

From the General Election to the "Transition Plan"

Written by Tengku Razaleigh Hamzah

Tuesday, 15 July 2008 00:00 - Last Updated Thursday, 22 September 2011 15:31

Ladies and Gentlemen,

On the night of March 8, and into the small hours of *March 9, like many of you I watched in disbelief as the* results rolled in. Through the early hours of the morning, we all felt the political ground shift beneath us, whatever our affiliations, whatever our hopes.

It gradually became clear that the 12th General Elections had changed the political landscape of the country, and that we had been thrown, not nudged, into a new era. Each of us here will remember the feelings we went through that night, the fears and hopes we felt.

But four months later, where are we? Have our hopes materialized, our fears been confirmed?

2. Four months after the momentous election results of March 8, we find ourselves in a perilous impasse, in danger of losing our bearings, and seemingly unable to see a way forward through a situation of unbelievable fluidity. I don't pretend to be able to have a crystal ball to see through this pea soup. Instead, I thought that today we might try to establish a common description of what is going on so that we can have a more fruitful discussion of what is the way forward. I always prefer the dialogue to the lecture.

3. Thus let me try to achieve a perspective on what happened *then*, where we are *now*, and how we can move forward. The perspective I am going to offer is one from the trenches of the party political struggle that I have been involved in. As I hope will become clear to you, the present struggle I am involved in for the soul of UMNO is very much a struggle for the future of this nation.

4. From the perspective of the BN and UMNO the result of the polls was the biggest setback in our history. In one stroke four states emerged in Opposition control and we lost our 2/3rds majority in Parliament. I said at the time this put UMNO in an Emergency. The Party's losses would seriously hamper our ability to govern:

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a) The Federal government was now weakened in its ability to raise funds, coordinate with the States, and implement policies. Barisan lost control of 3 states from which 75% of the GDP originates.

b) With its failure in the Malay heartland states of Kedah and Kelantan, UMNO lost its legitimacy as the natural party of the Malays. Simultaneously MCA and MIC lost their leadership roles over the other major races of this country and Gerakan was more or less wiped out. A political system that had maintained stability for fifty years had been reduced to ruins.

c) With the loss of its 2/3rds majority in Parliament, the government would now face great difficulty passing the kind of inventive and bold measures that we had taken in the past to set up institutions such as Petronas and Felda. As a developing country we need such flexibility and decisiveness. More so amidst the extraordinary global challenges of our time.

CAUSES OF OUR LOSS

5. In a speech in Gua Musang a month after March 8, I listed three core reasons for UMNO's loss of legitimacy and what we must do:

a) **Democracy** had been suppressed in Umno. Via requirements such as the nominations quota for senior positions the Party prevented the renewal of talent and leadership . We must restore democracy in UMNO, and begin by restoring power to the grassroots to select their leaders at every level up to the President

b) We had failed to articulate a **vision** and a set of policies that transcends race. While defending its traditional vision Umno must be the party that sponsors Malay leadership to win the trust of all Malaysians, a national party that promotes the welfare of all.

c) Too many of our leaders had been **arrogant** and corrupt. People of all races saw us as being

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high-handed, out of touch and ill mannered. We must recover our humility, our spirit of service and solidarity.

6. On that occasion I expressed wonder that a month after the Election the leadership remained *in denial* about the root causes of UMNO's crisis, and hence unable to address those causes. I said Party leaders continued to block discussion and to block my call for an EGM for us to reflect deeply together, as a party, on where we had gone wrong.

7. I did not imagine that four months later, the leadership would be in *even deeper denial*, and would seem even more determined to prevent any party-wide accounting of what had gone wrong. Over the last months, as have suffered massive price hikes, business confidence has plummeted, billions have been wiped off our stock markets and capital has drained from our economy, the Malaysian public has grown increasingly worried as the leadership crisis continues.

8. In any normal political system, having shown such poor results, this leadership should have resigned with heads bowed. Instead we have now been handed a *Transition Plan* to take place in 2010, ignoring the party elections to come this December, and treating Party positions as transferable personal property. They forget that party positions are elected by the combined membership of 3 million, not inherited between 2 persons. This display of entitlement, this subversion of democratic process and legality coming after our members have expressed their demand to be heard, gives cause for people to suspect that our current leadership has lost the plot.

DENIAL IS DANGEROUS

9. The election was a political disaster for the Barisan government. Viewed from a historical perspective, it may have raised some hope that democracy would be reinvigorated. The easy dominance of the ruling coalition seemed to have been broken decisively.

10. That dominance had served us well in difficult phases of our history, when we faced challenges of development, modernization and nation building. It enabled us to administer one of the most stable postcolonial governments seen anywhere and to oversee steady, equitable economic development. It gave us the power to restructure our economy to promote growth and

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equity in a challenging multiracial context. However that same long dominance had made the elements of the party complacent.

11. The Elections showed that the Malaysian public is ahead of its political parties in demanding democratic reform and accountability. Many hoped that this would be an impetus for the BN component parties to reform themselves and for the government to finally fulfill its promises. Perhaps we might use this setback as an opportunity to reform ourselves, strengthen and democratize the Party. But perhaps the the new political landscape would cause instability and stunt growth when we could least afford it, in the middle of an economic downturn.

12. Whether the present circumstances become a blessing or a curse for us depends on how the present leadership responds to it. Sadly, four months on this much is clear: our leaders lag behind in adapting to the challenges of the new political landscape, they remain locked in denial and in personal politics.

13. Instead of heeding the message of reform sent by voters and by its own grassroots the leadership has dug in to perpetuate itself with business as usual. On its present course UMNO is risking not only its own survival but also the future of the nation. The Party leadership needs to realize that we have reached a major decision point. UMNO cannot go back to the way it had been conducting itself. It must return to being the party of the common people, a political party that was also a broad social movement calling on the idealism of millions. At present, we risk destroying the party and plunging the nation into a spiral of decline.

THE IMPERATIVE OF REFORM, THE CHALLENGES BEFORE US:

14. Let me stand back a little from the day-to-day politics that I have to engage in to give a more general description of our condition, so that we can think together about what might be done.

a) The nation is in a state of political crisis that threatens to go well into 2010 if the so-called Transition Plan becomes fait accompli. The BN is decimated, with UMNO remaining the only sizeable party. The Opposition remains a contradictory assortment of parties with little to bind them but the personality of their de facto leader. Notwithstanding the hype of crossovers, they are in no position to take over. UMNO is the party with the history, tradition and maturity to lead the government. For this it must reform successfully.

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b) Meanwhile, UMNO appears trapped with weakened leadership that seems stuck fighting crises week by week. The Party has so degenerated that it is now neither able to hold its leadership accountable nor to renew that leadership. Any organisation, be it a corporation or a sepak takraw team or the United Nations, that finds itself in this condition is in deep trouble. The root of this crisis is of course that democracy has withered in UMNO. Democratic processes within the party have been subverted one by one over the years so that now a small group holds enormous power over millions of dis-empowered members. The top down nature of power within Umno ensures the long survival and indeed the recycling of certain "warlords". These same people are rewarded with government positions, which they use to fortify their party positions. Only a genuine movement from the grassroots can retrieve the Party. I have tried to lead such a movement by going all over the country to meet local leaders and ordinary party members to discuss the situation with them.

c) Our key institutions are at breaking point. These include the judiciary, the police, sectors of the civil service and our schools and universities. They have been on a downward slide for a while. It is time we acknowledge this challenge openly. Under a more authoritarian government it might have been possible to carry on with poor institutions, and indeed that same authoritarianism is what weakened those institutions in the first place. In the present political landscape, those weaknesses just show up relentlessly. Put together institutional weakness, weak leadership and an increasingly powerful public opinion, and you get a dangerous loss of confidence in our key institutions. Many of the embarrassments and policy reversals that you read about weekly are the result of such institutional weakness. They can't be hidden anymore. We are in danger of going into a decline from which we shall not emerge for a very long time.

d) After fifty years of independence our Constitution has not yet been established as a living document among the people. To the extent it plays a role in public debate, it is used partially, rhetorically and without understanding of its intent. The very principle of constitutionality and rule of law has eroded, so that even in political parties such as Umno, there is little understanding of what it means to be a constitutionally governed organisation. The implications of this are huge, not least in the matters of race and religion that are our constant challenge. If we are to emerge as a confident, united people not swayed by racial or religious play-acting, we must look at ways to ensure that our leaders and our people internalise the principles of the Constitution.

e) Our politics remain a politics of personalities rather than of issues and ideas. Of patronage rather than results. When personality dominated politics degenerates you see the destruction of reputations, intrigues, spy scandals, succession plans and whatnot as stratagems to resolve leadership contests, rather than the Constitutional and democratically provided avenue of

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seeking an elected mandate. When group dominated by personality politics comes under challenge, the leaders dig in, call for "unity" – meaning they are not to be challenged — and hold the country hostage while they fulfill their personal wishes.

f) Our economic policy remains haphazard, driven by whims and special interest projects rather than by a cohesive design geared to shape areas of distinct national competitive advantage. The stillborn "Corridor" projects do not seem to have been thought out as part of a cohesive national economic strategy. Like so much we have done recently, they seem ad hoc and uncoordinated in their selection of specialisations. The term economic corridor now inspires skepticism rather than confidence. Meanwhile, the Economic Planning Unit (EPU), which used to coordinate and plan our economic strategy, has been largely bypassed under this administration. We need to staff the EPU with talented professionals again, not political appointees or bureaucrats.

15. There is one thing each of the problems I have just described has in common: each represents a failure of norms and institutions. Each of them demands that we renew our commitment to policy process, to the law and the rule of law. Each is a call to reform.

Ladies and Gentlemen,

16. I would love to get your ideas on my own thoughts on such ideas as the reform or Educational and Medical financing, the improvement of our cities, a renewed emphasis on rural development, and how we can return economic development initiative to the states, together with the funds to undertake those initiatives. We can talk about decentralizing economic growth, eradicating rural poverty and returning investor confidence.

17. We can talk about these during question time if anyone is interested.

18. But recent events confirm we are now in such a deep political crisis that I want to use my remaining time to press a single point: the need to prepare ourselves to retrieve the basic understandings, discipline and practices that constitute a nation.

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19. We must reform and strengthen core institutions: the judiciary, security services, the schools and the civil service. These form the core **institutional capability** of a country. Without this in place we are in danger of taking one step forward only to take two steps back. Right now we are looking at the frightening possibility of seeing those backward steps happen before our eyes.

20. This emphasis on institutional reform applies to UMNO as much as to organizations such as the Judiciary and the Economic Planning Unit (EPU). In each case we will have to work hard to

a) re-clarify the norms, and attach clear sanctions and goals around them.

b) The law must be enforced rigorously and impartially, with the checks and balances between institutions restored

c) Lead, educate and train people to internalise these norms and practices. This requires a deep reform of our declining Education system, and it means we need to look at how we train our civil servants.

d) Meanwhile, we should look at improving the way our political institutions reflect law-governed democratic practice. The constitutions of the political parties should be made to adhere without exception to the Societies Act. Unlawful restrictions in party constitutions should be challenged and removed.

e) We need to arrest the decline in the quality of people seeking employment in these key institutions.

21. The reform of our basic institutions requires absolutely credible, committed leadership. For a while now we have had leaders fascinated with the flashy hardware of modernity rather than attentive to the invisible infrastructure of credible, capable national institutions.

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22. As we ensure we are doing these basic things right, we can have confidence that we can once more invent the strategies and institutions to enable us to thrive in a world economy that has been completely transformed in the years since we first dared to raid its centres of power and deal our own terms with its corporate behemoths.

23. The mould is broken, the vessel split. There is no return to the political scenario pre March 8. This is the frightening and also exhilarating thing about where we stand. We could be standing at the edge of long-term instability and decay. Or we could be on the very edge of an opportunity to re-establish ourselves as democratic, united and confident country ready once more to make our own destiny among the nations. We are in unusual times, calling for unusual effort and boldness in doing the right thing. I ask you all to join me in doing everything you can to make sure that the second scenario comes true for us all.

Speech by YBM Tengku Razaleigh Hamzah

At The Bankers Club Business Luncheon Forum

On Tuesday, 15TH July, 2008, at 12.30 p.m.