism namely on ‘accessible transportation’ and ‘accessible heritage’, but life in FAUP amidst the students and tutors and focusing on ‘architecture education’ was a vital part of her staff mobility program. She concentrated on doing research using observation techniques and interviews for all the themes mentioned.

16 Today, Porto is the second largest city in Portugal, and one of the major urban centres in the Iberian Peninsula. The city’s population (237,591 persons), is much larger than that of Mantua (48,353 persons). However, Mantua (established in 2000 BC) is historically older than Porto (300 BC). Source: Wikipedia.

17 See 1 above.
During her stay and afterwards, Naziaty is very much an admirer of FAUP’s architecture curricula, which concentrated on developing the technical as well as the analytical and intellectual strength of the graduates. At FAUP, the first year immediately starts with an architecture process or the very least an artistic process of a hypothetical site with a measured scale to it, where the basics are mastered whilst the learning process is step-by-step rather than complicated in the beginning, directly working with models and the material, in dealing with space, seamlessly taking abstract (artistic) exercises and quickly converting into a more architectural design process. At UM, where Naziaty is teaching, however, the curriculum had been the same since its inception 24 years ago where the artistic process is learned in the first year’s first semester but the human scale is not seamlessly incorporated.

Ever eager to learn more, Naziaty had many discussions with each of the year’s studio tutor. Mario, the first year tutor explained that the students created an abstract model in the larger 1:1000 scale, translated it step-by-step to the 1:50 scale, then the students worked with a 5 x 5 x 5 metres cubic space. As well, the use of ‘styrofoam’ allowed for the excavation of spaces. Although it started with an artistic process (abstraction) the immediate process where they put a scale to it, gave a sense of space that had a reference to real life space in the minds of the designer. In Naziaty’s mind, such exercise is significant because doing mere artistic exercises and not putting it in human scale will not teach the students to understand the sense of the human scale and measurement.

Naziaty quickly learned that at FAUP, the architecture faculty members were not mere academics, they were design practitioners too, and this dual teaching-practice situation is similar to many of the best architecture schools in Europe. Moreover, almost all FAUP’s graduates managed to gain employment after graduation, mostly in the United Kingdom even though their English is not that good. Their employability was due largely to their highly skilled architectural drawings. The students’ projects from first year to third year were using mostly manual drawings. Later in fourth and fifth year the students were allowed to start with computer-aided drawings, unlike at UM, where the use of digital means is rushed in the second year. Also at FAUP, each student was expected to produce “notebooks” in which the students would use to practise and reflect on their work. Luis (the third year tutor) enthused that the better notebooks are the ones that get drawn over and over. (Photo 1). Pedro, the second year tutor, explained about a year-long project located near the Trindade metro station in which the importance of topography and the students therefore need to be sensitive to changes of levels. (Photo 2). The program is a cultural centre and a teaching block. The medium is totally in pencil or pen, which is on tracing paper. At FAUP, students are not allowed to do digital drawings in second year. This reminded Naziaty of her own student days at Universiti Teknologi Malaysia in the early 1980s, where the students’ rigorous technical competence was taught to be consistent with the philosophy and training of a skilled and good designer.

Traveling around the city, Naziaty visited many places including parks, markets and religious buildings. Porto has noteworthy outstanding buildings and places such as the Casa das Musica by Rem Koolhas; the contemporary museum, Boa Nova Tea House, swimming pool and the FAUP building by Alvaro Siza; housing and office buildings by Souto de Moura and many more. The investigation on ‘accessible transportation’ using participant observation techniques included Naziaty traveling to Sao Bento from where she lived by using the bus service and the Metro. She noted that although Porto sits on a hilly terrain, the construction of the sidewalks and the availability of public transportation including relatively cheap taxi rides made it affordable and accessible to older persons and physically disabled persons (Naziaty is a wheelchair user). With the assistance of a tutor from FAUP, Clara, she managed to meet Lia Ferrera, an access officer at Porto Municipal. Lia gave a lot of insight regarding accessibility as she was a wheelchair user, more from the advocacy point of view. (Photo 3 and 4). Clara
also arranged for a trip to the north of Porto visiting a monastery cum hotel, an archaeological visitors centre and a theatre in the city centre of Porto. At Viana, at the Santa Luzia archaeological site with Gabriel Silva the Heritage Centre architect and Clara, Naziaty discussed with her trip companions about the accessibility issues and the design of the ramps over the ruins. (Photo 5). Later, Gabriel took Naziaty to the heritage building of Teatro Nacional Sao Joao. As someone who studied accessibility of heritage buildings for her doctorate, it was a lively discussion with Gabriel in particular where Naziaty made corroborative statements on the solutions that the heritage centre provided at these places.

All in all, the visit to Porto provided Naziaty with much knowledge and inspiration to continue with her work as an academic and disability activist. More importantly she managed to enjoy travelling alone in her wheelchair, and to take the time to observe her surroundings, something that she rarely does in Malaysia because of her busy schedule or because she is driving her car.

Photo 1: Naziaty met Luis, the coordinator of third year design studio who explained about FAUP’s studio curriculum.
Photo 2: This is a second year design studio 1:500 scaled model which was done with mounting boards so that it can be detailed including the windows and allows the individual model to be slotted in.

Photos 3, 4: Naziaty traveled alone most of the time and this was taken by Lia who is an access officer working at the City Council of Porto.
A post-graduate in Mantua

Pacilia was a recent architecture graduate from Universiti Malaya, who decided to go to Italy because she always wanted to explore architecture conservation. It was an ideal opportunity to obtain a master’s degree at the Politecnico di Milano (Milan Polytechnic), with a fellowship supported by Erasmus Mundus for two years. The prospect was too good for her after working for three years in a few architectural companies since graduation, a proper chance to study again before doing her Part 3 exams in the future in order to be a professional architect. Coincidentally, taking this break from the normal working life, she reflected that this was the best point in her life to do this, with the right timing and moment, with no regrets, although there were personal challenges from social and cultural aspects, which will be discussed later.

Mantua (Mantova) is an UNESCO town rich with architectural and historical significant buildings such as Palazzo Te, the Duomo and the Basilica of Sant Andrea, and many other examples of iconic architecture from the Renaissance period. Although run by Politecnico di Milano, the new masters of science program named ‘Architectural Design and History’ offers “a study plan to train students to be cultured architects, well-aware of the historic and artistic context in which they work as well as of the other cultural fields” (Politecnico di Milano, 2018). Regarding ‘learning’, Pacilia remarked on how complexly the subjects of studio. The two years program covered Architectural Design in Heritage Context, History of Architecture, Urban and Landscape Design Studio, Building and Construction Techniques, Sustainability and Built Environment, Urban Preservation Law and Policies, Museography, Design Thesis Work and Internship for 3 months. The program also included a visit to FAUP and Porto.

One of the subject is, architecture heritage design studio which is using a new novel approach. The study sites were historical places related to the history of Mantua. The tutors decided to use the existing buildings, which is then critically analysed and studied to be preserved, for the adaptive re-use approach in the studio projects, which includes studying details of significant arch ways, rooms, other features, fresco and materials. This first-hand method requires the student to review the process of building by thinking what comes first, gradually, where for an opening for example, a ‘window arch’ construction process. Pacilia noted that she was taught
in a detailed manner, the negative and positive aspects of this novel approach, tracing back the historical change of function and change of use of the building, for example how it was a house which turns into a museum, in a step by step process. Another remarkable workshop which was leading by Eduardo Souto de Moura (Photo 7), a Pritzker Prize winner in 2011, to revitalize a selected site in Porto, to carefully place the new functions buildings such as hospitals accommodation into that site. (Photo 6). Pacilia had benefited a lot from this workshop having the opportunity to visit the Siza’s work and to do the field trip study with the students.

Pacilia expressed her admiration for the Italians who are proud in preserving their culture exemplified in their homes which are almost entirely modified inside, but well preserved on the outside. She opined the effort done to preserve their house façade which was more out of respect and pride rather than merely following rules and regulations. Learning about Italian culture, was the most enjoyable part of staying there. Pacilia is close with the Italians, such as her roommate, and she mixed well with different age groups, including younger Italian students of architecture, her roommate’s family, church friends and classmates. She views the Italians as a more enclosed and preserved society and not easily to accept others while keeping close to their culture, although younger people are more exposed, especially in sampling different food. Pacilia became more laid back and patient, as the local environment and people take everyday life and issues slowly. She managed a few words in Italian to get by, using gestures and expressions, although the local Italians may have understood English, they have difficulty to speak or don’t want to speak. There were no bad encounters as they were very friendly.

The program was officially to be conducted in English but a lot of the discussions were in Italian. During the lectures the professors would speak English but Pacilia felt that they can deliver better in Italian, as she tried to understand and always ask her Italian friends, as many of the projects are in group work format. Furthermore the documents are in Italian, although some Spanish speakers in the group did help. (Photo 8). It was not entirely consistent, where she recalled that they discussed the work again and again, but there was only one time that they needed to read the documentation, so Pacilia did other group work that did not require reading, instead. Almost all of the work are group work, where it is a struggle in the beginning, but later, she changed the way she felt, where she explored a bit more other facets of discovering the place and people. There were also difficulties with the tutors (apart from the lectures) including other visiting and external critics, always talking Italian, though she could guess the ones they translated though they did not usually translate the words she could not understand.

The program included a visit to FAUP and Porto, where Pacilia enjoyed the Porto trip, of which most of it is visiting and talking about Alvaro Siza’s works in Porto. She did not know she liked Siza that much until she visited the Boa Nova Tea House facing the sea. She considers Siza’s work to belong to the sensitive and thoughtful architecture, which includes the works of Carlos Scarpa in Italy and Geoffrey Bawa in Sri Lanka, all of which she had visited previously. When she had the spare time during weekends and breaks, she went all over Italy including Venice, Verona, Padova, Florence (Photo 10), Naples, Rome and etc. That was when she visited the restoration of an existing building by Scarpa called the Castelvecchio Museum in Verona (Photo 9). The adaptive re-use program of taking an old existing building to become a new museum, though integrated in a modern way, by carefully and respectfully integrating the old and new elements together. Pacilia also visited other countries such as Spain, Switzerland, Netherlands, UK, Ireland and etc.

As a girl from a small town called Banting, the Erasmus Mundus program allows for East to West exchange and vice versa, from staff mobility to students studying academic courses at various places around Europe and Asia. Pacilia went through an experience in character building and she expressed that she is much more at ease conversing with people from different
background. The confidence and maturity that she felt was a natural progression, where she quipped, “100 percent more confident”. She further added that, “I see things in a broader way, am more critical and analytical about what someone else would say. Last time I would just take anything that people said at face value”. Pacilia believes that as a designer and a professional it is important to empathise with people`s needs and one can build a better relationship when possessing this trait. She discovered she became more firm in making decisions, starting from her traveling experience, where she had to make countless decisions whether she could catch the trains and buses. She recognized that this little steps accumulated make huge strides, realizing that until she did it on her own, did she finally see.

Living on her own overseas also affected Pacilia’s religious outlook. She said she was prepared to face the challenges as she believes God has a better plan for her to explore in Italy Europe. She managed to find an Evangelical church despite being in a Catholic country. She mixed with different people, such as an Irish couple who was a full time missionary in the church. The church community helped her a lot to find herself at times when things are rough. Even though it was a positive and significant two years of her life, she encountered egoistical and difficult people although on hindsight the problem with verbal communication was a barrier. She felt that in general, Italians are quite insular and determined in preserving their culture, to foreign people’s dismay. Culturally they try to preserve themselves and will not change, whether it is to do with food, thinking or mannerisms. She said that Malaysians, whom she is one, are more flexible as, “we are consisting of three races and have to learn to tolerate each other.” she remarked Italians love their language, art, music and heritage.

When asked whether she sees herself “working overseas”, Pacilia said that she is opened to the idea to go overseas if there is an opportunity for employment, adding that she prefers a medium size architecture company rather than an international company. However, her priority now is to complete her Malaysian Architecture Board’s Professional Part 3 examinations to be a registered architect. The idea of professionalism was also gained from the Italian experience as she said that accepting other people’s ideas is important, and is the same, when working or studying. She said, “It is not about whether one’s ideas are better than others but to explore the best ideas in the situation, therefore one must consider the best ideas”. She added that, “the person must be a humble person so that she is able to accept other views”.

Finally, when asked to reflect whether her two-year experience in Italy was the reason her current employer took her in (her overseas living experience and architectural exposure), she agreed that it might be as she feels she is now bold enough to interact with people regardless of their nationality. In fact these days she enjoys holding a conversation with her international clients.
Photo 6: Pacilia was presenting the site analysis during the workshop which was lead by Eduardo Souto de Moura.

Photo 7: During the final review, Pacilia with Eduardo Souto de Moura
Photo 8: Group photograph at the end of the presentation.

Photo 9: Castelvecchio Museum in Verona.
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References

TWINNING EUROPE AND ASIA IN CYBERSPACE: THE EU LEGISLATION, ASEAN AND ITS TRANSFORMATIVE POWER

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Abstract

While our troposphere is dangerously polluted, one other space – that of intangible world, created by the interconnected technology – follows the same pattern: a cyberspace. Additionally, our cyberspace becomes increasingly brutalised by its rapid monetisation and weaponisation. It mainly occurs through privacy erosion. How to protect effectively individuals and their fundamental human rights, and how to exercise a right for dignity and privacy? The EU now offers a model legislation to its Member States, and by its transformative power (spillover) to the similar supranational projects elsewhere (particularly ASEAN, but also the AU, OAS, SCO, SAARC, LAS, etc.), and the rest of world.

Keywords: Cyberspace, Data, Privacy, EU, ASEAN; Indo-Pacific, Twining, Transformative power

Introduction

While our troposphere is dangerously polluted, one other space – that of intangible world, created by the interconnected technology – follows the same pattern: a cyberspace.

Information is a content and the frame, means and the goal in the world of binary codes. Commodification of information in digital world is nothing else but a search for a cyberspace currency. Hence, what is a black gold, oil/crude for the PEM (Primary Energy Mix) of every national economy that is a personal data in the world of cyber-information – component that predominantly energises and runs the system.

No wonder that our cyberspace becomes increasingly brutalised by its rapid monetisation and weaponisation. It mainly occurs through privacy invasion and its constant erosion due to an expanding exposure and inadequate preservation. How effectively to protect individuals, their fundamental human rights, and how to exercise a right for (cyberspace) dignity and privacy?

The EU now offers a model legislation to its Member States, and by its transformative power (spill-over) to the similar supranational projects elsewhere (particularly ASEAN, but also the AU, OAS, SCO, SAARC, LAS, etc.), and the rest of world. (From a lege specie towards the universal jurisdiction.)

Rules and regulations to protect personal data do not trigger many sympathies. The corporate world sees it as an unnecessary deterrent; as a limit to their growth – more to pay and less or slower to yield, innovate and expand. Governments would traditionally wish the rules should

1 E-mail via his assistant
apply to every societal stakeholder but themselves. And citizenry by large too frequently behave benevolent, nearly careless whether their data is harvested or safeguarded at all.

However, such legislation is needed today more than ever before. The latest round of technological advancements was rapid, global and uneven. No wonder that in the aftermath of the so-called IT-revolutions, our world suffers from technological asymmetries: assertive big corporations and omnipresent mighty governments on one side and ordinary citizenry on the other. Even in the most advanced democracies today – such as the EU, personal autonomy is at the huge risk: Everyday simple, almost trivial, choices such as what to read, which road to take, what to wear, eat, watch or listen are governed (or at least filtered) by algorithms that run deep under the surface of software and devices. Algorithmisation of ‘will’ is so corrosive and deep that users are mostly unaware of the magnitude to which daily data processing rules over their passions, drives and choices.

Clearly, technology of today serves not only a Weberian predictability imperative – to further rationalise society. It makes society less safe and its individuals less free.

Societies are yet to wake up to this (inconvenient) truth. In the internet age of mobile, global and instant communications, people tend to focus more on the ‘here-us-now’ trends: goods, services, and experiences that the IT offers. Individuals are less interested on the ways in which privacy is compromised by software, its originators and devices – all which became an unnoticed but indispensable part of modern life. Despite a wish of many to grasp and know how data processing and harvesting affects them, population at large yet has no appetite for details.

But, the trend is here to stay – a steady erosion of privacy: bigger quantities of data are harvested about larger number of persons on a daily, if not hourly basis. Corporations and the central state authorities want more data and are less shy in how they obtain and use it.

Prevention of the personal information misuse (PIM) —intended or not—is the main reason the European Union (EU) introduced the new set of provisions, as of May 2018. Hence, the General Data Protection Regulation (GDPR) – as the legislation is known – is an ambitious attempt to further regulate digital technology, especially in respect to the private data protection. It is of course in conformity with provisions of both the Universal and European Charter of Human Rights, which hold the protection of human dignity and privacy as an indispensable, fundamental human right.

The intention of legislator behind the GDPR is twofold: to regulate domestically as well as to inspire and galvanise internationally. The GDPR is meant to open a new chapter in the Internet’s history at home, while creating, at the same time, a roadmap for other state and corporate sector actors beyond the EU. The challenge is clear: to reconcile the rights of individuals to data protection with the legitimate interests of business and government.

For the rest of the world, the GDPR should be predictive, inspirational and eventually obligatory. Lack of acting now could open a space for the abuse of power – be it for illegitimate corporate or authoritarian gains of the hidden societal actors. In such a negative scenario – on a long run – losers are all. Historically, victimisation of individuals (through constant suspension of liberties and freedoms) ends up in a state or corporate fascism, and that one in a self-destruction of society as whole.
Comprehensive Legislation as powerful deterrent

The Internet age exposes individuals in an unprecedented ways to the domestic or foreign predatory forces. Everybody is tempted to participate in digital economy or digital social interaction. This cannot go without revealing personal information to large state or non-state entities of local or international workings. If the field is not regulated, the moment such information leaves its proprietor, it can be easily and cheaply stored, analysed, further disseminated and shared without any knowledge or consent of its originator.

So far, neither market forces nor the negative publicity has seriously hindered companies and governments from tapping on and abusing this immense power. Nothing but a bold and comprehensive legislation is efficient deterrent, which stops the worst misuse. Only the legal provisions to protect personal data may serve a purpose of special and general prevention:

Be it in case a local or transnational corporate greed, governmental negligent or malicious official, or the clandestine interaction of the two (such as unauthorised access to personal phone and Internet records, as well as the unverified or inaccurate health and related data used to deny person from its insurance, loan, or work).

While totally absent elsewhere, early European attempts to legislate a comprehensive regulatory system of personal data protection have tired its best. Still, the EU’s Data Protection Directive of 1995 was falling short on several deliverables. (It was partly due to early stage of internet development, when the future significance of cyberspace was impossible to fully grasp and anticipate). Hence, this instrument failed to identify comprehensively the wrongdoings it sought to prevent, pre-empt and mitigate. The 1995 text also suffered from a lack of (logical and legal) consistency when it came to directing and instructing the individual EU member states (EU MS) on how to domesticate data privacy and promulgate it the body of their respective national legislation. Finally, the GDPR solves both of these problems.

This instrument of 2018 clearly stipulates on discrimination combating (including the politically or religiously motivated hate-contents), authentication-related identity theft, fraud, financial crime, reputational harm (social networks mobbing, harassments and intimidation). Moreover, the European Commission (EC) has stated that the GDPR will strengthen the MS economies by recovering people’s trust in the security and sincerity of digital commerce, which has suffered lately of a numerous high-profile data breaches and infringements.

However, the most important feature (and a legal impact) of the GDPR is its power of being a direct effect law. This means that individuals can invoke it before the MS courts without any reference to the positive national legislation. That guaranties both speed and integrity to this supranational instrument – no vocatio leagis and no unnecessary domestication of the instrument through national constituencies. Conclusively, the 2018 instrument is further strengthened by an extra-territorial reach – a notion that make is applicable to any entity that operates in the EU, even if entity is not physically situated in the EU.

This practically means that each entity, in every sector and of every size, which processes personal data of the EU citizens, must comply with the GDPR. It obliges governments and their services (of national or sub-national levels); health, insurance and bank institutes; variety of Internet and mobile telephony service providers; media outlets and other social data gathering enterprises; labour, educational and recreational entities – in short, any subject that collects digital information about individuals.

The GDPR further strengthens accountability principle. The state and commercial actors hold direct and objective responsibility for a personal data collecting, storing and processing (including its drain or dissemination). Clearly, this EU instrument strengthens the right for information privacy (as a part of elementary human right – right to privacy) by protecting
individuals from misappropriation of their personal data for a harvesting, monetisation or (socio-political) weaponisation purpose.

Namely, the GDPR gives individuals the right to request a transfer of their personal data (account and history information) from one commercial entity to another (e.g. from one bank or phone provider to another). Another right is to request – at short notice and for an unspecified reason – the commercial enterprise to stop both the data collection and the marketing dissemination, or to demand clarification on a marketing methods and nature of services provided. This instrument also offers individuals the right to request that their personal data are deleted (being zipped and sent back to its proprietor beforehand) – as stipulated in art.17 (the right to be forgotten).

The GDPR calls upon all operating entities to hire a data protection officer as to ensure full compliance with the new rules. It also invites all data collecting entities to conduct impact assessments – in order to determine scope frequency, outreach and consequences of personal data harvesting and processing. (For example, if certain entity wished to introduce biometric authentication for its employees and visitors entering daily its premises, it would need at first to run an assessment – a study that answers on the necessity and impact of that new system as well as the exposures it creates and possible risk mitigation measures.)

The GDPR obliges every entity that gathers data to minimise amount and configuration of personal data they harvest, while maximizing the security of that data. (For instance, if the auto dealer or travel agency requires potential customers to fill out the form to request a price quote, the form can ask only for information relevant to the product or services in question.)

The new legislation also mandates data gathering entities to notify the authorities – without any delay – whenever they suspect or witness a personal data breach. Conclusively, the GDPR obliges entities to present the public with clean and through information about the personal data they harvest and process—and clearly why they do so.

On the sanction side, the GDPR supports the regulators with new enforcement tools, including the norm setting, monitoring of and enforcement of compliance. For a non-compliance, the instrument prescribes steep fines.

To answer adequately the accountability standards enacted by this EU legislation will certainly invite large data gathering entities to bear significant investments. However, for the sake of credibility outreach and efficiency, they will have stimuli to introduce the new procedures and systems within the EU, but also beyond – wherever their operations are present. Complementary to it, the GDPR stipulates that if an entity transfers personal data out of the EU, it must safeguard that the data is handled in the new location the same way like within the EU. By this simple but far-reaching and effective spill over notion, the standards embodied by the GDPR will be delivered to the rest of the world. Hence, this instrument is not (only) an inner code of conduct that brings an outer appeal; it is a self-evolving and self-replicating standard of behaviour for our common (digital) future.

Twinning: ASEAN, Indo-pacific, Asia

It is obvious that the stipulations of the GDPR would serve well interests of Republic of Indonesia (RI). That is actually in line with a very spirit of the 1945 Constitution, which obliges the state to protect, educate and prosper the Indonesian people. This supreme state act clearly proclaims that the respecting individual personal data is resting upon the two principles of the Pancasila. Namely these of; Fair and Civilized Humanity. Mutual grant and observance of everyone’s elementary rights is an essence of freedom and overall advancement of society.
The government, with the mandate of its authority to protect the public (public trust doctrine), must manage the personal data fairly and accountably. The GDPR also encourages the formation of an independent personal data protection supervisory institution so that it can correct the policies and rules of the bureaucracy and state administration to act accordingly in managing the personal data of the population. Moreover, every democratic government should be more proactive in protecting society when comes to the management of the personal data of its residents.

Interestingly, the Indonesian legislation already has instruments that follow notion of the GDPR. Thus, the Law No. 11 on Information and Electronic Transactions of 2008 (by a letter of its article 2) emphasizes the principle of extra-territorial jurisdiction. (In this particular case, it is related to the cross-border transactions. Indonesia should always safeguard its national interests: the RI jurisdiction stretches on any legal action that apply in Indonesia and/or carried out by Indonesian citizens. But it also applies to legal actions carried out outside of Indonesian jurisdiction by Indonesian citizens or a foreigner legally residing in RI, or Indonesian legal entities and foreign legal entities that produce legal effects in Indonesia.

This of course assumes the very nature of a use of Information Technology for Electronic Information and Electronic Transactions, which can be cross-territorial and even universal. What is assumed by this Law as "harming the interests of Indonesia" goes beyond pure national economic interests, while protecting strategic data, national security, territorial integrity and sovereignty, citizens, and Indonesian legal entities.)

When comes to the Right to be Forgotten (Right for Privacy and Right for Dignity), Indonesia must see it as a principle of real protection that is in the best interests of data owners. Further on, such a right should be strengthened by the principle of 'without undue delay', as to avoid the administrative obligation to request a court decision to uphold the right. On a long run, it will surely benefit businesses far more than the personal data originators themselves.

Leading by Example

In line with the Right to Portability Data elaborated by the GDPR, Indonesia also needs to closer examine the EU instruments. Hence, the EU Regulation No.910 / 2014 concerning electronic identification, authentication and trust services (eIDAS) offers an idea how to harmonize the provision of digital identity and personal data in realm of electronic communications. (Electronic identification and authentication is a technology process that has an economic value. Such a business opportunity should be reconciled with a safety and security standards when comes to use of and traffic with of personal data for commercial interests.)

Regarding security, Indonesia must immediately have a clear policy on Cryptography to protect personal data. Cryptography is a double-use process; it can be utilised for civilian purposes, but it can also be used for the vital national interests, such as defense and security. Therefore, privacy and cybersecurity protection is a complementary concept of protection. Holistic approach strengthens the both rights of individuals as well as protection of national interests, rather than it ever conflicts one over the other.

Finally, the ASEAN Declaration of Human Rights in its article 21 stipulates that the protection of personal data is elementary part of Privacy. As one of the founding members, a country that even hosts the Organisation’s HQ, Indonesia must observe the notions of this Human Rights Charter. That is the additional reason why RI has to lead by example.

The EU’s GDPR clearly encourages a paradigm shift within the public services and government administration services on national, subnational and supranational level for all the
ASEAN member states. It is to respect the fundamental freedoms and liberties, a quality that will shield population from random and ill-motivated arbitrary judgments of individual rights under the pretext of public interest.

Indonesia and ASEAN can take a lot of learning from the dynamics of the EU’s regulation of GDPR and e-IDAS as to its own benefit – to foster its own security and to elevate a trust in regional e-commerce within the ASEAN economic zone. Since the ASEAN (if combined) is the 4th largest world economy, this is a call of future that already starts now. After all the EU and ASEAN – each from its side of Eurasia – are twin grand projects of necessity, passion and vision.

Naturally, for anyone outside, Indonesia and ASEAN are already seen as the world's e-commerce hub, of pivotal importance far beyond the Asia-Pacific theatre.

Vienna/Jakarta 28 Dec 2018

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Jean Monnet Centre of Excellence, a year in review

In September 2017 the Asia-Europe Institute was honored to have been awarded as a Jean Monnet Centre of Excellence (JMCoE). The Jean Monnet Centre of Excellence work programme for the years 2017-2020 is intended to sharpen the focus of AEI on ASEAN-EU Studies and to build domestic capacities both in research and teaching. Activities for year 1 (2017/2018) of the JMCoE concluded in August 2018. Following the theme of “Economic Integration” the JMCoE under the aegis of the Asia-Europe Institute held a series of activities throughout the year. The following are some of the highlights of these activities:

Ambassador Lecture Series with H.E. Cristiano Maggipinto, the Ambassador of Italy

On April 10, 2018, H.E. Cristiano Maggipinto, the Ambassador of Italy delivered a public lecture at the Asia-Europe Institute (AEI) titled “Italy and ASEAN: Political, Cultural and Economic Prospects of a New Relationship”. The Jean Monnet Ambassador Lecture series is a regular lecture series hosted by the AEI with the aim of fostering dialogue and knowledge sharing between the EU diplomatic mission in Malaysia and the general public as well as students and academicians in particular.

Europe Day High School Outreach

On 5 May 2018 and 14th May 2018, the Asia-Europe Institute (AEI), University of Malaya in collaboration with the European Union (EU) Delegation to Malaysia organized the Europe Day High School Outreach Program at Sekolah Menengah Sains Kuala Selangor (KUSESS) and Sekolah Menengah Sains Seri Puteri (SESERI) Kuala Lumpur respectively. The High School outreach programs were conducted as part of its activities as a Jean Monnet Centre of Excellence. The high school outreach was organized with the aim of creating awareness among the high school students about the European Union (EU). It was also organized to promote the EU member states as a destination for their studies in the future as well as promoting the values of the European Union.

The EU-ASEAN Dialogue

On the 25th and 26th of July, 2018, the Asia-Europe Institute (AEI) hosted the EU-ASEAN Dialogue conference. The conference titled “Regional and Inter-Regional Economic Cooperation: Identifying Priorities for ASEAN and the EU” was also held in conjunction with the officiating launching ceremony of AEI as the Jean Monnet Centre of Excellence. The ambassador of the European Union to Malaysia, H.E. Maria Castillo-Fernandez, attended the event as a guest of honour to deliver the opening keynote lecture.
Workshop on Comparative Regionalism

Asia-Europe Institute (AEI) hosted the Comparative Regionalism Workshop 2018 as part of its activities as a Jean Monnet Centre of Excellence on April 6 and 7, 2018. The workshop was titled Bridging Regional Knowledge and was conducted by invited lecturer, Dr Paul Gillespie. Dr Gillespie is the Deputy Director at the Institute of British-Irish Studies, and a Senior Research Fellow adjunct in the School of Politics and International Relations, University of College Dublin.

Workshop on Teaching EU Studies in the ASEAN Context

The Jean Monnet Centre of Excellence Workshop: Teaching EU Studies in the ASEAN Context was successfully held by the Asia Europe Institute (AEI) on the 13th and 14th of August. The workshop, facilitated by Professor Andreas Stoffers from the University of Applied Languages Sprachen & Dolmetscher Institut, Munich, was attended by participants from Indonesia, Vietnam, Taiwan and the Philippine
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In:

1. On page 14, paragraph 2 was written in the following manner:
“However, reports about the plight of these Rohingya boat people by international human rights organisations and media led to a considerable international outcry, compelling the Thai government to act on this issue and the overall issue of trafficking in persons. While the initial national response was limited to turning away the boat and dropping off food from helicopters, greater national efforts followed after intensive international condemnation to these actions which included the American downgrade of Thailand to a Tier 3 country. Thailand is now ranked at the same level as Iraq and North Korea on matters of trafficking in persons. In light of other severe revelations of slavery in the fishing industry and the discovery of trafficking camps along Thailand’s borders, the Thai government understood the necessity to display sincere and comprehensive commitments this time and hence, Thai government officials attempted to appease the international community and halt further crisis construction.”

Given that Thailand was downgraded in the 2014 US Trafficking in Persons Report and not in the 2015 US Trafficking in Persons Report, the paragraph should read:
“However, reports about the plight of these Rohingya boat people by international human rights organisations and media led to a considerable international outcry, compelling the Thai government to act on this issue and the overall issue of trafficking in persons. While the initial national response was limited to turning away the boat and dropping off food from helicopters, greater national efforts followed after intensive international condemnation to these actions. In light of other severe revelations of slavery in the fishing industry and the discovery of trafficking camps along Thailand’s borders, the Thai government understood the necessity to display sincere and comprehensive commitments this time and hence, Thai government officials attempted to appease the international community and halt further crisis construction.”

2. On page 15, paragraph 1, the 27 May 2015 was given as the day of the special meeting. The date of the special meeting should however read 29 May 2015.

3. Given the corrected date on page 15, paragraph 1 to 29 May 2015, paragraph 3 on page 15 should now read:
Then, nine days later at the ASEAN special meeting, representatives of these three ASEAN member states met with other ASEAN member states, UN agencies, and international country partners including the US, Bangladesh, Afghanistan, Iran, New Zealand, Australia, Switzerland, and Japan to agree on a variety of common objectives.

4. Footnote 12 on page 13 reads: “Please see the previous discussion of the CMI in the context of the Asian financial crisis on page X.”

It should read: “Please see the previous discussion of the CMI in the context of the Asian financial crisis on page 9.”
Author Guidelines

Submission of articles for Vol. 6, Issue 1 (January 2020 issue) could be done until 15th Aug 2019. Please e-mail your manuscripts to: aei.insights@um.edu.my

Scope of Journal: Articles of bi-regional interest covering Asia and Europe which may involve topics related to: ASEAN, ASEM, East Asia, EU, geo-politics, geo-strategies, global governance, international co-operation, international organisations, political economy, regional values, regionalism, social issues in bio-diversity, and sustainable development.

Manuscript Style: Authors should format submissions in Times New Roman with a 12-point font size and single-spaced. Manuscripts should follow the American Psychological Association (APA) guidelines. For details of the APA style, kindly refer to http://www.apastyle.org/

Manuscript Length and Language: Article length should be 6,000–8,000 words and include a concise abstract of 200–300 words. Papers must be written using UK English.

Contents of Manuscript: Manuscript layout: 1. Title page, 2. Abstract and key words (up to five key words), 3. Main text, 4. References. Please use footnotes and place tables and figures at the end of the paper.

Contents of Title Page: The title page should include the following information: 1. Title of the manuscript, 2. Name of author(s), 3. Full address of author(s), 4. Telephone and Fax numbers, 5. Email address. The name of author who will handle correspondence should be mentioned in the title page.

Acknowledgement: All sources of research grants sponsored by an organisation should be acknowledged within the manuscript.

Reference Style: Please follow APA Citation Style (Available in Endnote® citation manager software)

a) In-text citation
In-text citations should consist of surname(s) of author(s) and publication year.
For example:
Malaysia has suffered from colonial rule (Ahmad, 2014). Ahmad (2014) suggested that Malaysia has suffered from colonial rule.

b) Book
Author, A. (publication year). Title of book. Location: Name of publisher.
For example:

c) Chapter in Book
For example:

d) Article
For example:

e) Conference proceeding
For example:

f) Conference presentation
For example:

g) Thesis
Author, A. (publication year). Title of thesis (Doctorial/Master’s thesis). Name of Department, Name of University
For example:

h) Internet material
For example: