

PERSPECTIVE

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Why Malaysia's Unity Government Will (Probably) Survive

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Members of Malaysia's Unity Government with Prime Minister Anwar in the centre. Photo taken at the Seri Perdana Complex on 15 January 2023. Source: (Anwar Ibrahim/Facebook).

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EXECUTIVE SUMMARY

- Malaysia's 15th general election (GE15) resulted in a grand-coalition government comprised of former arch rivals. Can the new government survive in the face of the opposition's attempts to topple it? This Perspective argues that several stabilizing factors give the new government a strong chance of remaining in power for the foreseeable future.
- An anti-party hopping law came into effect just prior to GE15; it is intended to prevent the defection of individual MPs. In addition, members of the unity government signed an MoU pledging their support in critical parliamentary votes. Though these formal stabilizing mechanisms are as yet untested, they complicate any attempted defections.
- The unity government's component coalitions—notably, the formerly dominant Barisan Nasional and East Malaysian coalitions—are better positioned within the current government than they would be in partnership with the opposition. This limits, at least for the time being, their incentives to defect.
- There are evident tensions between Malaysia's monarchy and the opposition party PAS. These have symbolic and procedural implications that help stabilize the government.
- The unity government has taken a cautious approach on all fronts, including on policy decisions and engagement with the electorate and the civil service. This reduces the opposition's ability to mobilize grassroots anxieties on divisive racial and religious issues. Progressive supporters of the government have also moderated their expectations for reform.
- In conjunction, the above factors increase the likelihood of the unity government's survival for the foreseeable future. However, its stability will be tested at two critical junctures, namely the coming state elections and legal proceedings facing key figures in UMNO, both of which could trigger instability.

INTRODUCTION

The last five years have been unprecedented in Malaysia's political history: after over six decades of uninterrupted rule by a single dominant party, Malaysia has had four new governments since 2018, two of which dramatically collapsed following backroom political maneuvering and defections. This instability has at best distracted from already daunting economic and public health crises, and at worst exacerbated them.

Many looked to the November 2022 general election (GE15) to end the impasse. Instead, none of the major contestants secured a parliamentary majority, resulting in Malaysia's first-ever hung parliament. After days of intense negotiations, a coalition-of-coalitions led by Anwar Ibrahim was sworn into power. It comprised the progressive Pakatan Harapan (PH) coalition, UMNO's long-dominant Barisan Nasional (BN) coalition, and an East Malaysian block that included Gabungan Parti Sarawak (GPS), Gabungan Rakyat Sabah (GRS), and Warisan. The grand coalition assumed the name 'unity government'. Only the Islamist party PAS and the UMNO-clone party Bersatu remained in opposition under the Perikatan Nasional (PN) banner.

Doubts about the government's viability emerged almost immediately. Indeed, the unity government is made up of strange bedfellows with a long history of political animosity, and its component parties share few obvious programmatic similarities that might bridge divides. Even its leader, Anwar Ibrahim, holds the unfortunate distinction of being twice sidelined in the past after coming within striking distance of the premiership.¹

The opposition immediately set to work on destabilizing the new government and is open about its objectives: PAS's president Abdul Hadi Awang, who took credit for initiating the move that brought down the previous PH government in 2020,² confidently declared that no one would be able to stop the opposition's plans to again topple the government.³

Can Anwar's unlikely government survive a full term until elections are due in 2028? Its vulnerability is real, and occasional troubling headlines, such as the recent "war of words" between party elites over problems in the UMNO-DAP "forced marriage", are inevitable given its composition.⁴ But underneath this noise, there are several stabilizing factors that work in the government's favour. On balance, those suggest that the unity government has a good chance at remaining in power for the foreseeable future, if not the full term.⁵ This Perspective lays out that argument.

FORMAL MECHANISMS

An anti-party hopping law, passed unanimously via constitutional amendment (Article 49A) in 2022, is a direct response to the instability of the preceding years.⁶ It is designed to prevent party hopping by requiring MPs to vacate their seat if they cease to be members of their political party (e.g., following a defection, or in some instances, refusing to support key party directives). The vacated seat is then filled via by-election. The law, which came into effect just prior to GE15, would have been triggered by the defections that caused PH's collapse in 2020, and the prospect of a by-election may well have dissuaded the defectors. Two limitations are noteworthy. First, the law is untested, and while there are few concerns with loopholes or its constitutionality, the absence of precedent introduces uncertainty. Second, the law does not prevent parties from defecting to another coalition en bloc, leaving open a major channel for midterm government change.

To prevent this, and further stabilize the unity government, Anwar secured a Memorandum of Understanding (MoU) between the component coalitions just after the government's formation.⁷ It binds the component coalitions to support the prime minister in matters related to both confidence and supply, and the government's legitimacy. It also includes assurances on sensitive policy issues ranging from Malay rights and Islam to the economic disparities between peninsular and East Malaysian states. The MoU is symbolically powerful and paved the way for Anwar to win a confidence vote in parliament on 19 December 2022. Whether it can ultimately prevent parties from leaving the coalition prior to the next election is uncertain, however, as elements of the MoU have been called legally-problematic "overreach" by observers, including the president of the Malaysian Bar.⁸ In short, the formal mechanisms would complicate any defection attempts, but may not be able to categorically prevent them.

PARTY INTEREST

With PH's 82 seats falling significantly short of the 112-seat parliamentary majority threshold, the coalition relies on its other partners, BN (30 seats), GPS (23 seats), GRS (6 seats), and Warisan (3 seats), to continue governing.⁹ At least in early-2023, those component coalitions appear to be better positioned within the unity government than they would be in a PN-led government, limiting their incentives to defect.

The trade-offs for the BN, which now exists primarily as a vehicle for UMNO, are clear. UMNO is the sole Malay nationalist party in the unity government. Its presence secures representation from Malaysia's political heartland and bolsters the government's Malay-Muslim credentials, both of which are vital for the government's legitimacy. That importance

is reflected in UMNO's cabinet allocations. Despite winning only 26 seats, UMNO holds the deputy prime minister position and several key ministerial positions, including Law and Institutional Reform, Defence, International Trade and Industry, Foreign Affairs, and Higher Education. It is difficult to imagine UMNO faring better in a partnership with PN, where it would be the *weakest of three* Malay-Muslim parties: in GE15, PAS and Bersatu both outperformed UMNO, with 43 and 31 seats respectively, and would consequently be unwilling to concede the premiership. Moreover, while the Malay-unity arrangement was highly effective in opposition to the 2018 PH government, it is intrinsically conflict-prone as a governing coalition,¹⁰ as was evident during the Muhyiddin and Ismail governments between 2020 and 2022. In short, after two successive electoral defeats, UMNO has lost its commanding position in Malaysian politics, leaving it subject to more mundane political calculations. Its greater value within the unity government leaves few incentives—at least at the party level—for it to opt into a PN partnership over one with PH.¹¹

It is similarly difficult to imagine East Malaysian coalitions being significantly better positioned within a PN-led government than in their current arrangement with PH. Identity politics is a factor: East Malaysia's ethnic diversity is easier to accommodate within PH's pluralist and multiethnic framework than within PN's explicitly Malay-Muslim framework. This highlights a dilemma for PN.¹² Doubling down on rhetoric of *ketuanan Melayu* and *ketuanan Islam* (Malay and Muslim supremacy) may strengthen its position among the peninsula's Malay majority, but it undermines efforts to court East Malaysia. Thus far, PN's most visible and vocal member—PAS president Abdul Hadi Awang—has nonetheless embraced that tactic. Identity politics aside, Anwar has also positioned East Malaysian leaders and priorities highly within the unity government. Fadillah Yusof of Sarawak's GPS coalition is deputy prime minister (alongside UMNO's Zahid); GPS received five other ministerial posts, while GRS received one. Furthermore, elements of the MA63 agreement—which established the terms for merger between Sabah, Sarawak, and peninsular states in 1963, but has since largely been abandoned—have been revived to guide the federal government's relationship with East Malaysia. East Malaysia's leadership now has both more autonomy and a greater say in federal politics than has been the case in recent decades. That may not inextricably bind GPS, GRS, and Warisan to the unity government, but does reduce their incentives to seek an alternative arrangement.

MONARCHY

There are ample signs of tension between PAS and Malaysia's monarchy.¹³ The reasons are not difficult to deduce. While the monarchy holds no formal political power, the sultans are constitutionally recognized as the custodians of Islam in Malaysia, securing them considerable influence and ongoing symbolic centrality. PAS appears to be encroaching on that territory by

regularly offering public guidance on the practice of Islam, sometimes in direct contradiction to the sultans, thereby potentially undermining their position. Last year, for example, two notable incidents occurred in which a PAS-led institution advanced conservative judgements against more inclusive positions shaped by the monarchy.¹⁴ More recently, Hadi openly and explicitly defied royal decrees by delivering political messages in mosques.¹⁵

The tension has potential symbolic and procedural implications. The king has repeatedly called for an end to politicking among parties, requesting instead that they focus efforts on addressing the country's problems. He also expressed hope that Anwar would be the last prime minister he swears in before his term ends.¹⁶ That symbolic support reinforces the unity government's legitimacy. It must also raise concerns among some members of the PN—and potential defecting parties—about the legitimacy of a successor government, should Hadi's stated intentions of toppling Anwar's government come to fruition. Finally, it is notable that the prime minister is appointed by the king, and that any attempt to change the government requires being granted an audience with the king (in order to demonstrate a parliamentary majority).

CAUTION PREVAILS

Finally, relative to its PH predecessor in 2018, the unity government has taken a more cautious approach on a range of sensitive fronts, limiting the ability of the PN opposition to mobilize popular resistance. Some examples are instructive. Pockets of the 2018 PH government embraced the notion of *Malaysia Baru*—a new, more progressive, and more inclusive Malaysia—and wove it into their public engagements. Symbolically important positions were filled by non-Malays, for example Lim Guan Eng as Finance Minister and Tommy Thomas as Attorney General, and international agreements such as the UN International Convention on the Elimination of All Forms of Racial Discrimination (ICERD) were slated for accession. The opposition in 2018—comprised of the Malay-Muslim parties UMNO, Bersatu, and PAS—framed these developments as threatening Malay interests and the primacy of Islam. The strategy was remarkably effective. Tens-of-thousands of protesters brought downtown KL to a standstill during an anti-ICERD rally.¹⁷ Pockets of the civil service were at best reluctant to support PH, and at worst obstructionist.¹⁸ In short, the perception that PH sought to upend Malaysia's implicit political and social hierarchy energized resistance against it and contributed to the destabilization of the government.

Anwar's unity government provides a clear contrast. All symbolically important positions are filled by Malays and other indigenous bumiputera. Anwar has taken a conciliatory tone that verges on deferential when engaging the civil service. Stability and continuity have been central themes of his speeches.¹⁹ He has also avoided confrontation on potentially sensitive policy issues: where reform is on the agenda, its focus is on relatively innocuous areas such as

good governance, anti-corruption, and economic growth. Members of the government who disregard the need for sensitivity have been censured.²⁰ This cautious approach has made it more difficult for PN to present the new government as threatening to the interests of the Malay-Muslim majority. The inclusion of UMNO and prominent East Malaysian parties in the government further deflects that perception. Caution may not be the indefinite *modus operandi* of Anwar's government, but it is likely to remain in place as long as Anwar fears for the government's stability, thus limiting the ability of the opposition to mobilize resistance as it did against PH in 2018-2020.

At the electorate level, supporters of progressive politics have likewise tempered their expectations. In 2018, jubilant at having ended UMNO's six-decade-long dominance, many looked for decisive action from PH to transform Malaysian politics and society. Implicit in those calls was a warning not to take their votes for granted. The feeling in 2023 is different. In one sense, PAS's electoral breakthrough may have been a gift to progressive parties: with the prospect of an Islamist party leading Malaysia now appearing to be a credible possibility, even a highly cautious PH-led unity government is preferable by comparison. Whether or not moderated grassroots pressure makes for better policy, it unquestionably opens up maneuvering room for Anwar to prioritize survival.

SURVIVAL

There are no assurances in politics and none of the aforementioned factors guarantee the unity government's survival. In conjunction, however, they provide a considerable degree of stability. Whether that is sufficient to carry the government through a full term will be tested at several critical junctures. First are the coming state elections.²¹ While they have no direct bearing on the federal government, they are crucial for shaping the prevailing political narrative. A poor performance by the unity government would strengthen the perception that it lacks support from the majority Malay population and would embolden the PN's divisive racial and religious rhetoric. Moreover, if UMNO's candidates are widely unsuccessful, existential fears within the party may reach a boiling point, triggering desperate actions that destabilize the government. Second, the court cluster remains a source of uncertainty. UMNO is agitating for the pardon of former prime minister Najib Razak. All potential responses entail high-stakes trade-offs, and have implications for current deputy prime minister Zahid, who himself faces 47 charges for criminal breach of trust, corruption, and money laundering. If Zahid is eventually found guilty, one can imagine a scenario in which his removal strengthens UMNO and the unity government, but also a counter-scenario in which it triggers a desperate response that leads to the government's collapse. Malaysia's politics are in a complex moment, but having waited nearly 25 years to lead the country, Anwar now has at least a fighting chance to steer the unity government through a full term.

ENDNOTES

¹ Anwar was deputy prime minister under Mahathir in the late-1990s and again between 2018-2020.

² See: “Hadi: I initiated move to bring down Harapan govt” in *Malaysiakini* 22 Oct 2022.

<https://www.malaysiakini.com/news/640710>

³ PAS president Tan Sri Abdul Hadi Awang was reported as saying in March 2023 that “We (the opposition) have the right to plan (to topple the unity government) and no one can stop us to plan”. See “Abdul Hadi: No party can stop PN to topple unity govt” in *New Straits Times*, 5 March 2023.

<https://www.nst.com.my/news/politics/2023/03/886359/abdul-hadi-no-party-can-stop-pn-topple-unity-govt>

⁴ <https://www.malaysiakini.com/news/662410>

⁵ Malaysia’s political landscape remains too fluid to make reliable predictions about the future. This Perspective offers an argument for why the government *could* survive, not a firm prediction that it *will*. It also is not an argument that it *should* survive; that is a matter for Malaysians to decide.

⁶ Sze Fung Ng (2022) “Malaysia’s Anti-hopping Law: Some Loopholes to Mull Over” *ISEAS Fulcrum*, no. 303. <https://fulcrum.sg/malysias-anti-hopping-law-some-loopholes-to-mull-over/>

⁷ Kai Ostwald and Muhamad Nadzri (2023) “Election Year, Islamization, and Politics of Compromise”, *Asian Survey*, 63(2): 291-300.

⁸ See the Press Release from the Malaysian Bar entitled “Deeming Provision in the Unity Government MoU is Likely an Overreach Not Envisaged in Article 49A of the Federal Constitution” at:

<https://www.malaysianbar.org.my/article/about-us/president-s-corner/presstatements/press-release-deeming-provision-in-the-unity-government-mou-is-likely-an-overreach-not-envisaged-in-article-49a-of-the-federal-constitution>

⁹ The unity government now holds a two-thirds majority, so it could technically lose one (or more) component coalitions without collapsing, making it unlikely that only one coalition would defect into an opposition role in isolation.

¹⁰ Kai Ostwald (2020) “Malaysia 2020: The Impasse of Two-Coalition Politics”, *ISEAS Perspective*, no. 5.

¹¹ As noted in the final section, this calculus changes if UMNO fears for its survival. There is also a real risk that Zahid’s personal interests trump the party’s interests, to the ultimate detriment of the party.

¹² James Chai (2023) “PAS and the Midterm Polls: Existential Challenge of Becoming a National Party”, *ISEAS Fulcrum* no. 29.

¹³ <https://www.channelnewsasia.com/commentary/malaysia-pas-test-wills-mosques-political-messages-islam-3395771>

¹⁴ Mohd Faizal Musa (2022) “Politicised Islam Frays the Fabric of Keluarga Malaysia”, *ISEAS Fulcrum*, no. 269.

¹⁵ <https://www.channelnewsasia.com/asia/malaysia-anwar-ibrahim-religious-sermon-political-talk-mosque-prayer-halls-3330786>

¹⁶ The role of Malaysia’s king is filled by one of the nine rulers of the Malay states; the term is for five years.

¹⁷ Sebastian Dettman (2020) “Authoritarian innovations and democratic reform in the “New Malaysia”, *Democratization*, 27(6): 1037-1052.

¹⁸ James Chin (2020) “Malaysia: the 2020 putsch for Malay Islam supremacy”, *The Round Table*, 109(3): 288-297.

¹⁹ Lee Hwok-Aun (2023) “2023 Budget Speech: Act One of Anwar Ibrahim’s Reform of Malaysia”, *ISEAS Fulcrum*, no. 60.

²⁰ <https://www.thestar.com.my/news/nation/2023/02/13/loke-dap-will-deal-with-ramasamy-in-its-own-way>

²¹ Khairy Jamaluddin (2023) “Anwar’s Coalition Government: Navigating Tricky Undercurrents, *ISEAS Fulcrum*.”

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