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GE14 & Its Aftermath

Malaysia's Regime Change: Evolving Post-Election Scenarios

By Yang Razali Kassim

Synopsis

The shocking fall of the UMNO-led Barisan Nasional government in the recent general election was not only historic but also game-changing. As Malaysians usher in a new era, three evolving scenarios are worth watching.

Commentary

TWENTY DAYS after he was elected to the country's highest office for the second time, Malaysian Prime Minister Mahathir Mohamad made an official visit to Indonesia. By the standards of Southeast Asian diplomacy, that was fast. He received a red-carpet welcome from Indonesian President Joko Widodo, 40 years his junior and a political neophyte compared to the Malaysian nonagenarian.

During his visit, Mahathir made a geopolitically significant proposition: Malaysia and Indonesia should join forces to oppose pressure from Europe on the global palm oil industry. As the world's top producers, the two Southeast Asian neighbours dominate the global palm oil market. "Our palm oil is threatened by Europe and we need to oppose them together," he said at a joint press conference with President Joko (also known as Jokowi). Within weeks, the Malaysian and Indonesian foreign ministers met to follow up on a plan to counter the European Union's move to phase out the use of biofuel in transport fuels.

Making History

Fifteen years after stepping down from the job, Prime Minister Mahathir is back with a bang. During his first tenure as premier from 1981 to 2003, he was known for his combative style. Now, Southeast Asia and the world will be hearing more from the outspoken Malaysian leader, age notwithstanding.

The return of Mahathir at 93, long past when most leaders decide to call it a day, is almost surreal. It is also catapulting him to the status of a political legend in Malaysian politics. In so doing, he scored many firsts. No former prime minister had ever made a comeback to dethrone his preferred successor. The sacking of Najib Razak at the ballot box on 9 May 2018 also meant that Mahathir is now the world's oldest prime minister, and still very much a man in a hurry.

Another first: never before had Malaysia gone through regime change thrown up by a peaceful "people's uprising" at the ballot box. What made this all possible was the stunning political reconciliation between Mahathir and his fiercest nemesis: With [his surprising support for the jailed politician Anwar Ibrahim, and Anwar's reciprocal backing for](#) Mahathir, their remarkable burying of the hatchet led to the opposition's startling electoral victory.

The ruling juggernaut, the UMNO-led coalition, had never been defeated since independence in 1957. The coalition finally lost power at the hands of the country's most potent political duo: Mahathir-Anwar. In the aftermath, at least three evolving scenarios are worth watching:

Scenario 1: A New Order?

If the newly-elected Pakatan Harapan (PH, Alliance of Hope) coalition government can last at least two terms, we will see a different political order take hold. The people's rejection of the governing Barisan Nasional (BN) coalition and UMNO is a new phenomenon in Malaysian politics. Increasingly, the emerging narrative is that of a "New Malaysia".

What this New Malaysia is, however, has yet to be clearly defined, as it seems to mean different things to different people. The popular view is that it is simply the antithesis of the old era; anything that was bad about the old must not be part of New Malaysia. Even Mahathir himself has called for a break from the past: "The New Malaysia should even be an improvement on the period during which I was prime minister for 22 years." The government should "have to go back to democracy and the rule of law and respect the wishes of the people," he said.

Two wishes in particular: First is cleaning up the mess of corruption left behind by the Najib administration. Reformism will be the order of the day, possibly leading eventually to some form of systemic change. Ironically, Mahathir, who was known as an autocrat, has become the "New Reformer," embracing Anwar Ibrahim's battle-cry of *Reformasi*.

Second, Mahathir and his team will be under pressure to prove that the new government can fulfill the people's expectations. The previously disparate alliance will have to demonstrate that it will not be a photocopy of the old regime.

Scenario 2: Existential Crisis

All that said, the power vehicle the PH alliance overthrew is not to be trifled with. At the core of the dethroned BN coalition is UMNO, the linchpin party that won independence from the British. Once thought to be invincible, BN disintegrated as soon as it lost power. Several partners deserted it, leaving only three original component parties, the pillar of which is UMNO.

UMNO itself is facing an existential crisis. It is under threat of being deregistered for failing to hold internal party elections, in breach of political regulations. Should it be struck off, this will not be the first time after surviving one in 1987, ironically when Mahathir was its president; but the political impact of a replay will be far-reaching, as the party, though out of power, still symbolises the aspirations of the majority ethnic group.

In this battle for survival, UMNO is going through an internal debate over direction and its own identity. The future of UMNO now depends very much on how far the younger generation will succeed in taking over the leadership and charting a new course. Nevertheless, the introspective search for a new identity for UMNO is unprecedented, reflecting the country's new terrain.

The course taken by UMNO will partly be influenced, if not defined, by the broader political landscape now dominated by the Mahathir-Anwar leadership 2.0. Collectively, the deadly duo has come to symbolise a political ethos around "post-identity". If PH succeeds, Malaysian politics may increasingly move away from primordial attachments towards a common centre, where greater acceptance and tolerance of each other will be the new norm. How far this will go will also depend on how effective the pushback is from a tentative UMNO alliance with the Islamist opposition PAS.

Scenario 3: Beyond the Border

The political shifts do not stop at Malaysia's border. As one of the most developed economies in Southeast Asia, the country's political dynamics – especially those that affect its stability and security – will be of importance to its neighbours in the region and beyond.

Nothing underscores this better than Prime Minister Mahathir's wooing of Indonesian President Jokowi for a partnership to stave off European pressures on their palm oil industry. With neighbouring Singapore, Mahathir also created some ripples when he threw a spanner in the works of a joint high-speed rail project signed by the Najib government, though this has been deferred for now. Mahathir also suggested renegotiating the long-standing supply of water from Malaysia's Johor state, a strategic resource for Singapore.

Mahathir's biggest challenge is, however, further afield, in Beijing. China is at the heart of some financially troubling megaprojects initiated by Najib. Mahathir has taken issue with the Asian giant for financing these projects, which were placed under investigation in Kuala Lumpur following the defeat of the BN administration.

Mahathir himself travelled to Beijing in August to re-negotiate with Chinese leaders the China-funded projects in Malaysia, part of a larger goal to cut down on the massive national debt inherited from the previous government.

At the end of his trip, Mahathir announced at a press conference in Beijing that Malaysia would now cancel the frozen projects – only to tone it down later to “defer” them instead -- a decision he said Chinese leaders had “agreed” on. “We do not want a situation where there is a new version of colonialism,” said Mahathir after his meeting with Chinese Prime Minister Li Keqiang.

What is equally troubling Mahathir is the Chinese model of economic collaboration. At issue is Beijing's preference for extending loans with high interest rates rather than investing directly in the projects, and for payments to Chinese contractors based on timelines rather than project deliveries.

Another is the Chinese propensity to use their own resources, workforce and expertise for the projects, instead of relying on local firms and creating jobs domestically. This model that some call Beijing's “debt trap diplomacy” has also been questioned in several countries in Asia and Africa for the problems and social tension they generate.

Mahathir, however, is striking a careful balance in resolving the mountain of debt left behind by his predecessor. Important to him also is preserving [good relations with a rising economic superpower](#) that is a significant market for Malaysian products. “We do not blame the Chinese government because their companies signed an agreement or several agreements with Malaysian companies under the auspices of the government of the day,” Foreign Minister Saifuddin Abdullah told *The Straits Times*.

Unlike in the past, the political earthquake in Malaysia this time is clearly reverberating beyond Malaysia's border. Before he finally calls it a day – again – expect Mahathir to make more waves as he brings his assertive persona to the international stage, perhaps even to the United Nations. It's in his DNA.

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