



# Keeping the Promise of Reform

14 May 2018 | Sunway University

by FAIZA HAIDER

On the 14th of May 2018, the Jeffrey Cheah Institute on Southeast Asia (JCI) hosted a public forum to discuss the outcome of the 14th Malaysian General Election, which heralded the first ever regime change in Malaysia's history, as the erstwhile ruling coalition, which had enjoyed an uninterrupted reign since Malaya's independence in 1957, was voted out of power.

## Keeping the New Government Accountable

The first panel, comprised of three *Pakatan Harapan* members who had contested in the recent election: Dr Maszlee Malik, Liew Chin Tong, and Wan Saiful Wan Jan.

Moderator, Professor Woo Wing Thye, President of the Jeffrey Cheah Institute and Professor of Economics at University of California, Davis, congratulated Malaysians on their solidarity during this milestone event in the history of the nation. The new government must be aware of how "angrily decisive Malaysians can be. If it fails to deliver on its promises, it too faces going against a new rival in the future", he said.

He then went on to summarise what he saw as the four main things that Malaysians want:

- dynamic economic development to increase their standard of living to

be at par to that of South Korea, Japan and Singapore;

- social harmony and social justice;
- good governance and competent leaders who are accountable and operate in an honest and transparent manner; and
- a healthy, clean and green environment, which implies greater environmental protection and rehabilitation.

Wan Saiful Wan Jan, former Chief Executive Officer of the Institute for Democracy and Economic Affairs (IDEAS) and *Pendang* parliamentary candidate, kick-started the panel by describing his involvement in the drafting of the manifesto of the *Pakatan Harapan* coalition with the theme: "Rebuilding our Nation, Fulfilling our Hopes". An initial draft of 84 pages grew significantly as the drafters discovered the depth and complexity of the issues Malaysians were concerned about. Its launch on the 8 March 2018 left little time for any detailed explanation to the people, therefore, *Pakatan* picked the most important issues to be discussed, and Wan Saiful highlighted five of them:

- reducing the people's burden;
- institutional and political reforms;
- sustainable and equitable economic growth;
- returning Sabah and Sarawak to its pre-1963 status; and

- creating a Malaysia that is inclusive, moderate and respected globally.

Wan Saiful went on to say that the continued objections by *Barisan Nasional* against the manifesto were mostly related to the abolition of the Goods and Services Tax (GST), which was only a small part of the manifesto. He regretted that the coalition never got the chance to delve deep into the institutional reforms put forward in the manifesto prior to the election, which constituted one-third of the document. He reinforced the point that the government and the civil service needed to ensure that these promises are kept. He said that there should be a cut in the expenditure of the Prime Minister's Office to help fund more pressing needs in the national budget. He ended by emphasising the need for a strong opposition that can keep the newly-elected government in check.

The second panellist, Liew Chin Tong, offered his hypothesis on why people voted for *Pakatan Harapan*. First, the public wanted institutional reforms, including a strong cabinet and parliament, free press, and independent anti-corruption and



JCI FORUM

# KEEPING THE PROMISE OF REFORM

JC 1, Level 1, **Sunway University**  
Monday, **14 May 2018** | 3.00 PM - 6.30 PM

**Panel 1: Keeping the New Government Accountable**

Dr Maszlee Malik    Liew Chin Tong    Wan Saiful Wan Jan

**Panel 2: Key Immediate Reforms**

Ibrahim Suffian    Dr Wong Chin Huat    Prof Woo Wing Thye

election commissions. Second, the public voted for economic policies centred upon the wellbeing of the people.

The DAP strategist, who was later appointed as Deputy Defence Minister, remarked that the recent election has erased the ‘fear factor’ of voting out any government, saying that “from now on, the Malaysian people will continue to exercise their democratic right to change the government should the need arise”.

He also opined the fundamental problem plaguing Malaysians today is their income level. The new government will have to figure out how to address this problem, and in doing so, address the Malaysia’s brain drain.

The last speaker of the panel was Dr Maszlee Malik, newly-elected Member of Parliament for Simpang Renggam, who was later appointed Minister of Education. Dr Maszlee suggested four

key reforms that must be undertaken by the new administration:

- Parliamentary and Cabinet reforms, even at the state assembly level;
- freedom of expression to allow for responsible and professional journalism; and
- academic freedom, which was curbed by the previous government under the Universities and University Colleges Act.

He mooted the idea of regular town hall sessions to allow issues and concerns faced by voters to be raised to their elected representatives; as well as an annual report card of elected representatives’ performance.

### **Key Immediate Reforms**

The second panel was made up of Ibrahim Suffian, Dr Wong Chin Huat and Professor Woo Wing Thye.

Ibrahim Suffian, Programme Director of Merdeka Center for Opinion Research, began by discussing the confluence of factors that brought on

the election result. First was the presence of a charismatic leader in Tun Dr. Mahathir Mohamad who was able to galvanize and mobilize large support for *Pakatan Harapan*. Second was the problems of endemic corruption. And third was the weakening of the economy. Ibrahim went on to analyse the voting outcome of a few constituencies in detail, and discussed the role of ‘swing’ voters. A lot of the votes were motivated by *Pakatan Harapan*’s promise to abolish GST, corruption, ethnic issues, and what Ibrahim simply called the ‘Mahathir’ effect.

The second speaker, Dr Wong Chin Huat, Head of the Political and Social Analysis Section of the Penang Institute, said that reform is not about suppressing politics, but is instead about making politics work. “Democracy is not about building a ‘heaven on earth’, but is about finding ways for flawed humans driven by self-interest to get things done”, he said. He also acknowledged the differing interests of the political parties in the

*Pakatan* coalition and warned that the government should not allow history to repeat itself and become *Barisan Nasional 2.0* by cracking down on dissent and penalising those whom they think will pose a threat.

He stressed the need to be pragmatic as reform is not about PH replacing BN, but to transcend BN. He further explained that the BN system was one that prevented any form of competition from flourishing, which in turn made the coalition uncompetitive. Dr Wong forewarned that if PH were to become like BN then they would most certainly have an external opposition as well as dissent from within. Interestingly, he pointed out that PH was demonstrating a little of the BN style of governance, by allocating constituency seats according to parties, even though a much more capable candidate from another party could have contested.

The final speaker was JCI's very own Professor Woo Wing Thye, who remarked that this is not the first time that a long-established party has lost power, reminding the audience of regime changes in Mexico and Korea among others.

Professor Woo enquired into how the new government might address the deficit that might arise from abolishing GST. Professor Woo said that while there is concern that the deficit would increase, this can be addressed by implementing a pro-growth tax system - where tax is predominantly on income. For it to work, however, there needs to be systemic reform and the adoption of good policies that can lead to higher productivity and higher wages.

Professor Woo also emphasized the importance of fiscal decentralization - the transfer of fiscal authority from central government to state and local governments. However, he noted that

fiscal decentralisation cannot occur unless there is also administrative decentralization. Local issues are best understood by the states and they would be the more informed decision-makers. He then went on to assert that there is a need for multiple centres of economic activity. A lone metropolis such as Kuala Lumpur is an unhealthy and unsustainable model. He then used of states in the United States to demonstrate examples of efficient administrative and fiscal decentralization.

Professor Woo then critiqued the issue Government-linked Companies (GLCs) in Malaysia, pointing out their inefficiency due to a high level of political patronage. He believes they should be downsized. Likewise, he believes the monopolistic banking system and over-regulation by the central bank should be restrained. He said that the system has made it impossible for SME banks to thrive. SME banks mainly serve SMEs, which in turn are the source of innovation, jobs and growth.