

# Mass anti-government rallies in Malaysia

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Large anti-government protests took place in the Malaysian capital of Kuala Lumpur and provincial centres over last weekend demanding the resignation of Prime Minister Najib Razak despite a government ban. While the police estimated the crowd in the capital at 35,000, organisers from the Coalition for Clean and Fair Elections (Bersih) put the numbers at 200,000 on Saturday, swelling to 300,000 on Sunday.

Whatever the exact figures, the protests are the largest since the mass opposition rallies that followed the 2013 national elections in which Najib's United Malays National Organisation (UMNO) and its allies retained power despite failing to secure 50 percent of the vote. Bersih, a grouping of non-government organisations associated with the opposition People's Alliance (PR), was formed to demand electoral reform and an end to the present electoral gerrymander.

Najib is currently embroiled in a scandal involving the heavily indebted state-owned 1Malaysia Development Berhad (1MDB) investment fund from which nearly \$US700 million allegedly found its way into the prime minister's personal accounts and was used to finance UMNO's 2013 election campaign. Najib has rejected demands that he stand aside, claiming the money came from a private Middle Eastern donor and was being held for UMNO.

The government allowed the rally to go ahead despite last week declaring it illegal, banning the wearing of signature Bersih yellow t-shirts and blocking websites supporting the rally. In 2011 and 2012 police violently attacked Bersih rallies. Police interference and arrests at last weekend's protests, known as Bersih 4.0, appear to have been limited.

Najib is treading warily in part because he confronts bitter opposition within his own UMNO party led by former UMNO leader Mahathir Mohamed, who was prime minister for 22 years until 2003. The divisions in the ruling party have been fuelled by Malaysia's

deteriorating economy, which has been hard-hit by the slowdown in China, falling commodity prices including for oil, and growing competition for investment from other cheap labour countries in Asia.

Malaysia is China's biggest trading partner in South East Asia, with bi-lateral trade topping \$100 billion in 2014. Over the past year, the ringgit has fallen in value by 24 percent against the US dollar to its lowest level since the 1997–98 Asian financial crisis. Foreign investment has fallen by nearly 50 percent in the first half of 2015, year on year, and the stock market has plunged over the past three months.

Mahathir represents layers of ethnic Malay business that are heavily dependent on economic protectionism and their ties to UMNO. He has attacked Najib for making too many pro-market concessions and was incensed by Najib's support for the Trans Pacific Partnership (TPP) that would subject the region to US trade and investment rules.

On July 28, Najib sacked Deputy Prime Minister Muhyiddin Yassin, an ally of Mahathir, along with four cabinet ministers and the attorney-general, in order to shut down a number of inquiries into 1MDB. However, the scandal and the divisions within UMNO's ranks have not gone away.

Mahathir appeared at last weekend's Bersih rallies on both Saturday and Sunday. "The only way for the people to get back to the old system is for them to remove this prime minister," he declared. "And to remove him, the people must show people's power. The people as a whole do not want this kind of corrupt leader."

Mahathir's appeal to "people's power" is utterly cynical. During his two decades in office, he was notorious not only for his relations with UMNO's business cronies, but for his ruthless use of police-state measures to deal with any political opposition, including the suppression of anti-government protests.

Even more remarkable is the fact that he was welcomed at the rally by the organisers. Protest leader Maria Chin Abdullah told Mahathir: “Thank you for coming. We invited all, and hope more people from UMNO will join us as this is a national call for reform.”

Mahathir has no interest in electoral reform or ending the gerrymander that favours the rural Malay base of UMNO. In fact, his call for a return to the “old system” is to strengthen policies that favour ethnic Malays in business, education and government jobs.

Moreover, the present sharp divisions within UMNO recall those that opened up in the midst of the 1997–98 Asian financial crisis when Mahathir sacked his deputy prime minister and finance minister, Anwar Ibrahim, for supporting the IMF’s pro-market policies and drove him and his supporters out of UMNO. When Anwar launched anti-corruption rallies, Mahathir had him arrested, then tried, convicted and jailed on trumped-up charges of corruption and sodomy.

Anwar formed the opposition People’s Justice Party (Keadilan) and formed the People’s Alliance with the Islamist Parti Islam se-Malaysia (PAS) and the ethnic-Chinese based Democratic Action Party (DAP) that won a majority of votes in the 2013 election. Determined to undermine the opposition, the government instigated bogus new sodomy charges against Anwar and he has been jailed again. It also worked to engineer a split in the opposition coalition with the break-away of PAS in June.

The welcoming of Mahathir is a devastating indictment not only of Bersih but of the opposition parties. The size of the rallies is an indication of far broader opposition not only to the anti-democratic UMNO regime that has ruled Malaysia since 1957, but also to the country’s economic and social crisis. Some 10,000 workers lost their jobs in the first half of the year. By embracing Mahathir, the opposition has declared its willingness to subordinate emerging political and social unrest to the most right-wing, Malay-chauvinist section of the country’s ruling elites.

Najib is clearly under mounting pressure. He hit back at the rallies, and Mahathir, declaring: “It is clearly proven that Malaysia is not a failed state, as alleged, nor is it about to become bankrupt.” He lashed out at the protesters declaring that “those who wear this yellow [Bersih] attire... want to discredit our good

name, [and] scribble black coal on Malaysia’s face to the outside world.”

Last week Najib established a nine-person committee answerable to the prime minister’s office to monitor the global economy and ensure Malaysia’s continued economic growth. Significantly, he appointed former second finance minister Nor Mohamed Yakcop, who helped design the capital and currency controls implemented by Mahathir in 1998 after he sacked Anwar.

The move, which appears to be a rather desperate attempt to woo Mahathir’s supporters, will only intensify the pressure from international finance capital for further pro-market restructuring to open up the economy to foreign investors.

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