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## **Malaysia's New Government: Same But Different**

*By Ariel Tan*

Ismail Sabri took office on 21 August 2021 as Malaysia's third new prime minister since 2018, the year that saw the historic collapse of the Barisan Nasional (BN) government led by the United Malays National Organisation (UMNO). Ismail had been deputy prime minister and the coordinating minister for the Perikatan Nasional (PN) coalition government's Covid-19 response task force before PM Muhyiddin Yassin resigned. He is supported by the same parties that supported the PN government. Indeed, Malaysian social media is awash with commentary and memes claiming that this is the same government with the same failed leaders and policies. But Ismail's ascendance and UMNO's return to power will have a significant impact on national politics, in terms of UMNO's internal leadership competition and its approach towards the next general election due in 2023.

For now, Malaysia has been granted a respite from the serious political challenges that had plagued the Muhyiddin administration. However, the fundamental drivers of instability remain. Whether these will be ameliorated or deepened depends largely on the choices that UMNO will make in the coming year.



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### **Short-term Stability**

An air of tenuousness will hang over Ismail's government given its thin majority (114 out of a total of 220 MPs). However, he has an edge over his predecessor.

First, if Ismail demonstrates his parliamentary majority support by a vote of confidence by September, he will be granted the legitimacy that eluded Muhyiddin. Unlike Muhyiddin, who leads Parti Pribumi Bersatu Malaysia, a new party with uncertain prospects in the next general election, Ismail hails from UMNO, the oldest party which also enjoys the most support among the Malay majority. He may find it easier to attract a few more MPs to his column.

Secondly, UMNO is less likely to be a destabilising force, now that it holds the premiership, although this is subject to Ismail handling well his party colleagues. UMNO had been instrumental in the fall of the last two administrations. Ismail will also have to retain the support of his coalition partners, Parti Islam Se-Malaysia (PAS) and Bersatu. These parties may be motivated to stay in government as they have few options for forming another government with the opposition, Pakatan Harapan (PH), given their bad blood from previous associations. They may also not want to precipitate an early election as they are likely to struggle to defend all their seats.

Thirdly, the king and his fellow Malay rulers have urged all parties to cooperate so as to focus on Covid-19 and recharge the economy. The public is tired of political crises and would not take kindly to parties seeking to destabilise the government. Opposition leader Anwar Ibrahim has accepted Ismail's appointment and has urged his colleagues to focus on the next general election. In turn, Ismail has invited the opposition to participate in the National Recovery Council and special committee to deal with Covid-19.

Fourthly, as Malaysia vaccinates more of its population, a loosening of Covid-19 restrictions and economic revival could improve public perception of the new government's performance. While Covid-19 will likely become endemic, a key concern would be the ability of the healthcare system to cope with serious and critical cases. Ismail now has the opportunity to raise government spending, with opposition support, to invest more resources in the health sector and increase cash assistance for the

poor and unemployed. Engaging the opposition, state governments, business and civil society more would promote public trust, which was critically lacking during the PN administration. Ismail's appointments to the critical portfolios of health, economy and finance would determine public and investor confidence.

Early indicators of Ismail's prospects would be (i) his ability to gain acceptance of his cabinet and other key government appointments by balancing competence and his need to keep his allies happy; and (ii) his success in obtaining cooperation from the opposition on Covid-19 and on the upcoming Budget 2022 and the 12th Malaysia Plan.

Further down the road, how the Ismail government handles the graft cases involving UMNO leaders like Zahid and former PM Najib Razak would be key to its stability. The intensity of public interest and sentiment against Najib and the 1MDB scandal has moderated somewhat. It would be a real test of Ismail's political skills and UMNO's strength and influence to overcome this issue and persuade the public and the key parties to move on for the sake of political cooperation and stability.

### **Longer-term Drivers of Instability**

Government changes and Covid-19 have exposed the four drivers of political instability: the fragmentation of key parties, coalitions, the governance system, and society. In stark numbers: PH had captured 113 out of 222 parliamentary seats and 45.68 per cent of the popular vote in the 2018 general election. Ismail now holds 114 votes out of the total of the current 220.

The two main coalitions have essentially fought each other to a truce, potentially "maxing out" their natural constituencies. With the current configuration — UMNO-PAS-Bersatu championing Malay-Muslim dominance and the opposition promoting reform and multiracialism — Malaysia may continue to see governments with narrow majorities or minority governments.

One radical way out would be to forge broader coalitions such as UMNO working with the main opposition parties — Parti Keadilan Rakyat (PKR) and the Democratic Action Party (DAP). However, this would require a strong leadership and long-term strategy on the part of the parties. Such coalitions would also not last without common interests and a shared vision for the nation.

UMNO remains fragmented and headed by a tainted president who has poor chances of making prime minister. Third-ranking party leader Ismail's chances of clinching the presidency have improved but he would need the support or neutrality of Najib and Zahid, and that of a handful of rivals to win comfortably. UMNO would have to sort out its leadership and unite if it is to regain its position as the dominant party in the next general election. In the aftermath of its 2018 defeat, UMNO has avoided major strategic changes and chosen to work with PAS and then Bersatu, despite their competition for the same Malay constituency. This approach, however, may not be enough for UMNO to win the next election.

Tensions continue to simmer between PKR and DAP on how to overcome the factors limiting their ability to win national office, which include insufficient support among the

Malay establishment for Anwar as PM candidate, and DAP's inability thus far to cultivate sufficient acceptance among the Malays. Overcoming these limitations may require a change of leadership, party image and strategy.

West Malaysian political elites would also have to contend with the desire for more autonomy and resources for development from Sabah and Sarawak. With the weakening of the centre, these states and others like Johor, Selangor and Penang will continue to demand more say in state administration, as reflected in their chafing against the top-down federal policies to curb the pandemic.

Ismail's call for Malaysians to unite as part of the "Malaysian family" in his inaugural speech as PM is an acknowledgement of the country's social fragmentation along lines of race and religion — not to mention class, geography and politics. Malaysians welcomed his call, but much more is needed for Malaysia to regain political stability, social coherence and economic vitality.

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