THE TPP AND MALAYSIA'S CORRUPTION CRISIS

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The Obama administration appears to have made the Trans-Pacific Partership the overriding priority of its engagement with Malaysia. In doing so, the administration has made visible compromises on principle that have set back Malaysia's difficult transition to democracy. In a region that his home to 240 million Muslims, it has sacrificed the moderate, democratic Muslim agenda to collaborate with a regime riddled with corruption and abuse of power. It has set back the fight against human trafficking by compromising the credibility of its own chief instrument in that struggle.

There have been strong general objections to the content of the TPP and its opaque, big-business driven negotiation process. What has not been discussed are the compromises on fundamental principle and policy that have been made to ensure Malaysia's participation.

A reckoning of the cost of those compromises puts to rest any notion that the TPP is anything like a 'gold standard', 21st century trade agreement. Instead, it will be a negative chapter in the history of US-Malaysia relationship, not just because of its content but because of the circumstances in which it has been secured in Malaysia. The TPP, if it is finally ratified, will set back reforms much needed by the Malaysian economy and the political system.

The administration's engagement with Prime Minister Najib Razak has damaged US credibility in the region

The iconic image of the warm relations that the US currently enjoys with Malaysia is the private golf game in Hawai'i to which President Obama invited Prime Minister Najib Razak on Christmas Eve, 2014. Before Mr. Obama's visit to Malaysia in April 2014, the last US President to visit Malaysia was Lyndon Johnson in 1966. Since then Mr. Obama has been back again for the East Asia Summit held in Kuala Lumpur in November 2015.

The two leaders are described as "friends" and are described as "having made a personal connection." The Obama administration has made heavy and often personal bets on the leadership of Prime Minister Najib Razak as a partner in the region in the 'pivot to Asia' and the struggle against Islamic radicalism. These priorities have been undercut by being subsumed under the administration's aggressive pursuit of the TPP.

Islamic State: The Najib administration is part of the problem, not the part of the solution

In his remarks after a recent bilateral meeting with Mr. Najib, President Obama said they had

...agreed to make Malaysia as a **center for counter- messaging**. Because in fighting violent extremism, it's not only a military solution that's required, but it's winning the **hearts and minds** of its people. And that is why it's important for us to present the counter-narrative, to present the authentic Islam, the true Islam, so that people realize what IS represents, or tries to represent, is the total perversion of Islam.¹

Malaysia could one day be a good ally of the United States in countering Islamic State extremism, but not before it has achieved the freedom and constitutional democracy that its people have been denied². Until then it is a state with fast failing institutions that is increasingly a center for the production rather than the elimination of the worldview behind Islamic State and its racialised regional variant³. With a potent stew of corruption, disenchantment with secular government, an Islamic-racialist ideology, government funded Salafism and the worst TIP and human smuggling situation in Southeast Asia, Malaysia is the regional source for the export of extreme ideas and of militants feared by neighboring Singapore and Indonesia.

The Government of Singapore has traditionally been cautious about commenting on ethno-religious issues in Malaysia. However, after the Jakarta attacks, Minister for Home Affairs and Law K. Shanmugam announced an escalation in Singapore policy against Islamic terrorism. He noted that "Southeast Asia" had become fertile breeding ground for terrorism. Taking most of his examples from Malaysia, Mr. Shanmugam noted that 1 in 10 Muslims there had favorable views of ISIS and that a 53% majority were in favor of implementing Hudud, the Islamic penal code, which mandates the amputation of limbs for theft and stoning for adultery. 4 Most of these were moreover younger

¹ November 20, 2015, Remarks by President Obama and Prime Minister Najib of Malaysia After, Bilateral Meeting, Kuala Lumpur Convention Centre, Kuala Lijohpul Palligi Mesia Y (http://www.hizehom.pul/alligi.puesia Y (http://www.hizehom.puesia Y (ht

³ Indeed, before IS/ISIS/daesh made the term unfavorable, UMNO leaders after Mahathir had maintained that Malaysia is an *Islamic state*, in a repudiation of the secular state guaranteed by the Federal Constitution

⁴ Southeast Asia has become a fertile ground for terrorism: K. Shanmugam

people. Singapore would begin to address the problem as an ideological and not just a security threat

As Mr. Najib's political and legal troubles have mounted, he has reached out to extremist and Islamist elements. He has brought forward the implementation of hudud law in Malaysia and mobilized extremists threatening ethnic violence in his support⁵.

To Malaysians, President Obama could not have been come across as more naïve about Najib's doublespeak on Islam, nor chosen a less credible partner beside whom to announce this intention.

In Malaysia, Najib represents the 'total perversion of Islam' and of the modern state against which the IS narrative is so attractive to young Muslims.

Mr. Najib's rule is perhaps the last gasp of a regime built on a racial supremacist ideology that is collapsing under the weight of corruption. At the last election the ruling coalition lost the popular vote to a coalition led by Anwar Ibrahim and clung on to a legislative majority by election fraud, vote buying and gerrymandering⁶. To arrest their declining support they have raised street demonstrations threatening violence against the nation's Chinese and Christian minorities and fanned anti-Semitism.⁷ Emblematic of this uniquely regressive identification of Malay and Islamic supremacy is the ban, without parallel even in Sunni Arab states, on the non-Muslim use of the term 'Allah' and the confiscation of Bibles in the Malay language.⁸

Najib's posturing as an advocate of moderate Islam on the international stage belies the fact, notes a recent USAID report⁹, that "he is aligned with a conservative, Salafi-influenced Islam at home." He presides over a well-funded government Islamic agencies that promote sharia law as the supreme law of the land, thus undermining the secular Constitution on which Malaysia was founded. They write the government mandated weekly Friday sermons in which non-

⁷ How Malaysia became one of the most anti-Semitic countries on earth, *The Tablet*, February 8, 2016

⁵ Najib, government behind 'red shirt' rally, says Dr Mahathir, September 26, 2105

⁶ Human Rights Watch, Malaysia

⁸ When Najib needed to replace the previous Attorney-General in a hurry for having tried to charge him, he picked <u>Apandi Ali</u>, the judge and UMNO member who had made this ruling.

⁹ To fight Isis, US should encourage moderate Islamic agenda in Malaysia, says USAID report (See http://www.themalaysianinsider.com/malaysia/article/to-fight-isis-us-should-encourage-moderate-islamic-agenda-in-malaysia-says)

Muslim Malaysians are often referred to as 'enemies of Islam.' The USAID report recounts that "A recent sermon failed to explain the relationship between jihad as war and other types of jihad, and rejected Isis jihad only because Isis inflicted atrocities on Muslims and non-Muslims without distinction."

Najib's religious bureaucrats do more than "control and maintain the purity of faith and the teachings of Islam in the country". They promote an ethnicized regional variant of the Islamic ideal of the caliphate, a Malay-Islamic state in which Sunni Islam's supremacy is indivisible from the political and legal supremacy of the Malay race. 10

As in the Middle-East, the territorial extent of this idealized polity runs across present-day boundaries that they consider to have been imposed without legitimacy by colonial 'crusaders;' a term in still in use. It extends naturally into the 'Nusantara', or archipelagic Southeast Asia, a region re-imagined as the homeland of the 240 million Muslims of Southeast Asia.

Terrorist groups such as Jemaah Islamiya, Al-Qaeda in the Malay Archipelago, and Islamic State share this vision of the entire region under sharia law.

Islamic terrorist movements such as Jemaah Islamiyah (JI) and Islamic State have always been regional in their membership and ambition, and Malaysia's more repressive government, government support for Wahhabis, and combination of modern infrastructure with porous borders has caused it to be a 'net exporter' of militants to Indonesia and Mindanao, and now to Syria¹¹.

Broader numbers cohere with this story. Despite having fewer than a tenth the number of Muslims in Indonesia, there are almost as many Malaysian as Indonesian fighters for ISIS in Syria. The government estimates that there are 50,000 ISIS sympathizers in the country, including members of the military.

A recent Pew Survey showed that 12% of Malaysian Muslims had favorable attitudes towards IS compared to 4% in Indonesia. Thirty nine percent of Malaysian Muslims surveyed believed that violence can be justified against enemies of Islam. This is the message sent repeatedly in the dominant political discourse under Mr. Najib's government.

¹⁰ James Chin: Malaysia: Clear and present danger from the Islamic State, December 2016, Brookings.

¹¹ The masterminds of the 2003 JW Marriott hotel bombing in Jakarta, the 2004 Australian embassy bombing in Jakarta, the 2005 Bali bombings, the 2009 JW Marriott - Ritz-Carlton bombings, and the 2002 Bali Bombings, were Malaysian.

Dealing with grand corruption

The alliance with Mr. Najib has been a "messaging" failure with respect to the Muslim 'youth bulge' of Southeast Asia that Mr. Obama's 'hearts and minds' campaign must engage. Mr. Najib represents that most resented of evils in the developing world, corruption.

Mr. Jose Ugaz, chairman of Transparency International (TI), has singled out¹² Mr. Najib as a prime example of national leaders in developing countries who have "become so corrupt that they endanger both citizens and society. Millions of their people are unable to live their lives to their full potential. Instead, they suffer human rights abuses while the corrupt enjoy impunity." TI has made it a special priority to expose the crime of *grand corruption*.

Grand corruption has taken a particular 21st century form in its reliance on global financial and property markets. It is also a security problem because it causes the breakdown of trust in secular, western style government in the Muslim world and make attractive, by contrast, sharia-state ideals, with their promise of clean government. It is absolutely in the US interest that this youthful population sets its hopes on democracy rather than on Islamism.

Mr. Najib has become a poster boy for the 21st century kleptocracy targeted by Transparency International; armed with teams of "strategic communications consultants" and lobbyists in London and Washington, quick to drop buzzwords of reform and moderation while at home they run illiberal democracies. Hatred for such leaders translates easily into contempt for the liberal values that they simulate, and hatred of their Western allies.

Malaysia is caught in a between Mr. Najib and investigative agencies trying to hold him to account.

In July 2015, after an exposé by the *Wall Street Journal*, Mr. Najib foiled an attempt by the Task Force investigating the sovereign wealth fund 1MDB to charge and detain him for having received almost \$700 million diverted from this fund that he controls into his personal bank account. Swiss investigators working on this case estimate that more than \$4 Billion has been misappropriated through "systematic course

6

¹² Jose Ugaz, "<u>We must shine a light on corrupt leaders who keep citizens locked in poverty</u>"

¹³ Fareed Zakaria, <u>The Rise of Illiberal Democracy</u>

of action carried out by means of complex financial structures"14

He replaced the Attorney-General unlawfully, removed the lead investigators and intimidated the leadership of the Malaysian Anti-Corruption Commission and the Central Bank. The body of the deputy public prosecutor who drafted the charges against Mr. Najib was found stuffed inside a cement-filled oil drum.

The new Attorney-General has unilaterally cleared Mr. Najib of wrongdoing and proposes life-imprisonment for whistle-blowers under the Official Secrets Act and punishment for journalists who refuse to reveal their sources.

In the administration's conduct of relations with Mr. Najib, it is a relevant consideration, with due regard for Malaysia's sovereignty, that Malaysia is not just in its deepest political crisis in forty five years but gripped in a law enforcement standoff. Najib's hold on power, exercised through control of the Attorney-General and the Chief of Police, is the only thing standing between him and arrest for criminal breach of trust and possibly murder.

Mr. Najib's actions, including his conduct of foreign affairs since the 'donations' into his account were exposed in the global media, must be interpreted in the context of this criminal situation and of his *personal* calculations for survival, and not as foreign policy conducted in the Malaysian interest.

The administration's aggressive prioritzation of TPP, and willingness to overlook Mr. Najib's corruption, repression of dissent and encouragement of Islamic absolutism¹⁵, have played a role in Prime Minister Najib Razak's maneuvers to evade the course of Malaysian law. Its continued partnership with Najib to deliver the TPP, an agreement opposed by the majority of Malaysians, looks like opportunism.

The administration has made unsustainable compromises to keep Malaysia in the TPP

Malaysia is a poor fit for the principles of transparency, governance and free competition cited by promoters of the TPP. It has thus had to

¹⁴ Swiss Suspect \$4 Billion 'Misappropriated' by Malaysian State Companies, WSJ, January 29, 2016

¹⁵ "Prime Minister Datuk Seri Najib Razak aligned himself with a "conservative, Salafi influenced Islam" in Malaysia, despite being admired as an advocate of moderate Islam on the international stage" <u>Indonesian and Malaysian support</u> for the Islamic State, USAID, September 28, 2015.

be shoe-horned into this agreement in a way that raises questions about the integrity and value of the TPP, and ultimately about what the US brings with its "pivot to Asia."

These compromises concern two core areas in which the administration's compromises on principle have whitewashed abuse rather than taken the opportunity to encourage reform.

First, the State Department upgraded Malaysia's TIP status from Tier 3 Watch List to Tier 2 Watch List in a move widely regarded to have been shaped by its interest in maintaining Malaysia's participation in the TPP.

Second, government procurement, SOE's and bumiputera preferences, three core areas through which Malaysia's racially discriminatory *bumiputera policy* operate, were given generous carve-outs.

The fight against human trafficking and corruption, and for political and economic reform, have all been set back to make way for this "most progressive trade agreement in history."

Malaysia has been politically upgraded on the TIP report

Malaysia has the worst human trafficking problem in Southeast Asia. It is massive, systemic and bound up with corruption.

The State Department upgraded Malaysia from Tier 3 Watch List to Tier 2 on the TIP Watch List in June last year with conclusions that went against all the data provided by concerned observers, and against the evidence provided by its own staffers who had researched the situation on the ground in Malaysia.

This happened even as 139 mass grave sites of the victims of trafficking were discovered on the Thai-Malaysian Border. They were the planned outcome of a system of "death camps," some holding up to three hundred people at a time, in the Malaysian forest near the border with Thailand. Local residents had long known of these camps, their function, and the predatory role of Malaysian officials in their operation.

This should have come as no surprise to the State Department. Concerned about the fate of Burmese migrants trafficked in Malaysia, the Senate Foreign Relations Committee had conducted its own inquiry into these border camps in 2009 and found that migrants captured by Malaysian officials in Malaysia were being taken in Malaysian government vehicles to the border to be sold to traffickers who kept them caged until their relatives could be persuaded to pay for their release. If they could pay, they were released back into

Malaysia, where they risked being caught and returned: a revolving door. Those who could not pay ended up in one of those graves.

SFRC staffers for that report recommended that "The Government of Malaysia should address the trafficking, selling and slavery of Burmese and other migrants

within Malaysia and across its border with Thailand." They had found Malaysian government officials to be key participants and beneficiaries of the trafficking. ¹⁶

The chairman of the SFRC who oversaw this report was Sen. John Kerry.

Even before the decision, 160 members of the House of Representatives and 18 senators had written a letter to Secretary of State John Kerry last year saying Malaysia should remain on Tier 3 Watch List. They were concerned that the determination to push the TPP through would override the commitment against human trafficking and slavery.

Senator Sam Menendez said in a statement: "The Administration has turned its back on the victims of trafficking, turned a blind eye to the facts, and ignored the calls from Congress, leading human rights advocates, and Malaysian government officials to preserve the integrity of this important report...They have elevated politics over the most basic principles of human rights."

Charles Santiago, a Malaysian MP and Chairman of Asean Parliamentarians for Human Rights, called decision 'laughable', and "a major disservice to anti-trafficking efforts¹⁷" On a recent visit to Washington, he described how the trafficking situation in Malaysia had been getting worse, not better, since the upgrade. He explained that it too deeply rooted in corruption to be removed without thorough political reform.

There are about 5.2 million foreign workers in the country; almost one for every Malaysian worker. Of this number almost 3 million are undocumented. The exploitation of migrants, whether workers or refugees, documented or otherwise, is big business, with the participation of government officials at every level. Malaysian law does not recognize refugee status. "Illegal" workers fall easily into the hands of traffickers. There is no coherent policy on migrant labor. The government says it plans to cut the number of foreign workers. The brother of the Home Minister has obtained a permit to import 1.5

¹⁷ <u>U.S. 2015 TIP Report: Designed to Promote U.S. Interests and a Major Disservice to Anti-Trafficking Efforts</u>

¹⁶ Trafficking and extortion of Burmese migrants in Malaysia and Southern Thailand, A Report to the Committee on Foreign Relations, United States Senate, April 3, 2009

million more workers from Bangladesh. This is not a problem on the way to being addressed.

Aegile Fernandez of the NGO Tenaganita, the author of the report into the "revolving door" on the border, told us that Malaysian authorities, pressed by US officials, are now scrambling to "tick the boxes" so that Malaysia can "pass" the next TIP report. None of these programs addresses the issue at the root of Malaysia's trafficking problem, government corruption. ¹⁸ Nor could this happen when the Prime Minister is in a standoff with the anti-corruption agency over the embezzlement of billions in public funds.

The arbitrary upgrade of Malaysia in the TIP report has called into question the United States' commitment to its most fundamental principles. This is a very high price to pay to maintain Malaysia's eligibility for the TPP.

The problem does not end with the 2015 report. This year's report will be coming up for completion soon, with enormous pressure to make the same tradeoff again. If Malaysia is to remain eligible for the TPP, it must be retained on the Tier 2 Watch List status. The world will be asked to believe that it has earned this status despite the country being in a rule of law crisis in which, as Phil Robertson of Human Rights says, "Malaysians keep paying with their human rights to preserve Najib's skin¹⁹"

TPP carve-outs protect policies that foster corruption

Malaysia received more TPP carve-outs than any other TPP member country. These carve outs over *government procurement*, *SOE*'s and *bumiputera preferences* constitute an exemption for key domains of the **bumiputera policy**, an extensive set of racial preferences justified on racial supremacist grounds, through which UMNO exerts control of Malaysia's huge state sector. It translates this control into political power through kickbacks, patronage, vote buying or direct misappropriation of funds as seen in 1MDB.

The bumiputera policy should have main target for economic reform in Malaysia. Instead, sectors associated with the policy were carved out with the support of US negotiators. Najib has declared that these

¹⁸ Both Charles Santiago and Aegile Fernandez have pointed out that the comparison with Thailand further discredits the exercise. Thailand did more than Malaysia to merit an upgrade last year but has not been upgraded. Unlike Malaysia it has been determined in prosecuting government officials caught trafficking.

¹⁹ <u>Apandi behaving like Najib's hitman, says global human rights body,</u> TMI, February 8, 2016

carve-outs mean that the bumiputera policy ".. is now not just nationally recognized – it is internationally recognized and protected"²⁰

Some Malaysian proponents of the TPP, including a senior trade official we spoke with, had hoped the TPP could be used to drive domestic reform. However such reform has been foreclosed by this concession to the continuation of a 19th century system of economic apartheid within a "21st century trade agreement."

History, and tomorrow's newspapers, may look poorly on the administrations dealings with Najib

The most damaging effect of the Obama administration's apparent mono-focus on the TPP in its policy towards Malaysia has been the unnecessary leverage this has given Najib with the US administration. The TPP has few friends in Malaysia. It is opposed by the majority of the Malaysian population, by the ruling party and the Opposition. To the US, Mr. Najib is the only hope that the TPP will be signed. This gives him leverage at a time when his leadership has crossed the line into open criminality at home and he is under investigation abroad. For Malaysians, the TPP and Mr. Obama have come to be identified with Mr. Najib's administration.

Najib's 'key man' strategy is played with more than one partner

Malaysia has long conducted a neutral foreign policy. If the President expected that Najib's commitment to the TPP would draw Malaysia "closer to the US and away from China" in broad strategic terms, he has again underestimated Najib's desperation.

The 1MDB scandal left enormous government liabilities that need to be made up to avert financial collapse. The crisis has already led the Ringgit to be Asia's worst performing currency last year. China has been willing to help. While keeping the US administration sympathetic over the TPP, Najib has been cutting big deals with Chinese companies to bail out 1MDB. The government waived Malaysia's foreign ownership cap to sell 1MDB's power assets to China General Nuclear Power (CGN).

China Rail's construction arm has bought land on which the terminus of the High Speed Rail to Singapore will be built. The gross development value of this project is over USD35 Billion. Both the power and land deals are being transacted at what the market views as 'bailout' prices. The High Speed Rail terminus project places China Rail in a favorable position to win the bid to supply the rail itself.

11

²⁰ PM: TPPA has given bumi agenda international recognition Malaysiakini, Feb 6, 2016

Meanwhile, another Chinese 'mega-project' in Malacca, visited by Premier Li Keqiang in November last year, envisions re-capturing the city's historical maritime economic role in the Malacca Straits by building 'the largest port in the region.' Massive Chinese property developments in Iskandar, Malaysia, project a Chinese economic enclave neighboring Singapore. China's Belt and Road initiative is well underway in Malaysia.

By jailing Anwar, Najib has prevented the rise of a Muslim democratic alternative in Malaysia.

It is a matter of record that the US government's position is that Anwar's trial was flawed and politically-motivated, and that Anwar is a political prisoner. The administration's subsequent silence on this, and President's cultivation of warm personal ties with Mr. Najib in the context of arriving at the TPP, has made this position meaningless and harmed US credibility on transparency and human rights in Southeast Asia.

The President must by now realize that Mr. Najib is not the reformer he thought he was. However, his public silence on the imprisonment of Anwar, and his continuing embrace of Najib Razak, could not be more unfortunate from the perspective of the 'hearts and minds' campaign that he rightly announces is needed.

In this context Mr. Anwar is unique for the esteem in which he is held as a Muslim leader and a democrat in both Malaysia and Indonesia, despite the persecution he has suffered at the hands of the Malaysian government over two decades. Anwar has crafted and worked with a liberal democratic ideal that is also distinctively Muslim. The Opposition coalition that won the popular vote at the last election was brought together on this formula.

Over the last decade, Anwar's most important achievement has been to unite the Islamist party, PAS, with secular partners on a social democratic platform. This coalition would have promoted a generation of democratic Muslim leaders and socialized PAS and its mass following into a practiced commitment to democracy and pluralism. With Anwar in jail, Najib split the Opposition by forming an alliance with hardliners in PAS by offering them the opportunity to implement sharia punishments such as the the amputation of limbs, stoning to death and crucifixion.

As a result, PAS has ejected its progressive leaders, swung sharply away from its exploration of pluralist democracy and returned to a narrow Islamist agenda. The growth of hardline political Islam in Malaysia, manipulated by Najib and his party, will advance radical political Islam across the region.

Najib's jailing of Anwar cut short the development of an authentically Muslim and democratic alternative to totalitarian Islam in the region, and deprived Malaysia of reforming leadership. This voice might have opposed the TPP, but it would have drawn its aspirations for governance and society not from Saudi Arabia but from the classical liberal tradition of the West. The failure to call openly for Anwar's release has hurt US credibility in the region, hurt its own security interests and kept shut an important channel of influence in the Muslim world

RECOMMENDATIONS

1) Make the TIP Report independent of political designs

The administration's adoption of the TPP as the cornerstone of its engagement with Malaysia may have led it to miss the opportunity to exercise leadership on democracy and the rule of law. These values have never been more relevant, whether with China's growing influence or Islamic radicalism in view.

US leadership in Southeast Asia is based on its promotion and underwriting of a rule-based international order. Such leadership, to be credible, needs to also be consistent on matters of fundamental principle.

The United States' credibility on human trafficking will be but the first casualty of this approach if the TIP Report is not freed from 'political interference.' If the standards or rules it offers on fundamental human rights (and economic freedom, in the case of the TPP) are so transparently self-serving, the US will be seen to have less to offer the region than China, with its 'win-win', investment driven formula of engagement.

2) Dissociate from Najib...soon

The administration should consider a plan to distance itself from Mr Najib. The open scandal around Najib has spiraled out of control and his position is unsustainable. He is determined to remain in power but can only do so by brute force. If he does 'survive,' it will have been by destroying all independent institutions. A focus on the TPP may have lulled the administration into missing the trajectory of this crisis. The administration should understand where the Najib bus is headed, and find a place to get off soon rather than later.

The **Sunnylands** Summit will bring much attention to ASEAN. Malaysia may draw negative media coverage over 1MDB, rising radicalism,²¹and the fate of Anwar Ibrahim.

Demand Anwar's release

At a closed door meeting with Mr. Najib in Kuala Lumpur in November 2015, the President firmly requested the release of Mr. Anwar, on health grounds, for medical treatment in Washington. Najib has not complied. That this is widely known in Malaysia and yet has not been complied with compounds President Obama's loss of face there. ²²

The request must now be put in firmer terms. For the US, Mr. Anwar's release for treatment in Washington meanwhile is a 'no-regrets move' while the crisis plays out in Malaysia. Malaysia is already in uncharted waters. There is no outcome that will bring back the prior status quo.

If Najib survives, Anwar's presence in the US would give the administration insight and strategic leverage against the repressive measures Najib is likely to inflict on Malaysians. It would also provide a counter narrative to the Muslim world on the US role vis-a-vis democracy in the Muslim world.

If Najib is forced to step down it could be a chaotic, potentially violent process. Najib is likely to use the emergency security powers he has prepared for himself. He may try to divert the challenge by sparking racial conflict as he has done before. There will be a leadership vacuum. Anwar could play a critical role negotiating a peaceful return to constitutional government and preventing civil strife. Mr. Anwar could also be instrumental in forming a new government. It is important that the liberal and plural values that he stands for be protected.

²² Amb. John R. Mallot, "<u>Obama to Najib: Release Anwar</u>", and the disclosure of participants at these meetings.

²¹ <u>Rising concern over trend of Malaysian ISIS suicide bombers</u>, Straits Times, January 12, 2016