

Reform the Appointment Process of Directors in GLCs Immediately

The Coalition for Free and Fair Election (BERSIH) reprehends the two appointments recently announced by Deputy Prime Minister Ahmad Zahid Hamidi for two Government-Linked-Company (GLC). The two appointments were (1) the appointment of former Umno Youth chief Asyraf Wajdi Dusuki as the new chairperson of the Majlis Amanah Rakyat (Mara) (2) the reappointment of Kelantan Umno chief Ahmad Jazlan Yaakob as the chairperson of Felcra. Most recently, Dato Husam Musa is also appointed as Syarikat Perumahan Negara Bhd (SPNB) chairman. These appointments are announced in the middle of UMNO's party election and ahead of the upcoming state elections, thus may potentially be perceived as patronage and 'rewards' in exchange for support.

We remind Prime Minister Anwar Ibrahim of his initial attempt to streamline GLCs appointment process and combat cronyism. In 2021, BERSIH commissioned an extensive study on this phenomenon which demonstrates that GLCs and related bodies have been used to secure political support. The report, "Reforming the Appointment Process of Directors in GLCs, GLCs and Commercially Related Statute Bodies," which is authored by researcher Fikri Fisal, shows that at least 25 politicians were appointed as directors in GLCs/Statutory Bodies during the PH administration (2018-2020). It is even worse under PN administration where at least 53 politicians were appointed.

While we may not completely ban politicians from holding positions in in GLCs or statutory bodies, there must be reforms to the appointment process so that any appointment is made transparently after the candidates have undergone scrutiny to ensure they have the right qualifications and abilities, and not merely a 'political reward' in exchange for support. This will continue to occur without a serious reform targeting the appointment process. We recommend the following actions based on best practices from other democracies to bring about reforms in the appointment of top position in GLC, GLIC and statutory bodies:

a) Prohibition of appointment of elected representative in GLC, GLIC or statutory bodies. This has been done in India and South Korea, and similar legislation can be studied and emulated.

b) Establishment of a Parliamentary Select Committee (PSC) to monitor and vet nominations. It will allow greater transparency and ensure that the qualified candidates are appointed through a due process, instead of arbitrary appointment

c) Enactment of an Act that provide clear definition of GLC and GLIC that are applicable in both federal and state levels. Alternatively, the existing regulations such as the Companies Act may be amended to achieve such purpose.

BERSIH calls upon the government to commit to these reforms urgently and put in place the necessary mechanisms to bring about a more transparent appointment process which will boost the legitimacy of the appointments.

Issued by,

BERSIH Steering Committee