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## BEYOND THE VENEER

Born in New York City, Ioannis Gatsiounis was a journalist for American media until 2000 when he relocated to Southeast Asia. Beginning in Jakarta, he reported on post-Suharto Indonesia for major publications in America. On a visit to neighboring Malaysia, he discovered a land that was underreported and teetering between First and Third Worlds. His unflinching and trenchant commentaries, penned in a climate of fear and intimidation, have secured his reputation as a leading expert on Malaysia. He resides in Kuala Lumpur, Malaysia.

# BEYOND THE VENEER

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# Introduction

This collection of articles covers issues and events that led to Malaysia's "political tsunami" in March 2008, when the ruling coalition suffered its worst election showing since independence.

The articles pick up in 2003, which was where, at the time, I thought they would end. To my eye Malaysia appeared placid and untroubled, good for an article or two but lacking in the tensions and dynamism to sustain a news narrative.

But the longer I stuck around the more it felt like Malaysia was trying to run the rat race of globalization on one good leg. This was the leg it showed to the cameras, in the form of the Petronas Towers and superhighways, in what it touted as racial harmony and progressive Islam. But looking at social, political and civilizational factors one soon discovered that Malaysia had much in common with undeveloped countries it appeared to be unlike. Corruption was rampant. The public had lost faith in key institutions like the police and judiciary. The rich-poor divide was the highest in the region. Politics were communal, ensuring that diversity was a weakness and not a strength. Restrictions on speech and conscience were undermining public reasoning and by turn development. Malaysia was dressed for success but there was something fishy about the fabric. And the fabric was about to become a lot harder to overlook.

In late 2003 Abdullah Badawi was named Malaysia's first new prime minister in 22 years. He inherited some of the issues that triggered the "political tsunami," though he and his party would often do little to help matters, and in some cases would recklessly aggravate them. A nation that at the beginning of the decade had

seemed to be speeding toward developed status would soon find itself fractured and adrift.

This collection follows that dissolution and response to it. It is, ultimately, a tale of self-realization: everyday Malaysians waking up to what their blind allegiance to an entrenched leadership had unleashed; and deciding to become more active stakeholders in their nation's development. The election results have led Malaysians to contemplate a future without race-based politics. Though resisting the temptation to revert will not be easy (see page 24).

The collection is also concerned with how Malaysia fits into the global context. Malaysia offers some valuable lessons regarding the challenges of nation building in the 21st century, particularly to those countries pursuing an authoritarian-capitalist path to development, as Malaysia has. Malaysia vividly captures the trendy development model's strengths, particularly rapid economic development, and its flaws, including the tendency to dehumanize and compromise the integrity of key institutions. The election results represent no less than a yearning for more than what the authoritarian-capitalist model can provide, and a shift we're likely to see in the path adopted by countries in the decades to come: a form of development that is as socio-centric as it is economic-centric.

Credit for this book must go partially to my editors, for sharing my conviction that Malaysia is an underreported story and granting me the space to share it. I am indebted to readers for their constructive feedback and encouragement in a country where forthright analysis is not celebrated. Official obscurantism has shaped notions of right and wrong. Unflattering realities are expected to be kept unsaid. But then it has been my aim to take the socio-political pulse of Malaysia and it would be a disservice to readers and the nation to pretend all is healthy.

On a personal level, the heart has grown quite fond of Malaysia. Traveling elsewhere I soon come to miss the country's myriad quirks,

and the optimism and generosity in abundance here. So many Malaysians have opened their hearts and shared their insights with me along the journey that there is not the space to thank them by name here. All of you have the power to help make Malaysia the great nation it has shown glimpses of becoming, and I look forward to celebrating that day with you.

Kuala Lumpur  
June 2008

BEFORE AND AFTER  
THE 2008 ELECTION

# Pre-election Hopes for Malaysian Opposition

There is a cautious optimism running through the opposition as Malaysia gears up for a March 8 vote that many are calling the most crucial general election in the country's 50-year history.

Cautious because the long-ruling government controls the media and school curriculum, oversees a broken electorate system tilted to its advantage, and doesn't look kindly on freedom of expression; optimistic because Prime Minister Abdullah Badawi's four-year-old government has been plagued by a series of scandals and allegations of corruption.

At the same time, there is growing anxiety about the nation's global competitiveness, race relations are tense, and the Internet is exposing Malaysians to the depth and breadth of official disregard.

This election arguably represents the best chance the opposition has to weaken the ruling coalition Barisan Nasional's (BN) stranglehold on power in at least a decade. The opposition's modest aim is to win one-third of parliament's 222 seats, which it hasn't done since 1969 and if achieved would put a check on the ruling government's power to amend the constitution.

"We will do well, no question about it," de facto opposition leader Anwar Ibrahim told *Asia Times Online*. "We will deny the BN government a two-thirds majority. Now the problem is, when you are talking about the so-called elections, you are talking about a

fraudulent process. You are talking about phantom voters, you are talking about [gerrymandering].”

That is the voice of a man leading the battle cry with one arm shielding his face. Indeed just four years ago Anwar watched the elections from prison, waiting out a politically motivated conviction for corruption and sexual misconduct, as Abdullah co-opted the opposition’s bread-and-butter issues of good governance and accountability to hand the opposition its worst defeat in history. The BN won 91% of parliamentary seats, although only 64% of the popular vote.

Fast forward to the present and Abdullah’s scandal-plagued administration has forfeited the right to stake a claim to those issues. Anwar is a free man and his stump speeches are attracting large crowds around the country—even though his corruption conviction bars him from running for public office until April. It is hardly a coincidence that the March 8 elections are slated for a month before Anwar is eligible to run.

Discontent over inequality, electoral fraud, inflation and a corrupt judiciary have spilled onto the streets in recent months—rare in a country where public meetings of more than five people are illegal without a permit. Two-thirds of Indians and Chinese, who combined make up 35% of the population, said they disapprove of the way the Malay-dominated government is addressing inequality and ethnicity, according to a recent poll by the independent Merdeka Center.

Nonetheless, the opposition will face a tough challenge converting popular discontent into actual votes. Despite carping about the government, many Malaysians have proven loath to vote for change. And yet Abdullah’s government has in taken their allegiance for granted.

Whichever way the electorate leans, this election will likely have a dramatic and lasting impact. If the BN wins handily, the public will have sent the message that injustice, authoritarianism, and a political

culture of mediocrity is still acceptable. It could also relegate the opposition to political irrelevance and ease the pressure on the BN-led government to change its ways.

That’s a prospect Anwar considered in his sparse office along a leafy street in the Kuala Lumpur suburb of Petaling Jaya, before saying, “I don’t share that view. I think that we are moving on. People know that; we see the crowds.” Anwar is the fulcrum of the disparate opposition parties, which include the Islamist party known as PAS, the Chinese-based Democratic Action Party (DAP) and his own multi-religious and multi-racial People’s Justice Party (PKR). Anwar is arguably their biggest asset, a religious man espousing justice, equality and progressive economic policies.

But walking that tightrope in Malaysia’s race-based political landscape has alienated voters as well. Many Muslim Malays question whether the former Islamic youth leader is still on their side, or if he’s bending over backwards to appease what many of them narrowly consider infidels. Some non-Muslims fear Anwar is too Islamic and that if in power he would give Islam a greater role in the socio-political domain. Meanwhile some Malaysians, irrespective of race, question the sincerity of his reform agenda. Anwar was once a fast-rising star in the United Malays National Organization (UMNO), which heads the BN, rising to finance minister and deputy prime minister before being sacked in 1998 by then premier Mahathir Mohamad and later imprisoned. As the BBC’s Stephen Sackur asked Anwar after his release in 2005, “If you’re telling me that over all of that time you were making protests about corruption, how come you kept getting promoted?”

Still, Anwar is an inspiration to many. He is a cosmopolitan populist who grasps both the needs and desires of common folk and the unsympathetic realities of globalization. More than any other Malaysian politician, he has laid bare official malaise, and despite being out of government since 1998 he has remained the current

government's biggest fear.

Anwar's unique attributes, however, will not make much of a difference come March 8 unless the opposition runs a smarter campaign than it did in 2004. Toward that end the loose coalition of parties is fielding one candidate per constituency so as not to self-cannibalize opposition votes. PAS, for instance, will run in mostly Malay constituencies, DAP in Chinese ones.

DAP says that given power it will give 6,000 ringgit (US\$1,877) a year to poor households and see to it that government contracts are awarded more fairly. (Abdullah has not disturbed the shopworn government tradition of awarding projects without tender.) PKR meanwhile has introduced an assistance plan that would be based on need to replace the 37-year-old affirmative action program that mostly benefits the majority Malays over minority groups.

Anwar says Malays will not lose out under his party's plan because a minority of well-off Malays have profited from the current structure at the expense of the poor Malays. Converting that message into votes won't be easy, however. Many Malaysians readily acknowledge that Malaysia is endemically corrupt but often in the next breath ask, "Where isn't their corruption?" They are often unaware of how the severe limits on freedoms of conscience and expression—in the name of promoting peace and stability—are impairing development and competitiveness.

The opposition may get a lift from the Internet, which the government has been at a loss to regulate and is increasingly being leveraged by everyday Malaysians to raise political awareness and highlight areas of poor governance. That being said, Malaysians by-and-large have a low threshold for hard truth. The bulk of the population with access to uncensored media on the Internet still turns primarily to the state-run media for their "news"—although a couple of online news sites have garnered larger readerships than certain mainstream outlets. The government papers these days

are predictably frontloaded with headlines suggesting Malaysia's economy is booming amid growing national nervousness about its underlying health and medium-term prospects. The spin is used to feed suspicions about the untested opposition's economic credentials and Abdullah himself milked the formula last week when he urged Malaysians not to take the "risk" and "experiment" in voting for the opposition.

The BN is in particular bringing news of its Midas touch to Kelantan, the only state currently controlled by the political opposition. A win there, the BN feels, would offset the expected loss of parliamentary seats elsewhere. Many predict the BN will in the end secure a two-thirds majority, but the opposition, at least in the run-up to the polls, has reason to be hopeful.

First published March 5, 2008 (*Asia Times*)

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## A New Democratic Era in Malaysia

The Malaysian government's authoritarian instincts were finally checked by democracy at Saturday's highly anticipated general elections, where the long-ruling Barisan Nasional (BN) government suffered one of its worst poll results in its 50-year history of uninterrupted rule.

The BN won a mere 51% of the popular vote, down significantly from the 64% it notched at the 2004 polls, securing only a simple majority rather than the two-thirds of parliamentary seats it had

sought. When the dust settled, opposition parties, which rode a wave of popular discontent about government corruption and neglect, won 82 of 222 parliamentary seats, 37% compared with the 9% previously held, and wrested control of four states—Perak, Kedah, Penang and Selangor—while bolstering their hold on the northeastern state of Kelantan.

The new parliamentary equation will effectively curb the BN's ability to amend the constitution, including over issues related to citizens' rights and the role of religion. The opposition's strong performance came despite allegations of BN vote-rigging, stiff restrictions on political expression and assembly, and a pro-government bias in the state-influenced print and broadcast media. At around 2 am on Sunday, Prime Minister Abdullah Badawi and his deputy Najib Razak appeared dazed before a blitz of camera flashes, with Abdullah meekly announcing, "We've lost, we've lost."

The main opposition parties, including the multi-racial People's Justice Party (PKR), the Democratic Action Party (DAP), and the Pan-Malaysian Islamic Party (PAS) all exceeded expectations at the polls. Malaysian voters had until now tolerated corruption and authoritarianism among its leaders in exchange for relative social and economic stability.

Over the weekend, voters sent the message that they want a more sophisticated approach to nation-building. "The people have expressed in no uncertain terms that they want accountability, transparency, and the rule of law," said Anwar Ibrahim, de facto leader of the opposition People's Justice Party (PKR).

A swing away from the BN was widely expected among Indian and Chinese voters, who have felt increasingly marginalized by a long-standing affirmative action program known as the New Economic Policy (NEP), which benefits the majority Muslim Malays over minority Chinese and Indians, and the more assertive role Islam has been given during Abdullah's term.

The Chinese-majority state of Penang fell to the opposition Democratic Action Party (DAP) after 36 years of BN rule and several BN Indian leaders, including long-time cabinet member Samy Vellu, lost their seats. Less anticipated, however, was the large defection of Muslim Malay voters to the opposition camp. The United Malays National Organization (UMNO), which leads the BN coalition, has long fashioned itself as the protector of ethnic Malay interests.

It had until now maintained political support by instilling fears, reiterated in the run-up to Saturday's polls, that a vote for the opposition would divide and weaken the nation. However, many Malays proved undaunted, joining hands with Indians and Chinese to punish Abdullah's administration for failing to tackle corruption, crime and inflation.

BN was routed in the Malay-majority states of Kedah and Kelantan, while in many areas Malay support for UMNO was not much more than 55%, according to Ibrahim Suffian, program director of the Merdeka Center for Opinion Research. That significant numbers of Malays, Chinese and Indians voted for the opposition, despite UMNO's fear mongering, will lessen the likelihood that discord will play out along racial lines.

It is not clear whether and how UMNO will respond to the democratic setback. The party has been known to react unkindly when its stranglehold on power has been threatened. In 1999, for instance, when PAS won the rural eastern state of Terengganu, then prime minister Mahathir Mohamad later deprived the state of development funds. He also restricted publication and distribution of the party's newspaper *Harakah*. After enacting its revenge, UMNO won the state back in 2004.

Voter rejection of the BN this time is more encompassing, not only cutting across racial lines but along rural and urban ones. The results also signal to Malaysians—long trained to think otherwise—that they possess the ability to check official abuses.

**Abdullah in the hot seat**

After the resounding setback, UMNO's first order of business may be to pressure Abdullah to resign—perhaps opening the door for his deputy Najib to take over the party's leadership. A spokesman for Abdullah said he has no plans to step down, and on Sunday senior UMNO leaders met at the premier's official residence to show their support for him. He was swiftly sworn in as premier on Monday morning through UMNO's and the BN's simple majority.

Yet even Abdullah's resignation will not likely restore legitimacy to UMNO and the BN. The ruling coalition's Indian and Chinese component parties are now widely seen as UMNO tokens, with their leaders cushioning their positions at the expense of their constituencies. UMNO, meanwhile, has in many voters' eyes become synonymous with mediocrity, feudalism, racism and patronage. The party's young rising stars were expected to adopt a more progressive approach, but to many they have become indistinguishable from the old guard, which in turn has eroded public confidence in UMNO's ability to reform itself. Mahathir, for one, has accused Abdullah's son-in-law and UMNO deputy youth chief Khairy Jamaluddin of being emblematic of this trend and said that he "played a big role" in the BN's losses over the weekend.

It's perhaps telling of the mood in Malaysia that Information Minister Zainuddin Maidin (dubbed the "misinformation" minister by the opposition) lost his parliamentary seat in Kedah, while blogger Jeff Ooi won the Jelutong parliamentary seat with DAP. The government had leveraged the traditional media it tightly controls to report that Malaysia is an economic miracle, respected by the world and breezing toward developed country status under visionary BN rule. Web portals and blogs like Ooi's, however, have exposed Malaysians to the country's less flattering realities and awakened them to the fact that becoming a developed country will require replacing the political culture of mediocrity and impunity.

Saturday's results may pave the way for that shift. Both the opposition and the BN will feel the pressure to perform: the opposition has been given a precious opportunity and the BN can no longer take the public's allegiance for granted.

Incoming chief minister of Penang and DAP secretary general Lim Guan Eng's sober victory address to reporters on Sunday morning suggested that he is not underestimating the hard work ahead.

Opposition icon Anwar, meanwhile, said he plans to start assisting the opposition to form governments in the states it now controls. A politically motivated corruption charge prevents him from running until next month, though it is expected that another member of the party will step aside so he can contest in a by-election.

New winds of democracy are expected to blow through Parliament as well, where the BN's dominance had in the past all but turned the legislative branch into a rubberstamp of the executive. Dissenting voices will now be harder to ignore in Parliament, which under a previously unassailable BN majority lacked a culture of debate and accountability.

As opposition leaders hailed Saturday's results, the streets of the capital Kuala Lumpur have been eerily quiet—as perhaps they should be out of respect for the country's still fragile social balance and during what amounts to a traumatic moment for some in a society that is not accustomed to genuine democratic change. If the BN and citizenry handle the transition gracefully, Malaysia will have taken an all-important step in its political development.

First published March 11, 2008 (*Asia Times*)

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# The Malaysian Race Card

Anwar Ibrahim's big victory in Malaysia's elections looked on the surface like a triumph for both democracy and multiculturalism—a major accomplishment in this profoundly divided state. The Pan-Malaysian Islamic Party and the Chinese-based Democratic Action Party (DAP) contributed to the opposition gains, but it was Anwar's multiethnic People's Justice Party that bagged the largest share of the popular vote and parliamentary seats. Yet events immediately following the vote—when rabble-rousing politicians once again started playing the race card—show just how dangerous the splits remain.

Race has always played a peculiar role here, in this country of 25 million cobbled together by the British from disparate kingdoms. Ethnic Malays today make up 55 percent of the population. Ethnic Chinese represent an additional 25 percent, and Indians 8 percent. The Chinese minority has long been perceived as dominating Malaysia's business community, causing widespread resentment among poorer Malays and sparking vicious riots in the 1960s. Since then, successive governments have justified restrictions on civil rights by pointing to this bloody history, and to their credit they have managed to avoid major violence for 40 years. But sweeping affirmative-action programs benefiting ethnic Malays, put in place in 1971, have kept tensions bubbling just under the surface.

Anwar's People's Justice Party vowed to replace this race-based assistance program with one that would help the needy regardless of ethnicity. And since its formation in 2003 his party has been growing in strength, thanks to support from Malays, Chinese and Indians alike, all frustrated by the lackluster economic performance of the ruling National Front (BN) coalition and its leader, Prime Minister

Abdullah Badawi. But by the middle of last week the opposition had succumbed to tribal instincts, with the various parties squabbling among themselves over jobs in state governments and threatening boycotts if they didn't get the seats they thought they deserved.

At the same time, members of the National Front's lead party, the United Malays National Organization (UMNO), have continued to play the race card. Indeed, politicians affiliated with this party seem to feel it is their duty to do so. UMNO has portrayed itself as the champion and protector of the ethnic Malays, and some members have promoted *ketuanan* Melayu (Malay supremacy). Worryingly, some of UMNO's younger politicians, once hailed as progressives, are now doing the same thing. UMNO youth chief Hishammuddin Hussein, for instance, has made a habit of brandishing the *keris*, the Malay dagger, at the party's annual assembly—a gesture widely understood as a veiled threat to any race that dares challenge Malay supremacy. His deputy, and Badawi's son-in-law, Khairy Jamaluddin, recently warned that any split among the Malays—that is, any defection from UMNO—would be exploited by the Chinese.

Ironically, the same camps that play the race card are often just as quick to warn Malaysians of the consequences of acting on those feelings. And for the most part, that message has sunk in. Most Malaysians now recognize just how important the nation's peace and stability are; indeed, they're the bedrock on which Malaysia's rapid economic development has depended. Yet as the dust of the elections settles, there are few signs the rhetoric over race is going to diminish. In the wealthy and mostly Chinese state of Penang, the Chinese DAP won power after 36 years of rule by the Malay-dominated BN. Incoming Chief Minister Lim Guan Eng quickly vowed to end the crude affirmative-action policy, which, he said, “only breeds cronyism, corruption and inefficiency.” In response, the prime minister warned the state not to marginalize Malays and said that “the state government must not try to create an atmosphere

which can cause racial tensions.”

By many accounts race relations are now more tense than at any time since 1969. Ninety percent of Chinese students attend Chinese-language schools, while the majority of Malays attend public schools. Islam has taken a greater prominence in the social and political domains, breeding resentment among Indians and Chinese. Chinese and Indians, meanwhile, have become more vocal in opposing discriminatory policies, but they have given little indication that if they were granted greater equality they would rise above their own clannish tendencies. The enmity could erupt into violence. And if it does, it may, ironically, be triggered by the same affirmative-action policies that have done so much to prevent violence over the years.

The tragedy is that most Malaysians seem tired of the fractious politics of the past. Many Malaysians of all races have grown exasperated with Badawi's failure to tackle corruption, crime and inflation. And they recognize that race-based politics is impairing social and economic progress. But unless the opposition parties can rise above the nation's ethnic cleavages by learning to put national rather than ethnic interests at the forefront, ordinary Malaysians are unlikely to.

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