

Insights

Malaysia's Deep-rooted Corruption problem: The Sarawak Case

For many observers, Prime Minister Mahathir Mohamad's surprise election victory in May 2018 on a pledge to root out corruption hailed the beginning of a new, corruption-free, era for Malaysia. Mahathir's crackdown opened strong, with a thorough investigation into the 1Malaysia Development Berhad (1MDB) scandal, dubbed the 'financial heist of the century'. The biggest of five trials against former leader Najib Razak, who has been hit with a total of 42 criminal charges of graft and money laundering linked to 1MDB and other state entities, began on 28 August. However, large-scale graft has always been a deeply rooted feature of the Malay political sphere, and upending decades of corrupt practices is no easy feat.

High-profile corruption cases under investigation by the Malaysian Anti-Corruption Commission (MACC) involve individuals with close ties to the current administration led by Mahathir. One such individual is Sarawak Governor Taib Mahmud. The 83-year-old is accused by indigenous activists of ruling Sarawak like a family fiefdom for 33 years, plundering its resources and building ecologically harmful dams. Under the Sarawak Corridor of Renewable Energy industrialization scheme, Taib and members of his circle have signed lucrative contracts with no proper tendering process. Blatant evidence that the Taib family and its cronies have pocketed almost all of the wealth of the state through a vast array of landgrabs, contracts and concessions has been in the open since at least 2011. In 2014, MACC recognized the severe corruption problem in Sarawak in a report submitted to parliament. Yet, the agency is dragging its feet in holding those responsible to account.

Taib was loosely aligned with Najib's regime but is also close to Mahathir. Their friendship can be traced back to Mahathir's years in office from 1981 to 2003, when he ruled at the helm of the now opposition United Malays National Organization (UMNO) and its founding member Barisan Nasional (BN). From 1981 until his retirement in 2014 Taib was the president of the Parti Pesaka Bumiputera Bersatu (PBB), which was part of the UMNO-led coalition. The PBB and its precursor parties have dominated the Sarawak government since independence. Mahathir reportedly allowed Taib to rule as he wished in Sarawak in the 1980s and 1990s in exchange for political support. They are also friends, and Taib is close to many of Mahathir's other associates who now have roles in the PH coalition. Finally, Cercius Group projects that it is highly plausible that many individuals that are part of the ruling coalition, including Mahathir and his likely successor Anwar Ibrahim, would be implicated in the event that corruption allegations against Taib were investigated.

Latheefa Koya was appointed unilaterally by Mahathir as the new chief commissioner of MACC in June, and there are signs she is leading a proper investigation into allegations of corruption in Sarawak. However, progress will undoubtedly be slow. Despite efforts by the Mahathir administration to reinforce MACC, the agency still lacks independence. Cercius Group projects that the government will likely seek to buy time in challenging Sarawak's powerful political and business elite.