

Newspaper	The Economist
Date	5 March 2016

Malaysia's prime minister

## The Najib effect

*The Economist - 5 March 2015*

Not only Malaysians should be worried about rotten politics and a divisive prime minister



ONE of South-East Asia's richest and hitherto most stable countries, Malaysia ought to be a beacon. Its constitution is liberal, and its brand of Islam generally tolerant. Its diverse, English-speaking population, combining ethnic Malays, Chinese and Indians, gives it zest and vim. Yet under the prime minister, Najib Razak, the country is regressing at alarming speed. Its politics stinks (see page 19), its economy is in trouble, and there are worrying signs that the government is not above stirring up ethnic and religious divisions.

For the past year allegations of corruption have swirled around Mr Najib. They centre around hundreds of millions of dollars that made their way into his bank accounts before the most recent general election, in 2013 (see page 20). Investigators are looking into whether the money is linked to a troubled state investment firm, 1MDB, whose advisory board Mr Najib chairs. He denies wrongdoing. His attorney-general has ruled that the money was a legal donation from an unnamed Saudi royal, and that much of it has been returned.

For Malaysians, the precise nature of what happened is not the main point. Mr Najib presented himself as a liberal out to remake the sleazy system of money politics by which the ruling United Malays National Organisation (UMNO) has held

10 Leaders

The Economist March 5th 2016

power since independence. He was to open up a crony economy. And he was to do away with repressive colonial-era laws, such as that for sedition.

Now Mr Najib's credibility is in tatters. Facing inquiries around 1MDB, he has engineered the retirement of a pesky police chief, replaced an attorney-general and promoted members of an inquisitive parliamentary committee into the cabinet, where they can do less harm. Far from loosening colonial laws, the government is wielding the sedition law with new zeal. It is blocking news websites and hounding opponents (the opposition leader, Anwar Ibrahim, is in prison on charges of sodomy). Even yellow T-shirts have been outlawed since citizens protesting against corruption took to wearing them. The more Mr Najib cracks down, the more he alienates those who were once inclined to support him.

Foreign investors and others should be worried. The government is floundering in its responses to a sharp slowdown in the economy and to a falling currency. Cheap oil has hurt Malaysia, but its wretched politics will hold it back more in the

long run. The government is now using dog-whistle politics to appeal to its ethnic-Malay, Muslim base, and is refusing to distance itself sufficiently from Islamists seeking the introduction of harsh *sharia* punishments. Pro-government bigots in the street have told ethnic-Chinese Malaysians to "go back to China". This is dangerous. Malaysia has seen race riots before, and could see them again. Nearby Singapore, with its different mix of the same ethnic groups, should also be alarmed.

### 1 Massive Development Balls-up

Malaysia's problems run deep. UMNO is out of ideas and seems incapable of rejuvenating itself. The fractured, rudderless opposition does not have the winning combination to overcome UMNO's gerrymandering and harassment. And the next election is anyway still two years away. Restoring confidence will be tricky. But for as long as Malaysia is governed in the style of Mr Najib, ordinary Malaysians will suffer and their country will be deprived of the standing that it surely deserves in the world. ■