

Reforms in Malaysia - has Najib got it right?

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Malaysia is in trouble. The current political arrangement - the elite inter-ethnic bargaining - is fraying. The ruling coalition - Barisan Nasional (BN) - faces serious internal struggles both among and within the component parties. The majority of urban Malaysians had rejected them at the 2008 general election. Socially, the rise of religious and racial extremism driven by the United Malays National Organisation (Umno) has reached unprecedented heights.

Economically, Malaysia is being battered by the after-shocks of the both the East Asian Economic Crisis of 1997/98 and the current Global Financial Crisis. Its fundamentals have weakened; the result of BN's 53 year rule. In a region where only one country - Indonesia - is considered free and democratic and a trend that most Muslim majority countries are inherently undemocratic, there is a clear and present danger that Malaysia will soon join the list of failed states.

najib tun razak Many Malaysians know this and almost half have demanded reforms to stop this rot. This was evident in the 1999, 2004 and 2008 general elections. It appears that Najib (right) gets the message. But the more important question is - how has Najib responded? The recent Hulu Selangor by-election is an excellent point to analyse and evaluate Najib's reform priorities and strategies since he became Prime Minister on 4th April 2009.

There are three key areas - civil, political, and economic - where reforms are needed to effectively shift Malaysia's trajectory towards a mature democracy - the backbone of all successful and stable high income economies. In sequencing his reforms, Najib has unfortunately decided to focus on short-term gains. He has discarded reforms in the political and social sphere.

Instead of rising to the demands of Malaysians for new politics, centred on ideas and deliberative democracy, Najib has brought Malaysia down to gutter politics and authoritarian rule - the Hulu Selangor by-election being an excellent example.

Character assassination; misinformation and deception; corruption, physical and psychological threats; abuse of state resources and democratic institutions were all brought to a new low under Najib.

Najib needs "victories"

Najib claims he needs these "victories" to shore up his political base as his position in Umno is weak. However, by ignoring civil and political reforms, Najib is edging Malaysia closer towards a failed state and ignoring the necessary requirements for meaningful reforms.

Left with limited options in sequencing his reforms, Najib has decided to begin with the public sector and the economy for three reasons: (i) it appears the easiest among the three reforms spheres; (ii) Malaysia's weakening economic fundamentals impacts BN's patronage system; (iii) restore public confidence in BN by improving the public delivery system and economy.

Ironically even in this sphere he faces stiff resistance. The resistance comes almost exclusively from Umno - Malaysia's main log-jam. However, hiding behind Umno are vested

interests which include capitalists, leading figures from the various democratic institutions and the public sector, and representatives from various ethnic, cultural and special interests groups in Malaysia - all who prefer the current arrangements.

But most dangerous to Najib is that players resisting change have coalesced themselves into Perkasa.

Perkasa is dangerous as the issue it fights for - the Malay institutions - can be defended purely on emotions and without recourse to intellect. Najib is now under immense pressure internally through Umno and elite bargaining and externally through Perkasa.

Najib was brave to sanction two key documents, the Government Transformation Programme Roadmap (GTP) to address public sector reforms and the New Economic Model - part 1 (NEM-1) which provides ideas to reform the Malaysian economy. Importantly, the documents were an admission of guilt that the BN was the cause for Malaysia's decaying state. However, none of the documents have generated substantial debates.

On the contrary, instead of focusing on the evidence that Malaysia is failing as a nation, forces opposed to reforms - in the name of Malay rights - have threatened Najib explicitly not to undertake any reforms that "challenges or weakens Malay rights".

Najib is hoping that his strengthening public perception supported by his control of the government and patronage will allow him to manage the forces resisting change and eventually deliver on substantial economic and public sector reforms. This is highly unlikely as economic and public sector reforms will automatically weaken the patronage system and threaten the beneficiaries of the system.

Najib should instead begin reforms in all three spheres simultaneously. Najib must believe that public perception for him and BN will be all the stronger if he initiates these reforms as Malaysians want them. He can use the increased public support to outflank forces against him.

Najib to find supporters

Najib must also find supporters within and without his government to support his reforms - of which there are many. Currently, he is the only one in government carrying the message. Both the GTP and NEM contain excellent evidence of the dismal state of Malaysia and can provide focal points to discuss solutions intelligently - but it must be inclusive. Having buy-in sessions with only the forces resisting change will only weaken any momentum for reforms.

malaysians 050905 Najib should also highlight the weakness Malaysia suffers - especially to the Malay community - and explain the dangers of continuing this path. The Malay community must be convinced that the days of free lunches are over and that free lunches should only be provided to the poorest.

Furthermore, all should learn how to make or buy your own lunch. In return the government will provide adequate support to help Malaysians learn how to make or earn to buy their own lunches.

Finally, Najib should take on the opposition with ideas not with gutter politics. The test of an idea is best debated to identify its weakness and strengths. If Najib's ideas are good, it will stand the scrutiny of public debate. This is the hallmark of all great democracies.

Malaysia requires reforms in three key areas - civil, political and economic - for Malaysia to move towards a stable high income economy. Najib has focused only on the fringes of public sector and economic reforms. Without addressing the actual log-jams Najib's reforms will only be short-lived, possible to help him and BN win the next election and edge Malaysia closer towards a failed state.

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