

# Political turmoil wracks northern state in Malaysia

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In the latest twist in a protracted power struggle in the northern Malaysian state of Perak, a High Court judge ruled on May 11 that former Chief Minister Nizar Jamaluddin had been unconstitutionally removed from office and ordered his reinstatement. The following day, the appeals court issued a stay on the High Court decision pending a challenge by the Barisan Nasional (BN) coalition and Nizar was again removed from office.

Nizar is a member of the Islamist Parti Islam se-Malaysia (PAS), which along with the People's Justice Party (PKR) led by opposition leader Anwar Ibrahim and the ethnic-Chinese Democratic Action Party (DAP) form the People's Alliance (PR). The main component of the BN coalition is the United Malay National Organisation (UMNO), which has held power at the national level since independence in 1957.

The political crisis in Perak stems from the major setbacks suffered by BN in Malaysia's national elections in March 2008. BN lost its two-thirds majority in federal parliament and control of five of the country's states to the PR coalition, including Perak. The losses forced Prime Minister Abdullah Badawi to announce later last year that he would step down as UMNO leader.

The turmoil in Perak erupted this January when UMNO assemblyman Nasarudin Hashim switched sides and joined Anwar's PKR. The announcement shocked UMNO leaders who had been fending off attempts by Anwar to encourage others at the state and federal level to defect. It was also a blow to then Deputy Prime Minister Najib Razak, who was chief of UMNO's Perak chapter and due to take over as prime minister in March.

Within days, two PKR assemblymen—Jamaluddin Radzi and Osman Jailu—disappeared only to surface sometime later to declare themselves “independents” but “friendly” to the BN coalition. Deputy speaker Hee Yit Foong, a member of DAP, declared herself to be “independent” shortly after. She was followed by Nasarudin Hashim

who switched back to UMNO, barely two weeks after declaring his allegiance to the PKR.

The four defections were enough to undermine PR's majority in the state assembly. In response, Nizar formally asked the head of state, Sultan Shah, to dissolve the assembly and hold new elections, confident that the defectors would be defeated at the poll. The sultan, however, sided with BN, ruling that it could form a new state government.

These sordid political manoeuvres, in which prime minister-designate Najib had a major role, resulted in a march of 3,000 people to protest the sultan's decision on February 6. Police broke up the march. Counter demonstrations by UMNO supporters stirred up ethnic Malay communalism and denounced plans by DAP chairperson Karpal Singh to challenge the sultan's decision as unconstitutional.

A by-election in the federal Perak seat of Bukit Gantang in April quickly became a referendum on the ouster of the PR state government and the role of Najib. PAS fielded former Chief Minister Nizar as its candidate. UMNO responded by running a vicious communal campaign branding Nizar as a “Chinese stooge”. Ethnic Chinese comprise about 30 percent of Malaysia's population.

UMNO attacked a state government measure passed last December allowing 149,000 people living in 483 planned and new villages to apply for freehold titles. Many of the villagers were ethnic Chinese who were relocated during the insurgency led by the Stalinist Malaysian Communist Party (MCP) in the 1950s. The land allocation, pushed by the DAP, was directly opposed by Najib who sought to maintain federal authority over land questions.

The results of the by-election, which Nizar won easily, came as a blow to Najib who had been installed as prime minister just two days earlier. Two other by-elections took place on the same day—BN won a state assembly seat in Sarawak but lost the state assembly seat of Bukit

Selambau to the PKR in Kedah.

This week's initial High Court decision was another blow to the prime minister. Judge Abdul Rajim, citing Article 16 Paragraph 6 of the Perak constitution, ruled that only the state assembly through a "vote of no confidence" had the power to dismiss a sitting state chief minister. As that had not taken place in February, Nizar remained "chief minister at all material times".

The court system in Malaysia is notorious for its partisan decisions in favour of UMNO. As a result, the High Court ruling came as something of a surprise, indicating deep-seated divisions within the state apparatus over UMNO's continued rule.

UMNO has maintained itself in power for more than half a century through a combination of Malay communal politics, police-state measures and economic policies that have benefitted a thin layer of the ethnic Malay elite. Sections of business, however, have come to regard UMNO's policies as a barrier to foreign investment. Opposition leader Anwar Ibrahim was expelled from UMNO and convicted on trumped-up charges in 1998 primarily because of his advocacy of the IMF's free market agenda in the midst of the Asian financial crisis.

The deepening global recession that has hit the country's export-oriented industries hard is exacerbating the divisions in Malaysian ruling circles. Differences over economic policies are being compounded by growing fears in the ruling elite of an eruption of social unrest due to rising unemployment and poverty. Neither coalition—the BN and the opposition PR—represent the interests of working people.

The Centre for Public Policy Studies in 2008 reported that Malaysia had the highest Gini Coefficient in Asia. The Gini Coefficient is a standard measure of social inequality—0 denotes total equality and 1 denotes total inequality. Malaysia's coefficient stood at 0.46.

According to the 2008 *Forbes* wealth report, the 40 richest Malaysians had amassed a total of \$46 billion, equivalent to more than 21 percent of the 2008 GDP. Among the richest was Najib's younger brother, chief executive officer of Bumiputra Holdings Company, worth \$100 million, and the son of former Prime Minister Mahathir Mohammed **with \$285 million.**

Official estimates of poverty are low. According to ALIRAN, a Malaysian human rights organisation, the official poverty line is well below the actual cost of living in Malaysia. ALIRAN estimated the real level of poverty at over 25 percent of the population in 2004.

The Malaysian economy is rapidly heading for

recession. Exports fell for the fifth consecutive month in February, dropping 15.9 percent year-on-year after plunging 27.8 percent year-on-year in January. A UN think tank has predicted zero growth for the economy in 2009. The *Malaysian Insider* reported that 26,000 workers have been laid off since October 2008, with total job losses expected to reach 40,000 by May.

The government is attempting to make the country's estimated 3.5 million foreign workers—legal and so-called illegal residents from Indonesia, the Philippines, India and Burma—the scapegoat for the worsening social crisis. The contracts for 300,000 foreign workers have not been renewed. The government has announced plans in parliament to reduce the number of foreign workers by more than 400,000 by 2010.

In office for just over a month, Prime Minister Najib has attempted to undermine Anwar and the opposition by promising a series of "reforms" to encourage foreign investment, including possible changes to discriminatory policies against the country's Chinese and Indian minorities. Such measures, however, will inevitably create divisions within UMNO that has always relied heavily on Malay communalism. Moreover, UMNO's loss of two out of three by-elections last month, indicate that the BN government remains broadly unpopular despite the change of prime minister.

Within this context, the ongoing political crisis in Perak, as an indication of broader trends, demonstrates that UMNO's protracted hold on power is slipping.

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