

Malaysia Election Around the Corner?
Asia Sentinel
January 12, 2012
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With Sodomy II out of the way, look forward to March polls -- maybe or maybe not

With the Sodomy II trial of opposition leader Anwar Ibrahim now out of the way, it is probably time to start thinking seriously about Malaysia's 13th general election, which most observers -- but not all -- believe will be called in March, during school holidays when the classrooms are empty.

Despite euphoria on the part of the three-party opposition coalition, the end of the trial doesn't mean that Anwar's troubles are over. One political observer in Kuala Lumpur told Asia Sentinel that the United Malays National Organization, the lead party in the ruling national coalition, will probably do its best to discredit him in other ways.

Although he was declared not guilty, the image of the opposition leader as a sexual deviant has probably been planted in a lot of Malaysian minds. Mohd Saiful Bukhari Azlan, Anwar's accuser, appears to have no intention of going away. He has asked the attorney general to appeal the acquittal and is tweeting and texting his outrage and innocence to anyone who will read them. UMNO could well put him on the trail to demand denied justice at every campaign stop.

However, Umno and Prime Minister Najib Tun Razak carry plenty of baggage of their own. A long series of scandals within the party bear the hallmarks of being pushed by various Umno factions to cripple each other. That isn't to say the snap poll won't come off. But there are headwinds. The party held its annual general assembly in December and was expected to come out fighting. There was plenty of harsh rhetoric that made it sound as if Umno is besieged on all sides by threatening foes from both inside and outside the country – particularly from Christians, and particularly Chinese ones.

Najib himself concluded the conclave by pounding the war drums in stark terms, outlining a dark future if the opposition were to win, saying that: "This is the fate that will befall us if Umno loses power. Who will uphold the symbol of Islam? Who is capable of protecting the rights and agenda of the Malays? Who will continue to honour our Malay rulers?"

Massive scandal derails party conclave
Almost simultaneously with the annual general assembly, however, Umno found itself in a massive scandal involving the family of Shahrizat Abdul Jalil, the head of Wanita Umno, the women's wing of the party and minister for Women, Welfare and Community Development. It has been impossible to wish the scandal away as a ploy by the opposition because it was exposed in September by Malaysia's Auditor General.

As some observers have pointed out, it is also damaging because it involves agriculture, and particularly cattle – something Umno's rural constituency can understand in all of its ominous implications. The matter involves the National Feedlot Corporation, which was given RM250 million (US80 million) in a government soft loan and was established to slaughter as many as 60,000 cattle a year by halal, or religiously accepted, methods.

However, NFC has never slaughtered 10 percent of the projected total and has since scaled back its target to 8,000 head but hasn't been able to meet that target either. The agreement to establish the company, made when Abdullah Ahmad Badawi was prime minister, was okayed by Muhyiddin Yassin, the agriculture minister at the time and now the deputy prime minister.

None of Shahrizat's family had any experience in cattle production or beef supply prior to the establishment of the company. It appears that much of the money—as much as RM131 million -- was poured into things that had nothing to do with feeding cattle but instead into cars, condos and travel, among other things.

The matter has been seized upon with a good deal of glee by the opposition. One Malay businessman source said “there may be other revelations as to how the money for cattle was used which may implicate the number 2 guy.” That is Muhyiddin Yassin, the deputy prime minister. “This thing has been a lifeline for the opposition who are sitting on a thumb drive full of info which they are revealing in bits and pieces,” he said.

Intermixed with this are reports that both Muhyiddin's and Najib's private secretaries have been accepting funds of at least RM10,000 per month from private parties for reasons that are unclear. The allegations against each – complete with pictures of checks -- are suspected of having been leaked by the Muhyiddin and Najib factions against each other. There reportedly is yet another massive scandal waiting in the wings, involving hundreds of millions of dollars in connection with the Iskandar project in Johor across the strait from Singapore. Documents are believed to have been made available to the Malaysian Anti-Corruption Commission that are said to implicate former lieutenants of former Prime Minister Abdullah Ahmad Badawi.

Some sources have said the Shahrizat matter and shortcomings by other ministers argues for a cabinet reshuffle prior to any election. Certainly, Shahrizat is expected to be dropped as a candidate in the next election, whenever it is to be held, and that probably her husband will be charged at some point.

Continuing allegations of corruption have cost the country four places in Transparency International's Corruption Perceptions Index, dropping it to a still relatively respectable 60th. But it is the third straight year the country has slipped in the perceptions index – all three occurring on Najib's watch. Although the mainstream media, all of which are owned by the component parties of the Barisan have tended to downplay the corruption reports, it is estimated that 41 percent of Malaysians now have access to the Internet – and a huge flock of opposition bloggers and websites, some of which, such as Malaysian Insider and Malaysiakini, are very professionally produced, and which pull no punches on reporting corruption and government mismanagement.

Part of the problem for Umno, a party source says, is getting divisional warlords to make way for winnable candidates in races that have become competitive now that the opposition Pakatan Rakyat coalition has become a genuine movement rather than a ragtag group of parties cobbled together by Anwar. These are old hands that refuse to give away to younger, more attractive and educated candidates.

It is a longstanding problem borne out by the fact that Rais Yatim, the information minister and an Umno Supreme Council member, said after the December conclave that

those not selected must refrain from sabotaging the party. It is significant enough that the Mahathir wing of the party is contemplating demanding that party members sign a loyalty oath. A Penang district member, Musa Sheikh Fadzir, proposed the establishment of a General Election Disciplinary Committee to take action against those who go against the party in the upcoming polls.

Added to this are concerns that the party isn't appealing strongly enough to young, urban Malays, turned off by infighting and corruption, who have been drifting towards Parti Islam se-Malaysia, or PAS, which has rebranded itself as a secular party, and to a lesser extent to Anwar's Parti Keadilan Rakyat.

According to the Nielsen rating agency, Malaysia's highest Internet usage is recorded among the young -- of people aged 20-24: 57 percent use the Internet regularly, spending an average of 22.3 hours online per week. Despite considerable publicity in recent weeks over a demand that the party return to its Islamic roots by former executive committee member Hasan Ali and his confederate, Nasharudin Mat Isa, a former PAS deputy president who was supplanted by the new moderate team, other sources say the party remains perhaps the most disciplined in the three-party opposition.

The biggest of the three opposition parties, PAS is continuing to work to appeal to urban voters. It is a dramatic illustration of the change in Malaysian society. According to the CIA World Factbook, 72 percent of the country's 28.7 million people are now living in cities. Although Malays make up the preponderance of the other 28 percent, the rural roots of both Umno and PAS are vanishing -- at an annual rate of 2.4 percent. Agriculture now comprises only 13 percent of the workforce, with industry, 36 percent, and services, 51 percent, making up the rest.

As evidence of the racial divisions in the country, a poll by the Merdeka Centre taken last year said 61 percent of ethnic Malays believe the country is going in the right direction as opposed to only 31 percent of Chinese. Ethnic Indian approval of the way the country is going, at a high of 66 percent, has fallen dramatically as well, to 39 percent despite Najib's assiduous efforts to woo Indians back to the fold.

Najib, Rais Yatim and others have pointed to the decision to acquit Anwar as evidence of the Malaysian judiciary's independence, which is probably stretching the truth considerably. However, Umno and its leaders have been touting reforms of the hated colonial-era Internal Security Act, which allows for the indeterminate jailing of anyone the attorney general considers to be subversive, amendments to the Printing Presses and Publications Act and election law cleanup as well as other liberalizations as a step towards a new Malaysia.

Opponents regard these changes as cosmetic. The ISA is likely to be replaced by something akin to the Patriot Act, which was jammed through a panicked US Congress in the wake of the 9/11 attacks on the World Trade Centre in New York and the Pentagon in Washington, DC.

The government appears to have shot itself in the foot with the passage by the Dewan Rakyat, or parliament, of a Peaceful Assembly Act that opposition lawmakers, human rights activists and the country's lawyers say was about as bad as the law it replaces as

it bans street demonstrations and requires assemblies, meetings and processions to be held only on designated compounds.

Whatever strength Najib has within Umno and whatever hold Umno has on the ethnic Malay electorate, the Barisan Nasional appears almost certain to have to simply write off the Chinese vote, and perhaps an unknown portion of the urban Malay and Indian vote as well. According to one analysis, overall 50 percent of parliamentary seats are Malay majority, 25 percent are Chinese majority and mixed seats i.e. seats in which no ethnic group has a majority, 25 percent are from the east Malaysia states of Sabah and Sarawak. To win Putrajaya, either the Barisan or Pakatan Rakyat must secure at least half of Malay majority seats -- 25 percent of the total parliamentary seats. For the Barisan, the winning formula is: 25 percent Malay majority seats, 5 percent Chinese or mixed seats and 20 percent from Sabah and Sarawak. For Pakatan, the winning formula is: 25 percent Malay majority seats, 20 percent Chinese or mixed seats and 5 percent from Sabah and Sarawak.

The other Barisan component parties are in considerably worse shape than Umno. The nearly moribund Malaysian Chinese Association is enmeshed in a scandal over the development of the Port Klang multimodal port facility, which has the potential to cost the country RM13 billion if all loan commitments are to be met. There is also hand-to-hand combat among leadership factions. In addition Chua Soi Lek, the head of the party, has been repeatedly taken to task by Malay supremacists such as Ibrahim Ali and his NGO Perkasa, which has the tacit backing of former Prime Minister Mahathir Mohamad, further disenchanting ethnic Chinese, who make up 23.7 percent of the population. They appear to have abandoned the party wholesale for the Democratic Action Party, which has been termed a Chinese chauvinist party.

Although East Malaysia appears solidly in the Barisan camp, if the state election held in Sarawak held on April 16 is any harbinger, the results indicate a clear abandonment of the Barisan by Chinese voters. The Chinese-based opposition Democratic Action Party won 12 of the 15 seats it contested, doubling its share of seats in Sarawak since the 2006 state elections. Parti Keadilan Rakyat, led by opposition leader Anwar Ibrahim, won three seats, including a rural one.

Thus the outcome appears to depend on how much PAS, having abandoned its Islamic goals, can make inroads among the Malay population, and particularly the urban Malay population. That 72 percent urban preponderance starts to look interesting indeed.

Many observers believe the most likely scenario is a Barisan win, but the historic two-thirds majority in parliament, which allowed the Barisan to dictate the country's political and governmental agenda, is likely gone for good.

That doesn't mean the opposition is faring much better. Pakatan Rakyat coalition continues to be beset with defections and arguments between the three component parties.

One of the things militating for an early election is increasingly dour economic forecasts. Second-half gross domestic product growth edged lower to 4.0 percent year-on-year as domestic demand weakened. By sector, according to the Malaysia Economic Institute of Research, services (6.3 percent growth) and manufacturing (2.1 percent) were the main

growth engines. MEIR expects growth momentum to moderate as exports weaken on lacklustre performance by its main export partners, principally the United States. For 2012, MIER has revised its GDP growth forecast downward to 5.0 percent. Other research analysts, more pessimistic, put growth at 4.4 percent.

Although inflation seems relatively tame at a forecast 3 percent, Malaysia's tripartite growth model, two segments of which are manufacturing and commodities and both directed for export, will be hit by what appears to be an almost certain 2012 economic downturn in Europe and sub-par growth in the United States barring some miracle. That leaves just fiscal pump-priming and the public sector economy to maintain growth. Federal government net borrowing is already forecast at RM45.1 billion for the full year of 2011 and RM43.6 billion in 2012. Najib has produced an election budget with some goodies for everybody but particularly the country's ethnic Malays, including 1.3 million civil servants, one of the highest civil servants-to-population ratios in the world – the preponderance of them ethnic Malays. Civil servants will be offered tuition assistance for part-time studies

Other goodies include abolishment of payments for primary and secondary education, a "commercialisation innovation fund" to help out SMEs, a RM2 billion "shariah-compliant" financing fund for SMEs to be managed by selected Islamic banks – another bone thrown to Malay businessmen – as well as a review of capital gains taxes on property to stabilise the property market.

Najib and his troops have been hitting the campaign trail assiduously. But whether that means an election is imminent remains to be seen. Mahathir, the party's stormy petrel, counsels waiting until all of the ducks are lined up. But he also counsels that the Barisan keep up the pressure to make the opposition believe the national polls could happen sooner – forcing them to spend money, time and energy to try to keep up with the government parties.

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