

# PERSPECTIVE

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## **Malaysia 2020: The Impasse of Two-Coalition Politics**

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### **EXECUTIVE SUMMARY**

- Malaysia's Pakatan Harapan (PH) government collapsed in February 2020 after 21 months in power. Against prevailing expectations, Muhyiddin Yassin, who was among the defectors that triggered the collapse, was asked to form a new government that includes the long-dominant United Malays Nasional Organisation (UMNO) and Parti Islam se-Malaysia (PAS).
- PH's instability resulted partly from the formula it used to secure power. By incorporating aspects of the previous Barisan Nasional (BN) government in the coalition, it was able to win seats in areas that were previously impenetrable for the opposition. But this made for an incoherent support base and left the coalition vulnerable to attacks on identity issues.
- The crisis leaves both sides of Malaysia's *de facto* two-coalition system in a precarious position. What is left of Pakatan may no longer be electorally viable. The new Perikatan Nasional (PN) government faces fundamental legitimacy challenges and will struggle to maintain unity, both of which undermine its ability to govern.
- Ultimately, both coalitions are currently unstable and face existential challenges that limit their viability as governing entities. This suggests a period of ongoing political instability and stalled progress on addressing the country's deeper economic and social issues, which the Covid-19 crisis exacerbates. Escape from the impasse may require new thinking from beyond the political class.

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## **INTRODUCTION**

Twenty-one months after ushering in “New Malaysia”, the Pakatan Harapan (PH) government collapsed amidst a dramatic series of events in February 2020. One can be forgiven for finding the details confounding. As accurately described in a tweet, “[t]here was a coup attempt in the name of Tun M [Mahathir Mohamad] against the government of Tun M that was prevented by Tun M through the resignation of Tun M followed by the appointment of Tun M as interim prime minister.” After a week of uncertainty and to the surprise of many, it was not in fact Mahathir but PH defector Muhyiddin Yassin who was asked by the country’s King to form a government, in the process becoming Malaysia’s eighth prime minister.

Whether Muhyiddin’s new Perikatan Nasional (PN) government will survive the immense internal and external challenges it faces in the coming months is yet unclear. Regardless of how the near-term plays out, however, the crisis has revealed several factors that affect Malaysian politics over the medium to long-term. First, Pakatan’s electoral viability has diminished and will likely remain poor for the foreseeable future. Second, while PN may be electorally viable for the time being, it will face fundamental difficulties actually governing, as its essentially Malay-unity composition is highly vulnerable to legitimacy issues and internal strife.

There is, in short, a deep impasse in Malaysian politics in which neither side of the country’s *de facto* two-coalition system appears viable as an effective governing entity in its current state. This suggests ongoing political instability, as well as inaction on several of Malaysia’s pressing economic and social issues. This Perspective begins with a brief review of how Malaysia arrived at this impasse, after which the focus turns to the current state of the two dominant coalitions and what may lie ahead.

## **REGIONALISM, IDENTITY, AND ELECTIONS IN MALAYSIA**

Prior to the 2018 general election (GE14), Malaysian politics was dominated by UMNO and its Barisan Nasional (BN) coalition partners, who governed without interruption since independence in 1957.<sup>1</sup> PH’s unexpected victory was achieved by picking up seats in the BN’s stronghold areas, which had previously been all but impenetrable to opposition challenges (Ostwald and Oliver 2020). In the Peninsula, it did this through the inclusion of the UMNO-clone Bersatu party, which was comprised almost entirely of UMNO defectors and shared its mono-ethnic, Malay-only composition. A *de facto* partnership with Sabah-based Warisan allowed it to expand its presence in East Malaysia.

This arrangement provided a sufficient number of seats to form a government, but it left the coalition with a support base whose expectations were highly divergent. In multiethnic parts of the peninsula that have strongly backed the progressive Democratic Action Party (DAP)

and Parti Keadilan Rakyat (PKR) since 2008, voters expected movement towards a more progressive and post-ethnic Malaysia, often dubbed *Malaysia Baharu*. By contrast, in the electorally pivotal Malay-majority areas of the peninsula where Bersatu was instrumental, voters' rejection of UMNO in GE14 was generally *not* an endorsement of fundamental social restructuring (Rahman 2018). For many these voters, in fact, coalition positions may have played a secondary role to the personal appeal of Mahathir and rejection of Najib (Abdullah 2019). This incoherent voter foundation compounded the already difficult task of navigating regime change in a system that had become ossified after 60 years of single party dominant rule.

Change in voting patterns has relevance for understanding the evolution of UMNO's position as well. With voters in ethnically diverse parts of the peninsula firmly backing the DAP and PKR since 2008, UMNO's junior (and non-Malay) BN partners Malaysian Chinese Association (MCA) and Malaysian Indian Congress (MIC) became increasingly uncompetitive electorally. Symbolic considerations secured their place as BN component parties, but their electoral irrelevance deepened UMNO's dominance of the coalition and reduced its incentives to appeal to non-Malay voters in the peninsula, eventually allowing the Malay-Muslim agenda to dominate the BN.

PH's victory in GE14 gave UMNO and PAS the common enemy they needed to formalize their collaboration, resulting in the Muafakat Nasional partnership in 2019. Its Malay-unity composition made it particularly effective at leveraging status loss anxieties among Malays, whose privileges they claimed were being undermined by PH (Dettman 2020). Largely symbolic measures like PH's support for the International Convention on the Elimination of All Forms of Racial Discrimination (ICERD) and the Rome Convention, as well as the appointment of the first ever non-Malay to the position of Attorney General, were used to substantiate those claims. So too was the presence of the largely Chinese DAP in the government, which was presented as evidence of ethnic Chinese dominating the country at the expense of the Malays.

UMNO and PAS's confidence was likely bolstered by the recognition that a joint ticket in GE14 could—based on a reasonable set of assumptions—have delivered sufficient seats to win the election, suggesting the electoral viability of a Malay-unity government (Ostwald, Schuler, Chong 2018). PH struggled to counter these narratives and consolidate its base, and with several poor by-election performances adding urgency, the stage was set for the personal conflicts and machinations that brought about PH's collapse.

## **MALAYSIA'S TWO COALITIONS**

Prime Minister Muhyiddin faces an immense set of challenges in the near term, beginning with consolidation of the improvised PN coalition, which is rife with competing interests. Several former UMNO leaders—who are currently facing charges of corruption—appear

particularly interested in shaking up the coalition from within to improve their standing, if needed through new elections that would very likely favor UMNO. It is not assured, in short, that Muhyiddin's new government will survive. The inevitable politicking of the coming months will play out against the backdrop of a deeply worrying economic climate that will deteriorate further in the face of Covid-19. A series of unresolved structural issues linger as well (Yeoh 2020).

Political competition in Malaysia has evolved into a relatively stable *de facto* two-coalition structure that resembles the two-party system predicted by the first-past-the-post (FPTP) electoral system. In their current manifestations, neither side of this two-coalition structure appears to be viable as a stable and effective governing entity. This has troubling implications for Malaysia's political stability and ongoing development beyond the near-term.

While incorporating Bersatu and Warisan into the Pakatan coalition allowed it to pick up seats in BN strongholds, it also created a fragmented voter base whose social and political views appeared irreconcilable on key issues. In a bid to ease the anxieties of conservative Malay voters in former UMNO strongholds, the government proceeded with caution on issues related to race and religion. This left progressive supporters frustrated by what they perceived as inaction on core parts of PH's manifesto. It was to no avail, however, as many conservative Malay voters nonetheless felt a threat to their social position, fueled by the strategic goading from UMNO and PAS. PH found no formula to effectively bridge this divide during its 21 months in power. Managing that inevitable division may be the central challenge for any future coalition built around a progressive core.

Pakatan's problems run deeper than the questions of how it would navigate the divide if it were to reassume power. Its greater challenge lies in likely being unelectable in its current form. Malaysia's electoral map makes it difficult to form a government without at least moderate success in UMNO-stronghold Malay-majority areas, not least because votes from there are over-weighted through malapportionment. The incorporation of UMNO-clone Bersatu allowed PH to break into those areas in GE14. Without a vehicle of this kind in the coalition, those vital and electorally pivotal seats will again become impenetrable, effectively ending the coalition's electability. The betrayal felt by many within Pakatan following Bersatu's defection makes it difficult to imagine either it or a similar party being welcomed back into the coalition.

A further problem exists at the level of Pakatan's leadership. Malaysia's political norms require a senior Malay figure for the role of coalition head and prime minister designate. Whether justified or not, Anwar Ibrahim's divisiveness appears to have grown in recent months to a level that made the planned transition untenable. Pakatan must seriously consider the possibility that sticking with Anwar as coalition head limits its prospects of securing power. Yet many, particularly at the middle and lower levels of the coalition, remain loyal to him, so pressing the issue of finding an alternative may fuel divisions at a

time when rebuilding is needed. It is a lose-lose situation. There is, in any case, no obvious alternative to Anwar on the immediate horizon, as none of the coalition's younger leaders have the clout at present to lead the movement. A reemergent Mahathir would be only a stop-gap solution: at nearly 95, whatever fountain of youth he has been drinking from will inevitably run dry, thus returning Pakatan to its current dilemma. Even if the leadership question was resolved, it is unclear what state PKR will be in upon conclusion of the deep bloodletting currently underway in response to the Azmin defections.

PN faces existential challenges of its own over the medium term, beginning with the problem of maintaining unity. Two factors enabled the BN to effectively manage internal disputes during its long reign of power. The first was the natural hierarchy within the coalition, in which UMNO played the role of undisputed hegemon, leaving others as clearly subordinate junior partners. That self-evident hierarchy is absent within PN, where PAS sees itself as an equal to UMNO, as do the various splinter groups around Muhyiddin and Azmin Ali. This form of equality invites tumultuous internal wrangling.

Second, when the Malay elements within past BN governments contended with factionalism, it typically played out at the intra-party level within UMNO. As such, it could be addressed through internal party elections. There is no comparable dispute resolution mechanism at the coalition level, which means disagreements will be settled through negotiations that are unlikely to produce decisive outcomes and may allow tensions to fester. This dynamic will be especially problematic when the next election is called. That is because Bersatu, UMNO, and PAS strongly overlap in terms of electoral appeal, and will need to divide seats among themselves to avoid splitting their vote base. The stakes for this exercise will be immensely high, as seat allocations will essentially establish parliamentary numbers, which in turn form the basis of relative power between the parties.

Even if PN is able to maintain unity, it will have numerous other issues to grapple with, including securing broad-based legitimacy. While its backdoor entry into power has drawn scorn from many Pakatan supporters, that may soon be forgotten against the greater challenge of convincing the non-Bumiputera that it represents more than just a segment of the country's diverse population, as PN's largely mono-ethnic composition is without precedent in Malaysia. This may not impede its electability—at least not in the near-term—but it is likely to amplify discontent with the government's policy positions and help to mobilize resistance against it, in the process causing ongoing and unwelcome distractions.

Within the coalition, politicking between competing interests will complicate and sometimes undermine the governing process. The oversized cabinet—a clear attempt to secure buy-in from different factions—is representative of this, as whatever it achieves by bringing people to the table, it also pays for in the form of unwieldiness and inefficiency. Herein lies the potential death knell for the Malay-unity concept: having portrayed it as a panacea for all that ails the country's Bumiputera, PN assumes power facing an inflated set of expectations that it cannot comprehensively meet in a sustained manner, especially not

in the face of an external crisis like Covid-19. This virtually assures disappointment and will gradually erode the electability of the coalition.

The PN is not spared from the challenges of regionalism either. It has leaned on support from East Malaysia, in particular Gabungan Parti Sarawak (GPS), to build a stronger parliamentary majority. The partnership will require a delicate hand, however, as many within the GPS grassroots have expressed concerns of creeping Islamisation in multiethnic Sarawak and are weary of PAS. With the coming Sarawak state elections bringing the issue to the fore, GPS is well positioned to make strong demands at the federal level. This may not pull the coalition apart, but it adds an additional layer of complexity to the already difficult task of managing competing claims in the governing process.

### **WAYS FORWARD?**

Malaysia is at an impasse. Both coalitions are currently unstable and face existential challenges that undermine their viability as governing entities. Are there ways forward? The unity government proposed by Mahathir provides a clear alternative to the two coalitions, but appears untenable in practical terms due both to inevitable resistance from the coalitions and the absence of a figure that could unify the wide spectrum of Malaysia's political interests. Even if Mahathir could maneuver himself back into this role, it is at best a short-term solution. An additional reshuffling of parties into a new coalition is not inconceivable, but is a fallback 'emergency' option that would signal all preferred alternatives had failed. As such, it would also not provide ongoing stability. Youth leaders have publicly mulled the formation of a new youth party. While the recently lowered voting age (from 21 to 18) clearly bolsters the political importance of young Malaysians, a new party would face resistance from its established counterparts, who rely on their youth wings for recruitment. More importantly, a youth party would likely struggle to win seats in Malaysia's FPTP electoral system, and would thus have to operate within rather than alongside the existing coalition structure.

Proposals to change the electoral system have also been floated, with some pointing to the FPTP system as an enabling factor in the current crisis (Ooi 2020; Wong 2020). Incorporating a form of proportional representation would almost certainly reorient the party system, thereby shifting the current equilibrium. But it is also clear that a different electoral system would bring with it a series of new and potentially destabilizing features. It may, in short, simply trade in one set of problems for another.

Meaningful decentralization could mitigate the challenges imposed by regionalism, and would simultaneously address a host of governance issues caused by the highly concentrated nature of power in Malaysia (Hutchinson 2014). Implementation, however, faces significant political obstacles, as it would require the central government to voluntarily

relinquish power, competencies, and resources to the states, several of which are controlled by opposition parties.

There are, in short, no obvious solutions to the current impasse of two-coalition politics. This calls for new thinking, much of which will need to come from beyond the political class. Malaysia's vibrant CSOs—particularly the outstanding think tanks like IDEAS, Penang Institute, and JCI, among others—are well positioned to lead that exploration, as are pockets of excellence within the university system. Without question, the past 21 months saw an opening of space for these groups. Perhaps it also provided them with the momentum necessary to jolt Malaysia out of its political impasse.

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<sup>1</sup> The coalition was known as the Alliance prior to 1973.

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