

Malaysian ruling party mobilises for crisis election

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After repeated hints over the past year of an early election, Malaysia's ruling United Malays National Organisation (UMNO) now appears likely to hold the poll close to the deadline for the dissolution of parliament in April next year. The indecision appears to reflect government concerns that the opposition parties might make further gains on top of those at the 2008 election.

Addressing UMNO's general assembly earlier this month, Prime Minister Najib Razak called for party unity, saying: "We will be going to the battlefield before too long from now." He said that the election would be no ordinary poll and that the party would have to fight for every vote.

Najib is well aware that his job is on the line. He replaced Abdullah Ahmad Badawi as prime minister in 2009, after the UMNO-led Barisan Nasional (BN) coalition lost its two-thirds majority in the national parliament in the 2008 poll, as well as five of the country's 13 state governments. As a result, UMNO, which has ruled Malaysia continuously since formal independence in 1957, lost the ability to change the constitution as will—a power that it had used repeatedly to reinforce its autocratic rule.

During the assembly, UMNO's women's wing leader Shahrizat Abdul Jalil menacingly warned that there could be a repeat of the 1969 race riots, if "Malays", namely UMNO, lost power. UMNO used its thugs to instigate the race riots after electoral support for the party slumped in the 1969 election. In the wake of the riots, UMNO adopted the so-called New Economic Policy that heavily favoured the Malay majority in business, education and public sector jobs, over the country's ethnic Chinese and Indian minorities.

The New Economic Policy fostered rampant

cronyism as Malay businesses closely linked to UMNO took advantage of the racially-biased measures. The economy, however, has dramatically altered since the 1960s and 1970s, and is heavily dependent on the continued inflow of foreign investment to feed its export-oriented industries. As a result, the New Economic Policy has come into conflict with the demands of both foreign investors and significant sections of Malaysian business.

The policy dilemma facing the government erupted in the midst of the 1997-98 Asian financial crisis, with an open split between Prime Minister Mahathir Mohamad, who advocated currency and investment controls to protect Malay businesses, and his deputy, Finance Minister Anwar Ibrahim, who pushed the IMF's demands to open up the economy to foreign investors.

Mahathir dismissed Anwar, and expelled him and his supporters from UMNO. When Anwar began holding protest rallies against corruption, he was detained, beaten up and eventually convicted on bogus charges of corruption and homosexuality. Released from jail in 2004, Anwar now heads the opposition People's Alliance (PR), comprising his own Peoples Justice Party (Keadilan), the Islamist Parti Islam se-Malaysia (PAS) and the ethnic Chinese-based Democratic Action Party (DAP).

None of the underlying issues that emerged in the 1998 crisis has been resolved. In a bid to retain business backing, the BN government under Badawi and Najib has edged closer to the policies advocated by Anwar. But Najib's own limited pro-market restructuring and changes to the New Economy Policy has provoked resentment within UMNO. As far as the corporate elite is concerned, however, the government has not gone far enough.

Malaysia is increasingly being hit by a downturn in

its export markets in the US and Europe. Official estimates put growth for 2013 between 4.5 and 5.5 percent, but some analysts have predicted it will be as low as 3.5 percent. Najib has announced a target of \$444 billion in private sector-led investments by 2020, of which only \$70 billion has been received in investment commitments over the past two years. There is also frustration in ruling circles with the government's attempts to woo voters with budget handouts and an increase in the minimum wage.

As a result, significant sections of big business have come to view Anwar as more able to impose the policies they require: opening up the economy to foreign investment, ending racially-based cronyism, and implementing an austerity agenda.

Najib is clearly aware of these sentiments and also of shifting voter attitudes. Publicly he continues to espouse the Malay communal politics on which UMNO has always rested. However, in private, according to Reuters, Najib expressed concerns to party leaders about the party's overreliance on rural Malay voters. "We must look at the demographics," he said, in an obvious reference of the opposition's support among the middle class and urban voters, including Malays. Newly enrolled young people, estimated to constitute 20 percent of the electorate, are particularly alienated from UMNO.

Opinion polling in Malaysia is infrequent and unreliable. The latest available poll by the Merdeka Centre for Opinion Research in June showed that Najib's approval rating had slipped to 64 percent. It also revealed that 66 percent of Chinese voters and 47 percent of Indian voters were dissatisfied or angry with the government. UMNO's Chinese- and Indian-based allies were savaged in the 2008 election.

With next year's vote shaping up to be the closest since 1957, UMNO will have no hesitation in resorting to vote-rigging, thuggery and police repression to win. The government has already cracked down on protests called by Bersih (Clean and Fair Elections) to demand electoral reform. Police violently clashed with protesters in April at a rally of 50,000 people in Kuala Lumpur.

Earlier this month, Bersih head Ambiga Sreenevasan warned: "It will be the dirtiest election we have seen in a long time." She pointed to various signs, including "increasing political violence" and "constant reports of

discrepancies in the electoral roll in west Malaysia." On December 4 a Peoples Justice Party supporter was stabbed at an opposition rally outside of Kuala Lumpur—the latest in a series of similar attacks.

At the same time, the government is continuing to pursue sodomy charges against Anwar, despite the trial judge dismissing the case for lack of evidence in January. UMNO is seeking to overturn the acquittal in the Court of Appeal, which is next scheduled to hear the case in mid-February. The trumped-up charge is a crude attempt to remove Anwar and destabilise the unstable opposition coalition.



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