#### KAI OSTWALD AND MUHAMAD M. N. NADZRI

## Malaysia in 2022

Election Year, Islamization, and Politics of Compromise

## **ABSTRACT**

Malaysia held a general election in 2022 that was expected to resolve ongoing political instability. Instead, it produced a hung parliament, reflecting a deeply divided electorate and growing support for Islamist politics. Following a royal intervention, Anwar Ibrahim's progressive coalition formed a unity government with the long-dominant UMNO and East Malaysian parties; this unprecedented arrangement faces evolving social, political, and economic challenges that will test its stability and the very nature of Malaysian politics.

**KEYWORDS:** Malaysia, general election, GE15, Islam, polarization, unity government, Pakatan Harapan

Malaysia held its 15th general election (GE15) in 2022. The United Malays National Organisation (UMNO), the country's long-dominant party, was confident of a strong showing: it decisively won two state-level elections and counted on renewed support in view of improving COVID conditions, a slowly rebounding economy, and growing impatience with the political instability that had marked the previous year (Ostwald 2022). But other factors intervened, including a vastly expanded electorate, the jailing of previous prime minister Najib Razak, and the growing Islamization of the Malaysian polity. The result was an unprecedented hung parliament.

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To break the impasse, Malaysia's king called on coalition leaders to form a unity government. After days of intense negotiation, the progressive Pakatan Harapan (PH) coalition reached an agreement with UMNO's Barisan Nasional (BN) coalition and several East Malaysian partners. This combination of archrivals was previously all but unthinkable. Absent from the arrangement was the Malay-Muslim nationalist Perikatan Nasional (PN) coalition, despite its component Parti Islam Se-Malaysia (PAS) leading a nationwide "green wave" by securing more votes than any other single party in the election.

The new government is the fourth since 2018. In light of this instability, the government's unlikely composition raised immediate concerns about viability. In response, prime minister Anwar Ibrahim oversaw the negotiation of a memorandum of understanding (MOU) between the government's coalitions and parties that may provide stability until the next election, which is due by 2027. This does not guarantee its survival, however; in this matter as in others, 2022 raises key questions about Malaysia's future. This article reviews the eventful year.

#### SIMMERING POLITICAL TENSIONS

Malaysia entered 2022 in the grips of unprecedented political instability. The Malay-unity government, which was dominated by Malay-Muslim parties and led by UMNO's Ismail Sabri, was Malaysia's third new government in just over four years. While UMNO was again at the helm, it was forced to share power with the UMNO-clone party Bersatu (Parti Pribumi Bersatu Malaysia) and the Islamist PAS. This was an intrinsically unstable arrangement due to overlapping vote bases and the absence of institutionalized intracoalition conflict resolution mechanisms. Furthermore, UMNO was deeply divided internally, not least due to a "court cluster" of UMNO elites that were facing corruption trials.

While all parties looked to the new year with hope for fresh opportunities, UMNO aspired for revival as the country's preeminent party. Early 2022 offered several signs that political momentum was shifting its way. The first were the state-level elections in Malacca (November 2021) and Johor (March 2022). Both states are bellwethers of national political sentiment, and parties across the political spectrum approached them as a test of support for new strategies and candidates. BN and PN (the coalitions of UMNO and PAS/Bersatu, respectively) contested against one another, despite collaborating at

the federal level. Both elections produced decisive victories for UMNO and its BN coalition: 21 of 28 seats in Malacca, and 40 of 56 seats in Johor. Particularly in Johor, UMNO's grassroots machine, which has long been vital to its electoral success, was energized and effective (Rahman 2022). By contrast, the results were disastrous for PH, whose component parties all lost support relative to 2018 (Hutchinson and Zhang 2022).

In addition to these electoral signals, the broader socioeconomic landscape showed signs of improvement. Malaysia's economy appeared to be on track for a modest recovery in 2022, with growth projections around 6.5%. This was short of a full rebound, but enough to alleviate some pressure on vulnerable populations. The government sought to bolster this through a massive expansionary budget that included direct assistance for poorer households and disadvantaged segments of the economy. Improvements in public health were likewise encouraging: with vaccination rates in the high 90% and significant uptake of a booster dose, Malaysia shifted into an endemic phase of COVID-19. This prompted the lifting of numerous domestic and international mobility restrictions. Schools and universities also gradually reverted back to in-person classes throughout the year, and COVID-related restrictions on business operations essentially ended.

UMNO also hoped to capitalize on growing frustrations with the ongoing politicking and political instability. In a country accustomed to political stability following decades of single-party dominance, the repeated political coups and (at least perceived) constant machinations among political elites appeared increasingly misaligned with the population's desire for a focus on economic and social problems (Nadzri 2022). Against this backdrop, UMNO positioned itself as the stability option and sought to cultivate nostalgia for more prosperous times.

These factors bolstered UMNO's confidence heading into the second half of 2022, and heightened expectations for an early general election. Strategies differed across the parties. UMNO sought to resume governing as uncontested leader without requiring support from other Malay-Muslim parties. This forced PN into a difficult position. Bersatu saw an opportunity with middle-class Malay voters that rejected UMNO's excesses but were also uneasy with PH's progressive and PAS's more fundamentalist agendas. PAS appeared reluctant to commit to a partnership, hoping perhaps to become kingmaker if either UMNO or Bersatu needed additional seats to form a government. PH was still reeling from its dismal performance in Malacca

and Johor, and weighed down by infighting; questions were also raised about whether the timing was right for a generational shift in the coalition's leadership.

# UNCERTAINTIES AND NEW VARIABLES AMID UMNO'S RESURGENCE

Despite political momentum appearing to shift in UMNO's favor, 2022 was marked by numerous uncertainties and new variables that would prove pivotal in GE15.

### **Expanded electorate**

The Constitutional Amendment Act of 2019, often referred to as UNDI18, came into effect in 2022. It lowered the voting age from 21 to 18 and introduced automatic voter registration, significantly expanding Malaysia's electorate from 15 million eligible voters in GE14 (2018) to 21 million in GE15. All sides speculated about how this might affect election outcomes. PH hoped that young voters would disproportionately support its progressive platform. BN and PN hoped that the over-representation of Malays in the 18-to-21 demographic would help them, and that automatic registration would reduce barriers to voting in their rural strongholds. The districts with the largest proportion of new voters tended to have a *bumiputera* (i.e., Malay and other non-Malay indigenous) majority and low economic status; half of them were held by ministers or deputy ministers under the Ismail government (Chai 2022). This added further significant uncertainty to vote projections.

## Anti-party-hopping law

Party-hopping brought down the PH government in 2020 and has clearly compounded instability at both the federal and state levels. To counter this, the Constitutional (Amendment) (No. 3) Act of 2022 introduced rules that bound lawmakers more closely to election results. It came into effect shortly before GE15. While it was widely supported in principle, precisely how its provisions should be factored into the strategic decision-making of parties was the subject of much speculation. The law also arguably constrains the autonomy of legislators, potentially affecting parliamentary dynamics.

## Islamization and the "greening" of Malaysia

Much has been written about the broader Islamization of Malaysia over the past decades. The Malay unity governments between 2020 and 2022, which brough UMNO and PAS together under the Muafakat Nasional arrangement, brought this into sharper focus through the formal convergence of Malay nationalism and Islamism. PAS retained several key positions prior to GE15, notably supplying the minister for religious affairs and overseeing the powerful Department of Islamic Development Malaysia (JAKIM). Its head (and PAS VP) Idris Ahmad had two high-profile disputes with the royal Malay rulers, who are constitutionally recognized as the leaders of Islam. In both instances, Idris advanced a conservative ruling in direct contradiction to the more inclusive positions of the rulers (Musa 2022). Such assertiveness would have been suppressed in past decades, but it was not in 2022, reflecting recognition among Malaysia's leaders of growing conservatism among many Muslims, especially in younger generations (Merdeka Center 2022). PAS increasingly saw itself as well positioned to capitalize on this trend. The controversial nationalist film Mat Kilau: Kebangkitan Pahlawan (Mat Kilau: The Rise of a Warrior), released to great fanfare (and public endorsements from PAS) in 2022, captures some of these broader sociocultural undercurrents: through sometimes shocking imagery, it urged Muslims to unite against foreigners and made clear that only Muslims are suitable as leaders for Muslim-majority societies.

## Najib jailed

Former prime minister (2009–18) Najib Razak lost a final bid to overturn his convictions on a range of corruption-related charges. He was jailed in August, only months before GE15. The symbolic impact was immense. Najib had remained popular among grassroots UMNO loyalists and emerged as the face of UMNO during campaigning for Malacca and Johor state elections, retaining considerable influence within UMNO as well. His jailing not only sent a powerful signal about judicial independence but also sent shockwaves through UMNO and its grassroots machine just as election preparations were ramping up.

#### East Malaysian autonomy

Sabah and Sarawak were widely subordinate to Peninsular political elite during the decades of UMNO's hegemonic rule. This has been increasingly challenged in recent years, with 2022 continuing that trajectory in important ways. Political leaders in both states made public calls for greater autonomy in health and education matters, and negotiations continued over oil and gas revenue sharing. In February, Sarawak's state legislative assembly passed a bill that renamed the state's highest leader from chief minister (as is the convention in peninsular Malaysia) to premier; this was primarily symbolic, but clearly reflected the push for differentiation from peninsular states. Accordingly, East Malaysia's major political vehicles (GPS, GRS, and Warisan) kept their partnership options flexible in the run-up to GE15, thereby potentially allowing them to join the governing coalition and/or leverage their position as kingmakers.

#### MALAYSIA'S 15TH GENERAL ELECTION

In October, at the request of the prime minister, Malaysia's king dissolved parliament, triggering early elections. The November 19 election date was controversial, because it coincided with the start of the northeast monsoon, which has brought widespread flooding in recent years. The timing also threatened to delay passage of the 2023 budget.

Nearly all peninsular districts saw multi-cornered contests between BN, PN, and PH component parties. Mahathir's new Parti Pejuang also ran widely, but failed to gain traction. BN's messaging focused strongly on prosperity and stability. PN fused identity with emphasis on responsiveness and incorruptibility, seeking to build contrast with the scandal-ridden BN. PH again centered reform and socioeconomic concerns. The manifestos reflected these priorities (Lee 2022), as did the widespread in-person campaign rallies.

The campaign period lasted 14 days, marginally more than the 11 days in GE14, but short of what numerous actors called for. Several incidents of vandalism were reported. Some appeared to be from within campaigns, due to frustration over party decisions, while others were clearly directed at rival parties. There were no major disruptions from either natural or human causes. As in GE14, many overseas Malaysians were unable to vote, as ballots reached them too close to polling day to be counted.

Election day itself was also free of major incidents or flooding, despite rain across much of the country. Even with the expanded electorate, turnout was just under 74%; over three million more votes were cast in GE15 than in any previous Malaysian election. By late afternoon it appeared that no coalition would win the

outright majority needed to form a government. The next morning, the Election Commission confirmed that Malaysia had its first-ever hung parliament.

At the coalition level, PH won the most seats (82), but was still significantly short of the II2 needed to form a parliamentary majority. PN secured 74, followed by BN with only 30. The popular vote likewise indicated a deeply divided electorate: 38% for PH, 30% for PN, and 22% for BN. It is hard to overstate how poor the BN's performance was, not only against the growing momentum of early 2022 but also from a historic perspective, where BN consistently secured parliamentary supermajorities over decades.

The surprises continued at the party level. PAS secured 43 seats, more than any other in GE15, and almost triple its total in GE14. It achieved this by expanding well beyond its traditional heartland; GE15 may mark the party's full transition from a niche regional party to a national force, bringing with it its Islamist aspirations. The progressive Democratic Action Party (DAP) was the second-highest seat winner with 40 seats, underscoring the polarized nature of Malaysian politics.

Several high-profile losses at the candidate level are also notable. Mahathir Mohamad, who more than anyone else has shaped contemporary Malaysia, secured only 9% of the vote to finish fourth in his incumbent district. His new party and the coalition it led did not win a single seat, despite contesting widely. At 97 years of age, his GE15 rout is likely the closing chapter of his storied political career. At the other end of the age spectrum, UMNO's Khairy Jamaluddin, who many see as a potential future PM, and PKR's Nurul Izzah, Anwar's daughter and the frequent face of the progressive movement, both suffered surprise defeats as well.

The hung parliament set off frenzied negotiations. PN's leader, Muhyiddin Yassin, quickly claimed to have support from BN and the East Malaysian coalitions GPS and GRS, bringing together enough seats to form a government. PH's leader Anwar Ibrahim made a quick counterclaim, but gave few details. Neither materialized initially, and tensions mounted as the days passed without a resolution, particularly with the appearance of threatening social media posts that referenced the 1969 ethnic riots and alluded to the potential for fresh unrest. These underscored the precarity of the situation and eventually prompted numerous interventions, including from the king. Following a meeting with the Malay rulers, the king called for a unity government to restore stability and calm.

Five days later, Anwar Ibrahim was sworn in to lead a government comprising PH, BN, GPS, and a number of smaller parties/independents. The

following day, GRS joined the government, leaving only PN out. This gave the new government, which assumed the name unity government in a later MOU, a parliamentary supermajority with 148 seats. On a personal level, it is a remarkable outcome for Anwar Ibrahim, whose tumultuous political career saw him twice jailed as Malaysia's leading opposition figure *and* twice anointed as prime-minister-in-waiting, only to be disappointed each time.

It is hard to overstate the challenges Anwar faces. The unity government he leads comprises bitter rivals that until recently sought one another's demise. It has neither ideological nor obvious programmatic compatibility. The grassroots-level challenges are similarly severe. PH's progressive supporters will have to dramatically temper their expectations for comprehensive reform, and even then may be disappointed. Many of UMNO's supporters are disillusioned with the party's decision to join an explicitly multiethnic coalition, rather than partner with the Malay-Muslim PN coalition. UMNO's elite are wary of a backlash, and will pressure Anwar accordingly. It is indeed a coalition of strange bedfellows.

The new cabinet reflects Anwar's politics of compromise. UMNO's president, Zahid Hamidi, was made deputy prime minister, despite his involvement in high-profile corruption scandals. East Malaysia's Fadillah Yusof (from GPS) is the second DPM. More generally, UMNO and other strategically important partners are overrepresented in the cabinet relative to their seat share; the progressive DAP, by contrast, is underrepresented.

Almost immediately, questions were raised about whether these concessions were sufficient to hold the coalition together. Wanting to end to the instability that has plagued Malaysian politics since 2020, the government negotiated a comprehensive MOU that committed member parties to supporting Anwar in all matters related to confidence and supply, and other matters that affect the legitimacy of the government. Such an MOU is unprecedented in Malaysia, and speculation abounds about its merits and legal standing. To further project stability, Anwar called for and won a confidence vote during a special two-day sitting of parliament in late December. Whether the MOU can carry the unity government through a full five-year term is yet unclear, but the government does enter 2023 with hopes of controlling the agenda.

Anwar will face staunch opposition from PN's Bersatu and PAS. Their strong performance in the Malay heartland in GEI5 emboldens them to speak on behalf of conservative Muslims, and to continue leveraging Malaysia's deep ethnic and religious divisions. PAS in particular proved remarkably

adept at mobilizing young Malays via social media (especially TikTok) in the election's run-up; those channels will remain active. The feared economic downturn in 2023 will add further fuel, as will a series of state elections that will require difficult compromises among the unity government's parties and will allow the grassroots to express discontent with the unity government.

#### FOREIGN AFFAIRS

In 2022, Malaysia's foreign affairs were marked by the interplay of domestic pull (with elite attention largely focused on internal politicking) and international push (in response to ongoing great-power rivalries). The pressure on Malaysia to "pick sides" sharpened as the US and allies began rolling out an Indo-Pacific strategy aimed at countering China's influence. Amid this and the emergence of the Quad, Malaysia sought to maintain pragmatic neutrality, viewing the great powers in shades of gray, as sources of both opportunity and threat (Kuik 2022).

Several specific events are notable. In February, a French arbitration court recognized a claim by distant relatives of the Sulu sultanate that Malaysia had reneged on a nineteenth-century land leasing agreement. While Malaysia received a stay on the ruling in France, representatives of the claimants filed a series of lawsuits in other jurisdictions for eye-watering sums. The claims are seen as having weak legal standing, but they nonetheless draw Petronas and Malaysia into expensive legal proceedings. On Ukraine, Malaysia eventually supported the UN's resolution condemning Russian aggression, despite early wavering due in part to the anti-West tendencies among some conservative Malay groups. The CPTPP was ratified in September and came into force in late November. The trade agreement remained controversial, however, with opposition MPs reminding Anwar that he urged the previous government to scrutinize the agreement under the suggestion that it might be detrimental to national interests. Malaysia remained a vocal advocate on the Rohingya issue, which it continued to push onto regional and global agendas.

## MORE QUESTIONS THAN ANSWERS

Anwar Ibrahim's nearly quarter-century wait to become prime minister ended in 2022. Will the face of Malaysia's Reformasi movement succeed in delivering the progressive transformations that his rousing speeches have long described? It is unlikely. His primary objective will be survival, and even that is far from assured. Ultimately, his unity government's components have little in common, aside from a desire to stem the surge of political Islam, as 2022 also marked a breakthrough for PAS and its Islamist visions. The new opposition will likely fan the flames of ethnoreligious division and pounce on any missteps by the unity government. Facing such high stakes, Anwar is likely to prioritize stability, economic recovery, and smaller governance wins over more contentious regime-altering reforms that would bring Malaysia closer to full democratization. So 2022 was a watershed year—it is yet unclear, however, whether the path ahead is one of renewed stability and compromise, or more divisive and exclusionary identity politics.

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