

Political power struggle in Malaysia continues unabated

John Roberts

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The deadline set by Malaysian opposition leader Anwar Ibrahim to force the ruling Barisan Nasional (BN) coalition from office—September 16—has come and gone. Prime Minister Abdullah Badawi is still in power and the government insists that it will continue to rule. Yet the power struggle shows no signs of ending.

Anwar told a press conference on September 16 that he had the support of the 31 BN parliamentarians needed to form a majority in the 222-seat national legislature. His opposition Malaysian Peoples Front (PKR) won 82 seats in elections in March, reducing the government's presence to 140 seats and ending its two-thirds parliamentary majority. Anwar won a seat in a by-election last month, having been prevented from standing earlier by a ban resulting from his conviction on a trumped-up corruption charge in 1999.

The day after Anwar's media conference, the Sabah Progressive Party (SAPP) announced it had quit the BN coalition and its two MPs would join the opposition. The states of Sabah and Sarawak in northern Borneo provide the government with 55 of its MPs, including 40 from small parties like the SAPP. The opposition has been targeting these parties, by promising to increase the share of royalties from these states' gas and oil production from 5 percent to 20 percent.

Anwar used his press conference to call for a meeting with the prime minister to give him "the chance to exit gracefully". He demanded the recall of parliament to consider a no-confidence vote. The government has set an especially long break for the Muslim month of Ramadan, with parliament not due to resume until October 13. When the premier ruled out any early resumption, Anwar suggested that the opposition might seek an audience with head of state, King Sultan Mizan Zainal Abidin, who has the power to call a parliamentary sitting.

Deputy Prime Minister Najib Razak declared the government would continue to rule and denounced Anwar's statements as "the politics of deception, deployed to deceive, and clearly it has not become a reality". However, the United Malays National Organisation (UMNO), the leading

BN partner, is clearly worried about the challenge to its rule and will stop at nothing to cling to power.

In the lead up to September 16, the government took the extraordinary step of sending nearly 50 BN parliamentarians on a paid trip to Taiwan to study farming techniques. Few believe that farming issues were the reason behind the trip. Among those sent were parliamentarians regarded as most susceptible to being courted by the opposition. PKR secretary general Salehuddin Hashim described the expedition as "kidnapping," saying it was "a very clear sign of the anxieties and insecurities inside Barisan".

On September 17, Prime Minister Abdullah ominously declared that the opposition's bid for power was a threat to national security and would endanger the flow of foreign investment. "I will do what I have to do to protect the economy and save the country," he warned.

The government had already invoked the draconian Internal Security Act (ISA), which provides for lengthy detention without trial. On September 12, Chinese-language newspaper journalist Tan Hoon Cheng, political Internet blogger Raja Petra Kamarruddin, and Teresa Kok, an MP for the ethnic Chinese-based Democratic Action Party, were detained under the ISA.

Home Minister Syed Hamid Albar declared that Tan was arrested to prevent racial conflict. Tan's "crime" was that he reported the derogatory remarks of UMNO figure Ahmad Ismail to the effect that Malaysian Chinese were "immigrants" and "squatters". He was released after 16 hours. Kok was accused of complaining that prayer calls from some mosques were too loud. She denied ever making the comments and was later released.

Raja Petra, who is well known for his popular opposition web site *Malaysia Today*, was arrested for an article deemed to be anti-Islamic. On September 22, the home minister ordered the blogger to be taken to the Kamunting detention centre for two years. According to his wife, Raja Petra also has been charged with tarnishing "the country's leadership to the point of causing confusion among the peoples."

The detentions have only deepened the crisis in the

government's ranks. Liow Tiong Lai, head of the Malaysian Chinese Association's (MCA) youth movement, declared that if police were concerned over Kok they should have given her police protection, not arrested her. The conservative ethnic Chinese-based MCA is one of UMNO's main coalition partners.

On September 15, Zaid Ibrahim quit his post as minister in the Prime Minister's Department in charge of the legal reform promised by Abdullah following UMNO losses at the March election. Zaid bluntly told the media that he had failed in his efforts to change the judiciary, the constitution and the anti-corruption agency after meeting a "brick wall" from the cabinet members and UMNO. He said the ISA should be used only against those attempting to topple the government by force.

The government's blatant use of the police and courts for political purposes is underscored by the latest trumped-up case against Anwar. He was formally charged on August 16 with sodomy, an offence in Malaysia that carries a jail term of up to 20 years and an automatic ban from political office. The case rests solely on the allegations of a former aide, Mohamad Saiful Bukhari Azlan, who, the opposition alleges, was a government plant. Photographs have been produced showing Saiful with senior UMNO figures.

UMNO is resorting to the same crude methods as a decade ago when Prime Minister Mahathir Mohamad stripped Anwar of his positions of deputy prime minister and finance minister and expelled him and his supporters from the party. After organising anti-government rallies, Anwar was detained under the ISA, beaten by the country's police chief and finally charged and convicted of sodomy and corruption. After six years in jail, Anwar was released when the sodomy conviction was overturned in the Federal Court for lack of evidence.

At the centre of the political struggle between Mahathir and Anwar were sharp differences over the direction of economic policy following the 1997-98 Asian financial crisis. Anwar championed the IMF's prescriptions to open up the Malaysian economy to foreign investors—a move that threatened a layer of Malay businessmen closely associated with UMNO. Mahathir instead imposed capital and currency controls aimed at protecting weaker, less competitive layers of business.

Both Mahathir and Abdullah, who took over as prime minister in 2003, gradually removed the capital and currency controls and made limited economic reforms, including in the banking sector. Like other countries in the eye of the Asian financial crisis, Malaysia recovered largely due to a boost in exports, fed by the rapid growth of the Chinese economy and continued high demand in the US, Europe and Japan. However, the sharp divisions in the ruling elite have

reemerged as Malaysia has been affected by the global slowdown and financial turmoil.

According to the 2008 UN Conference on Trade and Development (UNCTAD) report, direct investment flows into Malaysia were negative for 2007 for the first time in the country's history. Malaysia is confronting increasingly intense competition for investment from other cheap labour platforms, particularly China, India and Vietnam. Industrial production is also slowing, falling back from 2.2 percent in June to 1.8 percent in July. The key stock market index has declined by over a quarter this year.

At the same time, inflation, which hit 8.5 percent in July, is exacerbating social and political tensions. A poll published by the Merdeka Centre on Monday found that half of those surveyed identified the economy as their main concern. Asked who would make a better prime minister, Anwar outpolled Najib Razak, who has been named as Abdullah's successor, by 40 to 34 percent. More than half of the respondents agreed that Anwar was "a strong and visionary leader" and "a competent manager of the economy".

The looming economic problems have exacerbated recriminations inside UMNO over its poor performance in the March elections. Mahathir quit the party in May, having bitterly attacked Abdullah since 2006 for shutting down major infrastructure projects and failing to defend Malay businesses. Abdullah was forced to announce that he would stand down as prime minister by 2010 to fend off challenges within UMNO. Over the weekend, he was compelled to bring the date forward to next year. In return, the UMNO leadership agreed to postpone the party's annual general meeting in December and a potential leadership showdown.

The continuing political turmoil is not simply a battle between Abdullah and Anwar for the levers of power, but reflects a groundswell of resentment and anger over deteriorating living standards and UMNO's anti-democratic methods and communal politics. Neither the government nor the opposition is capable of resolving the underlying economic crisis. While Anwar has made various populist pledges to ease price rises and assist the poor, his economic program would inevitably fall hardest on working people and exacerbate the existing social polarisation.



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