



# **POPULISM, PATRONAGE AND PROGRESS. A POLITICAL- ECONOMIC ANALYSIS OF MALAYSIA'S 15TH GENERAL ELECTIONS**

**Jeremy Lim, Imran Mohd Rasid, and Anas Nor'azim**

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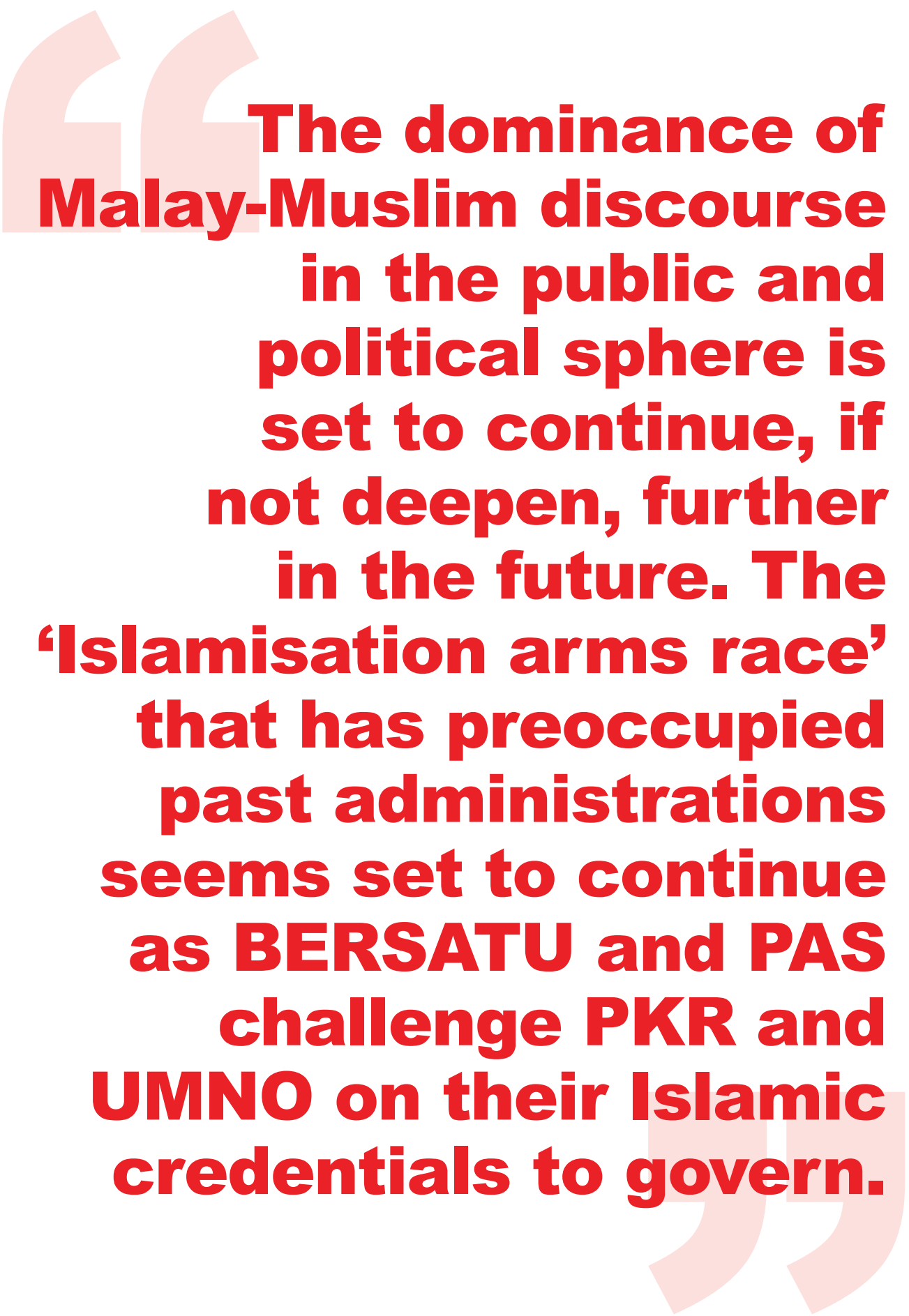
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**The dominance of Malay-Muslim discourse in the public and political sphere is set to continue, if not deepen, further in the future. The ‘Islamisation arms race’ that has preoccupied past administrations seems set to continue as BERSATU and PAS challenge PKR and UMNO on their Islamic credentials to govern.**

# **POPULISM, PATRONAGE AND PROGRESS:**

A POLITICAL-ECONOMIC ANALYSIS OF MALAYSIA'S 15TH GENERAL ELECTIONS

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## **INTRODUCTION**

Malaysia's 15th General Elections (GE15) took place on November 19, 2022 with much anticipation. The government in power — a fractious alliance primarily between the United Malay National Organisation (UMNO), Malaysian United Indigenous Party (BERSATU), and Malaysian Islamic Party (PAS) — could not put off a decisive resolution to their internal stalemate. The outcome of the elections was surprising in more ways than one. First, Anwar became Prime Minister through an alliance with his party's rival in UMNO and the National Front (Barisan Nasional, BN) coalition. Anwar was removed from UMNO in 1998 over disagreements with then leader, Mahathir Mohamad, and would lead the Reformasi (Reformation) movement against the excesses of the state and UMNO. Second, the elections also saw the unpredicted rise of Islamic populism — over and above Malay nationalism — as a driving force of national politics in a way not seen before. Third, the monarchy played a decisive role in pushing parties — particularly those of East Malaysia — to join what has been termed a 'unity government' despite the exclusion of PAS and BERSATU.

This article unpacks the overall trends in the lead-up to GE15 and its aftermath. After providing some historical context for the main parties and figures, it analyzes the election results in light of themes such as Malay-Muslim Nationalism, populist religious discourse, patronage and machine politics, and economic growth and redistribution. The article concludes with the implications of these trends for Malaysian politics, the left, and progressive movements.

## **HISTORICAL AND RECENT BACKGROUND**

Much of Malaysia's history as a nation has been defined by UMNO and its longtime BN allies, the Malaysian Chinese Association (MCA) and Malaysian Indian Congress (MIC). The British colonial authorities granted independence to the people of Malaya in 1957 and handed power to the three elite parties that represented the major ethnic groups. The East Malaysian states of Sabah and Sarawak were later included in the Federation of Malaysia in 1963, adding a large indigenous population to the country. This negotiated surrender of state power to ethnic parties led by aristocrats, capitalists, and landowners would cement the position of ethnonationalism (discussed in more detail in the next section) in Malaysia's politics and continue to be resonant to this day.

UMNO's virtual one-party rule, while largely observing the rituals of democracy — elections with mass suffrage — has seen episodes of severe authoritarianism and state capture. After the racial riots of May 1969, UMNO would find justification to remove nearly all opposition — much of it left-wing — and reorder the economy towards more nationalist ends, breaking the old consensus of "politics for the Malays" and "economics for the Chinese." In addition to greater state spending on infrastructure and investment, it would enact affirmative action policies for the Bumiputera (sons of the soil). This economic category encompassed Malays

and the indigenous peoples to rectify the inequalities suffered under the colonial economy and a little after. These policies involved areas such as government employment and access to financial services and educational opportunities, and they would repeatedly be a source of tension between the Malays and other ethnic groups.

Malaysia's elections since the 1970s have hardly been free or fair. UMNO and its coalition partners benefit significantly from state control to amass large sums for party operations and election campaigning. According to one estimate, after five decades in power, UMNO had amassed party assets of RM 200 million in cash and RM 1.2 billion in shares and property.<sup>1</sup> Institutions such as the Election Commission and judiciary and police forces could not be relied upon to be impartial in matters concerning the elections. Gerrymandering, malapportionment, and other procedural irregularities tilted the balance heavily in favor of the BN coalition.<sup>2</sup> UMNO's hegemony would, however, be challenged by its splinter parties: Parti Melayu Semangat 46 (Spirit of 46 Malay Party) led by Tengku Razaleigh Hamzah (former Minister of Finance) in 1989, Parti Keadilan Rakyat (People's Justice Party, PKR) by Anwar Ibrahim (former Deputy Prime Minister) in 1998, and Parti Pribumi Bersatu Malaysia (Malaysian United Indigenous Party, BERSATU) by Mahathir Mohamad (former Prime Minister) in 2016.<sup>3</sup>

The 2008 elections would see the opposition — the Pakatan Harapan (Alliance of Hope, PH) coalition led by Anwar — deny BN their long-held two-thirds majority for the first time in Parliament, effectively removing their ability to amend the Constitution. The 2013 elections would see the BN coalition lose the popular vote. The inclusion of Mahathir's party, BERSATU — founded in 2016 — would push the PH coalition over the edge and allow them to defeat UMNO and BN for the first time in Malaysian history. The Mahathir-led PH administration would only last from May 2018–February 2020 as a 'parliamentary coup' took place with the defections by BERSATU and a faction in PKR to form the Perikatan Nasional (National Alliance, PN) coalition made up predominantly of Malay-Muslim parties (UMNO, PAS and BERSATU).<sup>4</sup> This 'backdoor government' would oversee the country during the Covid-19 pandemic.

Malaysia's 15th General Elections was announced in mid-October of 2022, well ahead of the deadline in July 2023. By this time, the PN-BN alliance was fracturing, with UMNO and its traditional BN partners on one side and BERSATU and PAS on the other. These tussles led to a three-way fight between BN, PN, and PH in the elections.<sup>4</sup> The results were surprising in more ways than one. PH largely maintained its hold over non-Malay and urban constituencies, while UMNO suffered an unprecedented defeat to benefit PN — both BERSATU and PAS. Days after the results, many in Malaysia were stunned to hear of the alliance between Anwar's PH coalition and the BN coalition led by Zahid Hamidi, an unlikely grouping of former rivals.

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1 Edmund Terence Gomez and Joseph Tong, "Financing politics in Malaysia: reforming the system," *Australian Journal of Asian Law* 18, no. 2 (2017): 2.

2 Kai Ostwald, "Electoral boundaries in Malaysia's 2018 election: malapportionment, gerrymandering and UMNO's fall," in *Malaysia's 14th General Election and UMNO's Fall*, (Routledge, 2019), 102-107.

3 Kai Ostwald and Steven Oliver, "Four arenas: Malaysia's 2018 election, reform, and democratization," *Democratization* 27, no. 4 (2020): 662-680.

4 Johan Saravanamuttu, "MALAYSIA IN 2020: Political Fragmentation, Power Plays and Shifting Coalitions," *Southeast Asian Affairs*, 2021, 169–84.

5 Charles Ramendran, "PN participation may deprive PH and BN of some Malay-Muslim votes: Analyst," *The Sun Daily*, November 16, 2022, <https://www.thesundaily.my/local/pn-participation-may-deprive-ph-and-bn-of-some-malay-muslim-votes-analyst-IC10219111>.

At the urging of the King, East Malaysian parties also joined this alliance to form a supposed 'unity government' led by Anwar. BERSATU and PAS chose to leave this alliance.<sup>6</sup>

## THE (RE)EMERGENCE OF MALAY-MUSLIM NATIONALIST FORCES

Historically, ethnonationalism – captured more recently by the idea of defending ketuanan Melayu (Malay supremacy) – has long been a leading strand of UMNO politics and policies. Throughout its history, UMNO has unabashedly championed particular forms of Malay ethnonationalism. During the pre-independence period, it mobilized the Malay masses against British-sponsored Malayan Union proposals in the late 1940s. Its then-leader, Tun Razak, led the formulation of the New Economic Policy and its articulation as a form of ethnic affirmative action in the 1970s. In the 1990s, the party attempted to create a Malay capitalist class under the leadership of Mahathir Mohamad. Meanwhile, religious nationalism was represented by the broad-based PAS, which has had an increasingly conservative interpretation of Islam as its main ideology. For most of the 1980s-2010s, both UMNO (in government for the entire period) and PAS increasingly competed in an 'Islamisation arms race' — ratcheting up religiosity and piety as pillars of their politics —to maintain political legitimacy and vie for Malay electoral support.

The outcome of the 2018 general election helped change the balance of power between the two parties. UMNO lost its pre-eminence and was put into opposition for the first time alongside PAS. In effect, the two strands of Malay-Muslim nationalism no longer competed against each other. Initially, the parties cooperated informally, and this proved remarkably successful. As seen from the protests and demonstrations described earlier, a tacit UMNO-PAS agreement proved very adept at mobilizing Malay Muslims to press the government into reversing its policies. The anti-ICERD (International Convention on the Elimination of All Forms of Racial Discrimination) rally of 2018 was led by UMNO and PAS political leaders and civil society groups who argued that ratifying the convention would mean that Islam's role as enshrined in the Constitution would be curtailed. The sanctity of the institution of the Malay rulers would be jeopardized.<sup>7</sup>

Similarly, they successfully scuppered the government's plans to ratify the Rome Statute of the International Criminal Court. As many predicted, UMNO and PAS signed an agreement on September 14, 2019, a so-called National Consensus Charter, formalizing their cooperation and forming a powerful Malay Islamic bloc that threatened the PH government's influence over its Malay support base. It ended decades of open competition and even hostility between the two parties.

At the end of February 2020, with the global pandemic looming, the PH government fell apart after 22 months in power. The new PN administration headed by Muhyiddin was a coalitional government consisting of five main parties – Muhyiddin's BERSATU, PAS, UMNO/BN, Gabungan Parti Sarawak (the Sarawak Parties Alliance, GPS), and a faction of ten members

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6 Alfian Z.M. Tahir, "Unity govt suits multiracial Malaysia, say pundits," *The Malaysian Insight*, November 25, 2022, <https://www.themalaysianinsight.com/s/413864>.

7 Norshahril Saat, "A Complicated Political Reality Awaits the Malays," *ISEAS Perspective* 40, (May 2019), <https://www.iseas.edu.sg/articles-commentaries/iseas-perspective/201940-a-complicated-political-reality-awaits-the-malays-by-norshahril-saat/>.

of parliament from PKR. The government identified itself as a Malay-Muslim government, partially due to the identities of most of its MPs and the political ideologies of the parties in the alliance. Some MPs in the bloc saw their collaboration in PN as political alignment amongst leaders who share a similar idea of having Malay-Muslim centrality at the core of the nation.

In reality, ideological alignment is not enough. A huge cabinet was established during PN's administration to gather and maintain the support of each political in the bloc, with more than 70 ministers and deputies. Some ministries, like the Health and Education Ministry, have two deputies. Several political appointments in the executive with less certain responsibilities were made, such as the position of Prime Minister's Special Ambassador, which comes with ministerial privileges. PAS president and Marang MP Abdul Hadi Awang was appointed as the Prime Minister's Special Ambassador to the Middle East, a position which is highly believed to be "ceremonial" in nature.

These political appointments make way for a series of crucial implications. First, this payroll strategy is beneficial to strengthening Bersatu at the cost of UMNO. The political coalition between UMNO and PAS was weakened when PAS prioritized its relations with BERSATU in PN over the former. The shifting position made by PAS is understandable, especially when UMNO is gradually losing its support from its grassroots. Many UMNO supporters were disillusioned with the party's state of affairs, namely in keeping individuals tainted with corruption cases in the party leadership. In 2018, disgruntled UMNO supporters voted for PH as a protest against Najib Razak and his infamous 1MDB scandal.<sup>8</sup> In early 2022, the trust deficit in UMNO grew larger when President Ahmad Zahid Hamidi, an allegedly corrupt leader with a history of defending Najib Razak despite the latter's imprisonment for embezzling, continued to lead the party.

The other implication is that having PN leaders in several key ministerial positions means that the coalition now has access to an extensive "war chest" to fund their GE15 election campaign and Malay-Muslim narratives. In a recent statement by the Prime Minister, he accused the previous PN administration of "serious procedural breaches" in spending 600 billion Malaysian Ringgit on several projects.<sup>9</sup> In several public statements, Anwar also hinted that the Muhyiddin-led coalition's funds for its GE15 campaign originated from gambling firms. While PN leadership has denied the accusations, the coalition leadership refuses to disclose the breakdown of its source of political funding. PN secretary-general Datuk Seri Hamzah Zainudin, however, did admit that they have utilized lots of financial resources for the election, including giving 50,000 Malaysian Ringgit for each candidate who contested in the GE15 under the coalition's banner.<sup>10</sup> Malaysian Anti-Corruption Commission (MACC) also recently launched an investigation against BERSATU, while several MPs from PH are now calling for MACC and the Election Commission (EC) to investigate BERSATU's partners in the PN

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8 Hannah Ellis-Petersen, "1MDB scandal explained: a tale of Malaysia's missing billions," Guardian, July 28, 2020, <https://www.theguardian.com/world/2018/oct/25/1mdb-scandal-explained-a-tale-of-malaysias-missing-billions>.

9 Nadirah H. Rodzi, "\$185b scandal: Serious procedural breaches during Muhyiddin administration, says PM Anwar," The Straits Times, December 5, 2022, <https://www.straitstimes.com/asia/se-asia/185b-scandal-serious-procedural-breaches-during-muhyiddin-administration-says-pm-anwar>.

10 T. N. Alagesh, "Yes, PN gave RM50k to candidates in GE15 but funds not from gambling companies, says Hamzah," New Straits Times, December 6, 2022, <https://www.nst.com.my/news/politics/2022/12/858102/yes-pn-gave-rm50k-candidates-ge15-funds-not-gambling-companies-says>.

coalition for possible abuse of funds during last year's contentious general election.<sup>11</sup> These two material factors directly contributed to the amplification of Malay-Muslim narratives in GE15 and the rise of PN – particularly PAS.

## ISLAMIC POPULISM AND THE RISE OF THE 'GREEN WAVE'

PN's overwhelming gains in GE15 came as a surprise to many observers. On the back of 30 percent of popular votes, PN's 73 seats, of which PAS was its single largest contributor. Early electoral polls predict a BN victory, considering its strong performance in previous state elections in Johor and Melaka. Instead, BN recorded its worst electoral performance yet, winning a meager 27 seats with 31 percent of the popular vote. Out of the 63 seats with a Malay population of more than 80 percent, the traditional backbone of UMNO support, BN only managed to win nine seats. PN won the rest.<sup>12</sup>

Dubbed the 'Green Wave' – a reference to the color of PAS's flag and its significance in Islam, the strength of PN, and by extension, PAS, signaled the possibility of a hardline Islamic government coming to power. The party's stances on Malay-Muslim supremacy, the institution of Islamic law – possibly even for non-Muslims, and human rights have generated great public outcry over the decades. A variety of reasons have been attributed to the recent and seemingly sudden rise of PAS and its brand of Islamic populism. Chief among them is PN's effective utilization of social media platforms, namely TikTok, to mobilize voter sentiments. The slew of pro-PN content posted within the platform during the election season utilized a rather casual approach, with influencers and regular supporters expressing support for the party through quirky and trendy videos, as opposed to the scripted videos made by campaign workers that voters have come to expect. To this end, pro-PN content expressed a more authentic and down-to-earth aesthetic in line with its more populist rhetoric, which could explain why these videos achieved a greater degree of virality than those produced by their political counterparts. Recent controversies regarding UMNO in the past decade have also done much to whittle support for the party amongst its voters. Events such as the 1MDB scandal and party infighting made many question the continued viability of UMNO in representing Malay-Muslim interest, a political vacuum that PN is keen to exploit, well demonstrated by its campaign slogan, Prihatin, Bersih dan Stabil (Concerned, Clean and Stable).

However, it is worth noting that social media algorithms – their role too often overdetermined – take advantage of pre-existing prejudices to capture and retain the attention of their users. It may explain the intensification of racial and populist rhetoric during this election, but it does not explain where these sentiments originate. UMNO's fall from grace may explain the political vacuum that PN fills, but it does not explain why PN serves as an alternative to the PH coalition. This is not to say that these two elements are not key to PN's recent gains, but rather, a correction is needed so as not to miss the bigger picture.

11 BERNAMA, "Govt does not interfere in MACC probe against Bersatu - PM Anwar," Astro Awani, February 2, 2023, <https://www.astroawani.com/berita-malaysia/govt-does-not-interfere-macc-probe-against-bersatu-pm-anwar-404693>; John Bunyan, "Kampar MP tells MACC, EC to also investigate PAS, Gerakan for spending big in GE15," Malay Mail, February 4, 2023, <https://www.malaymail.com/news/malaysia/2023/02/04/kampar-mp-tells-macc-ec-to-also-investigate-pas-gerakan-for-spending-big-in-ge15/53389>.

12 Shahril Hamdan (@ShahrilHamdan), "UMNO Dan Harapan Kepada Pengundi Melayu," Twitter, January 5, 2023, <https://twitter.com/ShahrilHamdan/status/1610899489782657024?s=20&t=PeZXIsAFggJm8H92TFCh8A>.



To be sure, gradual gains by PAS, the largest component of the PN coalition, could already be observed during the previous election, where it won control of the state of Terengganu in addition to Kelantan, which has already become a stronghold of PAS support. GE15 thus represented further consolidation of PAS gains along the East Coast and the Northern states of Peninsular Malaysia. An argument could be made that the nucleus of this development can be traced as far back as the Islamisation period mentioned earlier, where the connections between ethnic and religious identity, or more specifically, the Malay-Muslim identity, were entrenched to be a defining feature of Malaysian politics.

These developments resulted from an impressive array of grassroots, community-based organizing. The various religious institutions within the country, ranging from mosques to educational institutions and non-governmental organizations, provide the party with abundant opportunities for outreach, which it has exploited excellently. Celebrity preachers such as Ustaz Azhar Idrus and Sheikh Zainul Asri provide the party with indirect and sometimes direct endorsements, whereas student groups like the Gabungan Mahasiswa Islam Se-Malaysia (GAMIS) and Siswa PAS provide the party entry into local universities and the student movement scene, cultivating a pool future talents for the party.<sup>13</sup> The party has also gradually expanded educational institutions under its direct control, ranging from preschool and primary to upper secondary levels under its PASTI, SRITI, and SMITI programs.<sup>14</sup>

The key point to observe here is that before its gains in this election, the party has already demonstrated strong commitments towards the slow work of grassroots engagement, achieving a scale perhaps unparalleled amongst its contemporaries, albeit limited within the Malay-Muslim community. With confidence in UMNO leadership declining and no other parties successful in challenging PAS' grip, vast sections of the Malay-Muslim demographic gravitated towards PN as an alternative.

But all is not set for PN. While PAS has managed to maneuver around the allegations of fundamentalism and extremism associated with its image, at least to an extent seen as acceptable by its voter base, the same cannot be said concerning its support amongst the non-Malay demographic. With ethnonationalist rhetoric forming a key aspect of PN's current general messaging, PN may very well be on its way to facing the same hurdle that UMNO had faced in garnering enough non-Malay support for a chance at forming a government. Moderating its message entails reigning in on its more hardline supporters, which could risk losing their support altogether. How the coalition chooses to address this issue could very well determine its future electoral success.

## **PATRONAGE, CORRUPTION, AND MACHINE POLITICS**

GE15 was also significant for its possible implications on Malaysia's political culture and how parties will run in the future. The longstanding conventional wisdom is that money politics

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13 Harakahdaily, "PAS bukan lagi 'parti pak lebai': Impak selebriti agama," Harakahdaily, December 8, 2022, <https://harakahdaily.net/index.php/2022/12/08/pas-bukan-lagi-parti-pak-lebai-impak-selebriti-agama/>; Syahirah Salleh, "3,000 mahasiswa berkumpul nyatakan sokongan kepada PAS," Harakahdaily, August 21, 2022, <https://harakahdaily.net/index.php/2022/08/21/3000-mahasiswa-berkumpul-nyatakan-sokongan-kepada-pas/>.

14 Harakahdaily, "Sektor Pendidikan PAS terus dipacu gagah," Harakahdaily, December 23, 2019, <https://harakahdaily.net/index.php/2019/12/23/sector-pendidikan-pas-terus-dipacu-gagah/>.

would trump national issues. The extensive party machines built up by UMNO, and to a lesser extent, their BN partners, MCA and MIC, have nearly always guaranteed their political hegemony until 2018. Since the abolition of local council elections after the 1969 racial riots, politics have been structured around the delivery of municipal functions and constituency service — hereinafter referred to as machine politics — for “concrete, visible, loyalty-building purposes.” This machinery was built and maintained by UMNO/BN’s largely continuous access to federal and state institutions — through legal means— to finance such large operations. Since 2008, when the then-opposition parties of PH have come to office in state government, they have emulated the practice using various state-level GLCs.<sup>15</sup> However, UMNO’s residual advantage from nearly half a century of rule was predicted to triumph over all its rivals. Former Prime Minister Mahathir Mohamed — who was in UMNO until 2015 before leaving to found his splinter party, even predicted that UMNO has “a good chance of winning because they have much money.”<sup>16</sup> Nonetheless, UMNO suffered losses in GE15 throughout the predominantly Malay ‘rural heartland,’ possibly signaling a diminution of this hyperlocal political culture around party machinery.

However, the recently installed Anwar administration does not alter any of the incentives toward machine politics. While some degree of decentralization has occurred with the East Malaysian states of Sabah and Sarawak, both state apparatuses remain in the firm grip of a cartel of indigenous parties, and there is little to suggest that more democratic reforms will be underway. The Local Government Development Minister recently brushed aside calls to reinstate local council elections, a key institution that would break the indirect monopoly of political parties over municipal functions.<sup>17</sup> The nature of this ‘unity government’ as a compromise between supposed reformers and the likes of UMNO already signals the continuation of money politics of one sort or another. The cabinet positions and alliances between BN and PH in several West Malaysian states (Perak and Pahang) undoubtedly appear like bandits dividing up the spoils, with little regard for the will and mandate of the voters who just put them in power. The opaque nature of government-linked companies (GLCs) at the state and federal levels will continue allowing parties to channel funds for personal and political gain with little to no consequences. Calls for the political financing bill have thus far largely been met with silence from this administration.

The PH-BN alliance greatly diminishes Anwar’s credibility as an anti-corruption crusader. One of his current deputy prime ministers from UMNO faces 47 charges in court for criminal breach of trust, corruption, and money laundering.<sup>18</sup> Charges of nepotism have already been leveled at Anwar and his appointed Speaker of the lower house of Parliament over their offices less than three months into his administration. It may not be long before PH is caught in corruption scandals after decades of calling for greater transparency and accountability.

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15 Edmund Terence Gomez, Fikri Faisal, Thirshalar Padmanabhan and Juwairiah Tajuddin, “Government in Business: Diverse Forms of Intervention,” IDEAS Malaysia GLC Monitor, (August 28, 2018), <https://www.ideas.org.my/publications-item/malaysia-glc-monitor-2018-government-in-business-diverse-forms-of-intervention/>.

16 P. Prem. Kumar, “Mahathir predicts UMNO triumph in Malaysia’s next election,” October 7, 2022, <https://asia.nikkei.com/Editor-s-Picks/Interview/Mahathir-predicts-UMNO-triumph-in-Malaysia-s-next-election>.

17 Ashley Yeong, “Nga Kor Ming: Improving people’s lot the priority, local govt elections can wait,” Malay Mail, January 26, 2023, <https://www.malaymail.com/news/malaysia/2023/01/26/nga-kor-ming-improving-peoples-lot-the-priority-local-govt-elections-can-wait/51970>.

18 Rahmat Khairulrijal, “Zahid, first DPM placed in the dock,” New Straits Times, January 16, 2023, <https://www.nst.com.my/news/crime-courts/2023/01/870729/zahid-first-dpm-placed-dock>.

## ECONOMIC GROWTH AND REDISTRIBUTION

Heading into GE15, there were numerous headlines about how the results would be decided on ‘bread and butter’ issues, and most political parties followed suit in their media appearances. In 2022, these issues had particular salience after the COVID-19 pandemic as the economy adjusted to its ‘new normal.’ The government’s response to the crisis was “not proportional” regarding the direct monetary stimulus and aid packages to the level of stringency of the mitigation measures.<sup>19</sup> The inadequate spending was compounded by the announcement that the state would allow pension fund withdrawals to address many Malaysians’ income loss. Coming out of the multiple lockdowns, businesses of all sizes attempted to regain lost profits and deal with the rising input costs by increasing prices, precipitating an aggregate increase across the economy. Despite the quick rebound in employment to normal levels, the rapidly rising inflation has resulted in Malaysia’s cost of living crisis, as wages have been largely stagnant since the pandemic. The prior and current administrations continue to resist the implementation of the Minimum Wages Order 2022 as businesses still struggle to return to pre-pandemic revenues.

A major feature of the PH administration was its austerity politics under then Prime Minister Mahathir Mohamad, who repeatedly reminded the nation of the debt incurred by his predecessor, Najib Razak, who was later charged and jailed for his involvement in the 1MDB scandal. With PH at the helm now, its early days have already seen strong indicators of a return to the narrative of supposedly unsustainable debt, fiscal responsibility, and looming austerity. The timing for such measures could not be worse. In addition to the COVID-induced cost of living crisis, raising the OPR or national interest rate and lifting loan moratoria are expected to send individuals and businesses into further financial distress and bankruptcy. The present administration cannot articulate a vision of how Malaysia escapes this downward spiral, largely due to an entrenched neoliberal policy orthodoxy and the economic structures that have long been in place.

After the 1997-1998 Asian Financial Crisis, the Malaysian state has been severely crippled in its ability to stimulate investment — both foreign and domestic — to grow the economy. Once boasting of its average growth rates of 8-10 percent in much of the 1980s and 1990s, Malaysia now sees relatively lower rates of 4-5 percent in the twenty-first century. The trends of premature deindustrialization, financialization, and growing reliance on its lower value-added service sector have left many Malaysians with limited prospects for social mobility and improved living standards. Its overreliance on foreign direct investment and cheaper foreign labor for its palm oil, construction, and manufacturing sectors have created a deeply unfavorable labor market, even for those with higher education. Many of its citizens are finding work in the ballooning gig economy or the informal sector, or they have stopped looking — effectively leaving the labor force. Malaysia’s relatively high inequality and the state’s continued failure to improve economic conditions do not invigorate social movements to make demands as the society is atomized and fragmented along racial lines. Economic grievances have largely been diffused through minimal state welfare and party-based constituency services or channeled

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<sup>19</sup> REFSA, “Covid-19 INFOGRAPHICS,” Research for Social Advancement (REFSA), accessed February 8, 2023, <https://refsa.org/covid-19-infographics/>.

into ethnic politics. These failures have opened the door to the xenophobic scapegoating of the migrants who essentially hold up much of the Malaysian economy. A recent report by the rights group Pusat Kommas documented several high-profile instances of discrimination against undocumented immigrants by state officials.<sup>20</sup> However, these issues are often overshadowed by, or possibly subsumed within, issues of race and religion during the elections, preventing any political organizing around class or economic issues.

## IMPLICATIONS FOR THE MALAYSIAN LEFT AND PROGRESSIVE MOVEMENTS

The weak presence of the labor and socialist left in Malaysian politics today can be traced back to the British-sponsored repression of these radical elements in the twentieth century. Under the pretext of the anti-communist Malayan Emergency (1948-1960), many socialist parties and trade unions were decimated through arrests, strikebreaking, and organizations declared illegal. The restrictive laws around labor associations – Trade Union Ordinance of 1940 and Trade Union Act of 1959 – meant that few unions could act independently nor take progressive stances.<sup>21</sup> A recent buck in this trend was in 2018 when J Solomon, the secretary general of the Malaysian Trades Union Congress (MTUC), urged its 14 million members to vote for PH in the 14th general elections.<sup>22</sup> However, the MTUC was silent on GE15.

As of 2022, the only party explicitly espousing a socialist ideology in its charters and manifestos is the Socialist Party of Malaysia (Parti Sosialis Malaysia, PSM). After decades of defending the marginalized in courts and championing progressive causes, it has built a relatively respectable public profile and some degree of electoral presence. Founded in 1998 but only allowed registration by the state in 2008, PSM was able to win a federal seat (2008 and 2013) and a state seat (2008). However, these victories were only possible with an electoral pact with PH's predecessor coalition, without which PSM would lose all its contested seats in the 2018 and 2022 general elections.<sup>23</sup> Its relatively small membership and paltry financial resources mean it has little odds in Malaysia's current political environment. Despite these electoral setbacks, PSM remains well-positioned to continue to advance a progressive agenda, but only within civil society rather than in the national public and political sphere.

Among more mainstream political parties, the Democratic Action Party (DAP) retains social democratic language in its documents and party proclamations. Founded in 1965, DAP has been in opposition since its founding until 2018, when it came to power as one of the largest parties in the coalition. Despite its socialist roots, DAP has governed and currently governs as centrists and, at times, neoliberals, toeing the line of the government of the day. The recent defense of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) – a trade deal with major implications for smallholder farmers and local businesses –

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20 PUSAT KOMAS, "Malaysia Racial Discrimination Report 2021," Pusat KOMAS, accessed March 4, 2023, <https://komas.org/download/Malaysia-Racial-Discrimination-Report-2021.pdf>.

21 Meredith L. Weiss, "Legacies of the Cold War in Malaysia: Anything but Communism," *Journal of Contemporary Asia* 50, no. 4 (2020): 511-529.

22 Sulhi Azman, "MTUC urges Malaysia's 14 mil workers to vote for Pakatan Harapan," *The Edge Markets*, May 08, 2018, <https://www.theedgemarkets.com/article/mtuc-urges-malaysias-14-mil-workers-vote-pakatan-harapan>.

23 S Arutchelvan, "PSM will survive," *Malaysiakini*, May 12, 2018, <https://www.malaysiakini.com/news/424488>.

was mounted by a minister from DAP.<sup>24</sup> Individual politicians from DAP, PKR, and UMNO have personally expressed social democratic and socialist policy ideas but have little sway over the parties' general direction. While welfare is politically salient on all sides of the political aisles, it does not incorporate any form of democratic control or worker participation.

The lack of independent trade unions and socialist parties has also meant that Malaysia's civil society is made up of single-issue organizations that are usually apolitical. Mass-membership social movements that are politicized and address multiple issues are noticeably absent as a result. One organization that comes close is the Bersih (Clean) movement, which is organized around fair elections and anti-corruption. It mobilized hundreds of thousands to take to the street at its height. However, its close association with PH's opposition parties led to its demobilization after PH came to power in 2018. This was no surprise as PH had many leaders recruited from the top layer of civil society.<sup>25</sup>

Prospects for the progressive left can seem bleak in Malaysia for the time being. The hegemony of race and religion discourse in the public sphere blocks any explicit labor or class politics in the near term. The perception of PSM being an Indian party and the DAP being a Chinese party inevitably allows their opponents to use communal language to divert or deflect criticism. Despite these hurdles, there are some openings for social change. The loosening of unionization regulation — ironically, a result of Malaysia's ratification of the CPTPP — will create opportunities for more trade union formations and wider grounds for labor associations. The prior PH administration reduced the repression deployed by the state, allowing for civil actions, allowing more room for expression, and removing many barriers to student unions and campus politics. There is some expectation that the current PH-BN administration will do the same. The looming recession and the likely flawed government response to the economic hardship will create instances where progressives and socialists can propose alternatives to neoliberalism and capitalist development. Advancing progressive discourses will still be a challenge given establishment parties' nearly complete control of the media and public sentiment, but there remain avenues for advocacy and mobilization. Despite the consternation around the role of TikTok in politics, grassroots organizing should remain a key strategy for progressive social movements in reaching people and pushing for change.

## CONCLUSION

The Anwar administration is stable for now, but it remains to be seen if it can retain support heading into state-level elections in 2023. There is still considerable hope that his PH-led coalition would make good on their promises of reforms, particularly on matters of corruption, civil liberties, and freedoms. This is largely due to his image as the leader of Reformasi and PH's more liberal image. However, the current crop of ministers seems to have internalized the supposed lesson of their previous stint in power and do not reform too quickly. While there is little evidence that their prior reforms were even minimally transformative, many PH cabinet

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24 Chester Tay, "CPTPP will not compromise local farmers' interest, says deputy Miti minister," The Edge Markets, March 01, 2023, <https://www.theedgemarkets.com/node/657321>.

25 Ying Hooi Khoo, *The Bersih movement and democratisation in Malaysia: Repression, dissent and opportunities*, Lexington Books, 2020.

members are excessively cautious in promising change.<sup>26</sup> As discussed earlier, the incentives to move towards more democratic and institutional reforms are not there. The economic necessities of machine politics would drive all parties to maintain the current institutional arrangements. While this administration does have the two-thirds majority required to overhaul the system, there is no discussion about the benefits of altering election practices to reduce its reliance on money. These reforms are badly needed if any socialist party is to stand a chance of coming to office. Small parties with little financial backing and media access would struggle to gain public attention without leveling the playing field.

The dominance of Malay-Muslim discourse in the public and political sphere is set to continue, if not deepen, further in the future. The 'Islamisation arms race' that has preoccupied past administrations seems set to continue as BERSATU and PAS challenge PKR and UMNO on their Islamic credentials to govern. At the moment, there is no political will to undo the decades of Islamisation of state institutions that incubated the very religious forces that led to the 'Green Wave.' The current administration will certainly struggle to control the narrative around race and religion as opposition parties and social groups leverage popular discontent to influence policy decisions. Progressives would have to be creative in maneuvering such topics while simultaneously presenting a credible alternative to both communal politics and the tepid multiculturalism of PH and BN.

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<sup>26</sup> Ahmad Mustakim Zulkifli and Azzman Abdul Jamal, "Promises of reform easier said than done, say analysts," *MalaysiaNow*, January 9, 2023, <https://www.malaysianow.com/news/2023/01/09/promises-of-reform-easier-said-than-done-say-analysts>.

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