

UMNO'S RECORD AND LEGITIMACY NOW IN DOUBT

Malaysia's troubles just beginning

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As it tussles with multiple crises of political legitimacy and governance, Malaysia has reached a decisive point in its more than half-century history as an independent nation. What started as a shocking but not exceptional scandal has turned into a political crisis of unprecedented proportions. This was underlined by the Bersih 4 protests on Aug 29 and 30 in Kuala Lumpur, attended by an estimated 250,000 yellow-T-shirted Malaysians.

First, it was discovered that a state investment firm, 1Malaysia Development Berhad (1MDB), set up by Prime Minister Najib Razak in 2009, was in debt to the tune of RM42 billion (S\$13.7 billion). Where, it was asked, did this vast sum of money go? What mismanagement or corrupt practices led to such a meltdown?

Then it was reported that the sum of RM2.6 billion had shown up in Mr Najib's personal bank account. It



Malaysia's PM Najib Razak (left) and King Abdul Halim (centre) at the National Day celebrations in KL on Aug 31. The survival of Malaysia (not only Mr Najib) politically and even economically is at stake. PHOTO: REUTERS

has been admitted that this money was indeed placed — in instalments — in that account, but it is claimed to have been “donated” by Middle Eastern sources as recognition of Malaysia's role in fighting the Islamic State and

maintaining Sunni Islam. Given the timing (just before Malaysia's general election in 2013) and Mr Najib's claim that the funds were used for party political purposes, the money was clearly intended and used to ensure victory

for the ruling Barisan Nasional (BN) coalition, led by Mr Najib's UMNO (United Malays National Organisation) party.

Mr Najib claims that nothing about this was illegal, given the current lack of statutory control over campaign spending, maintaining that he held the funds in trust for his party. But since the BN won the election with a clear minority of votes, yet a majority of the seats in Parliament, the legitimacy of the result was already in serious question even before the donation scandal came to light.

It gets worse. Mr Najib's response to attempts to get to the bottom of these matters has raised further questions about accountability and governance in Malaysia under BN rule. At first, he was reluctant to give any explanation. Ultimately, denials followed by evasive answers raised many further questions.

The Public Accounts Committee (PAC) in Parliament set about an investigation. The BN government itself set up a “task force” to find out what happened. The task force included the Attorney-General's Office, the central bank, the anti-corruption agency (MACC), and the police. Both processes have been interfered with in a highly suspicious way. Four members of the PAC were abruptly transferred into the Cabinet in a reshuffle. Two senior MACC officers were transferred to the Prime Minister's Office, only to be transferred out again after questions were raised. The Attorney-General himself was equally abruptly replaced — “for health reasons” — when a report indicated that criminal charges against Mr Najib had been drawn up (by whom is not clear).

These events dismayed the public and rocked the government. The reshuffle involved the sacking of four ministers, including Deputy Prime Minister Muhyiddin Yassin, who had called for accountability in respect of 1MDB. Veteran former Prime Minister Mahathir Mohamad began a political assault on Mr Najib, accusing him of corruption and lack of leadership. There is evidence now of a serious split in UMNO over Mr Najib's leadership. At this juncture, the official agencies designed to ensure good governance have not been allowed to do their job without political interference. Even the task force supposedly

● CONTINUED ON PAGE 19

● CONTINUED FROM PAGE 16

investigating the scandals has been replaced with another multi-agency force that is not empowered to investigate IMDB.

The question now is: How can Malaysia's constitutional system move matters towards a resolution in terms of legal and political accountability?

WILL ELECTORAL SYSTEM BE SET RIGHT?

Mr Najib holds the levers of power both in government and within the UMNO party. Party elections have been postponed. The Prime Minister owes his office, under Westminster conventions set out in Malaysia's Constitution, to his parliamentary majority and he could

therefore, in principle, be subjected to a no-confidence motion. This would require sufficient dissent in UMNO and BN to get 24 of their members to vote with the opposition parties. The response of one opposition party (the Islamic party) remains uncertain, and even 24 may not be enough.

The main problem with all of these potential methods of levering Mr Najib out of power is that there is no obvious successor. For now, Dr Mahathir undermines Mr Najib, and Mr Muhyiddin is a focus for UMNO dissidents. UMNO division heads apparently support Mr Najib, but in UMNO what passes for personal allegiance is

no more than adherence to a political personality for as long as he can deliver. Mr Najib's support is therefore potentially fragile. Meanwhile, with its former leader Anwar Ibrahim languishing in jail, convicted of sodomy, the opposition, too, is in disarray and in the process of reconstruction.

Malaysia has thus entered uncharted waters. Despite internal crises over the years, UMNO has historically been able to deliver election wins and legitimacy in government. That record is now in doubt. The economy is in free fall, the ringgit plunging and investors fleeing. Bersih 4 demanded Mr Najib step aside, and free and fair elections

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be held. Free and fair elections cannot be held under the current Malaysian Election Commission's supervision: Constituency boundaries are gerrymandered in such a way as to make an opposition victory almost impossible. There is no indication that the electoral system will be set right before the next election, due by March 2018.

Something, sooner or later, has to give. The survival of Malaysia (not only Mr Najib) politically and even economically is at stake. The only real hope, as one wag put it, is that, when the centre cannot hold and things fall apart, they might just, somehow, land in the right place. The only safe prediction is that this sorry tale of corruption and misrule is by no means over. Perhaps, it has only just begun. **EAST ASIA FORUM**

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