



*By John Lee*

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NOV 7 — Why do we have different states in Malaysia? If we are one country, why don't we get rid of the states and centralise our government? The correct answer is probably "It's an accident of history" — if our government could get rid of the states, I am almost certain it would. But we ought to keep our federation of states the way it is — and events this week highlight more than ever the importance of our country's diversity.

There is more to the states than just our Rulers, though those obviously play a huge role in the historical reasons why we are a federation, not a unitary state. In terms of culture, society and development, each of our states is very different. Ethnic relations in Kelantan versus Penang versus Sabah versus Selangor are all very different, and you would be a fool to think you can have a one-size-fits-all race relations policy applying to all these states.

Likewise, these states are all at different levels of development — Penang is almost entirely urban, Sabah is almost entirely rural, Kelantan has pockets of urbanisation but remains mostly undeveloped, and Selangor is significantly more developed but with still pockets of rural poverty. Try applying exactly the same economic policies to these states and see how far you get.

Culturally too our states differ significantly. Some states are liberal about what you can wear and do in public; other states have societies where it is taboo to attend a Michael Learns to Rock concert. Sometimes it even differs from locality to locality: what is acceptable in Genting Highlands or Petaling Jaya is probably not the same as what is acceptable in Kota Baru or Alor Star.

To some extent, our federation already reflects these differences. Kelantan does in fact enforce social policies which differ significantly from those in, say, Johor. Thaipusam is a holiday in states with significant Indian populations like Perak, but not in others like Perlis. But these are mostly cosmetic differences: on the issues which matter, our state governments are almost powerless to do anything.

In the first place, the federal government all but directly controls the states. Look at the case of the Perak government, which was just argued in the Federal Court this week: the Perak government under Pakatan Rakyat wanted to dismiss its state secretary when it got wind he might not be obeying their instructions, but because he was an employee of the federal government, Putrajaya simply said no. It is the same with almost all other states: the civil

servants who matter are not really in the employ of the states, but the central government.

In terms of legal autonomy, the states really have power only over two things: land and Islam. Other issues fall under the state's purview, but the federal government can overrule the states whenever it likes on these issues. The states are only as free to make policy as Putrajaya lets them be.

Last, but definitely not least, follow the money. The states cannot implement a sales or income tax, so their ability to raise revenue is almost non-existent. They get whatever crumbs the federal government sees fit to toss them; Putrajaya makes a big deal of giving money to the states, as it did this week with Kelantan's oil royalties, but the fact of the matter is, each state should be entitled to at least a portion of the revenue which accrues from its people. At the moment, Penang and Selangor, the two most prosperous states in our federation, each contributing billions of ringgit to the economy, have annual budgets on the order of a few hundred million — smaller than some of our universities.

Summing up, the states have no power and no money. They have some small freedom to do things, but this is limited by how little funds they have, how obstinate their federal-seconded civil servants are, and how much the federal government feels like overruling them. This is not a tenable constitutional arrangement — not when there is so much diversity in our country, and not when our federal government is so unaccountable.

Having different policies from state to state not only lets each state govern itself according to its own needs, but lets each state learn from the successes and mistakes of others. If Penang's competency, accountability and transparency policies prove successful — as the Auditor-General's latest report suggests — then other states will consider following suit. If the policy does not work out and cannot alleviate corruption, then the rakyat of Penang will vote for something better, and the consequences of the mistake are only limited to Penang. With a central government imposing top-down policies, we are completely screwed; the consequences of any mistakes — of which there will definitely be many, in light of how big and diverse our country is — will affect us all, and as we all know, it is difficult to get enough momentum to change the federal government.

Our national motto is a simple one: Bersekutu bertambah mutu. We usually translate it as “unity is strength”. That is one way to look at it. I prefer to think of it in the less poetic but more pragmatic manner: Federation betters us. A federation brings together diverse states into one country, while giving each state the freedom to maintain its own identity. What we have right now is not federation.

What we have right now is colonialism under another name. Each and every state, each and every federal territory, is a colony of Putrajaya. Putrajaya takes our resources and money, rules with absolute authority, and doles out slivers of power to individual states. Nothing at all has changed since we were colonised by London. And nothing will change until we claim the independence and federation which our founding fathers promised us 50 years ago.

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