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Malaysia

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The twelfth general election in Malaysia's history, concluded on 8th March, has changed the political landscape of Malaysia.

For the 50 years since independence the country has effectively been a one-party state, thoroughly dominated by the BN (National Front) communal coalition governments. Many have called the election a 'political tsunami'. The huge wave of widespread discontent against the BN government in peninsular Malaysia (excluding East Malaysia - Sabah and Sarawak) has led to the biggest setback for BN ever in its history.

Historic victory for the opposition

The BN won just 50.6% of the overall popular votes, but in peninsular Malaysia, it actually, though narrowly, lost the popular vote. There was around a 70% turnout for up to 11 million registered voters. For the first time since 1969, the BN lost its iron-clad 2/3 majority in parliament by winning only 140 out of 222 seats in parliament. Although it still holds a 63% majority, this is the lowest ever by Malaysian standards. This, however, would prevent the BN from amending the constitution or enacting important laws in parliament freely at will.

On the other hand, the opposition parties which comprise the PKR (People's Justice Party), the DAP (Democratic Action Party) and PAS (Islamic Party of Malaysia) won 82 seats in parliament compared to 20 seats in the 2004 election. Furthermore the BN also lost control of four states - Penang, Selangor, Perak and Kedah - that have been strongholds for it in the past. Penang and Selangor are the wealthiest states where powerful multinational companies such as Dell, Intel and Motorola and the biggest commercial and financial entities are operating. Together with Kelantan, which was the only state in opposition hands before the elections, the opposition parties now control five out of thirteen states, which is unprecedented. The opposition also made significant breakthroughs in other states such as Negeri Sembilan, Johor and Melaka which were considered BN bedrocks. The opposition also cap-

tured Kuala Lumpur, the capital of Malaysia, winning 10 of its 11 seats in parliament.

Even though, the elections have not totally broken the mould of Malaysian politics as it has existed since independence, the scale of the setback for the BN coalition of race-based parties raises prospects for the country to shift away from race-based coalition politics practiced by the BN, involving UMNO (United Malays National Organization) for Malays, MCA (Malaysian Chinese Association) for Chinese, and MIC (Malaysian Indian Congress) for Indians. The BN has provided stability for a free-market economy but become little more than a stooge for foreign and national capitalists that has failed to respond adequately to the fundamental needs of the majority in society.

Growing popular discontent

The 1999 election, which took place after the massive 'reformasi' movement, had given the biggest hope ever to replace the BN government or to deny the 2/3 majority held since 1969. The power struggle in UMNO between Mahathir and Anwar (then the Deputy Prime Minister) which led to the imprisonment of Anwar, triggered the massive movement mainly participated in by Malay youths and students. The issue revolved around injustices meted out by Mahathir on Anwar and the autocratic nature of Mahathir's regime and his government apparatus, especially the police and the judiciary. However, the 'reformasi' movement had not attracted the Indians and Chinese much, as they saw the 'reformasi' movement as a crisis of leadership in the Malay population. With Mahathir's success in pulling the country out of devastating economic turmoil of 1997, the BN government won a 2/3 majority comfortably, mainly through Indian and Chinese votes, though the majority of Malay votes swung to the opposition.

All this time, the BN government has utilised the mixed racial composition and racial sentiments to its advantage to win elections, especially in most of the constituencies which are racially mixed. If UMNO was in crisis

and lost the support of Malays as happened in 1999, they would exploit the MIC and MCA by stirring up racial sentiments to maintain the support of Indians and Chinese to achieve a majority and vice versa, if the MIC or MCA were in crisis.

Abdullah replaces Mahathir

When Abdullah Badawi came to power in 2003, after 23 years of the autocratic regime of Mahathir, he vowed to eliminate rampant corruption, the patronage system and misuse of power that had been institutionalised by the Mahathir regime. He also promised to streamline the functioning of the government to fulfill the fundamental needs of the people. As a personal vote of confidence in him and an endorsement of his vision of Malaysia's future, the people overwhelmingly gave him a strong mandate in the 2004 general election. The BN gained more than 90% of the seats in parliament, which was unprecedented.

However, since the election, corruption and mismanagement of funds became more widespread in every part of the government apparatus from the police to the judiciary. Abdullah was weak in confronting the national capitalists and the UMNO political elites who have been enriching themselves by maintaining the status-quo. This enraged ordinary people who were seeing the government as taking the people's trust of them for granted. The anger over the government turned greater when the government failed to control the fuel prices and inflation generally as well as escalating crime in urban residential areas. Despite that, the racial bias of the BN, led by UMNO, against non-Malays created further dissatisfaction among Chinese and Indians.

These frustrations of the Malaysian working class as well as middle class were strongly expressed in two big rallies last November. The first was led by BERSIH (a coalition for electoral reform) that attracted more than 40,000 dissidents. Most were Malay working and middle class who were supposedly there to express dissatisfaction against vote-rigging. But it was used by the majority to express their resentment over government policies that increased living costs and crime rates.

The second demonstration was led by HINDRAF (a coalition of Indian NGOs and professionals) that attracted around 30,000 people, mostly Indian working class youths, to express the marginalisation of Indians in education, employment, religious practice and other things. The anger of Indians was further infuriated by the arrest of five HINDRAF leaders under the Internal Security Act (ISA), that could confine them without trial for two years. Meanwhile most of the Chinese, who are middle class as well as small or medium business people, though passive in expressing

their feelings openly, were dissatisfied with government pro-Malay policies as well as its racial bigotry.

Government's economic policy

The BN government, with its manifesto 'Security, Peace and Prosperity', had also failed to convince the people in the key area that has been the backbone of its legitimacy - economic performance. The government claimed that the economy is growing at around 6%, has nearly full employment, more than US\$100 billion in foreign exchange reserves and a record US\$13.7 billion in foreign investment, but inequality is rising sharply and increasing inflation is the highest since the early 1970s. As a result of that, the ordinary people - notably the working and middle class in the urban and suburban areas - are feeling the pinch. The erosion of the BN electoral base in rural constituencies shows that, even though high commodity prices for rubber and palm oil have brought wealth to the rural areas, it is not keeping up with rising costs. The recent holidays of Hari Raya, the Chinese New Year and Deepavali were noticeably less lavishly celebrated by people than before - a real sign of economic difficulties. Wages have dropped relatively and those working in the manufacturing and service sector make barely enough to survive. Unemployment among younger people also remains very high.

Contrary to previous elections, this year's one has managed to unify different races in significant numbers, over common issues that have affected everybody and on the need for change. All these grievances, as well as the rampant corruption and mismanagement in the BN government, set the political tone for the opposition parties for the twelfth general election.

Opposition's multiracial appeal – reforms and the welfare state

The BA (Alternative Front) was formed to contest the 1999 elections to confront BN hegemony. Initially the BA was comprised of the PKR, DAP and PAS. The DAP, which insists that Malaysia should remain a secular state, left the coalition after the 1999 general election because of its intolerance with the PAS position of an Islamic State. The three parties have different perspectives and approach in Malaysian politics, but all three support free market capitalism.

The left-of-centre DAP with its slogan 'Malaysia for Malaysians' considers itself as a multiracial party, but since its emergence it has been dominated by Chinese. It has been seen suspiciously by Malays mainly because it focuses on Chinese majority constituencies. PAS, since 1990, has ruled Kelantan, the Malay majority state which is relatively backward with rural

agriculture as the main economic activity. Although PAS portrayed that non-Muslims are treated fairly in the state, its conservative measures, such as banning unisex barbers and introducing single-sex tills in supermarkets in Kelantan, displeased the non-Muslims as well as secular Malays. However PAS, which has been identified with Islamic state and Hudud laws, has toned down its conservative approach in order to woo the support of Indians and Chinese. Nevertheless, the PAS policies that are based on Islamic teachings are still being seen by non-Muslims as a threat to their religious freedom. The PKR, a multi-ethnic liberal reform party, emerged from the 'reformasi' movement and has tried to move towards a multiracial party. Though in the initial stages it only managed to attract disgruntled UMNO members to its fold, in the latter period more non-Malay middle class and professionals joined the party.

Since his release from prison in 2004, Anwar Ibrahim has vowed to strengthen the PKR, which won only one parliamentary seat in the 2004 election, and to establish formidable opposition coalitions to counter the BN. Since then he has been seen as the opposition's leader and has been engaging with DAP and PAS to outline common strategies for opposition. They also managed to reach an agreement to avoid any election contest among them and went for 1 to 1 contests with the BN.

The opposition parties which have all this while been identified either as racial or religious parties, have been alerted to people's desire for change, especially after the BERSIH and HINDRAF rallies at the end of last year, to woo multiracial support to gain more seats. Strong anti-government feelings have developed since last year, with many people seeing the BN government as powerless in controlling the price hikes, arrogant, disrespectful, dishonouring the people's mandate and corrupt. The opposition has capitalised on these general feelings for change with a reform and populist agenda as the alternative. The PKR, DAP and PAS formulated their respective manifestos - 'New Dawn for Malaysia', 'Malaysia Can Do Better: Just Change It!' and 'Welfare State and Fair, Clean and Honest Government' - to address people's grievances and to present them with alternative solutions.

The reformist ideas advocated by Anwar re-emerged again in this election after they had been lost following the failure of the 'reformasi' movement in 1998 to overthrow the Mahathir regime. The PKR claims that the fuel price can be lowered and minimum wages can be fixed at 1,500 Malaysian ringgits. PAS put forward the idea of the 'Welfare State', instead of the 'Islamic State' it had advocated in previous elections, to garner support from Indian and Chinese voters as well as secular Malays. It proposes a free education and free health system, among other things. The

DAP vowed to re-introduce council elections which had been abolished by the BN in the 1960s.

The opposition parties also campaigned on a platform of affirmative action for all in need, not for a particular ethnic group. In the past this would have been deemed electoral suicide. With the growing wealth gap between poor and rich Malays, many seem to have recognised that the affirmative, pro-Malay measures of the BN's New Economic Policy have become less a means for redistributing wealth to the disadvantaged than a vehicle for corruption and cronyism.

However, none of these parties is willing to touch free market capitalism that has been pushing the BN government to ignore the fundamental rights and needs of society. All of these opposition parties have unanimously stressed that they would present a better business-friendly environment for free market activities than what has been offered by the BN.

Many people have not been fully convinced by the opposition's policies, but, because the pent-up feelings and frustrations are so high towards the BN and have become unbearable, they are willing to vote for opposition candidates regardless of what race or religion they belong to or what politics they represent. Many Malays voted for the DAP and, many Indians and Chinese voted for PAS – something which was unthinkable in the past.

The BN parties, in spite of their 'Three Ms' - Money, Media and Machinery – handing out election goodies and promises, could not mollify the people's resentment. On the other hand, many ordinary people gave solid support to the opposition by offering to be volunteers in their campaigning work. Thousands of ordinary people thronged to opposition rallies to listen to opposition leaders' speeches and willingly donated money to fund the opposition election campaigns. The HINDRAF supporters, with their slogan 'People Power', campaigned for the opposition parties regardless of their policies with the only aim of ousting the BN from government.

The hope for change has transcended the scare stories and fears engendered by government propaganda. In spite of the BN's warnings that race riots like those of 1969 could be repeated if the BN status quo was not maintained, many just ignored them and voted for the opposition. (In 1969 when the opposition denied the BN a 2/3 majority, the BN incited bloody race riots between Malays and Chinese in which hundreds of people died. The BN government used the racial riots as an excuse to form an emergency government under its control.) There was also widespread vote-rigging, vote buying, harassment as well as gerrymandering in this election which have denied the opposition more seats.

However, this election has to some extent united a racially divided society for a common goal and given confidence that, with united force, they have the power to change the status-quo. The election results also shattered the belief that BN hegemony could not be broken and opened possibilities for opposition parties to gain more ground or even rule the country.

BN hegemony undermined

Voters have turned against Abdullah Badawi and the BN because they are seen as having failed or, worse, as not having even tried hard. With the biggest setback for the BN, Abdullah's tenure as Prime Minister could be short-lived. Many people, including UMNO rank and file members, are urging him to step down immediately and pass his premiership to his obvious successor, Najib Razak, the deputy prime minister. Former prime minister, Mahathir said in a statement: "He has destroyed UMNO, he has destroyed the BN, and he should be held responsible for this massive defeat ...I think the Japanese would have committed harakiri". However, Najib is just as closely implicated in scandals and this could give space for Abdullah to manoeuvre. The UMNO general assembly in November is expected to determine Abdullah's fate but he seems unlikely to last beyond the next election.

UMNO's coalition partners in the BN - the MCA, the MIC and GERAKAN (Chinese based party that mainly operating in Penang) - were badly battered in this election. UMNO also lost many of its traditional seats. Many of its supporters feel that the BN is past its heyday and will lose credibility in Malaysian politics if immediate action is not taken to revitalise it: 'reform or become irrelevant'. The last time the BN lost its 2/3 majority, in the 1969 general election, the coalition structure was revitalised and strengthened by crossovers of some of the opposition parties into its fold, which badly undermined the opposition's strength. At that time the BN had the full backing of the capitalist class to go all out to undermine the revolt of the working class, poor peasants and left forces.

However, at the present time, especially the foreign capitalists are not very satisfied with BN government policies such as the NEP that favours Malay capitalists and the reluctance to further liberalise the economy. The rampant corruption in the government apparatus and the mismanagement of funds has also affected the 'laissez-faire' activity of capitalism.

The day after the election, the share market plunged 9.5% - the largest single drop since the Asian financial crisis of 1998. This was a clear warning sign from international and local investors to the ruling BN government as well as the opposition parties to keep the economy favourable for free market capitalism; if not

they would move their capital to other countries. The market recouped the losses in the following days after Abdullah and the opposition leaders promised to be market friendly. In order to maintain investors' confidence with the hugely undermined BN government, Abdullah, in the Wall Street Journal Asia, stressed that the country would, "Remain a business-friendly and free market economy with powerful attraction for international investors". Meanwhile all the Chief Ministers of the states under opposition control also reiterated that they would be business-friendly. Anwar asserted, "I may be in the opposition but I will not sacrifice the economic performance of this country. I give an assurance that we will be market friendly and implement all the initiatives...the country should be stable and we should be able to instil confidence among domestic and foreign investors."

The 'New Economic Agenda for Malaysia' of the PKR and opposition, which advocates abolition of the NEP and further liberalisation of the economy, would indeed give more freedom for foreign capitalists to operate. In that respect, foreign capitalists are to a certain extent welcoming the outcome of these elections with the hope that they could get more room for manoeuvre within more open competition policies.

This is clear from the statements of capitalist advisers such as The Economist, which says the election result "is extremely good news for many reasons. The most basic is that democracies need a vibrant and credible opposition. Any party that stays in power for half a century is liable to show signs of complacency, arrogance and corruption, and UMNO is no exception". US investment bank, Merrill Lynch, described the results as "a blessing in disguise for Malaysia in the long-term...The current status quo has been shaken and the government may address some of its shortfalls which will eventually help the competitiveness of the country".

However as the New Straits Times editor put it: "Politics and the impact on the country's leadership are undeniably part of any equations of what moves the market. But it is clear that for now, those who have invested in Malaysia are looking more outward than in", because of the profound uncertainties in the global economy.

Anwar and the opposition

In this election, the success of the PKR in winning 31 parliamentary seats compared with one in 2004 and the overall success of the opposition parties, have increased the profile of Anwar Ibrahim, as the opposition's leader and potential future prime minister. Anwar, who is a strong advocator of free market policies and market liberalism, could get the backing of the capitalist class to take over the reins of government if

the BN or UMNO lost its credibility further. From now on, he could work towards strengthening further the opposition coalition. He could especially set out to get the support of the regional parties in East Malaysia (Sabah and Sarawak). They have a political culture distinct from peninsular Malaysia's and could foreseeably shift loyalties in the event of a weakening of the BN coalition.

The success of the opposition coalition will also depend on whether they could work together under one umbrella with a distinct political agenda. At present PAS controls the state governments of Kelantan and Kedah, the DAP rules Penang and coalitions of the PKR, DAP and PAS have formed the state governments of Selangor, and Perak. A few days after the election there was strife among the coalition partners in Perak over choosing the Chief Minister and appointing the state government's executive councillors. Since they represent different policies with a loose coalition of ill-matched parties, bickering among them is bound to emerge from time to time. If not overcome, this could be used by the BN to undermine the opposition's standing among the masses. The ruling BN coalition could also try to use its unprecedented election setback to fuel racial sentiments in order to counter opposition policies such as abolition of the NEP and having a PAS Chief Minister in the DAP majority state of Perak. UMNO supporters are already circulating SMS messages widely, lamenting the Malays' lost political power.

The opposition coalition also has to demonstrate business-friendly policies in practice to get the backing of the capitalist class, especially in the state governments under its control. It is expected that Anwar will be playing a key role in determining the direction of the states under opposition rule, especially in wooing investors and advocating free market policies.

The leaders of opposition coalitions range from social activists, professionals, intellectuals, pro-business advocates and former UMNO/BN leaders. However, most of them are highly regarded as not corrupted compared to BN leaders. With that in mind, the ordinary people have high hopes that they will carry out reforms in these states. The state governments under the opposition could take steps to make some reforms and introduce more democratic rights but they will be in a limited form within the confines of capitalism. But any reforms will still be welcomed by ordinary people who have been living for a long time under the highly autocratic and bureaucratic rule of the BN. Although the bureaucracy in these state governments is expected to be reduced, it will grow again if measures to involve the ordinary people in making decisions are not taken.

Nevertheless, how far they can go in reforms will depend mainly on the endorsement given by the inves-

tors and business community that control the economy. The reforms would also depend on the amount of public spending allocations from the BN federal government and state revenue. The uncertain global economy could also affect the state governments' reform plans. This could trigger conflict between reform-minded leaders and pro-business leaders under the pressure for genuine reforms and democracy from the masses.

Therefore the opposition coalitions in power in the states will be under pressure to fulfil the promises of reforms they pledged during the election campaigns and at the same time to maintain and accomplish the investors' and business community's requirements for profit-oriented policies. This will determine whether they can combine business friendly policies with fulfilling the needs of the masses better than the BN coalition government.

Without moving against big business and without socialist policies of public ownership and control, the room to carry out reforms locally will be extremely limited. Big mobilisations will be needed both at state and national level, pressing the demands of workers of all backgrounds. This poses the urgency of building a strong party of working and poor people that campaign in the community for their basic needs and wishes and adopts genuine socialist policies.

Socialist Party of Malaysia (PSM)

Since it has not yet been allowed to register, PSM has been contesting general elections since 1999, unfortunately on other opposition parties' tickets. In the 1999 election the PSM contested on the DAP ticket while in 2004, it contested under the PKR ticket after it failed in negotiations with the DAP for 1 to 1 contests against the BN. In 2004 election the PSM candidates contested the Sungai Siput parliamentary seat and a state seat in Perak in three-cornered fights between the PKR against the DAP and the BN, got the second most votes.

In this year's election the PSM contested three seats with the PKR ticket, including one parliamentary seat, and one state seat as an independent. This was after another failure of negotiations with the DAP for a 1 to 1 contest against the BN and for this reason, too, the PSM had to forfeit standing in other potential state seats in Perak where it has done tremendous work. Dr. Nasir Hashim won the Kota Damansara state seat in Selangor and Dr. Jeyakumar won the Sungai Siput parliamentary seat in Perak, significantly defeating the MIC president, Samy Velu. Meanwhile Arulchelvan, PSM secretary general contested in Semenyih state seat, in Selangor lost narrowly and Saraswathy contested Jelapang state seat in Perak as independent against DAP and BN candidates lost in big mar-

gin.

Under a regime which is semi-dictatorial, based on perpetuating racial divisions and outlawing, in effect, parties like the PSM, it is sometimes necessary to use the opposition party tickets as a kind of political flag of convenience in order to have the voice of workers and socialists heard in an election. But this is only acceptable if such parties like the PSM have the opportunity to put forward its programme, or parts of its programme, which are distinct or different from other bourgeois or petty-bourgeois forces.

It is particularly necessary in Malaysia to link the day-to-day struggles of the working class and the poor, as well as the poor farmers, with the idea of the socialist transformation of society. So radicalised has the situation become in Malaysia that both PAS and Anwar's party PKR defend the idea of the welfare state and, in the case of Anwar, say it will be possible after the opposition takes power to concede even a living minimum wage. In this situation, it is possible to collaborate with such forces while, at the same time, stressing that the 'market economy' will not be able to meet these demands and therefore a socialist Malaysia is necessary.

In this election the PSM, unfortunately, was compelled to endorse the opposition manifestos, including those of the PKR and the PAS. This may have been a mistake but not an insurmountable barrier if, in the course of the election, the PSM positively put forward the case for radical socialism. A failure to do so would mean that those voting for the opposition would not see the clear, distinctive position of the PSM. If there is no difference in programme, the masses in general will vote for the big 'radical' or even 'left' force rather than the smaller one. A breakthrough for the PSM into a larger formation, capable of reaching out to all workers irrespective of their ethnic or racial origins, depends upon taking a clear independent class position.

With the changed political landscape, reform agendas will come forward and will be discussed by leaders as well as ordinary people. In this situation it would be the opportunity for socialists to put forward ideas such as nationalisation and workers' democracy as well as workers' control and management to relate the demands of workers on prices, jobs, crime and corruption to the need for socialist solutions. However, the uncritical approach of the PSM towards the opposition coalition could undermine their identity as working class fighters when the opposition parties that they supported favour capitalism or only limited reforms.

A new chapter is opening in Malaysian politics in which socialist ideas can come to be seen as the main alternative to capitalist deprivation and oppression. It is the role of socialists to explain to the work-

ers and youths who are looking for a way out of their plight the limitation of reformism in a capitalist context and the need for a working class leadership to genuinely unite the multiracial society of Malaysia by putting forward socialist solutions.