

Najib's Razak factor - how a legacy became a liability

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When Prime Minister Najib Abdul Razak came to power in 2009, the BN under his predecessor Abdullah Ahmad Badawi was in shambles as the ruling coalition had lost its two-thirds majority for the first time since 1969.

But Najib carried with him the advantage of the legacy of his father, Abdul Razak Hussein, a respectable Malay leader who also came to power when the ruling coalition was at its weakest, and succeeded in reversing its fortunes.

Najib even had the backing of the fourth Prime Minister, Dr Mahathir Mohamad, who admitted that he owed a debt of gratitude to Razak.

While Razak's legacy has been a blessing for Najib's political career, it has also become a curse for the now struggling prime minister.

Under Razak, the BN coalition he put together helped tame the opposition and establish Umno as the "big brother", while his New Economic Policy (NEP) helped Umno gain a foothold in the national economic machinery.

These systems put in place by Razak helped restore stability to the country after the 1969 riots and secure the ruling coalition's dominance - but were not without problems.

Almost four decades later, they are now in dire need of reform, but Najib is finding himself trapped in his father's legacy.

Razak's NEP, while succeeding in uplifting the Malay community, created a culture of rent-seeking and cronies and became ineffective in responding to a free market, which worsened under Mahathir's privatisation era.

Najib was mindful that his father's legacy needed reform to keep up with the times and proposed the New Economic Model (NEM) to liberalise the economy and do away with ethnic quotas.

However, the cronies and rentseekers, a product of the NEP, struck back, vehemently opposing Najib's reform efforts.

The right-wing groups, backed by Mahathir, saw this as a threat to Malay dominance and also turned on Najib and became increasingly emboldened.

A legacy that cannot be reformed

Ultimately, Najib failed to demonstrate the firmness of his father as he wavered and finally

gave in to the protests.

On the political front, non-Malay voters rejected the Umno-dominated BN built by Razak for two general elections, but Najib has not been able to institute any meaningful change to the coalition.

His 1Malaysia concept to promote inclusiveness has instead been reduced to a label synonymous with pro-government campaigns and products.

Even initial talks of allowing supporters to join BN directly instead of going through its component parties, most of which are race-based, has fizzled out due to lack of enthusiasm from the old guard.

Edmund Terence Gomez, a professor with Universiti Malaya's Faculty of Economics and Administration, highlighted that while both men had a similar beginning in that they came in power during a crisis, their paths appear to be diverging.

"If we compared Razak and Najib, what's interesting is that Razak revamped Umno and formed a wider coalition that gave them a tremendous win within five years (in the 1974 general election).

"Najib, when confronted in a similar crisis, tried to revamp the country through the New Economic Model. Just as Najib had NEM, Razak had NEP.

"But the point here is this: Umno was very much behind Razak when he introduced NEP; when Najib tried to revamp the economy, he did not get much support from his party," Gomez said.

He added that for better or worse, Razak's reforms brought about real changes but improvements under Najib's leadership were less apparent.

"In terms of outcome, BN did very well in 1974 under Razak's stewardship. Politically, it was a major move, it worked out, Umno consolidated its position and emerged and remained a major power house.

"Umno faced a crisis in 2008. But under Najib in 2013, in his first major election as PM, he did not fare well. In fact, they even lost in the popular vote nationally," Gomez said.

Najib's revamped Felda splutters

The one major legacy of Razak that Najib was successful in reforming was Felda, though not everyone would agree that it was for the better.

Felda was a social restructuring project by Razak, which successfully improved the livelihood of the rural community, the majority of whom were Malays at that time.

These areas eventually became BN strongholds and are critical for the ruling coalition to keep its hold on power.

In June 2012, Najib sought to take Felda to the next level by turning it into an international corporate giant, through the creation of Felda Global Ventures Holdings Bhd (FGV).

Najib convinced Felda settlers to support the plan, and announced a RM15,000 windfall for each Felda household.

Felda settlers were also encouraged to take out loans to purchase FGV shares, which was offered at a retail price of RM4.55.

However, FGV shares have since plummeted, opening at RM1.56 today.

The company was also subjected to an investigation by the MACC over overseas property purchases, but has since been cleared.

For economist Jomo Kwame Sundaram, the latest Felda corporate mutation is "troubling".

"It has become a major plantation conglomerate, with characteristics reflecting its patronage role in securing the politically critical 'vote bank' of the Felda settlers," said Jomo, a former senior official with the United Nations.