

**THE CENTRE-STATE DYNAMIC
RELATIONSHIP IN PENANG (1969-1974):
CONTAINMENT, COERCION AND
COOPERATION**

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**THE CENTRE-STATE DYNAMIC
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COOPERATION**

by

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LIST OF ABBREVIATIONS AND GLOSSARY

BN	Barisan Nasional
DAP	Democratic Action Party
E&E	Electronic and Electrical
EXCO	Executive Councillor
EOI	Export-Oriented Industry
EPZ	Export Processing Zone
FIDA	Federal Industrial Development Authority
FMP	First Malaysia Plan
FTZ	Free Trade Area
GE	General Election
Gerakan	Parti Gerakan Rakyat Malaysia
GDP	Gross Domestic Products
JTPD	Jawatankuasa Tindakan Pembangunan Daerah
KOMTAR	Kompleks Tun Abdul Razak
MA63	Malaysia Agreement 1963
MCA	Malaysia Chinese Association

MIDA	Malaysia Industrial Development Authority
MP	Member of Parliament
MPPP	Majlis Perbandaran Pulau Pinang
MTPNg	Majlis Tindakan Pembangunan Negeri
NCIA	Northern Corridor Implementation Authority
NCLG	National Council for Local Government
NEP	New Economic Policy
NOC	National Operation Council
PAS	Parti Islam Se-Malaysia
PDC	Penang Development Corporation
PFP	Penang Forward Party
PH	Pakatan Harapan
PR	Pakatan Rakyat
PORR	Penang Outer Ring Road
PPBM	Parti Pribumi Bersatu Malaysia
PRU	Pilihanraya Umum
PSD	Public Service Department
PTAC	Penang Tourism Action Council

PTC	Penang Tourism Council
PTMP	Penang Transport Master Plan
SDO	State Development Officer
SEDC	State Economic Development Corporation
SMP	Second Malaysia Plan
SOC	State Operation Council
UDP	United Democratic Party
UMNO	United Malays National Organisation

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**HUBUNGAN DINAMIK ANTARA KERAJAAN PUSAT DENGAN
KERAJAAN NEGERI DI PULAU PINANG (1969 – 1974):
PEMBENDUNGAN, PAKSAAN DAN KERJASAMA**

ABSTRAK

Hubungan yang dinamik antara Kerajaan Pusat dan Kerajaan Negeri dalam sistem persekutuan seringkalinya rumit khususnya apabila wujud konflik antara parti-parti yang memerintah. Ini telah terbukti di Malaya dan kemudiannya, Malaysia sejak kemerdekaan. Pertikian timbul apabila kedua-dua peringkat kerajaan menaksir dan melaksanakan secara berbeza peruntukan-peruntukan perlembagaan dalam pelbagai perkara. Perlembagaan Persekutuan Malaysia telah digubal dengan memusatkan kuasa pada Kerajaan Persekutuan. Justru itu, ia menekankan betapa pentingnya kerjasama yang erat perlu diwujudkan antara parti-parti politik yang berlainan di kedua-dua peringkat kerajaan bagi memupuk hubungan pusat dan negeri yang sihat. Pada tahun 1969, kepimpinan Kerajaan negeri Pulau Pinang yang diterajui parti pembangkang telah memilih untuk menggunakan pendekatan secara berdiplomasi dan bekerjasama bagi menguruskan hubungan dengan kerajaan pusat. Kajian penyelidikan kualitatif *ex post facto* ini meneliti hubungan antara kerajaan pusat dan negeri Pulau Pinang dari tahun 1969 hingga 1974. Ia menggunakan teori fungsi struktur, teori konflik dan konsensus dan interaksionisme simbolik bagi menganalisa fenomena ini. Kajian ini memberi tumpuan kepada motif, strategi dan pendekatan kepimpinan negeri Pulau Pinang dalam memperkukuhkan hubungan pusat dan negeri. Hubungan yang kukuh ini membolehkan Pulau Pinang meneruskan rancangan perindustriannya dan berjaya memtransformasikan Pulau Pinang sebagai hab pembuatan yang terkemuka. Kejayaan ini telah membolehkan penjana pekerjaan bagi menunaikan janji-janji pilihanrayanya.

**THE CENTRE-STATE DYNAMIC RELATIONSHIP IN PENANG
(1969-1974): CONTAINMENT, COERCION AND COOPERATION**

ABSTRACT

The relationship between central and state governments in federal systems is often complicated, especially when the ruling parties are in conflict. This has been particularly evident in Malaya and later Malaysia since gaining independence. Disputes have emerged over various issues due to differing interpretations and implementations of constitutional provisions at the central and state levels of government. The Malaysian Constitution establishes a strong central government, highlighting the importance of collaboration between political entities at the central and state levels to foster healthy Centre-state relations. In 1969, the state government of Penang was led by the opposition party. Upon gaining power, the leadership managed Centre-state relations diplomatically and cooperatively. This qualitative research uses ex post facto analysis to examine the relationship between the Central and Penang state governments from 1969 to 1974. It applies structural functional theory, conflict and consensus theory, and symbolic interactionism to analyse the phenomenon. The study examines the motives, strategies, and approaches used by the leadership of Penang, which successfully fostered a strong Centre-state relationship, enabling Penang to pursue its industrialisation plan effectively. The successful implementation of the industrial plan transformed Penang into a prominent manufacturing hub, creating jobs and fulfilling its electoral promises.

CHAPTER 1 INTRODUCTION

1.1 Introduction

The 2008 general election, a watershed moment in Malaysian history, significantly reshaped the interplay between the centre and the states in Malaysia. This pivotal event, which marked a significant turning point in Malaysian politics, is of utmost importance to our understanding of the power dynamics in the country. The Malaysian Constitution delineates the roles and powers of the centre and the states. Upon examining the *1957 Report of The Federation of Malaya Constitutional Commission* (Fong, 2008, p.277-386), it becomes apparent that the federation was intentionally structured to be biased towards the Centre.

The Reid Commission, tasked with drafting the Constitution, aimed to establish a robust central government and created provisions in the Constitution to enable financial consultations between the central government and the states. These provisions are found in Part VII of the 1957 Report, granting the central government significant control over finance in the new Federation. Rasyikah and Faridah (2018) argued that Malaysia has historically been organised as a centralised federal state to promote efficiency and development (p.118). Consequently, each state in Malaysia relies on the federal government for financial aid. Therefore, each state's progress hinges on policy and how state leadership manages its relationship with the central government.

The remarkable success of Penang's industrialisation can be traced back to the dynamic and constructive relationship between the central and state governments. In the aftermath of the 1969 general elections, Penang found itself under the governance of an opposition party. The previous administration struggled to introduce effective policies and programmes that could invigorate the state's economy but failed, resulting in high unemployment. However, when Parti Gerakan Rakyat Malaysia (Gerakan) assumed power, it brought a refreshed vision, making bold electoral promises to revitalise the local economy and generate meaningful job opportunities for the electorate. Their commitment marked a turning point for Penang, setting the stage for significant economic transformation and development. The leadership of Gerakan recognised the necessity of collaborating with the central government to fulfil their political commitments. Consequently, between 1969 and 1974, the leadership in Penang adopted a pragmatic strategy that effectively minimised interference from the federal government.

This approach demonstrated the ruling party's readiness and willingness to work closely with the central authorities to restore order and peace after the May 13th riot. The leadership of Penang promptly expressed their commitment to supporting the central government's efforts to restore order and peace, demonstrating sincerity and fostering the trust essential for harmonious centre-state relations. During the first two years in power, the ruling party in Penang consistently backed the policies and direction of the central leadership, aiming to create a new political landscape in the country (Mauzy, 1978). Consequently, a new political coalition was established between both ruling parties to stabilise the political equilibrium and

mitigate unhealthy politicking. The leadership in Penang recognised its political strength in comparison to the central government and, to avoid suspicion and doubt, actively sought collaboration to rebuild the nation.

Accordingly, the researcher believes this approach reflects a pragmatic strategy for cultivating robust centre-state relations. Unlike Sabah and Sarawak, where clashes of personality resulted in central government intervention, the distinct strategy employed by the Penang leadership has emerged as a well-considered political approach in Malaysia. Furthermore, there was no competition between the central government and the Penang State government over votes, as observed in Kelantan and Terengganu, where the ruling party at the centre competed with the opposition-led states of Kelantan and Terengganu for the Malay votes. Penang has thrived as an industrial state in this conducive environment, primarily due to the state leadership's commitment to driving industrialisation and development while fostering strong Centre-state relations.

The researcher aims to explore and evaluate how the leadership at both levels of government work to establish a balanced and harmonious relationship between the centre and the state, enabling the latter to thrive with its ambitious industrialisation policy. In this context, the questions that arise in this research would be regarding the motivations that drive political leadership in establishing and managing a pragmatic centre-state relationship.

1.2 Research Background

The 2008 General Election changed the political landscape of Malaysia. UMNO's longstanding dominance at the federal and state levels began to wane as the UMNO-led Barisan Nasional (BN) lost its two-thirds majority in the Lower House (Hock & Hussein, 2011, pp. 23-24). The Opposition coalition, Pakatan Rakyat, also secured victories in five state governments, signaling a seismic shift in Malaysian politics¹ ending UMNO and Barisan Nasional's longstanding control. This election reshaped the trajectory of Malaysian politics following Independence.

Moreover, it ushered in a new chapter in the relationship between the central government and the states. Throughout Malaysia's history, the Alliance and later the Barisan Nasional (BN) federal government engaged with different ruling parties at the state level. While such dynamics were not uncommon, the change was evident in the political entities involved, the prevailing political environment, and the unusually high number of states governed by various ruling parties in conjunction with the federal government during this period.

In 1969, there was minimal cooperation among Opposition parties, which were not as structured and formal as during the 2008 General Election. The 1969 General Election resulted in racial riots, whereas the 2008 General Election concluded smoothly and orderly. The Opposition parties peacefully transferred

¹ PAS retained Kelantan, DAP won Penang and Parti Keadilan Rakyat (PKR) together with DAP and PAS formed state governments in Kedah, Perak, and Selangor.

power at the state level in a democratic manner, albeit with some tension in certain states, except Penang.

In Penang, the 2008 General Election marked only the second time voters had chosen to change the ruling party in history. In 1969, Gerakan came into power, replacing the MCA-led Penang State Government. In the 2008 General Election, the Democratic Action Party (DAP) was voted into power, replacing Gerakan. Such changes have significant implications for centre-state relations, especially since they involved ruling parties different from the federal government.

Historically, Penang has, on two occasions, taken an open and confrontational approach with the federal government. The first instance was in 1948 and 1949, and the second was between 1953 and 1957 (Abas, 1984). Although these events occurred before Independence, they still had implications for centre-state relations. As mentioned earlier, the general elections of 1969 and 2008 concluded in two distinct ways - the former with a racial riot and the latter in a smooth and orderly manner. However, in terms of centre-state relations, the opposite was true.

After the racial riots on 13 May 1969 in Kuala Lumpur and Penang, Dr. Lim Chong Eu (Dr. Lim), who had already been sworn in as Chief Minister, pledged his cooperation and support to the federal government. Consequently, Tun Razak appointed him the State Operations Council (SOC) Chairman. According to Mauzy (1975, p.58), this development was seen as positive due to the strong relationship between these two political figures. Mauzy describes this as a renewal of an old

friendship that had been broken when Dr. Lim was involved in the 1959 MCA crisis. This marked the beginning of positive centre-state relations.

Dr. Lim's decision to adopt a cooperative approach with the federal government was underpinned by two primary considerations. First, he recognised the paramount importance of national unity, especially during times of national crisis. He was mindful of the detrimental impact of militant or uncooperative opposition on national unity. Second, the significant reliance of the Penang state on financial assistance from the federal government played a crucial role. The 1957 Constitution of Malaysia established federal control over financial matters, highlighting the state's dependency. Furthermore, Tun Razak's warning in 1969 about potential hardships for Penang in the event of a non-Alliance government winning further underscored this dependency.

To drive Penang's progress, Dr. Lim decided to adopt a more diplomatic approach with the federal government. This strategy was rooted in the mutual trust and personal camaraderie between the two political leaders, effectively minimising conflicts and fostering positive centre-state relations. In contrast, the DAP leadership made little attempt to cultivate a positive relationship with the central government upon winning the state of Penang on 8 March 2008. Two days after the victory and even before being sworn in, the DAP leadership announced their intention to review the Penang Global City Centre, a real property development project launched by Prime Minister Abdullah Badawi. This project was part of a larger initiative linked

to the federal ruling coalition, which aimed to transform Penang into a logistics, food-processing, and tourism powerhouse (Reuters, 10 March 2008).

The first term of DAP in office was marred by various issues it faced with the central government concerning several committed projects under the Ninth Malaysian Plan (2006-2010). During the mid-term review of the plan, the federal government decided to shelve the monorail project despite having issued a letter of intent earlier (The Edge, 21 October 2009). Other projects, such as the Penang Outer Ring Road (PORR), Mengkuang Dam expansion, the Penang Hill funicular train, and several minor projects, were also shelved. In the mid-term review, Penang received only 0.6 percent of the total increase of thirty billion ringgit.

The construction of the Second Penang Bridge also led to tensions between the federal and state governments, amidst rumours of its postponement. Despite a brief delay, the project was eventually carried out. In response, Chief Minister Lim Guan Eng (Guan Eng) adopted an unfriendly approach towards the federal government, publicly urging the Prime Minister to visit Penang and provide the people with an explanation for the delay of these projects (Malaysia Today, 6 July 2008).

The State Development Officer (SDO), a federal appointee apparently backed by federal authority, openly clashed with Chief Minister Guan Eng over the cancellation of federal projects (The Edge, 22 July 2010). In response, the state government accused the federal agency of implementing projects without prior

approval from the local government, which falls under the state's jurisdiction. Such a situation would unlikely occur in a state dominated by UMNO. This event is seen as dragging federal-state ties to their lowest ebb. The Chief Secretary to the federal government condoned the action of the SDO in openly rebutting a Chief Minister by stating that no action would be taken against the SDO (Malaysiakini, 22 July 2010).

The Ministry of Tourism, a federal entity, decided to appoint a former BN Exco Member to lead the Penang State Tourism Action Council (PTAC) without involving the Penang state government. In response, the state government announced its plan to establish the Penang Tourism Council (PTC) to oversee state tourism policies (The Sun, 27 April 2008). The Ministry's argument that PTAC could collaborate with the federal government on tourism promotion and work alongside the PTC for the same purpose further highlights a federal ministry's sidelining of the state, which could strain centre-state relations in the long term.

One can clearly observe the distinct approaches of Dr Lim and Guan Eng in handling central leadership in opposition; Dr Lim demonstrated a respectful and cooperative approach, whereas Guan Eng, from the episodes described above, seems to take an unfriendly approach with the Central government. Shafruddin and Fadzli (1998) underscored the significance of perceived legitimacy and respect for the federal framework in achieving successful federalism. They emphasised the need for mutual respect and tolerance of political differences between state and central leadership. It was within this environment that these influential political figures were able to establish improved Centre-State relations.

Consequently, in Dr. Lim's case, the federal government supported Gerakan in transforming Penang into one of Malaysia's most advanced and industrialised states. This collaborative partnership lasted for more than four decades, underlining the recognition of Gerakan's cooperative approach to leading the state BN and the state government. Over the next 4 decades since 1969, the political leadership in Penang continued to pursue a pragmatic relationship with the federal government. Such approach was also understandable as Gerakan was leading the state BN in a minority strength. Gerakan came into power with a comfortable majority in the State Legislative. However, internal scuffles and conflicts saw the party hanging on to power with a razor-thin majority. For stability and continuity, the party opted to form a coalition government with the Alliance in 1972. Since then, Gerakan has led the coalition at the state level and led the state government until 2008. In politics, where numbers count, Gerakan would face the reality of power as a minority.

This study is significant as it aims to delve into the intricate mechanisms that underpin the management of disputes and conflicts between the centre and the state. By doing so, it seeks to shed light on the roles of various entities established over the years to navigate the dynamics between the centre and the state, thereby contributing to a deeper understanding of maintaining a long and harmonious relationship.

1.3 Research Problem

Centre-state relations have historically been complexing in any federal system, and Malaysia's federal structure is no exception. Since gaining independence, Malaysia has functioned as a federation. In 1956, the Reid Commission was established to draft the Constitution, with explicit instructions to recommend a federal constitution that emphasised a strong central government (B. Simandjuntak, 1969; Report of the Federation of Malaya Constitutional Commission 1957, 1957; Abas, 1984). As a result, the political dynamics surrounding centre-state relations were shaped from the outset during the drafting and adopting the 1957 Malaya Constitution. A notable aspect of Malaysian politics is that the same coalition-maintained control of the federal government until 2018.

The first significant test of centre-state relations in the newly independent nation emerged in 1959 when the Alliance lost control of Kelantan and Terengganu. Upon assuming power, both states were denied development allocations by the central government. It was well known that PAS and UMNO were competing for Malay votes in these two states (Funston, 1980). Consequently, it was unsurprising that the UMNO-led central government chose not to cooperate with the PAS-led administrations in Kelantan and Terengganu. The Kelantan state government, under PAS, and the UMNO-led central government took each other to court on two occasions.

The first instance involved the central government challenging the state's authority to borrow, a power it claimed was reserved for the central government (Ahmad, 2000). The second case arose when the Kelantan state government contested the central government's actions regarding the formation of Malaysia, asserting that they were not consulted as part of the federation (Sabaruddin, 2007). The relationship between the centre and the states has faced challenges from the outset, but in the researcher's view, this presents an opportunity for constructive dialogue and collaboration. By addressing competing interests and working together, both levels of government can strengthen their partnership to benefit all. However, it did not happen between the central government and the states.

In 1969, the Alliance lost Penang, Kelantan, Perak, and Selangor. Unlike Kelantan and Terengganu in 1959, Penang started with friendly and cordial centre-state relationship. Assuming office immediately after the May 13th Incident, Gerakan, led by Dr. Lim, immediately called Tun Razak, the Prime Minister, extending his full cooperation with the central government to restore order and peace. The gesture instantly turned into building trust, which had been built by both political actors long before the 1969 general elections (Mauzy, 1978). Numerous centre-state issues and conflicts were well managed away from the public domain.

Despite extensive research on centre-state relations involving Kelantan, Sabah, and Sarawak, there remains a notable lack of scholarship on centre-state relationship and federalism. Yusuff's work, *Malaysian Federalism: Conflict or Consensus* (2006), provides a thorough examination of centre-state relations during

the 1970s, 1980s, and 1990s concerning these states, yet it scarcely addresses Penang in the early 1970s. Similarly, B.H. Shafruddin's *Malaysia Centre-State Relations by Design and Process* (1998) includes only a brief mention of Penang, portraying it positively in the context of central interference, but fails to discuss the centre-state dynamics of Penang in that era.

Loh (2008a) described the central government and DAP-led Penang state government after the 2008 general elections, where numerous actions taken by the central government did not conform to the spirit of federalism. Loh's *Restructuring Federal-State relations* focuses on the issues faced by Penang, Selangor and Sabah states after the 2008 general elections. No reference or comparison was made to the relationship between Penang and the central government from 1969 to 1974, where, in the researcher's view, the development was very different from that of 2008. Other researchers, such as Chin, James (1997), Loh, Francis (2015, 2008b, 2010), Milne & Ratnam (1974), and Sharuddin (1987), do not address Penang in the context of centre-state relations. Recent studies by Yeoh (2019, 2020a, 2020b, 2020c) have focused on centre-state issues arising during the Covid-19 pandemic, with little or no mention of Penang in the 1970s.

In its 2008 editorial, *Aliran Monthly* noted that the study of federalism has been limited. Similarly, Yusuff (2001) remarked that research on federalism and centre-state relations has been sparse, often confined to specific states and lacking in comprehensive coverage of the key issues. The recent surge in interest regarding centre-state relations has focused on direct and confrontational legal, institutional,

and structural conflicts, particularly involving states governed by parties opposing the ruling party at the federal level. The behind-the-scenes dynamic of centre-state relations, particularly those involving Penang from 1969 to 1974, has not been the focus of investigation and research elsewhere. Therefore, this research will fill the gap by looking at Centre-State relations between Penang and the Central government from 1969 to 1974 from another perspective, both normative (in terms of social behavioral) and institutional and structural.

This research intends to examine centre-state relations with political actors pursuing stability, harmony, and development as the core of governing in a federation. The functional theory of structural functionalism applies to examine this core governing. The functional theory suggests that political structure exists in all political systems. The structure may exist legally or informally, such as lineage, kinship, status, and the like. Every structure has a function comparable according to the kind of structure performing the function, the frequency of the function's performance, and the performance style. In structural functionalism, every part of society is interdependent, and every structure has its own function to achieve equilibrium and harmony.

This research also seeks to understand the mechanisms underlying the managing of disputes and conflicts from being open. It also intends to look at the function of institutions set up over the years to manage the centre-state dynamics. Scores of scholarships focused on the strained relationship between centre-state.

This research examines maintaining pragmatic and cordial centre-state relations using conflict theory. The argument is that conflict theory is an alternative to structural functionalism. While structural functionalism is seen as moving towards equilibrium and cohesion based on shared societal values, conflict theory suggests that society is subject to processes of change and coercion to attain order. Conflict theory sees society as existing through conflict and consensus. Conflict theory suggests that society is held together through enforced constraint.

The present study also examines the normative perspective, where social behaviour in terms of political culture, approach, and path adopted by the Penang leadership and government from 1969-1974 balances political demands and develops the state by maintaining pragmatic and cordial Centre-state relations. To examine the above, the researcher will be using symbolic interactionism in the philosophy of pragmatism. The philosophy of pragmatism suggests that to understand the actors, one must understand what they do in the world. Both the actors and the world are dynamic processes and not static structures. Focus will be on the interaction between the actor and the world, and the actor's ability to interpret the social world is of immense importance (Ritzer, 2000, p. 202).

1.4 The Notion of Containment, Cooperation and Coercion

This study aims to investigate the actions and reactions of political actors in managing the relationship between the central government and state governments. These actions and reactions play a crucial role in shaping the nature of this

relationship within a federation. Moreover, they reflect the quality of leadership. As Shafruddin and Fadzli (1998) assert, the practice of federalism emphasises the importance of high-quality and innovative political leadership, which is crucial for strengthening federalism amidst ongoing changes (p.2). Similarly, Milne (1975) has argued that a harmonious relationship depends on the political astuteness of leaders in accommodating each other.

Various methods exist for fostering or enhancing relationships to achieve the desired outcomes. The researcher examines whether these methods involve containment, coercion, or cooperation. The notion of containment is primarily linked to George Kennan, the American diplomat who authored the renowned 8,000-word telegram to the State Department, later referred to as the Long Telegram. This document detailed the strategy for engaging with the Soviet Union to contain its expansionist Marxist influence after World War II, outlining how the United States should act to limit Soviet reach. Kennan advocated for an approach that emphasised economic and political strategies over purely military efforts to restrict the influence of the Soviet Union (Haines, 2016).

Scholars often characterise Kennan's containment strategy as both a theory and a doctrine aimed at confining communism within its current borders and preventing its spread beyond those borders, which could lead to a domino effect. Powell (2017) contended that Kennan's two decades of experience in Central and Eastern Europe enabled him to craft the containment strategy. Combined with his deep understanding of Soviet dynamics, this new political strategy was designed to

counter the emerging threat of the Soviet Union's Marxist expansion. In summary, for this research, containment is defined as a strategy aimed at limiting and preventing interference from the central government into the state's authority, as well as mitigating any potential domino effect on the political landscape that could threaten the ruling party's hold on power within the state.

Cornelius and Liu (2021) explored the notion of coercion as defined by Emile Durkheim, Max Weber, and Karl Marx. They assert that "coercion is the behavioral aspect of law, focusing on law's action, particularly its repressive power as an instrument of domination" (p. 367). In elaborating on Durkheim's perspective, Cornelius and Liu summarize his argument by characterising coercion as a form of restitutive law that constrains individuals from acting in ways that deviate from societal expectations. This limitation necessitates compromises, prompting individuals to prioritize other interests above their own.

Regarding Weber's perspective on coercion, the authors argue that it is closely linked to the rationalization of authority, which seeks to undermine traditional forms of authority. They contend that Weber advocates for "a more rational-legal basis of power in the state as well as in other spheres of society" (p. 372). Additionally, Cornelius and Liu, citing Cain and Hunt (1979, p. 148), note that Marx and Engels devoted little attention to the concept of law as coercion, suggesting instead that law inherently possesses a repressive quality and is more propagandistic than analytical. Marx views law as a component of the superstructure controlled by the ruling class, which evolves in response to the requirements of the economic base.

Cohen-Almagor (2021) defines coercion as an action that restricts the freedom of movement and action, ultimately diminishing self-sovereignty and self-mastery. He asserts that coercion can encompass a range of tactics, including threats, intimidation, sanctions, manipulation, demoralization, blackmail, and restrictions. Additionally, it involves psychological pressures to compel individuals to engage in actions they may not wish to take. Cohen-Almagor's definition closely resembles of Durkheim and Weber's definition of coercion which, in the view of the researcher, attempts to limit by force the ability of any individual to act freely while subjecting to various kinds of pressures through various means to compel one to submit to the power or authority of a higher authority. In other words, the researcher contends that coercion involves force or intimidation to compel the weaker party to submit to the stronger party's will. These acts by political actors play a significant role in shaping the dynamics of centre-state relations, particularly within a democratic framework.

Cooperation necessitates mutual sacrifices within modern society's complex division of labour, as noted by Durkheim (cited by Corelius and Liu, 2021). Diekmann and Lindenberg (2001) suggest that cooperation arises from shared values, norms, and norm-conforming behaviour. According to these scholars, cooperation must incorporate elements of mutual sacrifice alongside a sense of shared values and norms. The researcher argues that cooperation requires individuals and groups to work together to pursue common goals within a political system. This collaboration evolves over time, influenced by social norms, institutions, and power dynamics. A key feature of cooperation is interdependency; trust and strong social networks foster a sense of mutual obligation and shared identity, further facilitating cooperation.

The term "dynamic" in this study refers to the constantly changing and vigorous measures, strategies, and methodologies the political leadership uses to navigate the complexities of central-state relations to achieve the best outcomes for their respective territories.

1.5 Central, Centre and Federal Terminology

Shafruddin (1987: xxiv) contends that the Central and Federal should not carry the same reference as the Federal Government in distinguishing the terms Centre or Central and Federal. In his view, Federal Government is a system of level of government within which the Central and State Governments are part of the system.

Whereas Central and Centre are references to the Government whose laws, actions, and policies have effects throughout the Federation in contrast to States and their Government, which are constituent units of the Federation. In short, the Federal government refers to the entire federal system, while the Centre or central government refers to the government enacting laws and policies. The researcher concurs with the term distinguished by Shafruddin (1987) so that it will not be confusing when one refers to the operating governance system and the relationship between the Centre and states.

1.6 Research Objectives

The objectives of this research are as follows:

1. To explore the dynamics of Centre-State relations in Penang, where an unaffiliated Chinese-dominated party coexists with a Malay-dominated party that holds power in the federal government.
2. To explore the institutional and structural framework in place to uphold political stability and facilitate the development of Penang.
3. To determine the political leadership and strategies employed to foster a pragmatic and harmonious Centre-State relationship.

1.7 Research Questions

This research will seek to answer the following questions:

1. What was the motivation for establishing pragmatic Centre-state relations?
2. Why was there a need to establish pragmatic and cordial Centre-State relations?
3. How did the social actors manage pragmatic and cordial Centre-State relations?

1.8 Scope of Study and Limitations

This study examines Centre-State relations in Penang from 1969 to 1974. During this period, Gerakan governed Penang, initially as an unaffiliated Chinese-dominant party and later forming a coalition government with the Alliance in 1972. Eventually, Gerakan joined the enlarged Alliance to become a member of the new coalition, Barisan Nasional, in 1974, as a minority party within a coalition led by a dominant party at the federal level.

The successful development policies and projects implemented by the state government, with the federal government's support, highlight the importance of understanding the mechanisms and approaches employed between the state and federal levels. A constructive Centre-State relationship strengthens the spirit of federalism, which involves successfully managing conflicts and confrontations. The lack of literature on the Centre-state relations between Penang and the Central government limits the study. Documents are scarce on this issue. It is concerning that the state bureaucracy did not strictly adhere to the guidelines for archiving the minutes of the State Executive Council. These documents are significantly absent and cannot be located in the national or state archives.

1.9 Research Methodology

This qualitative study employs ex post facto analysis to investigate Centre-State relations, focusing on Penang and the Federal Government from 1969 to 1974. Qualitative research, as per Shank (2002, cited in Ospina, S., 2004, p. 2), is described

as "a form of systematic empirical inquiry into meaning." Denzin and Lincoln (2000, also cited in (Ospina, 2004, p.2) further elaborate that qualitative research entails an interpretive and naturalistic approach.

This implies that qualitative researchers observe phenomena in their natural setting, aiming to comprehend or interpret them based on the meanings attributed by individuals. This approach allows researchers to delve deep into the context and understand the phenomenon in its natural form. Due to the retrospective nature of this research, focusing on a period more than 55 years ago, the primary method to comprehend the phenomenon will involve systematic interpretation and understanding. The researcher believes that this method would effectively address the needs of this research.

As per Strauss & Corbin (2008, as cited in Mohajan, 2018, p. 2), qualitative research is inherently inductive, involving the exploration of meanings and insights within a specific context. This approach allows researchers to intricately interpret and describe issues from the perspective of the individuals being studied. Raman et al. (2014) suggest that qualitative methodology focuses on exploring development policies, histories, or everyday behaviors beyond the reach of quantitative research (p. 337).

According to Atkinson, Coffey, and Delamont (2002, as cited in Mills and Birks, 2014, p. 9), qualitative research serves as an umbrella term encompassing various disciplines, methods, topics, voices, and texts. Mills and Birks (2014) argue that qualitative research aims to analyse phenomena influencing the lived experiences of individuals or groups within specific cultural and social contexts (p. 9). The researcher's goal is to understand the phenomenon and provide a meaningful interpretation that enriches our understanding of the situation and its surroundings. This type of research focuses on the events and the individuals involved, aiming to comprehend their societal interactions. These historical events serve as important references and resources for understanding the phenomenon.

The qualitative research study will benefit from adopting ex post facto analysis, making historical research methodology a suitable choice. L'Estrange (2014) highlights that historical research encompasses using various data sources to explore the impact of the past on the future (p. 139). This methodology involves uncovering crucial data to test hypotheses and treating human history as a natural laboratory for experimentation.

By assembling data sources, historical research can establish a body of evidence to form plausible generalisations, or it can investigate the applicability and validity of important concepts within specific historical contexts. Ultimately, historical inquiry sheds light on and explains significant aspects of the contemporary world (L'Estrange, 2014, p. 127). The researcher intends to gather all the evidence to conclude the phenomenon. In this qualitative research study, the researcher plans to

employ the abductive research strategy (RS), which is rooted in the idealist ontology and epistemology of constructionism (Blaikie, 2007). The abductive RS focuses on meanings, interpretations, motives and intentions that guide individuals' daily behaviour, placing them at the core of social research and theory.

The objective is to uncover the reasons behind people's actions by revealing the orientations of their behaviour using implicit, shared knowledge, symbolic meanings, intentions and rules (Blaikie, 2007). Idealist ontology asserts that social actors create and uphold meanings and interpretations to construct social reality. Social actors are responsible for creating and maintaining shared interpretations of social reality. Constructionism epistemology is linked to idealist ontology. Constructionists study the way in which human beings attribute meaning to their daily experiences, asserting that knowledge is not derived from an external reality or solely produced through reason, but rather is the result of individuals trying to make sense of their interactions with the physical world and other people (Blaikie, 2007). By adopting this research strategy, the researcher aims to gain an "insider view" of the social actors to understand the phenomenon better.

The researcher adopted participant observation as the research method, which involved explanatory and exploratory research and interviews. The researcher employed semi-structured interviews and content analysis methodologies for this study. This research aims to systematically assess primary historical data, including the state legislative assembly proceedings, meeting minutes, and secondary sources, such as past events from newspapers, documented papers, and people. The study

will establish interconnections through interviews and observations of past records, oral histories, and other records.

Additionally, the researcher selected four individuals to obtain their insights on the phenomenon. The four individuals are Dato Seri Chet Singh, Tan Sri Yusuff Latiff, Tan Sri Khalid Ramli, and Dato Seri Anwar Fazal. These four individuals were selected as the researcher believes that their involvement in decision-making and policy formulation with the political actors has guided Penang's development in the 1970s, and they possess extensive knowledge of the actions taken by political actors that shaped centre-state relations.

Dato Seri Chet Singh's invaluable contribution to Penang Development Corporation (PDC) and his first-hand information of the happenings between Dr. Lim and Tun Razak gave the researcher an in-depth understanding of how personal relationships between the political actors fostered a robust Centre-State relationship. During Wong Pow Nee's tenure as Chief Minister, Dato Seri Chet Singh served as the Penang State Finance Officer. He was a federal officer. When Dr. Lim took on the role of Chief Minister, he appointed Dato Seri Chet Singh as the first General Manager of the Penang Development Corporation (PDC) in 1970. He was key in drafting the industrialisation policy, establishing the first free trade area and industrial parks, and facilitating foreign investment into Penang. From day one of the PDC's establishment, he worked closely under Dr. Lim's guidance and was an active participant in the entire process of industrialisation and attracting foreign investment.