

Malaysian opposition offers cooperation with government

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The opposition People's Alliance (PR) in Malaysia, led by Anwar Ibrahim, has called for a "mammoth rally" in the capital Kuala Lumpur tomorrow as the high point of a series of "Black 505" protests against the results of the May 5 national election.

The Barisan Nasional (BN) coalition of Prime Minister Najib Razak retained office due to an electoral gerrymander and, according to the opposition, widespread electoral fraud. The BN won 133 seats in the 222-seat national parliament, but only 47 percent of the vote, while the PR secured just 89 seats, despite polling over 51 percent.

Speaking at a rally in Johor state last Sunday, Anwar declared: "The June 22 rally is critical ... The world, just like Indonesia, is watching." He told the crowd in the district of Batu Pahat that he had spoken to Indonesian President Susilo Bambang Yudhoyono, who asked about electoral fraud, which received wide coverage in the Indonesian media.

The opposition is also appealing for support from other governments. Anwar reported that similar interest was shown by Turkey and that the European Union postponed the signing of a Free Trade Agreement with Malaysia until the fraud allegations were investigated.

PR leaders called for hundreds of thousands to attend the Kuala Lumpur rally. Media reports indicate that almost half a million people in total have joined the 14 rallies held so far, making them the largest in the country's history.

The large turnouts have expressed the pent-up anger, particularly in the economically developed urban areas, over the autocratic 56-year rule of the United Malays National Organisation (UMNO)—the main BN coalition partner. UMNO had held power through race-based policies that give preference to ethnic Malays over the ethnic Chinese and Indian minorities and tight political

control over the judiciary, the state apparatus and mass media.

The Anwar-led opposition, composed of his People's Justice Party (Keadilan), the ethnic Chinese-based Democratic Action Party (DAP), and the Islamist Parti Islam se-Malaysia (PAS), is cynically using this popular resentment to push for a deal—cooperation with the government in return for some concessions. On June 3, Anwar told the media that the PR would work with the BN and participate in parliament "as a reality for now," while demanding electoral reform.

The PR represents a section of the ruling elite that has been sidelined by UMNO and its business cronies. But both camps of the political establishment are faced with implementing major economic restructuring, driven by the global financial crisis.

At last Sunday's rally Anwar said: "I told President SBY (Yudhoyono) we are not virgins, we know the importance of stability to national security and to the economy, but to wait until the next general election to push for change ... we might as well wait until Judgment Day." But the opposition has deliberately not called for the government's removal and has limited its challenge to the election outcome to making complaints to the Election Commission (EC).

Last Wednesday, the PR presented petitions to the EC to challenge the result in 25 electorates. The BN responded with petitions to review 21 of the seats it narrowly lost. In other words, the PR is appealing to the very EC it criticises as biased—a clear sign that it is as terrified as the government of any social and political upheaval.

Anwar was deputy prime minister and finance minister until 1998, when he was dismissed by then Prime Minister Mahathir Mohamad for backing the International Monetary Fund's demands for pro-market

restructuring following the 1997–98 Asian financial crisis. He was expelled from UMNO and, after he organised mass protests, jailed on trumped-up charges.

The government is under considerable pressure from foreign investors to press ahead with pro-market policies. In an article on May 30, the *Financial Times* cast doubt on Najib’s capacity to deliver, declaring that “reducing cash handouts and unwinding a 40-year-old patronage network may prove to be insurmountable for the Najib administration.” It called for the introduction of a regressive goods and services tax to reduce the budget deficit and an end to discrimination in favour of ethnic Malay businesses.

The Organisation for Economic Co-Operation and Development (OECD) had revised its estimate of world growth down to 0.4 percent for the last quarter of 2012 and to no more than 1.3 percent for 2013. The OECD made gloomy predictions for the economies that are vital for export-dependent Malaysia—China, the European Union and the United States. The pro-government *Star* commented that the economic challenge required “painful reform, and discipline to effectively implement.”

The *Financial Times* commented: “Economic reforms—particularly those that cut public spending programs—require political will, and political will requires a stable base of party support.” Other commentators have suggested that some form of formal or informal arrangement between the government and opposition is needed to suppress opposition to harsh economic measures. An *Asia Sentinel* article on June 17 reported there was “deep speculation” in Malaysia about a government of national unity, with changes in the UMNO leadership to bring that about.

Up to this point, however, UMNO has responded to the PR rallies with arrests for sedition and unlawful assembly. Moreover, the money markets initially responded favourably to the May 5 election outcome. Above all, Najib received Washington’s support. On May 13, brushing aside the large opposition rallies, US President Barack Obama endorsed the BN’s election victory.

Najib has carefully cultivated closer relations with the US after he was installed in office in 2009, despite China becoming Malaysia’s largest trading partner. As Obama intensified his administration’s aggressive drive to undermine Chinese influence in Asia, Najib

met with the US president three times in 2010. US Deputy Secretary of State William Burns concluded in December 2011 that “this relationship has become one of America’s most promising in all of Southeast Asia.”

The Najib government will, however, confront growing opposition as it implements the austerity demands of international finance capital. In such circumstances, it will depend on the opposition to contain popular hostility and anger, and may well take up Anwar’s offer of political collaboration and assistance in return for changes to the electoral laws.



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