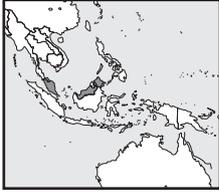


■ MALAYSIA

Government secrecy threatens civil and economic rights



Although Malaysia is frequently showcased as one of the developing countries with the highest social and economic achievements, growing social unrest reflects serious concerns over corruption, rising crime, escalating food prices, growing inequality, deteriorating environmental quality and sustainability. The Government culture of secrecy must be loosened if the country is to create the openness, accountability and transparency needed for broad public participation in economic development.

Consumers' Association of Penang
Mageswari Sangaralingam

Malaysia celebrated its 50th Anniversary of Independence on 31 August 2007 with great ceremony, celebrating development achievements that include a world-class health care system, a literacy rate of 88.7%, water supply coverage of 95% and electricity coverage of 93%. Efforts to eradicate extreme poverty and provide social and community services are considered among the best in all developing countries. Despite this, the end of 2007 saw notable civil unrest, including protest rallies by vast segments of society, reflecting the curtailment of civil liberties as well as on-going poverty and marginalization, especially among rural and indigenous populations.

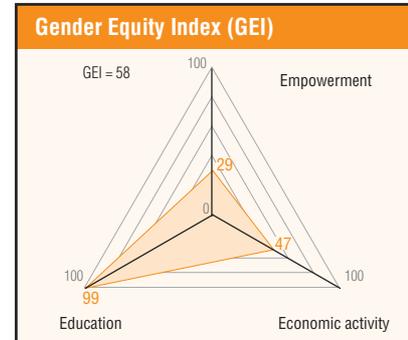
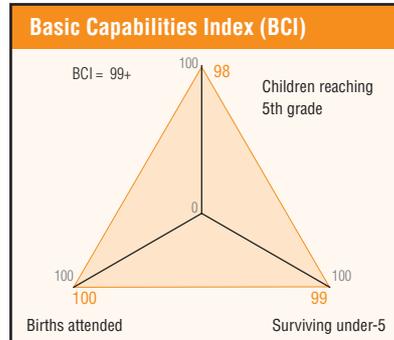
Civil liberties curtailed

The Federal Constitution of Malaysia recognizes the right to freedom of speech and expression, although it does not specify how these are to be protected. Although the country prides itself on practicing democracy, the rights of its citizens are restricted through laws such as the Internal Security Act (ISA), the Official Secrets Act (OSA) of 1972 and the Printing Presses and Publications Act (PPPA) of 1984. The OSA and the PPPA both restrict free speech and expression, the former by subjecting public administration matters to national secrecy laws; the latter through annual re-licensing requirements that keep media wary of offending the Government.

Mainstream media is controlled by political parties aligned with the Government and practices self-censorship whenever an issue is deemed controversial. In 2007, Malaysia's ranking in the Reporters Without Frontiers press freedom index dropped 32 places to number 124 (SUARAM Komunikasi 2007). Alternative news and online blogs are also closely monitored.

The reluctance of the Government to grant the public access to information on ongoing free trade negotiations, particularly the Malaysia-USA Free Trade Agreement (FTA), is particularly disheartening since issues of major public interest end up being negotiated in utmost secrecy.

Freedom of assembly suffered serious setbacks in 2007. On 10 November 2007 a massive rally, organized by the Coalition for Clean and Fair Elections, comprising members of 70 civil society



groups and political parties, congregated in Kuala Lumpur demanding free and fair elections. A few days later, on 25 November, the Hindu Rights Action Front (HINDRAF) organized a rally attended by at least 20,000 protesters, mainly Indians, demanding equal social and economic rights (SUARAM Komunikasi 2007). In both rallies, the police used tear gas and chemical-laced water cannons to disperse the protestors and scores of them were detained without trial. Five organizers of the HINDRAF rally have been in detention since December 2007 under the ISA, which permits indefinite confinement without charge or trial.

While it was hoped that the establishment of the Human Rights Commission of Malaysia in 2000 would improve the human rights situation, critics view it as a powerless body appointed for the purpose of obscuring the Government's poor human rights record, deflecting attention from continuing civil rights violations (Suara Rakyat Malaysia 2007). Its main shortcomings include lack of transparency in the selection of commissioners; a limited mandate and lack of structural autonomy; Government disregard of its recommendations and advice; and slow response to alleged violations. Many of its recommendations have gone unreported and remain on the shelves of Parliament (Suara Rakyat Malaysia 2007).

Poverty and inequality

According to official statistics, poverty in Malaysia decreased from 8.5% in 1999 to 5.7% in 2004. However, this masks considerable differences among various regions and between rural and urban areas. In particular, there is high incidence of poverty among indigenous peoples, especially the minorities in East Malaysia (EPU 2006), who find their cus-

tomary landownership, already weak, increasingly threatened. For instance, the future of an estimated 150,000 Orang Asli (indigenous communities, made up of about 18 ethnic groups) in Peninsular Malaysia is bleak due to the loss of land and livelihood resulting from clearing of forests, sudden eviction to make way for development projects and paltry cash compensation. In addition, rural-urban income disparity continues to widen. The Ninth Malaysia Plan reported that the poverty gap was five times higher in rural than in urban areas (EPU 2006).

The gap between the rich and the poor has also increased. The national Gini coefficient went downhill from 0.442 in 1990 to 0.462 in 2004, as the share of income of the bottom 40% declined from 14.5% in 1990 to 13.5% in 2004 while the share of the top 20% increased from 50% in 1990 to 51.2% in 2004 (EPU 2006). Clearly, the New Economic Policy has not fully benefited the poor majority, while a small group accumulates wealth via contracts for mega projects and other governmental concessions.

During 2006-2008, the Government launched five regional economic corridors, covering the Northern, Eastern and Southern regions of Peninsular Malaysia, and one each in Sabah and Sarawak, designed to address socio-economic imbalances (Treasury Malaysia 2007). The development plans were drawn up in consultation with the private sector only, with no public hearings, and are therefore more likely to benefit the corporate sector than the poor.

For example, the Master Plan for the Northern Corridor Economic Region (NCER), encompassing the states of Kedah, Perlis, Penang and northern Perak, was launched on 30 July 2007. Designed by a local conglomerate, Sime Darby Berhad, the Plan focuses on services, agriculture, manufacturing and

infrastructure. The first phase is intended to lay the foundation by securing anchor investors and constructing priority infrastructure.

The execution of the detailed NCEP plan will be assigned to a proposed implementation body, namely the Northern Corridor Implementation Agency, which has the power to carry on or engage in any commercial activity or profit-making enterprise subject to the approval of the Federal Government. The plan includes a clause obligating secrecy in Authority meetings while no action can be brought against it or its members for acts done in good faith.

Given the lack of public participation in either the development of the plan or the projects to be implemented, the question is whether it and the other regional economic corridors can fuel economic growth and raise people's income levels in the reasonable future, or simply benefit the private sector. In the meantime, the soaring price of agricultural commodities has benefited Malaysia's agricultural sector, including farmers and smallholders involved in oil palm or rubber production, while the cost of living has gone up along with the price of necessities and farm inputs, thus limiting the gains for most people.

There is also concern that the influx of cheaper imports arising from globalization and trade liberalization may affect the rural economy. Increased competition from imports can cause difficulties for local farmers as bound tariff levels have to be reduced over time, while farm subsidies will be progressively reduced, sharply reducing incomes for hundreds of thousands of farmers and smallholders.

Trade liberalization

Free Trade Agreements¹ between developed and developing countries usually require the latter to undertake WTO-plus obligations, which include rules on investment and government procedures traditionally opposed by developing countries. When Malaysia and the US began a first round of talks on a bilateral FTA in 2006, Malaysian citizens protested that the agreement would cause more harm than good. The Coalition on Malaysia-USA FTA, a broad-based group including people living with HIV and AIDS, consumers, workers, farmers, health activists and human rights activists, expressed concern that the scope of the negotiations would have significant impacts on the following:

- government procurement and local policies, imposing a threat to national sovereignty
- investment and implications for local jobs, small industries and enterprises

¹ For further information on implications of FTAs on Malaysian society, see: <www.ftamalaysia.org>.

- intellectual property rights and access to affordable medicines and knowledge
- agriculture and food security owing to the impact on rice self-sufficiency and the labelling of genetically modified foods.

The civil society movement is particularly concerned that decisions are being taken without any consultation with the public. An example is the Japan-Malaysia FTA, concluded in a shroud of secrecy, the details of which appeared on the official government website only after it was signed.

In the case of the Malaysia-USA FTA, in 2007 Cabinet ministers were given only a week to provide feedback on 58 contentious issues so that negotiations could be concluded to meet the the US Government's fast track authority. Negotiations deadlocked over a number of these

In the case of the Malaysia-USA FTA, in 2007 Cabinet ministers were given only a week to provide feedback on 58 contentious issues so that negotiations could be concluded to meet the US Government's fast track authority. Negotiations deadlocked over a number of these issues and formal negotiations were postponed to early 2008.

The experiences of countries that have signed bilateral FTAs have shown far-reaching implications for ordinary people as policy space to shape sustainable development is reduced. An influx of imports caused by market liberalization can displace local products, reducing the livelihoods of affected local farmers and firms. Manufacturers and farmers will also have to anticipate business losses when protective tariffs are eliminated.

A group representing people with HIV and AIDS is very concerned that anti-retroviral medicines would become even more unaffordable after the signing of the agreement. Almost all patents registered in Malaysia are foreign-owned, so any tightening of patent laws resulting from a Malaysia-USA FTA would benefit foreign companies at the expense of local companies and consumers. Usually, a USA FTA forces more patents on medicines. Thus, monopoly and increase in the price of antiretroviral drugs is foreseeable.

The anti-FTA protests managed to ensure that the Malaysia-USA FTA was not signed before the expiration of the fast-track authority in 2007. As negotiations resume, civil society organizations are continuing to pressure the Government not to continue with the FTA.²

² In the 2008 general election, citizens expressed discontent by denying Barisan Nasional (National Front), the ruling political alliance since independence, a two-thirds majority. Five out of thirteen states are now under opposition rule, compared with only one after the 2004 election.

CHART 1. Malaysia: key statistics	
	2007
Population (in millions)	27.17
Gross birth rate (per thousand)	17.6e
Gross death rate (per thousand)	4.4e
Infant mortality rate (per thousand)	6.7e
Life expectancy (male)	71.9
Life expectancy (female)	76.4
Adult literacy rate (%)	88.7
Unemployment rate (%)	3.1
GDP growth rate (%)	6.7
Human Development Index (2005)	0.811
e = estimate	
Source: Department of Statistics Malaysia, <www.statistics.gov.my>.	

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