NO. 334

SABAH’S UNRELENTING EXCLUSIONARY
AND INCLUSIONARY POLITICS

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Abstract

Sabah’s political and socio-economic issues are linked to the state’s long and contentious history of migration. Many of these problems arose in the 2020 Sabah state election, which was underscored by anti-immigrant sentiments. Underlying all of these is the politics of identity of the Sabahans. Indigenous Sabahans such as the Kadazandusuns tend to separate themselves from the Malay-Muslim majority of Malaysia. This is compounded by the identities of Sabah’s migrant population, which remains largely “foreign” in the eyes of indigenous communities. Often, both federal and state governments disregard these issues, leading to policies that alienate the inhabitants of Sabah. This paper unpacks the issues involved and lays out the interconnected political, security, and socio-economic concerns related to the governing of Sabah and the state’s relationship with the federal government. The paper examines the treatment of indigenous Sabahans and migrants, and why it is important to identify the challenges for the future socio-economic development and stability of Sabah.
Introduction

Researching Sabah\(^1\) often requires investigating different and sometimes opposing narratives of struggle and despondency, to get more informed perspectives on life and its nuances. Sabah has and continues to be a site for many unfinished and unattended social, political, and economic plights; border control, political instability, undocumented residents, the unrealised Malaysia Agreement of 1963 (MA63), issues of racism, classism, poverty, and the rural-urban divide. Often, these plights are discussed in silos; one heavily related to the migrant population, and the second, on issues plaguing everyday natives of the state. In reality, these two issues are two ends of the same spectrum of problems plaguing Sabah, often overlapping in complexity and misconception.

A primary social and political concern in Sabah stems from a long history of mobility and migration between Sabah and its immediate neighbours. This leads to security problems that have shaped the narrative surrounding migration to craft stricter and more draconian social policies that benefits the government of the day, which allows the formation of various political discourses. However, this issue has caused many local and indigenous Sabahans having to compete for their rights and they have grown weary from fighting for acknowledgement and recognition by the federal government. The discussion of land rights, political representation, and economic independence usually intersects with the intricacies associated with being indigenous in the state.

Identity politics

The problem of politicised identities and histories have impacted the indigenous communities of Sabah – beginning with a colonial history declaring selected ethnic groups as native to a certain area. This segregates other groups and labels them migrants, "regardless of the extent of their genealogy in the geo-body of the nation-state."\(^2\) This is further exacerbated today as rigid inclusion criteria for native rights remains, even though inter-marriage (with local Chinese, Indian, and Malay populations) and biraciality have diversified all indigenous groups. This ambiguity of identities and representation has become the "basis for legitimising political power and the economic redistribution of wealth in Malaysia", that indigenous groups struggle to access.\(^3\)

The Bumiputera (son of the soil) category creates a distinction between entitled natives and non-Bumiputera Malaysians, creating a “dominant ethnie” (ethnic group) supported by the “political shell” of the state.\(^4\) The extension of a Bumiputera-centric Malaysia also created divisions between natives of the land, where the “dominant indigenous centre” singles out a “non-dominant indigenous

\(^1\) One of two Malaysian states located on the Island of Borneo.
\(^3\) Ibid.
\(^4\) Non-Bumiputera Malaysians may identify as Chinese, or Indian, while entitled natives may be non-Malay Bumiputeras in Sabah.
periphery”, who are exploited for capitalist and political gains. Specific to Sabah, indigeneity is a particularly sticky subject with a lack of clarity on the roles and rights of the collective indigenous group as the individual components are engaged with very differently depending on ethnic background, geographical locality, class distinction, and a variety of other identifiers.

Many of these issues were similarly central to the political narrative of the 2020 Sabah state election. Political candidates of all sides, many of whom capitalised on ethnic politics, campaigned by responding selectively to the migration problem, party hopping, patronage, the lack of economic development, and federal-state relations. Political parties very seldom acknowledged the ever-changing demographics of Sabah, as the primary audience of the campaign was a heterogeneous Sabah comprising a population of different generations, class, heritage, and ethnic backgrounds.

Migration and security

Decades of migration into Sabah remains a problem that the state and federal governments are yet to solve. The Malaysian government repatriates those with no proper documentation to stay in Sabah. However, this effort to keep the local population safe and content through a policy of exclusion also affects Sabahans. Due to inter-marriages among the indigenous people and migrants, family ties, and business activities in the state have been cemented. Sabah’s socio-political problems are deeply rooted in decades of neglect and mismanagement by different administrations, all of whom ruled with a political agenda. Addressing the migrant issue alone will not resolve these problems easily. It requires deeper considerations of how the many natives of Sabah have been disregarded at the same time.

While government policies in Sabah are framed around the language of exclusion and inclusion, the reality is often grey and contradictory. In this paper, we will attempt to cover both sides of this complicated and nuanced issue in Sabah. Here, we discuss the complications of state and federal relations, Sabahan indigeneity, the politised history of Sabah, and how migrants matter in their day-to-day life. We will first focus on establishing the background and context of Sabah with its complicated history regarding migrants – using data from publicly available statistics and news reports to give insights based on major historical events, regional tensions, and politically motivated social engineering. Later, we unpack what it means to live with policies of inclusion created for the local and most notably, the indigenous population of Sabah. While there have been on-going efforts to make Sabahans feel more in control of their local space and identity, these efforts, as we will show, have also isolated them from the wider Malaysian narrative. This poses a question of how different the concerns and treatment of indigenous Sabahans are from that of their migrant neighbours, and why identifying this is important for the state’s future?

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5 Ibid. Dominant indigenous centre may include the Malays and non-Malay Bumiputeras who converted to Islam.
Sabah Demographics and Population

Of citizens and non-citizens

Sabah’s official estimated population is 3.9 million, which includes an estimated 1.1 million non-citizens. Scholars, however, have estimated that the state hosts approximately 1.9 million non-citizens, with a majority from the Philippines. Since the 1970s, thousands have migrated every year for several reasons through the porous maritime border between Malaysia, the Philippines, and Indonesia. Migrants from the Philippines have sought safety from the on-going unrest caused by secessionists and other rebel groups in Mindanao, while others, including Indonesian migrants, seek to improve their socio-economic condition. The exact number of illicit border crossings into Sabah is not known, as official census made available to the public are estimates.

The general credibility of these census are questionable, as data released by the Malaysian Department of Statistics (DOSM) on non-citizens in Sabah tend to be distorted and scattered, and “a gross underestimate of reality”. This has led to local and international organisations estimating the migrant population independently, and from afar. For example, the Sabah Native Cooperation Party (PKAN), has estimated that there are approximately 600,000 migrants from the Philippines in the state. Meanwhile, a 2019 World Bank report claims that only 55,000 out of the 99,000 IMM13 (a temporary visit pass provided by the state-government for Filipino refugees between the 1970s and 1980s) holders are still in the system, with the remaining 44,000 believed to have become permanent residents, or deceased, have returned to their home country, or have not renewed their passes.

Dissecting inclusionary and exclusionary politics in Sabah requires a snapshot of the overall demographics of the state, beginning with the indigenous population. Bumiputera is the term used to describe a person of indigenous descent, as stated in the constitution. This has been politicised to enhance the social standing of the Malay community, once seen to be economically and socially disadvantaged compared to the Chinese during the British colonial period of Malaysia. This has led to “Bumiputera-first” policies, which has driven the ethno-political climate in Malaysia for decades. While every Malay person is considered Bumiputera, not all Bumiputera persons are Malay. Other indigenous people, namely the Orang Asli of the Peninsula of Malaysia, and the Orang Asal of Sabah and Sarawak, are also Bumiputera.

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10 The yearly renewal of the IMM13 has been expressed as a financial burden to many as it costs approximately USD 22 (SGD 29.6).
Most of Sabah’s population comprises non-Malay Bumiputeras, who are mostly Kadazandusuns, Bajaus, and Muruts. When comparing the growth rates of the various ethnicities, we see that non-Malay Bumiputeras increased by 110 per cent across the 21-year period (Figure 1). Notably, non-Malaysian citizens also grew at a similar pace of 108 per cent, while other ethnicities grew at much slower rates, including the local Malay population.

Figure 1: DOSM numbers breakdown Bumiputera ethnicities from 1991-2012

From 2013 onwards, available data from the DOSM had lumped the various non-Malay Bumiputeras and Malays into a single Bumiputera category (Figure 2). However, based on our projections, non-Malay Bumiputeras were estimated to be around 1.9 million people, or 56 per cent of Sabah’s population in 2015. Sabah thus hosts the largest number of non-citizens in Malaysia — more than one-third of them. Selangor hosts the second largest non-citizen population, with 581,000 non-citizens in a total state population of 6.5 million people. Non-citizens comprise only 8.8 per cent of the

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11 No official statements have yet been found for the conflation of these categories though this is likely due to a lack of census data.
13 Ibid.
state’s total population, implying that locals from Selangor in the Peninsula of Malaysia are less exposed to immigrants compared with those of Sabah.

**Figure 2: DOSM numbers lump Bumiputera ethnicities into one group. Bumiputeras and Non-Malaysian citizens are steadily rising**

![Population by ethnicity (000's), Sabah, 2013-2020](image)


Also, non-Malaysian citizens in Sabah comprise 28 per cent (that is, numbering 1.1 million) of the state’s population, and Sabah hosts the most number of non-citizens in Malaysia — more than one-third of them on the east coast of the state where the most direct points of entry to the Philippines and Indonesia are located.
Figure 3: Comparison of ethnic distribution for Malaysia, Sabah, and Selangor. Sabah has the highest distribution of non-Malaysian citizens in the country

<table>
<thead>
<tr>
<th></th>
<th>Malaysia</th>
<th>Sabah</th>
<th>Selangor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bumiputera</td>
<td>63.2%</td>
<td>60.5%</td>
<td>55.0%</td>
</tr>
<tr>
<td>Chinese</td>
<td>20.6%</td>
<td>9.1%</td>
<td>24.1%</td>
</tr>
<tr>
<td>Indians</td>
<td>6.2%</td>
<td>7.9%</td>
<td>11.2%</td>
</tr>
<tr>
<td>Others</td>
<td>0.9%</td>
<td>0.3%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Non-Malaysian Citizens</td>
<td>0.9%</td>
<td>3.3%</td>
<td>8.9%</td>
</tr>
</tbody>
</table>


Religion

The majority religion in Sabah is Islam, followed by Christianity. Based on available DOSM data (Figure 4), we estimate that Muslims comprise 65.9 per cent of the state population, or about 2.6 million people. The Christians account for 30.4 per cent among the non-Malay Bumiputera population. Documented migrants in Sabah are overwhelmingly Muslim, which we calculate to be 84.6 per cent of non-Malaysian citizens or 931,000 people. This correlates to the fact that many migrants from the southern Philippines or Indonesia in Sabah share similar religious and ethnic backgrounds with Sabahans living on the state's east coast.

Figure 4: An estimated distribution of religion and ethnicity in Sabah for 2015

![Estimated population religion according to ethnicity, Sabah, 2015](image)

Sources: DOSM, Population Distribution and Basic Demographic Characteristics 2010; DOSM, Population by States and Ethnic Group, 2015, Malaysia.

Economic underdevelopment

In 2019, Sabah contributed 6 per cent to the country’s GDP, making it among the top six contributors to Malaysia’s GDP.\(^{15}\) Sabah’s main economic sectors are driven by agriculture, manufacturing, and tourism. The state economy relies on abundant natural resources and its top exports are commodities such as petroleum, palm oil, and cacao.\(^{16}\) Despite these factors, underdevelopment, poverty, and inequality remain significant issues in Sabah. According to data from the DOSM (Figure 5), Sabah consistently had the highest incidences of poverty across all states of Malaysia between 2004 and 2016. In 2019, Sabah’s poverty incidence was 19.5 per cent of total households, or about 615,000 people.


Apart from underdevelopment, Sabah also has one of the highest unemployment rates in Malaysia. In 2019, it recorded the second highest unemployment rate of 5.8 per cent, next only to Labuan. These factors possibly contribute to local resentment towards irregular migrants coming into Sabah. A weaker economic environment, combined with a reliance on foreign workers and perceived competition for government services between locals and a significantly larger migrant population creates an environment prone to xenophobic sentiments.
Sabah’s Migration Crisis

Of migrants and security

Malaysia is not a signatory to the Refugee Convention 1951 and its 1967 protocol. The country classifies any type of irregular migrant as *Pendatang Asing Tanpa Izin* (PATI) or illegal migrant. In Sabah, migrant groups are predominantly from the Philippines and Indonesia, and while not official, the state administration assumes them to be Muslim. This also explains why most of them reside on the east coast of Sabah, although over the years, many have moved out to other parts of the state. The migrants support themselves through wages earned from the agriculture, construction, and manufacturing industries.

On a micro level, the presence of irregular migrants is believed to have led to a variety of social problems such as overpopulation, loss of jobs for locals, and an increase in everyday crime.\(^\text{17}\) This perception has led to increasing xenophobia among Malaysians in Sabah, despite the importance of irregular migrants to the state’s economy. In fact, this fear of widespread crime is not supported by the actual crime rates in Sabah. The DOSM Crime Index Ratio is the number of significant crimes reported to the police per 100,000 people in a state *(Figure 6)*. Between 2015 and 2019, Sabah recorded one of the lowest crime index ratios across the country, and well below national averages. In 2019, Sabah’s crime index ratio also improved from 153.9 to 143.5. In contrast, Kuala Lumpur, although a federal territory, still recorded the highest crime index ratio in 2019 compared to much larger states — 592.3. The average crime index ratio for Malaysia was 256.6 in the same period. This misattribution of high crime rates is probably due to confirmation bias from Sabahans living in urban areas who exaggerate the crime rates in cities and extrapolate them for the rest of the state. As the following graph indicates, crime rates are often higher in Selangor and Kuala Lumpur as opposed to Sabah, Terengganu, and Pahang.

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Figure 6: Compiled crime index ratio numbers from the DOSM shows Sabah has low rates of reported crimes

<table>
<thead>
<tr>
<th>Year</th>
<th>Malaysia</th>
<th>Kuala Lumpur</th>
<th>Selangor</th>
<th>Pahang</th>
<th>Terengganu</th>
<th>Sabah</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>800</td>
<td>400</td>
<td>200</td>
<td>150</td>
<td>100</td>
<td>50</td>
</tr>
<tr>
<td>2016</td>
<td>750</td>
<td>350</td>
<td>175</td>
<td>125</td>
<td>90</td>
<td>35</td>
</tr>
<tr>
<td>2017</td>
<td>700</td>
<td>300</td>
<td>150</td>
<td>100</td>
<td>75</td>
<td>25</td>
</tr>
<tr>
<td>2018</td>
<td>650</td>
<td>250</td>
<td>125</td>
<td>90</td>
<td>60</td>
<td>20</td>
</tr>
<tr>
<td>2019</td>
<td>600</td>
<td>200</td>
<td>100</td>
<td>75</td>
<td>45</td>
<td>15</td>
</tr>
</tbody>
</table>


Controversial documenting

While official government language continues to refer to migrants in Sabah as being either legal or illegal, on the ground it is not so clear cut. Their irregularities have reinforced the perception of migrants as an intractable threat in Sabah society, as there can never be a one-size-fits-all solution to the plights they present to Sabahans. This leads to many policies for the migrant population in Sabah failing to gain traction as multiple legal statuses can be commonly found in one single community and at times, a single family. For families comprising individuals with different legal statuses, life is experienced through survival, hardship, and uncertainty, as parents are unable to request for help from their children's birthplace or their own country of origin, for fear of being reprimanded or prosecuted in some way or form. Generations down, such irregularities are “inherited” and cause a multitude of socio-economic problems.

The administrative handling of migrants in Sabah has always been arbitrary and limited; this is in part due to the lack of resources available to the state in implementing a state-wide documentation programme for migrants, and also due to the lack of political will of government officials. Examples of previous documentation programmes were the Census Certificate under the Federal Special Task Force legalisation programme of the 1970s, the granting of Moro asylum seekers through the IMM13 passed in the 1980s, and the Kad Burung Burung programme of the 1990s.\(^{19}\)

A more controversial alleged programme, known to locals as Project IC (for Identity Card), ran between the mid-1980s and 1990s. Sabahans have claimed that hundreds of thousands of migrants from the Philippines and Indonesia were granted immediate citizenship. A reportedly off-the-record project by the former Malaysian prime minister, Mahathir Mohamad, Project IC was designed to rework the demographic composition of Sabah; it was seen as an effort to reduce the Christian demographics of the state in order to make it more favourable to the ruling coalition by the United Malays National Organisation (UMNO). Mahathir himself had never admitted to these allegations. While a Royal Commission of Inquiry established in 2012 to investigate Project IC was able to confirm preliminarily that the mass granting of citizenships was conducted, appropriate action has yet to be taken.

In 2019, under the Warisan state government, the Temporary Sabah Pass (PSS) was proposed to replace the few existing documents for migrants. Like PKAN, Warisan had also estimated over 600,000 pass holders which included their dependants. This PSS recommendation had in fact been mooted by the previous Barisan Nasional (BN) government but was ironically politicised by BN (now in opposition) throughout Warisan's tenure as having Project IC like prospects. By 2020, the newly-formed Perikatan Nasional government (comprising previous BN members) had faced derision for announcing a streamlining of the same existing document holders, similar to that of the PSS programme, while implementing immediate deportation for all undocumented foreigners.

Neighbourly quandaries

Figure 7: Map of the Sulu Zone, and common migrant routes from the southern Philippines into Sabah

Source: Authors’ map based on primary and secondary data collection.

Extremism over the Philippine’s claim

The Philippine-Malaysia dispute over the territory of Sabah is, till today, a contentious on-going diplomatic issue. Prior to the formation of Malaysia, Sabah (North Borneo then) belonged to the Sultan of Sulu. In 1878, an agreement between the Sultan and the British North Borneo Company leased Sabah to the company, which agreed to an annual payment of 5,000 Malayan dollars. Later, the British government inherited this treaty and passed it to the Federation of Malaysia in 1963. The Philippine government has argued that the transfer of rights by the British North Borneo Company to different stakeholders including Malaysia was not acceptable or even possible.

The failure to address this issue has resulted in severed diplomatic ties between the Philippines and Malaysia on numerous occasions. For some time, Malaysia was making payments to the Sultanate of Sulu, and the government insisted that these were made on the grounds of leasing.20 This claim is

also said to be the reason for overly active maritime movements between the Philippines and Sabah till today. These routes, while currently guarded by marine patrols on both sides, continue to be accessible due to the island clusters in between. The influx of migrants is most apparent between Zamboanga and the east coast of Sabah through Basilan, Jolo, and Tawi-Tawi (Figure 7).

These porous borders are believed to be the cause for more ominous security predicaments of not just illicit migratory routes, but also violent extremism. The Abu Sayyaf Group (ASG), a militant extremist group based in southwest of the Philippines, has operated throughout the Sulu Sea since the late 1980s. Operating on a smaller scale in the Sulu zone compared to other bigger and more prominent international terror cell groups, the ASG has gained notoriety in Sabah particularly for its kidnappings and extortions of locals and tourists.

In 2013, upon the instruction of the late Sultan Jamalul Kiram III of Sulu, two hundred members of the Royal Sulu Army infiltrated the eastern coastal town of Lahad Datu, demanding to resolve the territorial claim. After a month-long confrontation, Malaysian security forces put an end to the incursion via air attacks, killing many of the infiltrators. On the ground, anxieties linger although the Malaysian government has since declared the east coast a safe zone again. The standoff resulted in the establishment of the Eastern Sabah Security Command (ESSCOM), which is a joint operation between various Malaysian enforcement agencies.

Reactions from the Philippines and Indonesia

With the formation of Malaysia in 1963, the flow of migration from the Philippines soured as tensions between the two flared over Sabah claim. At the same time, the Philippines’ own Moro insurgency, sparked by the controversial Jabidah Massacre in 1968, caused many from Southern Mindanao to be displaced, and led thousands to flee to Sabah for safety. Decades of fighting in parts of Mindanao have led to a constant flow of refugees and displaced people. The Philippines is also unlikely to drop its claims on Sabah in the near future, and Manila’s recent pressing of claims only serves to fuel rhetorical aggression against Sabahans.

Both Filipino and Indonesian migrants will continue to see Sabah as an ideal destination due to cultural, historical, and religious links, and relative ease of travel due to the proximity of the state to their home countries. Both the Philippines and Indonesia have very little control over these movements of

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22 Specifically, the Malaysian Armed Forces, the Royal Malaysia Police, and Malaysian Maritime Enforcement Agency.
people. Moreover, there are push factors as well. For example, the Indonesian government, through three decades of its REPELITA National Development plans, encourages Indonesians to work overseas to alleviate domestic unemployment and benefit from the remittances sent back home. Both governments have been openly critical of Malaysia’s treatment of migrants, such as the 2002 deportations that led to the overcrowding of Indonesia’s Nunukan Island, which just had a population of 40,000, but was flooded with 140,000 migrants forced out of Sabah, and the mass deportation of Filipinos after the Lahad Datu incursion in 2013.

Malaysian response

Reports of inhumane treatment for Sabah deportees have often been met with condemnation from the international community. The 2002 deportation to Nunukan Island led to a series of negotiations between Indonesia and Malaysia on the protection of Indonesian workers, with the two countries signing an MOU in 2011 that included the protection of Indonesian workers. The presence of an Indonesian consular office in Kota Kinabalu is also a significant boon for Indonesian migrants in Sabah, assisting with documenting and protecting the rights of their migrants.

Due to the Philippines’ claim on Sabah, Manila has not established its own consular office in the state, ultimately leading to poorer service for Filipino migrants. This means that irregular migrants from the Philippines who need consular attention must either bear the cost of visiting the Philippine embassy in Kuala Lumpur or wait for the infrequent visit of a Filipino mobile consular team from Manila. The aftermath of the 2013 Lahad Datu incursion has also led to more aggressive enforcement actions on irregular migration and saw over 26,000 Filipinos returning from Sabah by 2014.

Overlooked Indigeneity

Complicated nativity

On the opposite end of the migration crisis are complications related to the local and indigenous Sabahans. Sabah’s cultural dynamism comes from “a long history of assimilation, accommodation, amalgamation, and acculturation which have not deterred daily interactions that form relationships between the multi-ethnic groups”, that has led to an “openness ...almost unseen in other parts of

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This narrative of local Sabahans as living blissfully in coexistence has often been used as a political tool to create the illusion of docility and order. However, relaxed coexistence has its intricacies.

Most Sabahans are indigenous, but of various and often complicated degrees; they are generally categorised into three different groups: (i) those of Bornean stock, such as the Kadazandusun and Murut (KDM); (ii) those from the wider Malay Archipelago, such as the Bajau and the Suluk people; and (iii) those from Malay groupings, the Bugis from Indonesia and Brunei Malays. Sabah also has non-Bornean and non-indigenous residents such as the Chinese and Indians. Further, a plethora of various other cultural and religious backgrounds are not listed explicitly in census such as the mixed ethnic communities of both indigenous and non-indigenous persons, commonly found in Sabah.

As discussed earlier, Bumiputera refers to the Orang Asal (original people) of Borneo and the Malays of Peninsular Malaysia. However, this is not the only known term for describing persons of indigenous descent. Pribumi (first of the soil), is sometimes used interchangeably with Bumiputera, but currently carries greater significance for those with Indonesian ancestry, as it is a recognised term in Indonesia. However, many communities in Sabah use Pribumi to also include residents of the Nusantara (the Malay Archipelago), encompassing most of maritime Southeast Asia. Since 2016, the term Pribumi has been associated instead with the political party Parti Pribumi Bersatu Malaysia (Malaysian United Indigenous Party or PPBM), founded by Mahathir Mohamad. Unlike UMNO (United Malays National Organisation), from which PPBM split, this Pribumi party was adopted to unite indigenous political narratives in Malaysia. Lastly, there is Anak Negeri Sabah (Child of the State of Sabah) which functions as a legal framework to protect indigenous persons. To many indigenes, this is in fact the true litmus test of one's indigeneity as this status is entitled to native land and representation in the native court.

The politicisation of complex ethnic identities

The Malaysian government expects Malaysians to identify with only one single ethnic identity, but Sabahans reconfigure their official ethnic identity differently on grounds owing to their respective political, religious, or cultural sentiments. An example of this is the sino-native communities. Referred to as having Chinese heritage, the sino category was created and endorsed by the Sabah state government to accommodate natives of mixed ancestry. Sino-natives have to contemplate being either “Chinese” or “native” in their identity documents, and while they may be recognised as indigenous in Sabah, they struggle to receive the same recognition at the federal level. In other cases, some

30 It is a specific area of focus by the Native Court Judiciary Department under the State Ministry of Law and Native Affairs during the Warisan administration.
31 Ibid.
indigenous groups are not listed by the state but have demanded for similar indigenous rights like the sea nomad groups — the Bajau Laut. This is further exacerbated when the rate of inter-marriage in Sabah is four times that of the national average, producing a more diverse and complex indigenous population in recent decades.\(^{32}\)

Further complicating ethnic categories is religion. A majority of Muslim Sabahans are non-Malay Bumiputera, while a large minority are Christian. A concern among the Christian population, most of whom are of KDM descent, is the rapid conversion of their community to Islam.\(^{33}\) They believe that these conversions were often done en masse as early as the 1970s during the Berjaya and USNO administrations. This was aided by government officials and inter-marriages with a Muslim spouse that requires the non-Muslim partners irreversible conversion into Islam, a requirement that was never enforced pre-Malaysia federation.\(^{34}\) Conversions are also believed to run in parallel with the Project IC scandal among irregular migrants. This has resulted in some local Christian communities setting up private schools to protect their children from potential conversions.\(^{35}\)

The conversion into Islam is strongly associated with forced Malayisation, which sees the process of acculturation into peninsular-centric Malay culture. To indigenous Sabahans, this translates into the loss of their own cultural and ethnic identity. This is similarly a concern for Muslim Sabahans who feel that their religious traditions are being downgraded as inconsequential compared to peninsular-centric practices.\(^{36}\) This indicates how the line between ethnic identity and racial label remains blurred and parochial, even though Sabahans are comfortable with their distinct ethnic identity.\(^{37}\) This is a concern among Sabahans as their “ethnic and religious distinctiveness serves as the foundation of a separate identity” among themselves, from the rest of the country, and eventually, from state resources that they are entitled to as Malaysians.\(^{38}\)

**Politicised histories**

Sabah has been subject to several controversial histories such as Projects IC, the Double Six Tragedy, and the rise and fall of the Berjaya administration (1976–1985), to name a few. But the Malaysia Agreement of 1963 is the most politicised, with many blaming its unresolved status as a major reason

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\(^{32}\) Pue, Giok Hun, and Nidzam Sulaiman. ""Choose One!": Challenges of Inter-Ethnic Marriages in Malaysia." *Asian Social Science* 9, no. 17 (2013): 269.


for Sabah’s suffering.\textsuperscript{39,40} In 1963, through an agreement (MA63) set up by the United Kingdom, and with Sabah (then North Borneo), Sarawak, Singapore, and Malaya, a new political entity — the Federation of Malaysia — was formed. MA63, with specific memorandums for each Bornean territory, was written to ensure a safe and successful decolonising process as well as to articulate clearly the equal terms for the formation of the Federation between the territories.\textsuperscript{41} Singapore exited the federation in 1965 but Sabah and Sarawak remained, rooted in the belief that as founding partners of Malaysia, they would have equal representation in all matters pertaining to the country and the safeguarding of the special interests of their people.\textsuperscript{42}

**An unequal agreement**

In 1976, a rewording of MA63 reduced both territories from equal partners to mere states, along with the eleven other states in Peninsular Malaysia. The changes have left the Bornean states with limited control over their respective territories, resulting in a weakened local political and economic environment.\textsuperscript{43,44} The federal government is now in control of both territories’ natural resources: Sabah and Sarawak produce 60 per cent of Malaysia’s oil and gas but only receive 5 per cent royalties in return. Such small returns mean that Sabah is left with development problems, and is always in need of maintaining the most basic of necessities like potable water and well-maintained roads.

Interferences from outside both territories also ensued, such as the pressure to enforce an official religion, the dilution of indigenous identity, and the removal of English as the official language in Sabah. With the election of the Pakatan Harapan federal government and the Warisan state government in Sabah in 2018, the opportunity to address the inequalities of MA63 emerged but the amendment vote failed in the federal parliament, as it could not garner enough support from the opposition MPs, who claimed that the change would only be aesthetic and not bring any real change to both Sabah and Sarawak.


\textsuperscript{43} Former Sabah Attorney-General Herman Luping once wrote, “It has not [been] demonstrated as yet that the entry into Malaysia has any possible financial or economic advantages for Sabah. Indeed, if anything, it has possible financial and economic disadvantages, even where they must be accepted ... [they] should be kept to minimum.” For more, see Memorandum of Fiscal Sub-Committee, North Borneo Public Finance under Malaysia, 16 October 1962, cited in Luping, Herman J. “The Formation of Malaysia Revisited.” In *Sabah 25 Years Later, 1963-1988*, edited by Jeffrey G. Kitingan, and Maximus J. Ongkili. Kota Kinabalu: Institute for Development Studies, 1989.

\textsuperscript{44} Bagang, Tony P. (UiTM Sabah, Lecturer), in discussion with the principal author. February 2021.
Calls for independence

Frustrated Sabahans called for independence which in turn gave birth to secession and state nationalist movements like “Sabah for Sabahans”. These movements gained traction during the time of the Pakatan Harapan federal government despite failing to garner parliamentary support to amend MA63, evoking further debate of a secession. The MA63 has been political ammunition during most election seasons in Sabah, but for the 16th state election in 2020, it was not a major factor.

The elite, urban, and educated Sabahans have been accused of romanticising the movement which does not relate to the current and immediate needs of Sabahans. The MA63 is complicated and public discourse on it has been limited. Younger Sabahans have expressed only learning about the agreement briefly in schools, which made the MA63 seem like an afterthought to the federal government, and that Sabah was a passive recipient of policy and decision-making. Some have suggested framing the MA63 as a human rights issue that has greatly impacted all marginalised communities in the state, with no direct route towards state autonomy. If not addressed properly, the new state government will continue to face pressures from many different local political and non-political actors to work on certain aspects of the agreement.

Souring state-federal relations

National policies have allowed Peninsular Malaysian parties, especially UMNO-BN (Barisan Nasional), and in recent years, Bersatu, to gain influence over Sabahans and their resources, benefiting what is believed to be Muslim-Malays and elites, while stunting development for the indigenous peoples of Sabah. Politically, Peninsular Malaysian parties, especially UMNO-BN have had influence in the state, primarily through decades of national rule and policies that reward loyalty to UMNO. The 2020 Sabah state election showed that Sabahan voters’ loyalties do not necessarily lie with parties that strongly identify as pro-Sabah. Voters have shown higher satisfaction ratings for Barisan Nasional and Perikatan Nasional related parties, versus Sabah-based parties such as Warisan and UPKO. Sabahans, particularly those in the lower-income segment, do not prioritise parties based on ethnicity, but on

46 Alin, James. (Faculty of Business, Economics and Accountancy, Universiti Malaysia Sabah, Senior Lecturer), in discussion with the principal author. February 2021.
48 Rohzan, Rizal. (Malaysia Civil Society, Member), in discussion with the principal author. February 2021.
49 Ilana, Nadira. (Telan Bulan Films, Filmmaker), in discussion with the principal author. February 2021.
50 Gabungan Rakyat Sabah (GRS) is a coalition of local parties like STAR, SAPP, PBS, as well as Bersatu and Barisan Nasional Sabah.
51 This is specific to oil revenues, federal grants, and the delegation of powers to the Sabah state government over issues of migration and security.
effective financial incentives.\textsuperscript{54} The success of a political party coalition hinges on who is able to offer adequate improvements in the daily lives of Sabahans.

**Underdevelopment and inequality within Sabah**

Sabah’s historical underdevelopment was affected by various national development policies, such as the New Economic Policy (NEP) that began in the 1970s, which failed to capture the indigeneity of Sabahans. For example, the NEP, under UMNO-BN rule, allowed development projects to be influenced by Peninsular Malaysian politicians, who were less concerned with the intricate identities of Sabahans. When these policies were applied to Sabah, those benefiting the most were Muslim Bumiputeras, with the majority non-Muslim Bumiputeras being left out.\textsuperscript{55}

Even the production of palm oil — one of Malaysia’s largest industries — results in an uneven dynamic between the state and the federal governments. Sabah holds over 70 per cent of the country’s palm oil fields.\textsuperscript{56} The production of palm oil is labour intensive and is Malaysia’s golden crop. Both the federal government and state government will continue to support the industry which has been slow to adapt to better technology and labour practices. This, in turn, incentivises hiring low-cost labour and depresses wages across the state. This creates opportunities for foreign labourers, but not necessarily for Sabahans who would have to look elsewhere in Malaysia for better-paid jobs.

This would mean that rural areas, mostly resided by the indigenes, will continue to host the highest rates of absolute poverty incidence. Even richer, and more urban districts of Sabah like Kota Kinabalu, Penampang, and Sipitang also have a significant number of urban poor communities. In 2019, DOSM data showed that urban areas in Sabah recorded a 12.5 per cent incidence of absolute poverty, while rural areas recorded 31.1 per cent. To aid in Sabah’s socio-economic development, the federal budget allocates a development fund for the state. For the 2021 budget, the state was allocated a total of RM 5.1 billion (SGD 1.67 billion). Additionally, RM 4.8 billion (SGD 1.58 billion) would be allocated for agricultural projects. Sabah has been allocated a special development budget for years which is a sign that the state continues to lag in development.

Sabah always has and continues to be financially dependent on the federal government for resources, approvals, and aids, but most Sabahans believe federal government is yet to honour provisions on Sabah’s share of oil royalties. Sabahans see this as an unfairness in the disbursement of revenue. Sabahans need the freedom to make economic decisions for themselves in managing their own natural resources, which will help bring a consistent flow of development for the state. They believe

\textsuperscript{56} Authors’ calculations based on 2018 data from the DOSM.
this will help solve many other local plights, but is not achievable without federal cooperation and willingness.

Conclusion

Blurred lines between in and out

There is a discernible relationship between Malaysian citizens in Sabah and the migrant community in the state. This is complicated and dynamic. Both are, in fact, subjected to different methods of regulation and subjugation. The lines between the politics of the excluded and included results in often overlapping issues of survival and neglect. Both communities and their problems tend to be read in silo, as if these two groups do not mingle. This is a fallacy and needs to be unpacked from various perspectives. The complication surrounding both the local and migrant population of Sabah is often an intersection of the different economic, social, and political values they add to and subtract from the state at large.

Poverty and the lack of economic opportunities

Within the state of Sabah, the disparity of poverty is apparent. The levels of development are higher in the more urban centres of the state, while valuable agricultural districts lag behind. Decades of the Sabah development fund within the national budget have shown that there has been little to show when it comes to trickle-down effects, with growth only concentrated in urban centres. Even the labour market within the state itself tends to be unfavourable for locals. In discussions with Sabahans, they often cite the lack of jobs and economic aid; the popular belief is that Sabah has been robbed of the economic opportunities, and migrants are responsible for it. Job opportunities have also been curtailed for those working in the east coast of Sabah, as enforced curfews since the 2013 Lahad Datu incursion have limited economic activities, exacerbating anti-migrant sentiments.  

Ironically, Sabah’s major economic industries such as its palm oil plantations are heavily reliant on migrant workers because of cheaper labour costs, and the reluctance of locals to take up low-paying jobs. These sectors are prone to employing migrants, as indicated by the percentage of non-citizens in the country’s workforce in 2018 (14.8 per cent). What the media and authorities have often failed to acknowledge is that Sabah relies heavily on irregular migrants to perform a variety of informal and low-income jobs at a low cost, and that migrants are a major component of the local economy. However, local resentment of migrants is not entirely unfounded, as their presence depresses local wages.

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57 Joeman, Beverly. (Bersih 2.0 (Sabah), Vice-Chair), in discussion with the principal author. November 2020.
58 Authors’ calculations using official 2018 data from the DOSM and World Bank. Adding unofficial estimates of irregular migrants would increase the percentage.
Complex multi-ethnic society

On a social level, both the indigenous and migrant communities have localised through inter-marriages, with numerous combinations of inter-ethnic representation especially among those living in non-urban spaces. Declaring the superiority of a mono race is impossible, as villages and small towns throughout Sabah commonly host both Malaysian citizens and irregular migrants alike. This reality takes on a different shape when we consider the number of non-citizen children produced from parents who are both irregular migrants, and those with a Malaysian parent. It is a myth that all Sabahans detest their migrant neighbours when many communities will admit to high numbers of inter-ethnic unions. Their children are deprived of Malaysian citizenship, stripped off most of their basic needs (healthcare, education) and as they age, helping to provide for the family’s livelihood. They are often criticised for loitering on the streets begging or selling contraband items, as it is impossible for them to ever receive gainful employment as a result of their legal status. Many indigenous and rural children suffer a similar state of neglect throughout Sabah today, especially in a time of COVID-19 infections, where online education is a new problem to consider.

The inter-ethnicity and biraciality of the migrant community have also caused general distrust towards certain indigenous locals as being disloyal as well as foreign. For example, fishing and boating communities living on the east coast of Sabah are often mistaken for enablers of illicit migration or being irregular migrants themselves; these littoral maritime communities share similar ethnicities and heritage with irregular migrants and are therefore often seen as a threat to the state. Issues such as this have also raised the conversation of class and poverty levels, as those who come from families of mixed marriages are assumed to be of the working class.

Lack of long-term policy direction

Sabah’s fickle and constantly shifting political landscape thrives on the “stranger danger” and the “powerless native” narratives. It is difficult for state administrations to secure and administer long-term policies when infighting and political party hopping is a constant. In such tumultuous times, political scapegoats build a culture of fear and obedience for locals. The introduction of the Temporary Sabah Pass (PSS) was rejected by pro-Sabahan activists who saw it as a stronger threat to their identity, land,

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60 Asli, Sherzali. (The Sabah Human Rights Centre, President), in discussion with the principal author. November 2020.
61 Baltazar, Mary Anne. (Advocates for Non-Discrimination and Access to Knowledge (ANAK), Founder), in discussion with the principal author. November 2020.
64 Ibid.
and political voices. What is often overlooked, is that the pass also failed due to a long history of migrant blaming by previous administrations. Fundamentally, the previous Warisan government could have averted this through civic engagement and developing a mechanism of inclusivity to address the prevailing negative rhetoric against migrants.

Warisan had always faced challenges, even when they finally captured the state government in the 2018 general election and stayed in power for approximately two years till the state election in 2020. The KDM majority in Sabah is said to be apprehensive towards its president, Shafie Apdal, due to his east coast heritage. This was used by the opposition to paint an image that Warisan supported policies that were pro-foreigner and anti-indigenous, earning them labels like Parti PTI (the party of illegal immigrants) or Parti Pengganas (a Party of Terrorists). By the time of the state election in 2020, Warisan was openly accused of being a party of illicit migrants, that aimed at directing developments only to the east coast. Warisan countered this by reminding voters they were steadfast in creating a united Sabah for all and that the party was led by Kadazan and Dusun leaders as well.

Post state election, the COVID-19 pandemic reached record highs in the east coast of Sabah, and the migrant population was accused of starting a national third wave. Riding on the anti-migrant rhetoric from the state election campaign, a public call for an immediate purge of irregular migrants from the state was made as an attempt to stabilise the spike in infections. But countering this narrative, made primarily by local civil society groups, was for medical assistance to be granted to migrant communities as a way of controlling the overall infection cases. Policy suggestions were made to provide special concessions and reprieves to irregular migrants, that did not include legalisation of their status, so as to appease the very nervous and anxious indigenous population of the west coast of Sabah. But the harsh reality of fatigued and depleting medical resources in taming the coronavirus revives the age-old issue of the locals’ loss of access to rights and scarce amenities due to migrant competition.

Overlapping challenges and interests

The theme of exclusion and inclusion operates on many different layers, and is a source of potent political grievance; while the migrants continue to be treated as an economic, social, and political threat, other forms of exclusions like the devaluation of Bornean indigeneity, and equal development for Sabah also follow. The handling of the migrant crisis (by all Sabah administrations) has been inadequate, and often highly politicised, with repatriation being the only policy that is regularly and strenuously enforced. The general argument is that Sabah has finite resources, land rights, employment opportunities, welfare

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66 Ibid.
67 Warisan did not initially win the elections but was able to capture the state several days after the members of UMNO and affiliates in UPKO joined the Warisan coalition.
68 Dino, Nelson. (Sabah Reform Initiative, Member), in discussion with the principal author. November 2020.
services, healthcare, education, etc. The idea of migrants being legalised has materialised as a real danger that will shrink the pool of resources for Sabahans. The government’s public stance towards them is at best, heavy regulation and at worse, repatriation.

However, migrants in Sabah have become heavily integrated into indigenous populations and assist with keeping the local economy going. The cleavages that exist within the local indigenous communities of Sabah have impacted their identity and survival. Where Sabahans are concerned, they continue to be seen as docile and easy-going people, a tourist paradise of exotic cultures and traditions. But indigeneity is complex and intersects with class and ethnicity, with strong social, political, and even legal implications. Further complicating this are regulations by Peninsular Malaysia institutions. This gradually spiralled into an uneven relationship where Sabah has become dependent on the federal government. Decades of Peninsular Malaysia benefiting from Sabah resources and their political influence on East Malaysia has led to Sabah’s socio-economic underdevelopment.

These issues reinforce how Sabah has for decades lacked the autonomy to set policy direction that is more suitable for the growth of the state, and its various peoples. The lack of understanding of different Sabahan communities has led to decades of stunted growth. Issues in the state, such as MA63 or Project IC have been read as taboo public discourses, and are a control mechanism for those included and excluded in the state. When unpacked, both indigenous Sabahans and migrants have obvious intersecting issues of marginalisation and neglect, resulting in generations of distress and strain on these communities. The government of the day must recognise how the politics of the included and excluded is an archaic power strategy and is unsustainable in the long run as the realities of these two narratives come to a head. Despite being viewed as distinct political entities, there is significant overlap and inter-dependence between the two groups which, on its current trajectory, can lead to a bubbling of deep-seated issues, and mistrust that threatens to further destabilise the fragile state of Sabah.
Dr Vilashini Somiah is a Sabahan anthropologist who received her PhD from the National University of Singapore. She is currently a senior lecturer at the Gender Studies Programme at the University of Malaya. Dr Somiah is the co-editor of *Sabah from the Ground: The 2020 Elections & the Politics of Survival* (SIRD/ISEAS: 2021). She maintains a keen interest for under-represented narratives of women, migrants, and Borneans living in the interiors. Outside of academia, she writes ethnographic articles on the local socio-political landscape of Sabah.

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<table>
<thead>
<tr>
<th>Page</th>
<th>Title</th>
<th>Authors/Editors</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>334</td>
<td>Sabah’s Unrelenting Exclusionary and Inclusionary Politics</td>
<td>Vilashini Somiah and Jose Ricardo Sto. Domingo</td>
<td>2021</td>
</tr>
<tr>
<td>333</td>
<td>Measures of Economic Vulnerability and Inter-dependency in the Global Economy</td>
<td>Jikon Lai and Amalina Anuar</td>
<td>2021</td>
</tr>
<tr>
<td>332</td>
<td>EU-Policies on Huawei and 5G Wireless Networks: Economic-Technological Opportunities vs Strategic Risks of Cybersecurity</td>
<td>Frank Umbach</td>
<td>2020</td>
</tr>
<tr>
<td>331</td>
<td>The Route to Radicalisation for Malay-Muslim Women: Tracing the Nexus between Universals and Particulars in Malaysia</td>
<td>Piya Sukhani</td>
<td>2020</td>
</tr>
<tr>
<td>330</td>
<td>The Asia Pacific’s “Age of Uncertainty”: Great Power Competition, Globalisation and the Economic-Security Nexus</td>
<td>Evelyn Goh</td>
<td>2020</td>
</tr>
<tr>
<td>328</td>
<td>Australia as a Rising Middle Power</td>
<td>Malcolm Davis</td>
<td>2020</td>
</tr>
<tr>
<td>327</td>
<td>The Intersection of Emergent Technologies and Geopolitics: Implications for Singapore</td>
<td>Muhammad Faizal Bin Abdul Rahman</td>
<td>2020</td>
</tr>
<tr>
<td>326</td>
<td>The “Indo-Pacific” Concept: Geographical Adjustments and their Implications</td>
<td>Wada Haruko</td>
<td>2020</td>
</tr>
<tr>
<td>325</td>
<td>China’s Belt and Road Initiative – A Perception Survey of Asian Opinion Leaders</td>
<td>Pradumna B. Rana, Chia Wai-Mun and Ji Xianbai</td>
<td>2019</td>
</tr>
<tr>
<td>324</td>
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<td>Adhi Priamarizki and Dedi Dinarto</td>
<td>2019</td>
</tr>
<tr>
<td>323</td>
<td>Propositions on Sino-American Trade Dispute: Some Helpful Ideas from Social Science</td>
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<td>2019</td>
</tr>
<tr>
<td>322</td>
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<td>2019</td>
</tr>
<tr>
<td>Page</td>
<td>Title</td>
<td>Author(s)</td>
<td>Year</td>
</tr>
<tr>
<td>------</td>
<td>----------------------------------------------------------------------</td>
<td>------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>321</td>
<td>Financial Development in Myanmar and the Role of Japan</td>
<td>Tomoo Kikuchi, Takehiro Masutomo</td>
<td>2019</td>
</tr>
<tr>
<td>320</td>
<td>China’s Belt and Road Initiative and its Energy-Security Dimensions</td>
<td>Frank Umbach</td>
<td>2019</td>
</tr>
<tr>
<td>319</td>
<td>The Hindu Rights Action Force and the Malaysian Indian Minority after the 2018 General Election in Malaysia</td>
<td>Arunajeet Kaur</td>
<td>2018</td>
</tr>
<tr>
<td>318</td>
<td>The Fourth Industrial Revolution’s Impact on Smaller Militaries: Boon or Bane?</td>
<td>Nah Liang Tuang</td>
<td>2018</td>
</tr>
<tr>
<td>317</td>
<td>Pakistan and its Militants: Who is Mainstreaming Whom?</td>
<td>James M. Dorsey</td>
<td>2018</td>
</tr>
<tr>
<td>316</td>
<td>Securing Energy Supply and Maritime Interests: Seeking Convergence</td>
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<td>2018</td>
</tr>
<tr>
<td>314</td>
<td>Game of Institutional Balancing: China, the AIIB, and the Future of Global Governance</td>
<td>Kai He and Huiyun Feng</td>
<td>2018</td>
</tr>
<tr>
<td>313</td>
<td>Xi Jinping and PLA Transformation through Reforms</td>
<td>You Ji</td>
<td>2018</td>
</tr>
<tr>
<td>312</td>
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<td>2018</td>
</tr>
<tr>
<td>311</td>
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<td>2018</td>
</tr>
<tr>
<td>310</td>
<td>Theocracy vs Constitutionalism in Japan: Constitutional Amendment and the Return of Pre-war Shinto Nationalism</td>
<td>Naoko Kumada</td>
<td>2018</td>
</tr>
</tbody>
</table>

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