Najib win masks biggest test after Chinese M'sian exodus
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Prime Minister Najib Abdul Razak's election win without the bulk of ethnic Chinese voters is set to pose the biggest test yet for the pro-Malay affirmative action policies instituted by his father more than three decades ago.

The May 5 ballot left Najib's Umno with 109 parliamentary seats, almost enough to govern without any of its 12 allies in the BN coalition, Election Commission data showed. At the same time, the alliance as a whole took just 47 percent of the popular vote, the lowest since 1969, when Sino-Malay race riots flared.

With opposition chief Anwar Ibrahim - ally of the mainly ethnic-Chinese DAP that expanded its seats - planning protests tonight over electoral fraud concerns, Najib, 59, is calling for national reconciliation. To get that, he may need to temper the same preferential-contract and job rules that helped secure his victory among rural Malays.

"Umno is looking strong, but it's a false dawn," said Edmund Terence Gomez, a Universiti Malaya professor who edited a book on the race-based programmes.

"They know they need structural changes, and if they don't do it they will face serious consequences in the next election."

NONEGomez said the biggest change needed is the removal of policies that restrict certain government contracts to Malays and indigenous groups together known as bumiputera, or "sons of the soil". They make up about 60 percent of Malaysia's 29 million people.

Abdul Razak Hussein, Najib's father and second prime minister, initiated the preferences in the wake of the 1969 riots that killed hundreds.

Anwar (right) plans to proceed with tonight's rally even as police threatened to arrest anyone who attends, Rafizi Ramli, an official with his PKR, said by phone today.

Anwar's gathering is illegal because he didn't apply for a police permit, state-run Bernama news service reported yesterday, citing inspector-general of police Ismail Omar. He didn't immediately respond to calls to his mobile phone.

Najib’s coalition won 133 seats, topping the 89 seats won by Anwar’s three-party opposition, which captured 51 percent of the popular balloting. Chinese parties in the government saw their seat total cut by more than half, leaving Najib’s Malay-based party with 82 percent of BN’s seats, up from less than half in the 1990s.

'Big mistake'

"We have to go to the center, not to the right," said Saifuddin Abdullah, an unsuccessful Umno candidate who attributed his loss to a drop in support in urban areas with more Chinese voters.

NONEAccording to Saifuddin (right), it would be a "big mistake" for Umno to take heart from the win stemming from its appeal to Malays.

“The BN alliance should be transformed into a political party that people can join directly, without having first to choose one of its members, such as Umno,” he added.

Besides Umno, the election night’s other success story was the DAP, which saw its take jump by a third, to 38 seats. Najib said in a press conference that evening that his coalition had lost in one state because of a "Chinese tsunami".

Yet with ethnic Chinese only accounting for about a quarter of the population, the national results show a broader wave turning against the governing coalition in an election that had a record turnout of 85 percent.

"The Chinese tsunami is all nonsense - it’s an urban middle-class tsunami," said Gomez, who has been writing about Malaysian politics and business for more than two decades.

About 71 percent of Malaysians lived in urban areas in 2010, up from 62 percent a decade earlier, according to the most recent government statistics.

Anwar, 65, a former deputy prime minister and Umno member before he was fired in 1998, saw his alliance win a majority of the popular vote running on a platform criticizing affirmative action programs for feeding corruption.

Government-linked companies climbed after the election saw Najib returned to office, propelling a 4.8 percent jump in the FTSE Bursa Malaysia KLCI Index the past two days. The benchmark fell 0.1 percent as of 12.18pm local time.

forbes conference nazir razak 140911CIMB Group Holdings Bhd, a lender headed by

the prime minister's brother, Nazir Abdul Razak (right), gained 14 percent since the election as of yesterday's close. Tenaga Nasional Bhd, the country's biggest power producer, advanced 7.6 percent. The ringgit has risen 1.8 percent against the dollar in the two days after the vote.

"Taking on corruption is a priority," Stanley Thai, the ethnic-Chinese owner of medical glove-maker Supermax Corp, told Bloomberg Television after the election. Thai, who has seen Supermax shares fall 3.4 percent since he said in an interview published April 26 that he'd vote for the opposition, called this week for Najib to assure transparency in awarding contracts.

"(Otherwise,) brain drain will continue," he said.

Even so, the prime minister is unlikely to move against the majority of his party and revamp the affirmative-action policies, predicted Chua Hak Bin, an economist at Bank of America Corp. Chua, a Malaysian who has lived and worked in Singapore since the Asian financial crisis in 1998, returned to cast his ballot in the election.

"There may be some compromises such as more Chinese schools and affordable housing not just for bumiputera, but for all races and the low-income," Chua said.

National reconciliation

Najib said after the election that Umno would make changes at the right time, without elaborating. He called for "national reconciliation" while blaming the opposition for making race an issue, and said he'd implement moderate policies.

"BN has a lot of resilience as a political party, despite the fact that we have been in existence for 55 years," Najib told reporters on May 6, after his coalition won for the 13th straight time.

"Not many political parties can claim that kind of record."

The MCA - the main party representing ethnic Chinese in the government - said it wouldn't take up any cabinet posts after its poor election showing.

"Voting the Chinese out of the state and federal government won't help solve dissatisfaction," party president Chua Soi Lek said in a statement dated May 6.

He added that Najib would "continue to look after the interest of the Chinese."

Three MCA central committee members in a statement today have urged Chua to

resign immediately because of “his failure to address the political sentiments of the Chinese community”.

lim kit siang pc 070513 03The opposition rejected the government’s analysis of the election outcome and said BN’s reduced majority stemmed from a push for change that transcended race.

“So long as he wants to polarise and racialise this phenomenon, then they themselves are guilty of a racist outlook and they are incapable of any national reconciliation,” Lim Kit Siang (right), who founded the DAP, told reporters on May 6, referring to Najib.

“It’s not a Chinese tsunami; it’s a Malaysian tsunami.”

While Najib considers policies for a second term, the opposition’s future is also undetermined. Anwar, who disputes the results, will struggle to keep the Malay-dominated PAS in the opposition after it lost seats in the election, according to Bilveer Singh, a professor of political science at the National University of Singapore.

“(With Umno and the opposition DAP as the biggest winners,) this is a very potent mixture that could destroy the country - two dominant, racialised political parties that are on a head-on clash,” Singh said.

“Nobody will win. The ground is electrified along racial lines.”

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