

Najib vows to make graft 'a thing of the past'

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Prime Minister Najib Abdul Razak has vowed to make corruption a part of Malaysia's past and not its future. A statement that is bound to rile up those who have accused the coalition he leads of being corrupt to the bone.

Speaking at the Commonwealth Club Lecture in San Francisco, the prime minister, who suffered a severe electoral blow more than four months ago, praised his own anti-graft measures.

NONE "I have created a new governance and integrity minister role in the cabinet; it is held by the former president of the Malaysian chapter of Transparency International," he said, in reference to Paul Low (left), whom critics described as mere window-dressing in the Najib administration.

Najib also said his government had elevated the Malaysia's anti-corruption watchdog, the MACC, which answers annually to a parliamentary special committee on corruption, an independent advisory board, and a complaints committee - to self-regulated, independent commission status.

"It is our hope that the commission may serve as an example for other countries looking to build the institutional capacity to combat corruption," he added.

After all, said the prime minister, for governance and commerce alike, the most vital currency was trust.

"If we deliver what we have promised to the people - in this instance, a concerted fight against corruption - and deliver consistently over time, that currency will appreciate.

"The reward is not just a more open and transparent business environment, with more vibrant markets and greater opportunities, but also a renewed faith in the ability of governments to change things for the better," he was quoted as saying by Bernama.

Najib said many economies were affected by corruption, which crushed individual endeavour and harmed social cohesion.

NONEHe said corruption not only suppressed meritocratic opportunity, but ate away at people's confidence in the institutions and power of the state; it should come as no surprise that it was mentioned so often as a factor behind the Arab Spring.

Najib himself had been accused of corrupt practices, the most famous of which is the Scorpene submarine deal during his tenure as defence minister.

His leadership also witnessed Malaysia's position fluctuating in corruption indexes, with the latest being the Government Defence Anti-Corruption Index, where the country was placed in the E, deemed as having "very high" risks of corruption on defence procurement and operations.

Urban and rural divide

Earlier, Najib said divides were opening up between the urban and rural populations.

He said locked out of economic opportunities, too many Asian people lacked access to basic social infrastructure - sanitation, healthcare and housing.

"If we do not give all of our citizens a stake in our region's future, we risk encouraging ethnic tensions, religious extremism and political instability. That in turn imperils the very objective we seek: a more prosperous and harmonious Asia.

"So, we must ensure that development brings economic opportunities for all, not riches for a few; that it expands not just nominal GDP figures, but also critical social infrastructure."

NONE Najib, who is also finance minister, said Malaysia had made a strategic pitch for the global Islamic finance market.

For investors who have been buffeted by the financial crisis in Western markets, Islamic bonds offer an alternative growth model.

He said no investment was without risk, and this relatively young market would still have the occasional growing pains.

"But by its very nature, Islamic finance is not prone to the same excesses which so damaged the world economy, because speculating is forbidden and interest is prohibited, and returns are based on profit sharing alone," he added.

He said it was not surprising that sukuk was the fastest growing financial

instrument in the world.

Ten years ago, he said, Malaysia issued the world's first sovereign sukuk or shariah-compliant bond, today it accounted for nearly three-quarters of the global market, and had increased public participation by issuing retail bonds open to the general population.

"It is one way of increasing economic participation, strengthening our economy as a whole, and giving the people of Malaysia a greater stake in our nation's success," said Najib.

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