

INTERVIEW WITH ANWAR IBRAHIM, MALAYSIAN PARLIAMENTARY OPPOSITION LEADER

AN INTERVIEW WITH MICHELLE CHANG



Photo courtesy of Anwar Ibrahim

On Tuesday, September 29, 2009, Malaysia's Parliamentary Opposition Leader and former Deputy Prime Minister, Anwar Ibrahim, visited the University of California at Berkeley to speak on the role of Islam and democracy in the Asia-Pacific region. Ibrahim served as Deputy Prime Minister and Finance Minister of Malaysia from 1993 to 1998. As an increasingly vocal critic of Prime Minister Mahatir Mohamad's governance, Ibrahim declared cronyism in that administration to be the undeniable cause of corruption. In 1998, he was dismissed from office and imprisoned by the Prime Minister for questionable sexual misconduct charges (many in the international community support Ibrahim's assertion that the charges were false). After serving six years in solitary confinement, the Malaysian Courts overturned his conviction.

Following his release, Ibrahim has been active in academia—teaching at Oxford, Johns Hopkins, and Georgetown Universities—as well as non-governmental organization (NGO) work, chairing the Washington, DC-based Foundation for the Future and serving as honorary president of the London-based think tank Accountability. In 2008, Anwar forged a political coalition that successfully gained control of six of Malaysia's 14 states and territories and recaptured his seat in Parliament.

Politics and Good Governance in Malaysia

Malaysia is a constitutional monarchy, where the Monarch holds the position of head of state and the Prime Minister is head of government. Executive power lies within the government, while the legislative powers reside in two parliamentary bodies: the Senate, or Dewan Negara, and the House of Representatives, also known as Dewan Rakyat. The judiciary system is independent of the two legislative branches. Malaysia's multi-party system—consisting mainly of the Alliance Party and Barisan Nasional (which includes the United Malays National Organization [UMNO], Malaysia's right-wing and largest political party)—follows the United Kingdom's Westminster system. The Opposition in Malaysia consists of political parties that are seen as alternative governments not belonging to a governing coalition. The Leader of the Opposition is selected from the political party that secures the most number of seats in the Dewan Rakyat. The person holding this title is often seen as the "Prime Minister in waiting."

Often interviewed by news agencies such as the BBC, CNN, and ABC, Ibrahim took time to sit down with PolicyMatters to discuss his visit to Berkeley to explain the current political climate in Malaysia and his role as the Opposition Leader.

PolicyMatters Journal (PMJ): You say that Malaysia needs to "put its house in order" before it can fortify and strengthen its economic and political role within the Asia-Pacific region; what do you mean by this?

Anwar Ibrahim (AI): In the early and mid-1990s, prior to the Asian Financial Crisis, Malaysia led Southeast Asia in terms of its attractiveness as a destination for foreign direct investment and as a source of financial capital with the Kuala Lumpur Stock Exchange having the largest market capitalization in the region. However, in the decade after the crisis, Malaysia has steadily lost competitiveness relative to other regional emerging economies such as China and Vietnam. We are no longer deemed attractive as a destination for foreign direct investment.

We do not have to look beyond the domestic sphere to understand the loss of competitiveness and the steps that need to be taken to arrest and reverse the slide. There is an urgent need to liberalize the economy and open up markets to competi-

tion, both domestic and foreign. Obsolete and inefficient policies that restrict business ownership and other economic activity on the basis of race have to be dismantled. Corruption is endemic with contracts and licenses awarded to the politically connected.

Another key thrust of the reform agenda is strengthening the rule of law such that investors have confidence that they will be treated fairly by the courts, contracts will be enforced in a timely and efficient manner, and businesses are able to compete on a level playing field without fear of favoritism or interference by the government. For example, foreign investors prefer to have agreements and contracts subject to Singapore or Hong Kong law, even in cases where the agreements relate to activities that are wholly carried out in Malaysia. This is a damning indictment of the level of confidence that the international business community has in the impartiality and efficiency of the Malaysian courts.

Until these economic and governance issues are addressed, Malaysia will not be able to regain the leadership position, both in the economic and strategic arena, that it once held in the region.

PMJ: *Speaking of good governance, can you comment on the differences between the approach of Prime Minister Najib Razak (and the United Malays National Organization [UMNO] party that he leads) and your own political coalition? What are the key elements that effective governance requires in Malaysia?*

AI: The UMNO party led by Prime Minister Najib Razak is defined by race-based politics. The party's basic philosophy is that as the dominant majority and indigenous people of Malaysia, Malays should receive special political and economic rights to compensate for the wealth disparity amongst the different races that can be traced back to British colonial policy of "divide-and-rule." However, the minority races—the Chinese and Indians—have been in Malaysia for generations and have the same rights of citizenship as all Malaysians. While affirmative action policies instituted in the early 1970s had a vital role to play in addressing the economic inequality between the races, we have to recognize that these policies, which were intended to be temporary, do more harm than good in terms of promoting social harmony and boosting economic competitiveness. The position of the People's Coalition, which I lead, on this issue is clear: we believe that any system of social welfare should be needs- rather than race-based.

A half-century since independence, one would expect that the country would have strengthened its institutions of governance and democracy including an independent judiciary to ensure the rule of law, a free press, and so on. We have seen the

opposite take place in Malaysia. These institutions need to be revived. There needs to be a firm commitment to fight the endemic corruption that has become part of the political culture of the ruling coalition.

PMJ: *As a former senior member of the administration, can you relate your current position against corruption to the role you played in the administration?*

AI: It is understandable for people to be skeptical about my current stance against corruption, given that I was formerly a member of the ruling regime. However, I would bring attention to the anti-corruption legislation I sponsored, as well as my position against the "bailing out" of politically connected individuals and companies in 1997, which ultimately led to the crisis between me and then Prime Minister Dr. Mahathir Mohamad. The ruling clique depends on cronyism and corruption to sustain its economic and political power base. Without it they would not survive. Similarly, I had made my position publicly known on the issue of media freedom and rule of law. In hindsight, perhaps I was too outspoken, as these positions ultimately provoked the regime to jail me.

PMJ: *As you know, GSPP students have a strong interest in improving the lives of the vulnerable and marginalized. As the leader of the Opposition Party, what policies need to be implemented in order to address growing income inequality?*

AI: There is a need for social welfare to address poverty as well as public sector investments in housing, health care services, and education that will benefit the poor and marginalized communities in Malaysia. Our economic agenda is focused on promoting economic growth, but not at the expense of justice.

In the area of housing, we find that it is not sufficient to simply leave it to the market to provide adequate housing. Private sector developers focus on projects catering to middle and upper classes given the substantially higher profit margins to be earned.

Developments targeted at lower income populations are not pursued. Consequently, there are a large number of households in the cities that lack proper and sustainable lodging. This is an area where government intervention has a clear role to play, possibly by entering into creative partnerships with the private sector.

We also need to significantly increase the resources devoted to public education in Malaysia. The University of Malaya used to be one of the premier higher education institutions in the region, on par with the top universities in Tokyo, Beijing, and

Bangkok. Now it struggles to score in the top 200 of the global university rankings. There is an insufficient focus and emphasis on education, academic excellence, and quality. This has clear repercussions for our economic competitiveness. The fact that there are more unemployed graduates in Malaysia now than ever before is not only a symptom of the recession. It is well known that the universities in Malaysia are not training students to excel in the fields where they would find gainful employment.

The problem of leakages in government spending needs to be resolved for these programs to be effective. For example, you can allocate one billion ringgit [the ringgit is the currency of Malaysia; one ringgit equals about 30 cents] for textbooks and see that while 800 million is spent appropriately, the remaining 200 million is unaccounted for. If we can ensure accountability in the system then we are actually causing a dramatic increase in the level of spending that actually reaches the people who need it the most.

PMJ: *How can the Malaysian political landscape and government be more inclusive of the various ethnic groups that make up the population of Malaysia?*

AI: Traditionally, from the time of independence in 1957 up to the most recent elections in 2008, race-based politics has been the foundation of Malaysia's political landscape. The ruling coalition is comprised of an alliance between separate Malay, Chinese, and Indian political parties, with voting patterns closely linked to ethnic identity. Despite being a multi-cultural society, in many respects there has always been separation along ethnic lines in the political realm.

The elections in 2008 marked a clear break from this pattern with voting across ethnic lines in support of the Opposition People's Coalition, and the rise of multi-ethnic parties such as

the People's Justice Party that I currently lead. In the past, people have been apprehensive about whether such a change would be possible and whether Malaysians are ready to move away from race-based politics.

I cannot claim credit as my colleagues who worked tirelessly during the period that I was incarcerated carried out a lot of the foundational work to make this possible. However, the Opposition still faces significant challenges in our ability to communicate effectively with the voting public. The mainstream media is controlled by the government and we cannot freely publish and distribute information about our policies and proposals.

For example, while I am free to give lectures and interact with students here at Berkeley, and next week at Georgetown and Johns Hopkins, I do not have the same freedom in Malaysia. There I am restricted from physically entering the local universities, despite being a Member of Parliament. In fact, even my blog is blocked by university firewalls put in place by administrators acting on the direction of senior government officials.

Despite these real challenges, we have to continue our efforts to appeal to the Malay, Chinese, Indian, and other ethnic communities that the future of the country depends on a multi-ethnic approach to politics.

Anwar Ibrahim told PolicyMatters that he has hopes to run for the position of Prime Minister of Malaysia in the near future. Following his lecture at UC Berkeley, Anwar also visited Johns Hopkins' School of Advanced International Studies and Georgetown University, where he previously taught.