

What Najib must do to survive
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Najib Abdul Razak takes over the prime ministership at a critical juncture in the history of his ruling party.

At the global front, Malaysia is battered by the worst crisis since the Great Depression. Domestically, Najib's Umno, and the coalition that it leads, Barisan Nasional, are at their lowest ebb, suffering a backlash from Malaysians fed-up with the blatant abuse of power from a regime that has ruled Malaysia since independence in 1957.

Najib realises that reform of Umno is critical for his survival. He watched how Abdullah Ahmad Badawi's fortunes turned from 'party hero', leading BN to the resounding victory in 2004 when Malaysians gave him the biggest mandate for an incoming administration ever to 'a failed leader' in the 12th general elections where the citizens punished him and BN for squandering that mandate and betraying the people's trust by not instituting the reforms that were required. He has since been booted out.

Najib knows that he will face the same consequence if he does not deliver victory for Umno. For all the promises of loyalty and the feudal mentality that pervades it, Umno nonetheless is ultimately driven by money and power.

Najib is aware of the following facts. BN only obtained 49 percent of popular votes in the Peninsular - Sabah and Sarawak saved the ruling coalition. Although BN won 140 of the 222 parliamentary seats, 54 of them came from these two states on the island of Borneo, confirming that politics there are not exactly tied to the Peninsular. Most importantly, the popular vote obtained by Umno in the Peninsular was 35.5 percent which was matched closely by the combined opposition votes of Anwar Ibrahim's PKR and Islamist party PAS.

This trend is also evident in that BN has lost all four by-elections in Peninsular Malaysia with a face-saving win in Sarawak. The three most recent by-elections were held simultaneously to weaken the opposition campaign strategy on April 7 - four days after Najib was sworn in as prime minister. BN lost 2-1.

BN campaigned on the platform of giving the new prime minister and his policy of 'One Malaysia, People First, Performance Now' a chance; it however did not resonate with the electorate. Even more worrying is that in all these by-elections, the opposition's winning margin increased over that in the general election despite BN training all its, and state, resources and machinery against the opposition.

BN's final claim to legitimacy

Najib also understands that Malaysia's economic fortunes are drifting downwards. Economic growth over the past 18 years has averaged just a little over 6 percent while the average growth since the East Asian financial crisis of 1997/98 has been only 4 percent. This is worrying as the performance has undershot all BN government targets.

In the Vision 2020 policy, economic growth was targeted at 7 percent per annum from 1991 to 2020 and in the Industrial Master Plan III, the target was 6.3 percent for the plan period

from 2006 to 2020, while the 9th Malaysia Plan (2006 -2010) sets the target for 6 percent.

While the reasons for Malaysia's sluggish economic performance are varied, the opposition and the electorate have successfully laid the blame squarely on BN's incompetency and corrupt practices. This, of course, has raised serious questions about the credibility of the BN government's ability to deliver on economic growth – BN's final claim to legitimacy.

The slowdown in the global economy has also made Najib's task more difficult as Malaysia, the third most open economy in Asia, relies heavily on international trade.

Furthermore, ever since affirmative action was introduced in a big way through the New Economic Policy (NEP) in 1970, the government has never had a balanced budget or surplus except for the period 1992–1997, interestingly when Anwar was finance minister.

Budget deficits have been the norm despite economic cycles and, since 1999, budget deficits have consistently exceeded forecast outcomes.

While federal government debt for the period 2000–2008 averaged at 42.6 percent of GDP is manageable, it is steadily increasing as revenues progressively fall due to limited sources of new growth areas, higher thresholds before individuals are taxed, increased exemptions from taxable incomes, depleting natural resources and mismanagement and wastage of public funds.

The ultimate Umno insider

Najib also realises that he comes with a heavy baggage. He is the ultimate Umno insider. He was ushered into politics on the death of his father at the age of 23, taking over his father's seat. The son of the highly respected second prime minister, Abdul Razak and the nephew of the third prime minister, Hussein Onn, meant that his path up the ladder in Umno was secured.

His tenure as Pahang menteri besar and the various ministries was lackluster. Most telling was his tenure as defence minister which was scandal-ridden with allegations of various shady defence deals, high number of death of Malaysian armed forces personnel while flying obsolete and poorly maintained fighter planes and helicopters (almost 90 military personal and civilian are reported to have died flying Nuri helicopters) and a National Service programme which has resulted in the deaths of 17 young Malaysians and culminating with the allegation of being linked to the murder of a Mongolian national.

With all these setbacks, Najib realises that the he must convince Umno and BN that the critical challenge to his and their survival is to deliver on economic growth and improve race relations by ending or at least tempering patronage politics and improving government efficiency, which had been the hallmark of the successful BN machinery of yesteryears.

Najib's policy slogan of 'One Malaysia, People First, Performance Now' may demonstrate that he (and Umno) is beginning to understand that although Malaysian remains a country with deep-rooted racism, Malaysians of all races, creeds and colours are increasingly doubtful about BN's continuing rule.

The BN-Umno's strategy of dividing the races has not worked in the same way as in years gone by. Voting patterns especially among the younger generation (those below 35) reveals the willingness of voters irrespective of race and social class to vote for opposition.

Najib may also realise that only substantive reforms will give him and Umno a serious shot at redemption. Immediately after becoming the prime minister, he released 13 individuals - including two Hindu Rights Action Force (Hindraf) leaders - held under the Internal Security Act (ISA) - a law that provides for detention without trial indefinitely.

Najib also revoked the suspension on opposition PAS and PKR organs hoping to influence the April by-elections. It however had no effect. Najib correctly pointed out after the defeat in the by-elections that BN had to 'shape up or ship out.'

Although 80 percent of Najib's cabinet comprises ministers from the previous Abdullah administration, it is unclear how his government will proceed in addressing the work that is needed given all the challenges Umno, BN and Malaysia is facing. But it seems highly unlikely that Malaysians will tolerate 'business as usual'.

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