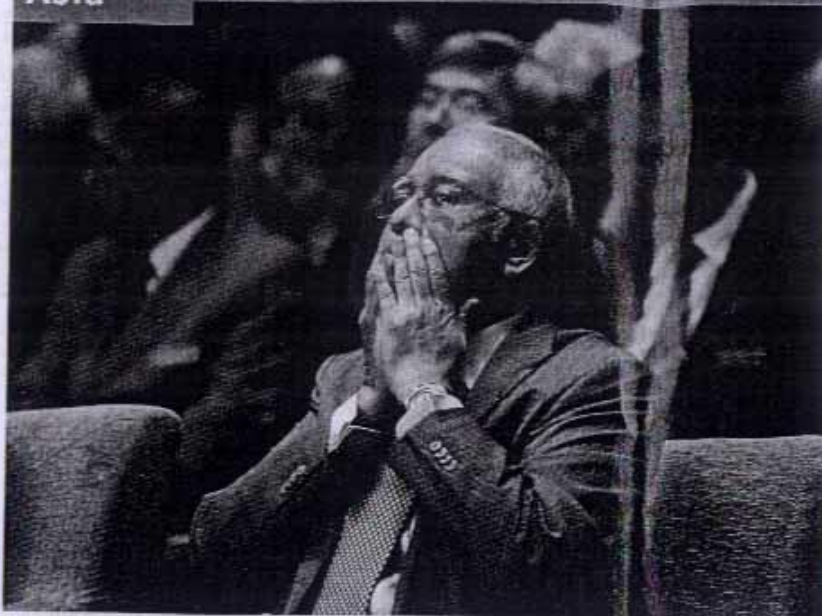


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Malaysia's scandals

## The art of survival

The Economist - 5/3/2016

KUALA LUMPUR

As Najib Razak digs in, disillusion among Malaysians grows

ONLY standing room is left at the civic hall in Petaling Jaya in the western suburbs of Kuala Lumpur, Malaysia's capital. Inside 1,000-odd middle-class Malaysians have gathered to consider the fallout from a corruption scandal that has buffeted the country since July. "The whole world is laughing at us," says a retiree watching from the back rows.

At the heart of the scandal are hundreds of millions of dollars that for unclear reasons entered bank accounts belonging to the prime minister, Najib Razak (see next story). You might think such a revelation would unseat Mr Najib and spell ruin for his United Malays National Organisation (UMNO), which has held power since independence. Instead, Mr Najib appears to have strengthened his grip, by purging critics within the cabinet and police. On February 29th the grand old man of Malaysian politics, Mahathir Mohamad, stormed out of the party in disgust. Dr Mahathir was prime minister for 22 years until 2003 and was once a fan of Mr Najib. No more.

Across the country, dissidents are feeling nervous. Last year at least 15 people, mostly dissenters in politics and civil society, were charged under a noxious colonial-era sedition law that Mr Najib had once promised to repeal. In late February authorities blocked one of Malaysia's most popular news websites hours after it reported that not all Malaysia's graft-busters

are convinced that the prime minister has committed no crime. A new anti-terror law entitles the prime minister to nominate broad "security zones" in which police powers may be extended—a handy tool for crushing protests, critics say. The attorney-general is mulling stiffer sentences, including caning, for people who leak government secrets.

It has all appalled many urban and professional Malaysians. It has also made stars of the government's most vocal critics. At the forum in Petaling Jaya, fans seeking selfies crowd around Tony Pua, an opposition MP whom police have banned from leaving the country; at dinner afterwards people at neighbouring tables insist on paying for his meal.

Malaysia is "essentially two countries", says Ben Sufian, a pollster. Outrage is widespread in the cities, with growing numbers of young, liberal ethnic-Malays as well as most of the ethnic-Chinese and ethnic-Indian minorities who make up about a third the population. It is rarer in UMNO's rural heartlands, where apathy is rife and where the party is trusted to defend racial laws designed to give the ethnic-Malay majority a leg-up.

Over the decades this rural voter base has helped keep UMNO in power. Indeed party leaders have been more concerned to protect themselves from challenges from within UMNO. Loyalty is prized over

ability, while patronage and convoluted party rules discourage upstarts. Mr Najib has been playing the system more ruthlessly than many imagined. Recent sackings of subordinates have sent a signal about who is boss.

It is surely a relief to UMNO that Malaysia's opposition has mostly bungled its chance to make hay from the affair. It had formed a loose coalition of three parties, reliant on an unlikely peace between two of them, a secular ethnic-Chinese outfit and a devout Malay-Muslim one. The opposition won the popular vote in a general election in 2013 but fell short of the number of seats required to take power because of gerrymandered constituencies. Yet rather than regroup and build momentum for the election that is due by 2018, it has been consumed by bickering. When tens of thousands of Malaysians rallied last August to demand Mr Najib's resignation, they did so not under the banner of any political party but at the request of Bersih, an unaligned group that has long campaigned for clean politics and electoral reform.

### Rock solid, or rocky?

Some people assert that Mr Najib's hold may be shakier than it appears. Even in the countryside, worries about the economy have made the prime minister unpopular. Low oil prices have damaged Petronas, the state oil firm, slashing the amount of money the government can pour into development projects. A new sales tax has increased prices for many everyday items, while a slump in Malaysia's currency, the ringgit, which has fallen by more than a fifth in the past 18 months, has put many imports out of reach. It all helps make some poorer Malays more susceptible to populists painting ethnic-Chinese and ethnic-Indian Malaysians as rent-seeking in- ➤