

MALAYSIA

Abdullah Gains in Corruption Fight

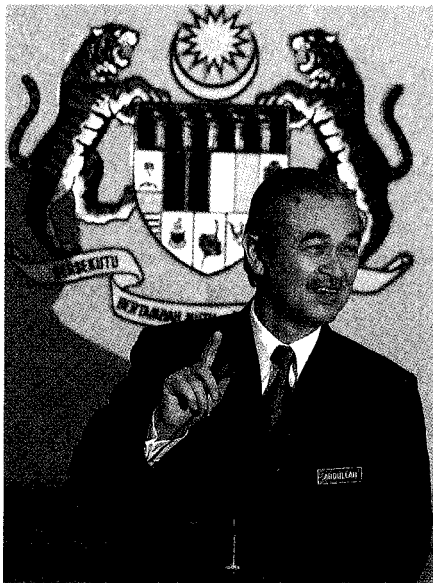
Prime Minister Abdullah has launched an anti-corruption campaign and by all indications he means business. It's a popular move, but with an election down the road, there are questions as to how far he'll go and whether his party will revolt

By Leslie Lopez/KUALA LUMPUR



THREE CHEERS: Abdullah's supporters rally in Penang

Jimin Lai/AFP



From left to right: Teh Eng Koon/AP; Reuters; Jimin Lai/AP

THE HUNTER AND THE HUNTED: Abdullah (*left*) and two men charged with corruption, Kasitah Gaddam and Eric Chia

WHEN PRIME MINISTER Abdullah Ahmad Badawi began talking about combating corruption in the first weeks of his premiership, sceptics dismissed it as sloganeering ahead of national elections.

Now, as businessmen and politicians struggle to come to grips with the arrests in February of a prominent businessman and a sitting cabinet minister on charges of corruption, the talk in Kuala Lumpur is about who may be next.

Never before have Malaysia's clubby corporate and business establishments been so much on edge. Long used to gentle raps on the knuckles for corporate malfeasance, businessmen and politicians are realizing that Abdullah means business. "Everyone with a skeleton is feeling the heat," says a senior Abdullah aide.

The aide says the anti-graft drive is continuing and more high-profile cases, including charges against several senior politicians, can be expected in coming months. The drive is all the more contentious as Abdullah's new administration heads into general elections widely expected to be called soon.

The question remains whether the vested interests within Abdullah's own ruling United Malays National Organization, or Umno, will lash back, or be silenced by the threat of recrimination. Long accustomed to patronage in the form of contracts and licences from the government

in return for political support, the warlords of Umno could work against the party in the coming elections.

Some political analysts also believe that a poor showing in crucial ethnic Malay-belt states, such as Kedah, would seriously hurt Abdullah's prestige in Umno, or even worse, open him to a challenge for the presidency when the party holds its own elections later this year.

Aides and key supporters of Abdullah acknowledge that their boss is walking a political tightrope. But they say that the strong public support for the anti-graft drive strengthens Abdullah's hand as he heads for the polls.

Some opposition politicians agree. "The new PM's anti-corruption drive is populist and is making it very difficult for us this time around," says Lim Kit Siang of the Democratic Action Party.

In the elections in 1999, opposition parties made strong showings on the back of public anger over the jailing of charismatic former Deputy Premier Anwar Ibrahim. This time, analysts and opposition leaders say, sentiment is turning in favour of the government, particularly because of Abdullah's reform policies.

The corruption charges against Eric Chia, who once headed the national steel company, Perwaja Steel, and Land and Cooperative Development Minister Kasitah Gaddam, have shown that Abdul-

A CAMPAIGN GAINS STRENGTH

- In Abdullah's campaign against corruption, a top businessman and a cabinet minister have been charged
- Officials say more investigations are under way, and the message is that Abdullah means business
- General elections are widely expected to be called in the next month
- It remains to be seen whether the old guard in Abdullah's own party will lash back or remain silent because of the threat of recrimination

lah is serious about his anti-corruption drive, say the premier's supporters.

Government officials say that the Anti-Corruption Agency is completing investigations into 18 cases and that Kuala Lumpur is likely to file more corruption charges against some high-profile ►►

THE REGION



personalities, including government politicians, in coming months.

The prospect of more charges has unnerved much of corporate Malaysia, where the wheels of commerce have long been greased by kickbacks. In Transparency International's annual corruption-perception index, Malaysia ranked 37th in 2003, below Italy and Kuwait.

Abdullah has also pushed for reform in the police force through the establishment of a Royal Commission. That and the new-found conservatism in government expenditure through the shelving of large projects is making it tough for opposition leaders to attack the government. All of this, say analysts, should help the

National Front, the Umno-led ruling coalition government, coast to an easy victory in the urban areas dominated mainly by the country's ethnic Chinese.

Abdullah's key challenge will be in the Malay heartland, five northern and eastern states in Peninsular Malaysia where Umno suffered a substantial erosion of support. According to an Umno-sponsored analysis of the last general election, the party won only 12 of the 40 parliamentary seats where Malays comprise more than 80% of the electorate. Umno's poor showing helped the Islamic opposition Parti Islam Se Malaysia (Pas) to retain northeastern Kelantan state and capture neighbouring Terengganu. The

other three Malay heartland states of Pahang, Perlis and Kedah also saw Pas make sharp inroads.

In the coming elections, Umno officials say the best they can hope for is to cut Pas's margin of victory in Kelantan and Terengganu. While the ruling party is confident of sidelining Pas in Pahang and Perlis, Umno officials concede that they will have to work hard in Kedah, where Pas plans to mount a big onslaught.

Senior Umno officials say that the party plans to counter the Pas challenge by introducing new faces. "Seventy percent of the candidates in Kedah will be new faces to go with the new clean image Abdullah is projecting," says a senior Umno official

THE POWERFUL ARE REALIZING THE SERIOUSNESS OF THE CORRUPTION CAMPAIGN. NEVER BEFORE HAVE MALAYSIA'S CLUBBY CORPORATE AND BUSINESS ESTABLISHMENTS BEEN SO MUCH ON EDGE

involved in drafting the list of candidates for the upcoming election.

Pas officials privately concede that Umno's strategy to field new and younger candidates could pose problems for the party, which has long tapped the well-spring of discontent in the Malay heartland over corruption in Umno and the leading party's reluctance to pursue a tougher Islamic agenda.

But they note that by bringing about sweeping change in candidates, Umno also runs the risk of upsetting the party's old guard, who could work against the party at the upcoming polls. "All we need is a 5% swing in the votes, and Umno could deliver it for us," says a Pas official in Kedah.

That may be true. But several Umno leaders and private analysts counter that

Abdullah has the upper hand. They note that the premier's anti-corruption drive will allow him to easily carry out the changes in the candidate list. And as for the party warlords who could pose problems, "many of them were involved in some sort of shady deal and there are files on them," says a senior Umno official close to Abdullah. "The threat of prosecution should be enough to persuade them to toe the line." ■