

Malaysia's democracy

Anwar Ibrahim's trial will be a crucial moment not only for his opposition party, but also the government, writes **Chris Wright**.

When Anwar Ibrahim walks into the Kuala Lumpur High Court today, he will at least know what to expect. Anwar, Malaysia's one-time deputy prime minister and now de facto leader of the first credible opposition in Malaysia's independent history, is facing the third incarceration of his life. The first was a 22-month detention while a student leader in the 1970s; the second a six-year stint in 1998 for sodomy (overturned in 2004) and corruption, during the administration of his one-time mentor, Mahathir Mohamad. Now, he faces another sodomy charge and the potential of 20 years in jail.

Locally, the press are calling it Sodomy II, like a sequel. "They use the same script," Anwar tells *The Australian Financial Review* in an interview in his Kuala Lumpur offices. "I'll leave it to the lawyers. I don't have any trust in the system."

That's no surprise. Anwar's trial represents an enormously significant moment for Malaysia, because it could make or break the opposition movement at a time of intense racial tension on a scale the country hasn't seen since the race riots of the 1960s.

Malaysia, though a sometimes uneasy patchwork of a Malay Muslim majority and significant Chinese and Indian minorities, has for decades been among the most moderate and peaceful of Muslim nations. Yet in recent months it has become a place where churches are firebombed over the right of Christians to use the word, Allah, and where cows' heads are kicked around outside Hindu temples.

Some feel these forces have been inflamed by the country's UMNO party, which leads the ruling Barisan Nasional (National Front) coalition, seeking to secure its hold on the Malay vote; Anwar calls it "desperate measures to frustrate this peaceful transition". But at the same time Anwar's rise, with his multiracial coalition securing one-third of the votes and five out of 13 states in landmark elections in 2008, has become something of a catalyst for this expression of tension.

"Yes, of course that is true," he says. "You can see the press, controlled by UMNO, blaming me for causing this, for giving courage to non-Malays to express themselves. But I think the contrary: we are giving that right of expression to all. There is a new generation of Malays who are asserting themselves with greater confidence."

Another jail term for Anwar could do one of two things. It could wreck his coalition, which, despite its 2008 performance, has widely been viewed as fragile: it unites a party formed by his wife, Wan Azizah Wan Ismail, during Anwar's 1998 jail term, with a sometimes hard-line Islamic party and another whose key constituency is overseas Chinese. Lacking a charismatic leader to glue it together, the alliance could fail well before the next elections, due in 2013, although Anwar insists detailed contingency plans are in place among the three parties.

"There is already an agreement what to do in the event — the unlikely event — I am convicted, yet again" he says. "The coalition will stay, with or without Anwar."

Alternatively, another conviction could unite opposition behind a cause and give it renewed momentum. It is also not likely to go down well overseas, where doubts over Anwar's earlier conviction are widespread; public figures who have voiced their concern for him range from Al Gore to former US Supreme Court Justice Sandra Day O'Connor and, right up to his death in December, former Indonesian president Abdurrahman Wahid.

The uncertainty is not helping Malaysia, where foreign direct investment numbers are flagging, even after accounting for recession: from \$62.8 billion (\$20.9 billion) in 2008 to \$12.6 billion in the first nine months of 2009.

"Foreign investors are asking me about Anwar and the firebombings all the time," says one foreign banker in Kuala Lumpur who deals with major foreign investors. "If Anwar ends up back in the slammer it's going to have major negative consequences on

Malaysia's de facto opposition leader, Anwar Ibrahim, is fighting against his third incarceration. Photo: AFP PHOTO/NOEL CELIS



Malaysia. Whether or not it will mean riots on the streets I don't know, but it will certainly harm the government."

Anwar is an appropriate figurehead for his country's painful change. It's easy to forget it now, but he was once the chosen one to succeed Mahathir: he was deputy leader and finance minister through the Asian financial crisis and was trusted so implicitly he was made acting prime minister for two months in 1997 when Mahathir took a holiday.

But he wanted reform in governance and institutions and when he started linking Mahathir with improper contracts and bail-outs for family members and cronies, his time in the sun came quickly and brutally to an end.

His 1998 trial raised concerns worldwide; Amnesty International considered him a prisoner of conscience, and the injuries incurred in jail cause him back pain to this day.

Because Anwar's corruption conviction was never overturned, he was banned from politics until April 2008, and took to teaching in the US. Malaysia's then prime minister, Abdullah Badawi, timed the 2008 elections to be just one month before Anwar's ban expired, fearing his popular voice, but it didn't work: Anwar simply canvassed for his wife's party and when his ban expired she surrendered her seat and he won it in a byelection.

For a time his momentum seemed unstoppable: by September 2008 he was claiming to have secured 30 parliamentary defections that would give his coalition a majority. He demanded a vote of no confidence.

But then things stalled. First, he couldn't force that vote and he says he couldn't expect his converts to declare themselves until the moment of truth on the parliament floor. Consequently, there's no proof he ever had the numbers at all.

"In any democratic country we would have taken over by now, because we had the numbers, but there's no way to go about it," he says. "In this climate of fear and repression

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you can't expect people to declare openly now except for the critical moment when the motion is tabled." By this he is referring to the string of opposition figures, including a number of state leaders, who have been comprehensively investigated by federal institutions since the election.

Momentum was further derailed when in June 2008 a new sodomy charge, from a young aide called Saiful Bukhari Azlan, appeared with a convenience of timing that many have found deeply troubling: the taint of sodomy, illegal in this Muslim country, is considered a death knell to an aspiring politician.

Whether people believe the charge or not, defending it has been time-consuming and helped take the wind out of the challenger's sails. And many events in the build-up to the case — the commandos sent to arrest Anwar when he was on his way to the police station to make a statement, the dispute over whether the prosecution should have to let the defence see evidence prior to the trial, confirmation that Saiful visited prime minister Najib Razak's residence days before filing his police report — seem to bode badly for him.

But while Anwar is under pressure in court, it's the government, and in particular the UMNO party at its heart, that is struggling, and not just with election results. Even in a country with a largely compliant mainstream press (but a vibrant alternative media), the government and the country's other key institutions have found themselves mired in scandal.

There was the death of opposition political aide Teo Beng Hock, who fell from a 14th floor window during questioning by the Malaysian Anti-Corruption Commission (MACC). Then there's the murder of the Mongolian model Altantuya Shaariibuu, the mistress of Najib's foreign policy adviser, who prosecutors claim was killed by government commandos in 2006 and whose body was destroyed by C4 explosives. There have been scandals over contracts for French

on trial

submarines, jet engines that have gone missing, and a dispute over the legitimacy of the state government in Perak.

Most recently, a court case regarding the use of the word, Allah, by non-Muslims has flared up. In December the High Court, in dealing with a long-standing dispute between the government and the Catholic weekly, *Herald*, ruled the government had no power to prohibit the use of the word, Allah, or make it the exclusive preserve of Muslims.

Numerous acts of arson on Christian churches have followed the ruling, while the original debate has become a somewhat farcical exercise in semantics, with the government — which, incidentally, is in the middle of a major public relations tilt called One Malaysia, aimed at promoting racial and religious unity — ruling that Christians in East Malaysia can use the word, Allah, when speaking Malay, but those in West Malaysia cannot.

Many of Kuala Lumpur's business community are increasingly alarmed. "You see Najib on one hand talking about One Malaysia and a multiracial tolerant country, and on the other you see the complete opposite of that driven by the establishment," says a banker, who, like all commercial figures in this article, asked not to be named for fear of damaging relationships with government. "This may sound over the top but I would describe Malaysia as almost anarchy at the moment, because all the institutions of government believe their job in life is to restore BN to its previous power. The judiciary believes its job is to prosecute the opposition. The police... to prosecute the opposition. MACC, the same. The guys in power are stoking racial unrest because they believe it's one way of supporting the Malay vote."

Anwar — who took some strident positions on Islam in his youth — has sought to preach a less radical middle ground. "I have asked the world's most renowned authorities on Islam and nobody, not one, disputes the fact that Allah can be used by anyone," he says. Even PAS, the Islamic party in Anwar's coalition, normally known as the voice of those with a more traditional and inflexible view of Islam, has publicly said they have no problem with Christians using the word: the fact that the purely Islamic party is now on more moderate ground than the government has cemented a feeling the government has

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been playing the race card to try to win back disgruntled Malay voters.

The government has not been blind to change and has taken some reformist measures itself. The most significant concern the New Economic Policy, the measures enacted in the 1960s — by Najib's father — in support of the local bumiputra ("sons of the soil", or Malay) population. It guaranteed them, among other things, a certain proportion of civil service jobs and a minimum share of any stockmarket float. While understandable in the context of its time, many, Malays included, have come to see it as a crutch that has become a hindrance, damaging competitiveness and breeding complacency.

Late last year Najib began some modest repeals. So does Anwar believe change can be effected peacefully in Malaysia? "Well for the first phase — the five states [in the March 2008 elections] — it did," Anwar says. And he argues his coalition's cross-faith existence is enormously positive. "It means that in Malaysia, if political leaders don't continue to incite hatred and use the race card in politics, we can survive," he says. "The problem is UMNO: they have become an obsolete party of the past."

But Anwar is not a Mandela and will never quite be embraced in that way. For a start, having started out a somewhat radical student and youth leader, he switched allegiances to Mahathir in the 1980s and made his name soaring through the ranks of the party he now dismisses as "the last refuge of scoundrels".

He argues that he joined Mahathir because the leader was talking about reform, and that they were effective through much of the 1980s; it was when a more authoritarian style came into effect that he objected, at great personal cost. "But can I absolve myself from the entire policy, decisions, excesses? No I cannot. I have made that very clear to the people."

Did he ever engage in the money politics common in UMNO at that time? "When I announced my candidature [as deputy leader], 80 per cent of the UMNO cabinet members, all chief ministers, were with me. So I didn't need to go beyond that. The culture on the ground, you have big fees, but nothing compared with this cash being paid [in UMNO now]."

Additionally, some accuse him of opportunism in his career, and of inconsistency: a chameleon quality (he uses the word himself), saying what the audience of the moment wants to hear, which raises questions about how he would fare in office when there can be only one decision for all audiences.

Some say he is disorganised, too, and unable to give his closest staff a clear mandate. "He is a great politician inasmuch as his oratory skills are fantastic, and he can definitely speak to a crowd," says one observer. "But he can't administer and he can't organise."

Another stresses: "What happened in the election was a vote against government, not a vote in favour of the opposition." As well, mainstream media is unlikely to take his side, although Twitter, Facebook and blogs have helped dramatically, and his support in well-connected and tech-savvy urban areas is much stronger than in rural Malaysia.

Listening to him in English, fluent but understated and sometimes a little unclear, one wonders how the chameleon projects to the heartland.

The answer comes later that night at a rally in a community hall in the Kuala Lumpur suburb of Cheras. Here, in the local Malay language of Bahasa, the delivery is utterly different, voice playing the ranges from aggression to a whisper, arms expressively aloft, the audience by turns brought to laughter, indignation and applause.

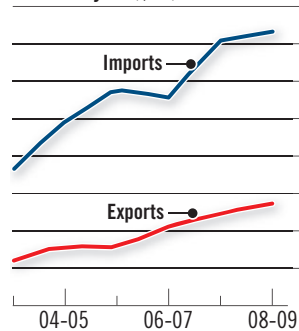
For sure, this is a home-team crowd, but it's largely a Malay Muslim crowd, supposedly the very core of UMNO's appeal, and they are packed 50-deep outside the exits, arms folded, listening intently. Some have brought their children, drooping on shoulders; it is 11.45pm.

He will do the same on alternate nights leading up the trial, campaigning steadily when an election could still be years away. Over noodles with his chief ministers and supporters, well past midnight, he tells the *AFR* about the coming weekend rallies where he expects crowds far greater than the 1000 or so who turned up tonight.

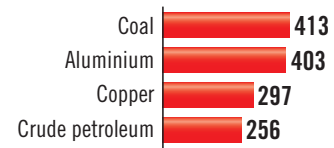
It's no surprise he looks tired. Earlier the *AFR* had thanked him for his time, remarking how busy he must be. "Not busy," he says. "Under siege."

A difficult relationship

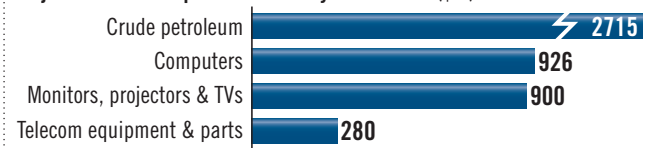
Australia's merchandise trade with Malaysia (\$bn)



Major Australian exports to Malaysia 2008-09* (\$m)



Major Australian imports from Malaysia 2008-09 (\$m)



*Includes \$520m of confidential items, mainly wheat and sugar, 14% of total exports

SOURCE: DFAT

Awkward associates

Australia and Malaysia are strategic allies and trading partners, but the two have often been at odds, writes **John Kerin**.

Anwar Ibrahim is no stranger to the ups and downs of Malaysia's relationship with Australia. In 1986, as youth-wing leader in the dominant United Malays National Organisation (UMNO), Anwar criticised then Australian prime minister Bob Hawke for describing Malaysia's execution of two Perth heroin traffickers, Kevin Barlow and Brian Chambers, as "barbaric".

Anwar insisted Australia had no right to condemn Malaysia's legal system given the consequences of drug trafficking in Malaysia were well known.

Twenty-four years later Anwar is appealing to another Australian prime minister, Labor's Kevin Rudd, to apply as much pressure as possible to the UMNO-dominated coalition government of Malaysian Prime Minister Najib Razak to abort his own trial.

Anwar, now Opposition Leader, has accused Rudd of appeasing "corrupt leaders" in Malaysia because he described the country of 28 million as a flourishing democracy when on a visit to Kuala Lumpur. Anwar has also called on Canberra to send observers to the elections due by 2014.

UMNO was built on preserving the economic privileges of indigenous Muslim Malays, including preference for government contracts and job discrimination, and Anwar has increasingly become a lightning rod for aggrieved Chinese and Indian voters. The Barisan Nasional government suffered a shock loss of its two-thirds majority in early 2008 to an opposition led by Anwar.

Malaysia's former long-serving firebrand prime minister Mahathir Mohamad never forgave Australia over the Hawke comments. Insult was added to injury when Paul Keating, the next Australian prime minister, labelled the Malaysian leader "recalcitrant" for refusing to attend an Asia Pacific Economic Co-operation leaders summit and attempting to thwart Australia's diplomatic initiatives in the region in 1993.

Even John Howard fell foul of Mahathir after the Liberal prime minister declared Anwar's first sodomy conviction to be political, in effect accusing the Malaysian judiciary of losing its independence.

The Keating slight cruelled Australia's bid to join the Association of South-East Asian Nations East Asia summit for years until Mahathir finally left the political stage.

Anwar's fate has regional implications: the trial is seen by many as a litmus test on the moderate Muslim-majority country's direction amid mounting ethnic and religious tension.

Australia has much at stake politically and economically in ensuring Malaysia's continuing stability.

Rudd, as Prime Minister, has refused to meet Anwar, citing protocol — leaders don't meet opposition leaders. He has kept Australia's approach deliberately low key, perhaps mindful of his predecessors' fates.

A South-East Asia specialist from the Australian Defence Force Academy at the University of NSW, Carl Thayer, says "a stable Malaysia is in Australia's long-term security interests as well as the region's long-term security interests, particularly in combating terrorism and radical Islam".

"But no area is more sensitive in Asia than one country interfering with another's internal sovereignty and Malaysia is more sensitive to that than most," Thayer says.

"But there seems little doubt that the

charges against Anwar are contrived."

Malaysia is a growing trading partner and an important strategic ally for Australia in South-East Asia through the Butterworth military base and the Five Power Defence Arrangements treaties. Australia agrees to come to Malaysia's aid in the event of an attack under the arrangements, which also involve the UK, Singapore and New Zealand.

There are Australian troops at the Royal Malaysian Air Force base at Butterworth near Penang (which used to be run by Australia). It has been a crucial operating base during wars, such as the Vietnam conflict, and is also a transit point for disaster relief efforts and for surveillance missions to thwart piracy in the busy shipping lanes of the Malacca Straits.

Australian soldiers fought in the Malayan campaign against the Japanese in World War II and Australian and Malaysian troops were deployed to East Timor in 1999.

On the diplomatic front Malaysia, as an important member of ASEAN, could attempt to cruel Rudd's bid to establish a grouping in Asia that represents all the major economies with a stake in the region, including the US, India, Russia and China — through his proposal for an Asia-Pacific community.

Rudd is also seeking Malaysia's support for Australia's bid for a United Nations Security Council seat in 2013-14.

Foreign Minister Stephen Smith met Anwar when he was visiting Perth for a regional interfaith dialogue in July 2009, though the meeting was not widely publicised.

A Department of Foreign Affairs and Trade spokeswoman said yesterday the Rudd government was "taking an interest in the trial".

"[We] hope, as with any legal proceeding, the principles of natural justice, due process and the rule of law will be adhered to," she said.

As to whether the Australian government believed his charges were "engineered to remove [Anwar] from politics" she said the government "did not intend to provide a running public commentary on Malaysian politics or legal processes".

It is believed both Smith and Trade Minister Simon Crean have raised Anwar's plight directly with their Malaysian ministerial counterparts.

Opposition foreign affairs spokeswoman Julie Bishop says the government should not shy away from publicly urging Malaysia to ensure Anwar is treated fairly.

"The coalition government through John Howard and Alexander Downer consistently expressed concerns about the first trial of Anwar Ibrahim in strong and diplomatic terms," Bishop says.

"I share the concerns of the Malaysian Bar Council over the political nature of the charges that have been levelled against Anwar Ibrahim over the past decade."

Despite the sometimes difficult diplomatic ties the economic relationship is growing.

Two-way merchandise and services trade is valued at about \$15 billion a year and largely complementary; the surplus is in Malaysia's favour to the tune of \$4 billion.

Australia exports coal, resources and wheat and dairy products and imports petrol, computers, communications equipment, furniture and civil engineering equipment.

The two countries have resumed negotiations over a free trade agreement following the conclusion of the Australia-New Zealand ASEAN deal. Canberra is pushing Malaysia to address issues such as high car tariffs, counterfeiting and restrictive foreign ownership regulations requiring local equity.

Whatever the outcome of the Anwar trial, it appears it could be a catalyst for the transformation of Malaysia, dragging the Australia-Malaysia relationship along with it.