



Malaysia: the ruling coalition strikes back

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In May 2013 elections, the ruling Barisan Nasional (BN) coalition, led by Prime Minister Najib Tun Razak, won a majority of seats in parliament despite gaining only 47% of the vote. The opposition coalition Pakatan Rakyat (PR), led by Anwar Ibrahim, gained 51% of the vote but extreme variations in the size of parliamentary constituencies across Malaysia meant that it was unable to translate that into electoral victory.



Source: [The Commonwealth](#)

The outcome represented a further erosion of the BN's once impregnable political ascendancy in Malaysia. Prime Minister Najib had sought to win back enough urban Malays and Chinese-origin voters by invoking "One Malaysia" and introducing a cautious range of political reforms. He did just enough, although the opposition challenged the probity of the result.

With his leadership under significant threat within UMNO, the dominant Malay party within the BN, since the 2013 elections Najib has launched a campaign of harassment of the political opposition and focused anew on affirmative action for Malays. Longstanding sodomy charges have been revived against Anwar Ibrahim – he is currently appealing against a five-year jail sentence but if unsuccessful his political career could well be over – and he could soon also be charged with sedition. Many wonder if the PR will hold together if he is removed from the scene.

At the same time, Najib has sought to preserve his international reputation as a reformer, focusing primarily on economic liberalisation measures. But a closer look suggests that his reforming credentials are currently somewhat threadbare.

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1 The May 2013 elections

Malaysia held national parliamentary elections on 5 May 2013. Many observers predicted that these would be the closest elections since independence and might even lead to the defeat, for the first time, of an incumbent government. They were nearly proven correct. The ruling coalition, Barisan Nasional (BN), led by incumbent Prime Minister Najib Tun Razak and his United Malays National Organisation (UMNO), narrowly defeated the three-party opposition coalition, Pakatan Rakyat (PR), led by Anwar Ibrahim. However, the opposition, which won the popular vote 51-47% despite winning 44 fewer seats, alleged electoral fraud and refused initially to accept defeat, calling instead for a recount. It also launched a campaign involving street protests and legal challenges.

Key poll issues included corruption, race-based policies that favour ethnic Malays, and the economy. Local election monitoring groups, the Institute for Democracy and Economic Affairs and the Centre for Public Policy Studies said that there were “serious flaws” in the electoral process, adding: “Having conducted an independent and impartial observation of the elections, IDEAS and CCPS conclude that [the election] was only partially free and not fair.” They raised concerns about unbalanced media coverage, BN use of state resources for campaigning purposes, a lack of genuine independence on the part of the election commission and cases of constituency ‘gerrymandering’.¹

Commentators raised questions about the political future of Najib in the wake of the election result. His predecessor, Ahmad Abdullah Badawi, was quickly replaced after the set-back in 2008 and the 2013 result was even worse. The election result showed that his ‘reform agenda’ – which involved a certain level of political liberalisation and an attempt to broaden the BN’s social support base under the slogan ‘One Malaysia’ – had clearly failed sufficiently to re-stitch together the disparate constituencies on which the BN has long based its political power. These constituencies have been rural and urban Malays and a large section of the Chinese minority that makes up about 25% of the population.

The BN largely held onto the votes of rural Malays but the last two constituencies, both of them disillusioned in their own ways by cronyism and corruption linked in significant part to the longstanding state policy of ethnic Malay ‘affirmative action’, abandoned the BN in large numbers.² In the background remains the powerful former prime minister of Malaysia, Mahathir Mohamed. While now too old to make a come-back himself, some wondered whether he might seek, once again, to play the role of ‘kingmaker’ within UMNO.

¹ “Malaysia opposition set for protest rally after poll”, *BBC News Online*, 8 May 2013

² “Najib has faults but his reform agenda must be given a chance”, *Financial Times*, 8 May 2013

2 Najib tries to regain the initiative

Najib responded to this electoral near-death experience by abandoning key elements of this reform agenda. The UMNO leadership concluded that political survival could only be guaranteed by focusing on further shoring up support amongst its Malay constituencies and clamping down on the opposition.

One analyst describes this core vote strategy as “re-communalising politics”.³ Mahathir Mohamed played a significant role in this strategy. There were calls to boycott Chinese companies on the grounds that the Chinese community had betrayed UMNO. Then, in September, the government announced a new affirmative action programme, ‘Bumiputera Economic Empowerment’, for Malays involving business start-up grants, the channelling of government contracts towards Malay consortiums, and training schemes. Deputy Prime Minister Muhyiddin Yassin said:

We are not apologetic or worried if the non-Bumiputera or even the international community were to see this as something concerning only a certain group. For us, what matters most is the Bumiputera agenda.”⁴

During the second half of 2013, some Pakatan leaders, NGO activists and social media commentators were arrested under the Peaceful Assembly Act for organising continuing protests about the election result. The Sedition Act, which in 2012 Najib said he wanted to repeal, and Penal Code were also used against critics.

These moves helped to strengthen Najib’s hand within UMNO and in November 2013 he was re-elected as the party’s leader. However, the clouds were soon gathering over him again. A government decision to reduce food and fuel subsidies and introduce a General Sales Tax in 2015 as part of efforts to tackle the country’s fiscal deficit (spending had increased significantly during the run-up to the elections), along with rising prices for other key goods like electricity, led to renewed discontent within the party and beyond. Another undercurrent of discontent was the government’s determination to take part in US-sponsored negotiations to agree a 12-country Trans Pacific Partnership, a free trade agreement that would permit greater access to lucrative government contracts for non-nationals. Bumiputera advocates view the TTP as a threat to their affirmative action agenda.⁵

3 Developments during 2014

2014 has continued in a similarly turbulent vein. In January, Pakatan’s leader, Anwar Ibrahim, surprised observers by announcing that he would stand in a by-election for a state assembly seat in Selangor, Malaysia’s richest state. It was generally assumed that he intended to use it as a platform for becoming the state’s chief minister.⁶ However, this did not happen, in part because during the course of the year the government intensified its legal pursuit of Anwar. In March, his 2012 acquittal on charges of sodomy was overturned by a court. Few believe that the government did not have a hand in this development and Western governments publicly expressed concern. Anwar has now appealed but faces five years in prison if the appeal is unsuccessful. The appeal is due to be heard in October. Then in late September, the authorities announced that they were reopening an investigation into alleged

³ W. Case, “Malaysia in 2013”, *Asian Survey*, January/February 2014, p60

⁴ Ibid, p62

⁵ “Knives are out for the Malaysia prime minister”, *Financial Times*, 6 February 2014

⁶ Ibid

sedition by Anwar during a speech in 2011.⁷ As the one figure who unifies the disparate parties that make up the opposition coalition, there are fears that it might split if he is jailed.⁸ But Anwar has at points appeared to be as much the problem as the solution. In recent months, the opposition parties have been in dispute over who should be the new chief minister of Selangor State. When it became clear that his own ambitions could not be realised, Anwar briefly tried to get his wife appointed to the post. More broadly, polls suggest that Pakatan's public support has fallen in recent months.⁹

During August and September there were a series of sedition and insult charges laid against critics of the government.¹⁰ At least 15 people now face such charges.¹¹ A new boundary delineation exercise has been started by the Election Commission ahead of the next elections. There are fears that the BN will ensure that this exercise places Pakatan at a further disadvantage next time around.

4 Security and international relations

Malaysia does not face any major threats to its stability from Islamist terrorism or other insurgencies, although Jemaah Islamiyah is believed still to have small cells in the country and Abu Sayyaf launches small-scale attacks periodically from the southern Philippines.¹² In 2013, there was a brief "invasion" of Sabah by militia linked with the exiled Sultan of Sulu, who is based in Manila. Although this cannot be confirmed, the Sultan was reported to have been encouraged to launch this expedition by the Moro National Liberation Front, which had been angered by its exclusion from peace negotiations with the Moro Islamic Liberation Front in the Philippines, in which Malaysia has been mediating. With Manila and Kuala Lumpur working closely together, in the end the incursion was put down forcibly.¹³

In July 2014 masked gunmen stormed a resort in Sabah, shooting a policeman and kidnapping another.¹⁴ The government has created a new military unit, the Eastern Sabah Security Command.¹⁵ Malaysia is also playing a brokering role between the Thai government and insurgents in the south of that country.

In October 2013 Malaysia and China agreed a "comprehensive strategic partnership", which was accompanied by a five-year economic agreement. Given its participation in the TTP negotiations, this indicates that Malaysia will be quite happy, as far as it can, to maximise the benefits to itself by playing the US and China off against each other.¹⁶

President Obama visited Malaysia in April 2014. He raised concerns about human rights but also praised Prime Minister Najib as a "reformer". There were claims that Obama had been

⁷ "Malaysia: sedition investigation into opposition leader politically motivated", *Amnesty International USA press release*, 23 September 2014

⁸ "Central scenario for 2014-18: political stability", *EIU Country Risk Service Select*, 4 September 2014

⁹ "Selangor political crisis likely to weaken Malaysian opposition and reduce government pressure to liberalise politically", *HIS Global Insight*, 18 September 2014

¹⁰ "Malaysia politics: if you can't beat them, charge them", *EIU ViewsWire Select*, 6 September 2014

¹¹ "Selangor political crisis likely to weaken Malaysian opposition and reduce government pressure to liberalise politically", *HIS Global Insight*, 18 September 2014

¹² "Malaysia risk: security risk", *EIU Risk Briefing Select*, 28 July 2014. There have been reports recently that Abu Sayyaf has declared its allegiance to the Islamic State in Iraq and the Levant. "Malaysia Declares 'Red Alert' in Sabah as Filipino Terror Group Abu Sayyaf Pledge Allegiance to Isis", *International Business Times*, 22 September 2014

¹³ W. Case, "Malaysia in 2013", *Asian Survey*, January/February 2014, p63

¹⁴ "Militants kill 1, abduct 1 in Sabah", *Shanghai Daily*, 14 July 2014

¹⁵ "The Chinese aren't coming", *EIU Country Report Select*, 23 September 2014

¹⁶ W. Case, "Malaysia in 2013", *Asian Survey*, January/February 2014, p63

pressurised not to meet with Anwar during the visit, but this cannot be confirmed.¹⁷ Malaysia has reportedly offered to host US surveillance aircraft in the east of the country with access from there to the South China Sea but some feel that in the end it will not go through with the offer, given that China would be likely to deem this a provocative move.¹⁸ Malaysia advocates resolving territorial disputes with China through dialogue using multilateral security mechanisms.

The tragic events surrounding the disappearance of Malaysia Airlines MH370 in March and the shooting down over Ukraine of MH17 in June have inevitably seriously affected the public mood across the country. At one point, Anwar Ibrahim accused the government of a cover up over the fate of MH370. Levels of tourism from China plummeted after the disappearance of MH370, which had contained many Chinese passengers. At least 43 Malaysians were killed as a result of the downing of MH17.

Relations with Singapore, which is one of Malaysia's main trading partners, remain good.

Malaysia is seeking election as a non-permanent member of the UN Security Council in 2015.

¹⁷ "In Malaysia, Obama keeps focus on human rights", *Associated Press*, 28 April 2014

¹⁸ "Controversy rages over offer to host US spy planes", *EIU Country Report Select*, 22 September 2014