

## The development of the federal experience in Malaysia

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**ABSTRACT:** Malaysia is one of the most well-known nations in the world to have embraced the federal system, and this is what sets the political system apart. Its federal experience has been one of the most successful experiences, despite the multi-ethnicity and a multi-party system. Malaysia has been able to homogenize among the major ethnic groups through succeeding governments (Malays, Chinese, and Indians) by means of authority and reign. Strategic development plans in various parts of life are widely recognized for attaining increased economic growth, as well as reducing poverty rates and establishing some degree of societal fairness.

**Keywords:** Federalism, Ethnicity, Development, Malay, And Diversity

### **Introduction:**

Like other countries under colonialism in Southeast Asia, Malaysia witnessed great tragedies, ignorance and intellectual decline prevailed all over the nation. It was subjected to colonialism for several decades, beginning with Portuguese colonialism and continuing through Dutch colonialism, and finally British colonialism, which began in the mid-seventeenth century and lasted until 1941, when Malaysia was once again occupied by the Japanese. Malaysia defeated Japan in September 1945, and returned to British colonial control and gained its independence in 1957. As for the federal system in Malaysia, it consisted of a federation that included 13 states in addition to two federal regions. Each of these states has its own constitution, legislature, and government, and this is what we will see later.

**Research significance:** The significance of the study stems from the fact that federalism is one of the pillars of Malaysia government system for achieving relative ethnic balance. It was a kind of diversification management to undertake a fair distribution of wealth and a progressive reduction of poverty after years or even decades of colonial supremacy over state resources. As a result, the current study was important in identifying federalism and its relationship to development, as well as how Malaysia has progressed to advanced levels of development and economic growth.

**Research problem:** There are several questions raised by the research. Namely, does the colonial factor have the largest role in the direction of Malaysia to the federal system after decades of following the divide and rule policy, and the disruption of the components of the Malaysian social fabric? Or does the

geographical factor have a role in imposing federalism as a political and administrative system that was adopted to overcome conflicts and divisions in Malaysian society in the post-colonial era and gain independence?

**Research hypothesis:** Since the independence, federalism in Malaysia has been the best option in a multi-ethnic country in order to ensure the achievement of a just political equation from the people's votes as well as the achievement of economic and social development. It was considered the best constitutional mechanism for distributing authorities among the different levels of government.

**Research Methodology:** Due to the many structures in Malaysia, which extend to political, economic, and social elements, studying the subject of this research demanded the use of more than one scientific approach. The systematic technique was used to demonstrate how the political system interacted with public demands. This is accompanied by the use of the decision-making approach in order to analyze the most prominent decisions and public policies that were in the interest of strengthening the Malaysian federal system, and which had a fundamental role in building the modern Malaysian state.

**Research Structure:** The research is divided into three key topics: The first one is the historical establishment of the federal system in Malaysia, the second topic is the constitution and the federal administrative division, the third topic is the economic development and its role in strengthening federalism in Malaysia and then conclusion is drawn.

**The historical establishment of the federal system in Malaysia:**

The Kingdom of Malaysia is located in Southeast Asia near the equator and occupies two strategic areas: the first is Peninsular Malaysia and the second is the states of Sarawak and Sabah. These two regions are separated by the South China Sea. Peninsular Malaysia is connected to the north by Thailand via a land border, to the south by the Republic of Singapore by a bridge, and the Indonesian island of Sumatra to the west through the Strait of Malacca. The Philippines is also located to the northeast of the state of Sabah (Al-Maghazi, 2003, 317).

The area of Malaysia is approximately 339,750 km<sup>2</sup>. It consisted of 30 ethnic groups, most notably the Malays, the Chinese, and the Indians. The languages used are Malay, Chinese, Tamil, Hindi and English. Malaysia gained independence on August 31, 1957 from British colonialism, where the date of its accession to the United Nations was recorded on September 17, 1957 (Al-Jabri, 2004, 225) O.Victoria.2018.122)

Malaysia was formally established on September 16, 1963. It consisted of states located on the Malay Peninsula in addition to the states of Sabah, Sarawak and Singapore. Before that, it was known as the Federation of Malaya, as this union had been established in February 1948, and was previously known as the Unity of Malaya. The Kingdom of Malaysia is made up of thirteen federal regions. The British federal model was taken as a model applied in Malaysia (Quoq, 2011, 72).

Upon returning a little on March 27, 1961, the first Prime Minister of Malaysia, "Tenku Abdul Rahman, proposed the establishment of the Malay Federation, provided that it would reach a clear agreement with Britain and the people of the state of Singapore, Sarawak, Sabah and Brunei. This requires the development of plans aimed at creating political and economic cooperation between these countries, which leads to their unity. There was consensus by the leaders of Singapore and Borneo. Talks among governments and representatives of the people took place where the General Union was declared by a referendum held in September 1962. The legislatures of Sarawak, Sabah and Singapore supported this grand project, but the Brunei government did not specify its position on entering into this the Union. The Malaysia Agreement was concluded between the Federation of Malaya, Singapore, Sarawak and Sabah with the British Government on July 9, 1963. This agreement provided for the

transfer of sovereignty in Sabah, Sarawak and Singapore from Britain to the Government of Malaysia. Within two years of the union, Singapore seceded from the union in 1965 (Quoq, 2011,72).

In order to find out the nature of the rule of the political system in Malaysia, we see that its system is based on being a constitutional monarchy. The federal system of government brings together 13 Malaysian states, where there is a federal government headed by the Prime Minister, whose party wins the general elections at the state level, and has broad authorities. There are also local state governments headed by the prime minister, whose party wins statewide elections. The system of government has guaranteed a set of procedures that give the state a Malay character, such as the monarchy, the Malay language, and the state religion is Islam. It ensures the control of the Malays over political life and the civil service, in addition to giving them some economic and educational advantages (Ismail, 2014, 27).

In 1969, massive unrest erupted in the Malaysian state. It concerns ethnic clashes between Malays and Chinese, which resulted in the deaths of about 143 Chinese and 25 Malays. It reflected the Malays' deep concern for their future, given China's economic dominance and growing political might. It re-established the Malaysian political formation and expanded the ruling coalition and formed the National Front, which formed a more solid and stable coalition rule. In 1970, "Tun Abdul Razak" was elected Prime Minister, and he set the pace for Malaysia's economic growth under an organized federal government, with the objective of attaining economic prosperity for all Malaysians and eliminating poverty. It improved the ethnic Malays' condition, which had been deteriorating in comparison to Chinese and Indians. As a result, there is a safety valve in place to prevent the 1969 catastrophes from happening again. (Saleh, 2012, 4).

When studying the philosophy of the Malaysian political system, we observe how the multi-ethnic reality of Malaysian society is reflected in the country's political diversity. The state experienced partisan diversity, which in turn depended on elements of Southeast Asian countries' historic political culture, which arose through the various conflicts. Malaysia has a distinct political structure, despite the fact that it is a democratic monarchy operating inside a federal framework. The king is chosen every five years by election methods from among the nine parliamentary sultans. (Mitkees, 2007, 174).

Malaysian reality was intertwined with Asian values that were not shared by the West. Malaysian political culture emphasizes stable leadership that maintains the country's stability while also allows for the possibility of sacrificing some democracy for greater stability. The federal structure of the state was designed with this in mind. Malaysian culture emphasizes the ruler's critical role in formulating various policies and proposing feasible solutions to the country's problems. It may be argued that Malaysia's leadership emphasized stability in a multi-ethnic country. (Mitkees, 2007, 173). Successive Malaysian leaders, after adopting the federal system as a formula for building the Malaysian state and nation, have worked out development plans for each of the Malaysian states in order to make Malaysia follow in the footsteps of developed countries. This is by emphasizing the knowledge and education of all Malaysians, in addition to the contribution of the privatization policy drawn up by the political system in stimulating the development process, as we will see later.

#### **The constitution and the federal administrative division:**

The notion of federalism was first introduced around the end of the 18<sup>th</sup> century. The basic pillar of federalism is the presence of a defined region in which human groups can coexist. This approach seeks to provide enough independence for various groups or nations living under a single state, but also ensuring that the state or federation is avoided and that all areas are represented in federal organizations. The top judicial authority is typically in charge of resolving any conflicts or disagreements that may arise between federal and regional entities. (Talabani, 2005, 9). Malaysia has included institutions of

government that are accountable to the legislature at the federal and provincial levels of government. It is of a unique form of rotating monarchy to swear in the official head of the founding state of the federation. Sultanate rulers are chosen from among the hereditary rulers in nine Malay states. The Malaysian federation is of particular importance because it constitutes a complex balance of multiple sects within a relatively centralized parliamentary federation (Watts, 2006, 37-38).

The federal system, according to the jurists of the constitution, is the ideal or optimal system for countries that include multiple nationalities. The Malaysian Constitution of 1957, after making 57 amendments upon in accordance with the Constitution of November 1, 2010, Article 71 affirmed the sovereignty of the state and its constitutions. The union included demands to ensure the sovereignty of the sultans in their states over each state, regardless of whether it had authority as its ruler and had its own constitution. All state constitutions must include basic provisions that include:

**(Malaysia Constitution, 2012).**

- 1- Establishing the state legislative assembly consisting of the ruler and members elected by democratic means for a term not exceeding 5 years.
- 2- Out of the members of the council, an executive branch called the Executive Council is appointed by the ruler, and appointing the ruler in his capacity as the head of the Executive Council, who is likely to have the confidence of the majority of the Legislative Assembly.
- 3- The establishment of a constitutional monarchy at the level of each state, since the ruler is required to act on the advice of the Executive Council in almost all matters under the state constitution and the law.
- 4- Holding periodic general elections for the state when the council is dissolved
- 5- One of the most important requirements for amending the constitution in every state is the availability of an absolute two-thirds majority.

In Malaysia, the levels of local government are divided into three levels:

**The first level:** It is the federal level. Malaysia is a federation and the king is treated as the supreme authority. Although his decisions depend on the advice of either the government or parliament, all government practices stem from his authority. The king is elected by 'the Ruler Conference'. In order to be eligible for elections, he must be one of the nine hereditary rulers, and his term of office shall last five years. The Viceroy is elected in the same way, and does not exercise any powers in the presence of the King. Otherwise, he must be ready to occupy the position of the king and exercise his powers in the event of his absence or inability to perform his duties, such as illness or death. In the event of the king's death or his resignation, the viceroy becomes responsible for exercising the sovereignty that the Conference of State Rulers can elect a successor to (Lotfi, 2011, 258-259).

In front of the conference of state rulers, it consists of all the sultans and state rulers. This conference is entrusted with the task of choosing the king by election, and it is the most prominent tasks of state rulers (Mishika, 2008, 6).

- 1- Counseling in case of federal expansion.
- 2- Counseling in case of a draft law to amend the constitution.
- 3- Counseling in case of changing the borders of the states, which is very important.

**The second level:** This level is the state level, which consists of thirteen states in Malaysia and then thirteen elected rulers (local prime minister of the state) from the rulers of the states of the federation, in addition to nine sultans from the royal families of the United States. There are no sultans in four Malaysian states, but there are hidden rulers in them, which are "Penang, an angel, and Sarawak." State governments with the exception of Sabah and Sarawak have few powers. One of the most important tasks of state governments is to supervise the administration of land, local government, housing, social

services, water provision, and the administration of religious and Islamic affairs. The states of Sabah and Sarawak have the authority to supervise immigration (Lotfi, 2011, 259). This level is called the state level, and each state has its own legislature and its government is headed by a local prime minister. Executive power is concentrated in the hands of state rulers. The state government is concerned with everything related to the state's interests, where it is concerned with everything related to the state's interests. As for supervision, it is carried out by specific committees established by the state for this purpose. Usually the state ruler and government are accountable to the legislature (Mishika, 2008, 7).

**The third level:** It is the level that is called the local government system and is distributed between urban centers and rural districts. Local government bodies perform the same functions in all regions, and urban centers are divided into cities and municipalities. Rural counties can rise to the level of municipalities and form a municipal council in the event that it has achieved certain results of performance and development and reviewed criteria established by the Conference of State Rulers. Malaysia also has nine councils, thirty municipal councils and one hundred and one county councils. Each city is headed by a mayor, while every county and municipal council is headed by a chief. The county chief is responsible for the economic and social development and development of the county as a whole. It also coordinates all its development projects and heads most of the committees established by the province for the same purpose (Lotfi, 2011, 264-265). With regard to the distribution of competencies between the Federation and the states, Article 73 of the Malaysian Constitution allows the Malaysian Parliament to enact for each part of the Federation effective laws outside and within the borders of the Federation. It also allows the legislature of any state to make laws for all or part of that state. Article 75 stipulates that if the state law is inconsistent with the law of the union, then the law of the union shall become applicable. Parliament does not interfere in the enactment of any law relating to the Islamic religion or traditions in the states of Sabah and Sarawak, except with the advice of the government or the competent state (Murabbai, 2015-178-179).

The Malaysian constitution also emphasized the financial powers and limited them to the federal authority, while guaranteeing some authorities for some states, but not all. These competencies are based on the size of the population, with the federal authorities sharing some of the financial resources with the states, such as oil imports in particular, which fall within the coastal strip of these states. Accordingly, there is a national council, usually including the federal government and the states, in order to ensure coordination and provide legal advice. The table shows the distribution of competencies among the federation according to the constitution in Malaysia:

Federal competencies	State competencies	Common competencies
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<ul style="list-style-type: none"> <li>1- Foreign affairs</li> <li>2- Security and defense</li> <li>3- Foreign trade and industry</li> <li>4- Finance and taxes</li> <li>5- Education and health</li> <li>6- Navigation, transportation and communication</li> <li>7- Social need and nationalization</li> <li>8- Public works</li> <li>9- Water supply</li> </ul>	<ul style="list-style-type: none"> <li>Islamic law</li> <li>Land and real estate</li> <li>Agriculture and Forestry</li> <li>local development</li> <li>Malay affairs</li> <li>state affairs</li> <li>local government</li> <li>Inland water</li> </ul>	<ul style="list-style-type: none"> <li>Social security</li> <li>Public health</li> <li>City planning</li> <li>Barns and wildlife</li> <li>Setting environment</li> <li>Public parks</li> </ul>
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**The table is prepared by Ali Quoq, ibid: p. 79**

What can be mentioned in this context is that the federal constitution, although it assigned clear responsibilities to the federal government and state and local governments, but the authority related to taxes assigned to the federal government led to fiscal centralization. The federal government has the power to collect personal income taxes and sales taxes, as well as corporate and import and export taxes. There are significant constitutional restrictions on state governments especially with regard to borrowing. This gives each state a little tax revenue, and it is too dependent on federal loans and grants to directly address any of the increases in expenditures caused by rapid economic growth. Tax revenues from fees and tax assessment rates on minerals are insufficient to cover the expenditures of the state or local government (Quoq, 2011, 88).

In addition to the foregoing, and despite what we said that Malaysia adopts the federal system, its system still tends to centralization. The constitution grants the federal government significant central fiscal powers. The federal government has the right to levy direct taxes such as income, property, and capital taxes and receives indirect returns such as export, import, sales and service taxes. It is worth noting that the income tax is the highest percentage of the federal budget revenues, as it corresponds to half of the federal revenues, as well as indirect taxes equal to 13% of the revenues. As for the export tax, it corresponds to 1%, and the import duty is 0.9% (Saeed and Amin, 2020, 311).

As stipulated in the Malaysian Constitution, Parliament, represented by the Senate and the House of Representatives, must prepare draft laws related to imposing taxes, striking out, reducing or canceling any existing taxes or imposing fees, and then referring those projects to the Supreme President of the Union for approval. The constitution also forbids the collection of any taxes or fees for the purposes of the union, except under the authority of the law of the union. The constitution does not allow any person to be compelled to pay a tax on all or some of its revenues for the purposes of another religion. In addition, the doctor emphasized that each state shall retain all the tax collection it obtains in accordance with the law of the Union. Each state shall receive 10% of the largest amount as determined by the export duties of canned products produced by the state. The Parliament can also decide and specify that

each state, according to the conditions set by the Union Law, receive a share of the export duties of non-canned minerals produced in the state (Saeed and Amin, 2020 312).

According to Article (110/4) of the Constitution, the Malaysian Parliament can:

(a) assign the responsibility to the states to collect taxes or duties or to serve his purposes, and by a federal law. (Saeed and Amin, 2020, 312).

b- All or some portions of the taxes or fees collected by the federal government shall be allocated to the states.

The emphasis on public finance in Malaysia is the most important feature of the Malaysian constitution. The constitution provides that financial powers should be in the hands of the federal government, although some states are guaranteed financial rights based on population size. Some financial resources, such as oil resources, are shared by the federal government and the states. There is a National Finance Council, which usually includes representatives of the federal government and the states. It aims to ensure coordination and has an advisory role. Only the economic planning of the Prime Minister prepares the annual reports on the national economy. It also outlines the development projects of the state and determines how to distribute the budget within the state in line with the economic objectives of the country (presentation of the experience of federalism in the Kingdom of Malaysia, 2014, 6).

The federal authority is also monitored for all the work of the constituent regions of the federation, especially in the economic aspect, where the central authority pays great attention to this aspect. This competence is assumed by the National Development Planning Committee of the Prime Minister's Office to conduct the process of apportionment of government policies (presentation of the experience of federalism in the Kingdom of Malaysia. Federalism and its levels are one of the most preferred options in a country as large as Malaysia with a large area and multi-ethnic and multi-religious. Therefore, it was the best choice for the leaders who held the reins of power in Malaysia since independence and to this day. This is in order to preserve national unity, as well as to achieve social justice and equitable distribution of wealth, and this is what the Malaysian constitution affirms.

### **The role of economic development in strengthening federalism in Malaysia**

The experience of development in Malaysia has taken a historical dimension by bringing about a change in the development strategy after independence. The old strategy during the era of the Dutch occupation was based on importing in the field of consumer industries. This field is a sector dominated by foreign companies during that era. Malaysia depended on a new strategy throughout the 1970s that guided growth toward a heavy reliance on the public sector. It began with manufacturing activities exporting, and then expanded to include the electronic components business. This is a labor-intensive business, which has resulted in lower unemployment rates and a better distribution of public revenue and country wealth across Malaysian society many groups living under the Malaysian Federation. (Ismail, 2014, 50).

Malaysia's development plan was in its second phase during the 1980s, which lasted for five years. The Fourth Malaysian Plan, which concentrated on two axes, was implemented during this time period. The first was to highlight a new set of sectors that, within the context of public sector control, supplanted imports and heavy industries. From the mid-eighties until the year 2000, Malaysia's second phase of development plan was implemented. It witnessed three five-year plans aimed at achieving a set of policies to stimulate industrial growth processes and deepen the export orientation in manufacturing operations while modernizing the infrastructure of the Malaysian economy (Ismail, 2014, 51).

Veteran Malaysian Prime Minister Dr. Mahathir Mohamad believes that the good use of resources and their employment is one of the basic factors for the success of federalism and development in Malaysia, because its motivator is simplicity, rationalization and lack of extravagance, which are sure to

automatically lead to an increase in saving rates. Saving, as it is known, is one of the important factors in economic development, as a result of the prevalence of the principles of simplicity, austerity, non-excessiveness, and optimal use of available resources” (Al-Jojri, 2008, 62). What distinguishes Malaysia is that it is one of the countries that have adopted the federal system and its political system is characterized by a great deal of stability. The most significant thing that distinguishes it is that (Mishika, 2008, 9-10).

- 1- Malaysia is a federation in which a multi-party system prevails, and the composition of the parties is compatible with its social conditions and its diverse ethnic composition.
- 2- The military institution has an instrumental role, which is to preserve Malaysian sovereignty and lands from disintegration and to consolidate a strong federal system. The king is the highest authority in the country in addition to being the supreme commander of the army. No external force can destabilize the political system by carrying out a military coup, as in the past.
- 3- Malaysia is characterized by achieving a unique kind of societal peace among the different ethnicities, especially after Malaysia has followed multiple economic policies to address the problem of (the Malays), whose proportion constitutes approximately 55% of the country's total population. The outcome of these policies had a role in raising the social level of this segment of society. In addition, there are no internal security threats in the Malaysian Federation. There are currently no separatist tendencies in the states and provinces that could lead to destabilizing the security and stability of the state.
- 4- The Malaysian constitution states that Islam is the official religion of the state. At the same time, Islam plays a central role in the way of life of Malaysian society and the ethnic groups that make up the social fabric. In addition, the citizens adhered to Asian and Islamic values while rejecting the concept of modernization in the absolute Western concept. The question arises: why did Malaysia adopt the developmental state model?

The answer is that one of the key reasons that led Malaysia to turn the non-interference approach to the developmental state approach, because it will allow the government’s activities to play a role in directing the economy. This can be attributed to four factors: (Charionogsak, 2021, 9-10).

- 1- There are unresolved security risks, both internally and externally.
- 2- The policy approach in the early stages of independence was ineffective in dealing with these unresolved risks.
- 3- The government was able to implement the new approach after enjoying an efficient public sector.
- 4- The Malaysian government relied on obtaining internal and external support for the implementation of modern development models.

In a related context, as Malaysia is a federal state, it had to face the so-called unresolved national security risks, as it found that it affects two aspects of the survival of the Malaysian Federation and the continuation of a vigorous development process. A solution should be taken into consideration for that. Countries, including Malaysia, depend on the developmental state approach when the state's survival is threatened and one of the most important causes of threat: (Charionogsak, 2021, 9).

- 1- The presence of local riots.
- 2- The gross economic disparity between ethnicities.
- 3- A societal imbalance that poses an evident threat to national unity and may result in the union collapse, such as the communist menace in the 1960s. One of the most fundamental reasons for Malaysia's choice to embrace the developmental state model was to manage the challenges that the country faces in its post-independence phases. Also, Malaysian officials are always aware of

the dangers of unresolved ethnic disputes, which might escalate to riots like the one that occurred in 1969. This resulted in an improvement in the indigenous population's status as well as a solution to the problem of societal inequality, which was the primary source of the economic element. This is what prompted the Malaysian government to strengthen the government direct economic participation in line with its economic policies. (Charionogsak, 2021, 9).

As can be seen from the above, Malaysia's development philosophy is based on the premise that economic and human progress leads to income equality. As a result, it is represented in the successes of economic growth on the individual's life, such as paying attention to improving the educational system and progress in order to construct an integrated development environment that will reflect improvement in the rest of the sectors. According to the Islamic perspective of the economic system, the Malaysian experience is built on a number of fundamentals: (Al-Talbani, 2019, 23).

- 1- Dual ownership, as the Islamic system combines and private public ownership. Islam, in its legislation, protects and nurtures private property if it is a legitimate source, and places a constraint on the public interest on the guardian's expansion of public property.
- 2- Social justice that is based on social solidarity and general balance, which is represented in the equitable distribution of income and wealth among members of society without discrimination between them because of ethnicity, religion or language.
- 3- The freedom of the economy, which usually guarantees for the private sector the freedom to engage in economic activity, provided that it does not conflict with the public interest, but rather works within the framework of the public interest of society. The state has created a suitable climate for the private sector and is working to monitor its activity in order to be in line with the provisions of Islamic Sharia.
- 4- The interest rate is zero, which is consistent with the prohibition of usury in Islamic Sharia.

The Malaysian development vision through 1990 to 2020 is one of the most important visions set by former Malaysian Prime Minister Mahathir Mohamad. This vision is an agenda for Malaysia's 6<sup>th</sup> Development Plan in 1991. The Malaysian vision under the federation called for the necessity of making Malaysia a sufficiently industrialized country by the year 2020. This vision included all aspects of life and all the constituent states of the Malaysian Federation without discrimination in order to achieve economic prosperity, social welfare, political stability and education at the global level. Mahathir stressed, "By the year 2020, Malaysia can be a unified nation with a confident society imbued with strong moral and ethical values, living in a democratic, unified, tolerant and sympathetic manner, with social and economic justice prevailing, and a competitive economy." (Al-Talbani, 2019, 57).

This vision was called "wawasam", which means the rise and progress of the nation or country. It has received great attention both internally and externally (Saleh, 2008, 74).

The results of this vision appeared when Malaysia ranked 34<sup>th</sup> in the world in terms of GDP, according to a report by the International Monetary Fund. Its share amounted to approximately \$126.5 billion, leading the Islamic world. In the same year, it ranked 20<sup>th</sup> globally in terms of the volume of imports, topping the Islamic world as well. The annual human development index issued by the United Nations Development Program (UNDP) showed that Malaysia ranked 63 in 2007, and this indicator took into account three things (Saleh, 2008, 93).

- 1- Live a long and healthy life
- 2- Education level
- 3- Have a good standard of living

Only for the education indicator, the federal government and the central government in Malaysia have helped poor states provide books and costs and provide scholarships to boarding schools in rural areas.

In addition, scholarships for university training were provided in line with the third millennium goals. The percentage of preparatory education was 95%, primary education was 98%, and secondary education was 89% in 2015, according to the statistics of the Malaysian Ministry of Education, with a focus on women's education. The federal government also focused on the quality of education and considered it essential in promoting human capital development, providing skilled labor, raising productivity and improving investment attractiveness. The education plan through 2013 to 2025 included huge reforms in the educational system related to students, teacher evaluation, training, career development and professional skills (Al-Arabi, 2019, 35).

The interest in developing the economy, education and health is due to applying the Malaysian system of institutional mechanisms and appropriate development policies to manage the multi-ethnic and federal states. These verses had a great role in the process of building the state according to the equation "everyone gains". It is an equation based on providing a safety net for all components of society, guaranteeing their freedom and their political, economic and social rights, and achieving social justice in which the demographic weights of groups of society are taken into account without violating the rights of minorities. It also focuses on common interests and works to identify elements of social and political tension. This equation is based on everyone conceding what they see as their rights in order to build the state and proceed with development (Murabai, 2015, 209).

It is also noted that the Malaysian governments had established economic, educational, media and Islamic institutions to work in parallel with the traditional development institutions known in the capitalist economy. On the economic level, Islamic economic institutions have not been published in the structure of the Malaysian economy so as to have a strong impact on Malaysian development. It can be said that the development was the outcome of the conciliatory approach between the ethnicities that the Malaysian government has followed since 1969 (Salim, 1999, 129).

Despite the freedoms granted to the Malaysian states in managing their local affairs, the federal authority is monitoring all the work of the regions, especially with regard to economic aspects. The central authority attaches great importance to the economic aspect. This is undertaken by the National Development Committee of the Prime Minister's Office to conduct a process of evaluating the implementation of government policies. This committee is also restructuring the special plans with regard to Vision 2020, which we talked about previously, and which was drawn up by Dr. Mahathir Mohamad during the period from 1982 to 2002. He resumed them after assuming the premiership again in August 2018 (Farghali, 2019, 276).

Malaysian successive governments have worked to reduce poverty rates, emphasizing that human development depends mainly on improving the living conditions of individuals. For this reason, it has programmed a set of development plans in which it was successful through the following points: (Ashour and Hajj Qwaider, 2008, 93).

- 1- Individuals development philosophy in Malaysia: This philosophy is based on the idea that human development leads to income equality. Therefore, the government found that the gains of economic development should be reflected positively on citizens in improving the nature of their lives, including providing the necessities of security, food, treatment and education. The first to be benefitted of this economic growth are the poor, the unemployed, and the poorest ethnic groups in the less developed union territories. In Southeast Asian countries in general and Malaysia in particular. Increasing growth at a rate of one percentage point led to a decrease in the number of poor people by about 3% or a little more. This is the highest increase achieved among developing countries.

- 2- Poverty Reduction Indicators: The poverty line income indicator reflects the income necessary to provide the minimum amount of food that maintains the good health of individuals and meets the basic needs of clothing and shelter. This indicator uses poverty as it classifies the poor among those whose incomes are less than the income of the poverty line, while the poorest are those whose incomes reach less than half of the income of the poverty line.

The success of the development experience in Malaysia can be summed up as follows: (Hafiza, 149-150 2017,).

- 1-Malaysia transformed from an agriculture-dependent country to an exporter of high-tech industrial goods
- 2- Focus on eliminating class inequality.
- 3- The emergence of the features of the knowledge economy thanks to the policy that supports the development of human capabilities and skills in education, that is, the establishment of vocational training institutes and institutions. Thus, Malaysia ranked sixth in Asia in terms of the level of industrial competition after China, Singapore, Taiwan, South Korea and Japan, and ranked 21<sup>st</sup> globally according to positive indicators.
- 4- Governmental measures in support of human and economic development at the state level and included the protection and support of projects and the adoption of policies that attract investment, while protecting individual property and the freedom of currency exchange, as well as building skills, developing educational systems, building educational institutions, and state support for scientific research.
- 5- The development of the state infrastructure, such as the establishment of a highly developed road network, the development of technology parks and innovation centers, as well as the establishment of research institutes, scientific and virtual research centers, the development of management systems, and the provision of an advanced information and communication network (Hafiza, 2017, 150).
- 6- Human rights and standard of living, as the Malaysian culture helped at the federal level to help in communication with others and teamwork, while providing educational institutions, a friendly and democratic society, and a calm and luxurious life.
- 7- Building a highly qualified force thanks to the development of educational systems at the federal level and the qualification of young people and the emphasis on teaching them the English language.
- 8- The development of scientific research and science by providing technological advice and encouraging research and innovations. (Hafiza, 2017, 150).

In light of the previous, we see that federation in Malaysia would not have lasted without the political leaders taking decisions in the interest of the state (the Malaysian nation), such as the establishment of the federation of the thirteen states. This system was accompanied by walking the path of development in all its economic, cultural, educational and health aspects. This was coupled with achieving political stability in an atmosphere of the rule of the multi-party system. This opened the way for freedoms and organized democratic action. Of course, Islam had a great role in urging the emphasis on equality and social justice, which was reflected in reducing poverty rates and getting out of the poverty level. The federal experience was the best option in a multi-ethnic, multi-religious and multi-lingual society, ensuring the country's national unity.

## Conclusion

It was found that Malaysia is a country which went through difficult times to the point of reaching the era of independence and obtaining it in 1957. The first decisions it took was to stabilize the federal system in a multi-ethnic country in order to achieve the difficult political equation and achieve justice among citizens. Successive governments focused on making all levels of the federation enjoy an equal amount of services and achievements, with a balance in the distribution of powers between the Federation and the states, while ensuring some powers in some states but not all of them. These competencies are based on the number of population, where the federal states have developed due to the distribution of financial resources and oil revenues in a manner and commensurate with the needs of each state.

The federal system in Malaysia is considered one of the most appropriate systems of government in a country of multiple nationalities, languages, religions and cultures, with a complex combination of intellectual and ideological streams of varying interests and intellectual and ideological visions. In addition, successive governments wished to make Malaysia more prosperous after the colonial era and set its feet firmly on the path of development, construction, scientific and technological development, and benefit from the enormous human and natural resources in the multiple states and the vast areas.

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