CENTRO STUDI PER I POPOLI EXTRA-EUROPEI "CESARE BONACOSSA" - UNIVERSITÀ DI PAVIA

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Asia in 2020: Coping with COVID-19 and other crises

Edited by
Michelguglielmo Torri
Nicola Mocci
Filippo Boni

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Malaysia 2020: Democratic backsliding amid the COVID-19 pandemic

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The pernicious effects of political polarisation and unresolved intra-coalition differences resulted in political party defections that contributed to the fall of the Pakatan Harapan (PH) government and the tenuous position of the Perikatan Nasional (PN) government that replaced it. Domestic politics through much of 2020 was marked by the subsequent power struggles both between the PH and PN coalitions and between PN coalition partners, Bersatu and UMNO. As the socio-economic pains of the COVID-19 pandemic prolonged, the trust deficit between the people and elected politicians widened. The turn of events in 2020 signalled an abrupt halt to the tentative steps Malaysia had been making to improve its democracy.

Keywords – political polarisation; political party defection; democratic backsliding; Malaysia.

1. *Introduction*

Malaysia's multi-ethnic coalition government, Pakatan Harapan (Alliance of Hope, PH), headed into 2020 on a much-weakened political footing. In the prior year, its main political contender, the Barisan Nasional coalition (National Front, BN) led by the United Malays National Organisation (UMNO) experienced a remarkable turn in its political fortune, winning four out of five by-elections. UMNO's by-election successes were forged through a political cooperation around the theme of Malay unity with its long-time Islamist rival, the Parti Islam Se Malaysia (Islamic Party of Malaysia PAS), and the instrumentalisation of Malay fears over the loss of constitutional birth rights under the PH coalition government.[1] The PH government not only had to deal with UMNO's renewed relevance as a political force, it also had to contend with increasing public disillusionment over its many unfulfilled general election promises in a context of heightened inter-ethnic distrust and continued cost of living woes. As public perception of BN and UMNO improved, particularly within the Malay voter base, this placed UMNO in a favourable position to bargain for political elite support as it sought to manoeuvre itself into the folds of governmental power.

1. Saleena Saleem, 'Malaysia 2019: The Politics of Fear and UMNO's Renewed Relevance,' *Asia Maior, XXX*/2019, pp. 267-286.

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The situation for the PH coalition government was compounded by tense politicking both within and between two of its Malay-dominated constituent political parties – Parti Pribumi Bersatu Malaysia (Malaysian United Indigenous Party, Bersatu) led by Prime Minister Mahathir Mohamed and Parti Keadilan Rakyat (People's Justice Party, PKR) led by the unofficial prime minister in-waiting Anwar Ibrahim. While the unanswered sticky question of when Mahathir would step down as prime minister to make way for Anwar captured media attention, factions within Bersatu and PKR concerned about the long-term electoral viability of their parties within the embattled PH coalition were already making the case to break-away from PH and form a new Malay-dominated government.

By early 2020, as the world watched a novel coronavirus wreck its havoc in China and spread quickly outside its borders, the political machinations behind the scenes in Malaysia forged ahead, resulting in a sudden collapse of the PH coalition government in late February. The PH government that came to power in May 2018, heralding high hopes for a more inclusive and democratic Malaysia, had lasted only 22 months. In its place was the Malay-dominated Perikatan Nasional (National Alliance, PN) coalition government led by three Malay parties – Bersatu, UMNO and PAS.

This article analyses the key developments in 2020 that contributed to democratic backsliding in Malaysia. Section 2 examines the motivations and actions of the political actors who were central to the fall of the PH government. Section 3 explicates the political considerations behind the power struggles between rival parties. Section 4 looks at the PN government's attempts to mitigate the economic impacts of the pandemic. Section 5 highlights the PN government's diplomatic activities to manage economic interdependencies as the COVID-19 pandemic disruptions prolonged.

2. *The fall of the Pakatan Harapan government*

The precipitating factor that resulted in the fall of the PH government was the unresolved question of leadership succession within PH that boiled over in early 2020. During the 14th General Elections (GE-14) campaign in 2018, Mahathir had promised to step down as prime minister after two years and hand over the country's leadership to Anwar, if PH won.[2] As the two-year mark approached in 2020, Malaysian news media became hyper-vigilant for signs of whether a transfer of power would or would not occur, which ensured that the story was kept alive in public consciousness. By January 2020, the pro-Anwar and pro-Mahathir factions within the PH coalition were issuing barely veiled accusations at each other through the

2. 'Mahathir says he'll be Malaysian PM for 2 years at most if Pakatan wins', *The Straits Times*, 4 February 2018.

media. On one hand, when Mahathir seemingly dismissed questions about stepping down, he was subjected to criticism of reverting to his «strongman» dictator proclivities; this was a past label attached to Mahathir during his first premiership (1981-2003). On the other hand, when Anwar or his supporters displayed any hint of frustration at the lack of a concrete timeline for the expected transition, Anwar was subjected to allegations of being power-hungry.

Mahathir asserted in December 2019 that he would not step down before a planned Asia-Pacific Economic Cooperation (APEC) summit that Malaysia was supposed to host in November 2020; this was six months past the promised two-year mark for power transition.[3] It was not reassuring to Anwar's supporters. At a public forum in January 2020, the pro-Anwar faction insinuated that Mahathir was deliberately delaying the power transition and insisted that a step-down date be set for May to prevent PH from breaking its promise to voters. Those within the pro-Anwar faction were worried that Mahathir was «buying time» to use his position as prime minister to bolster his party, Bersatu, while weakening Anwar's PKR and PH's other constituent party, the Chinese-dominated Democratic Action Party (DAP).[4] Nevertheless, after a PH presidential council meeting involving all of PH's constituent parties on February 21, it was announced that the parties' leaders had unanimously agreed to give Mahathir the freedom to set the exact date for power transition to Anwar. Mahathir too confirmed this and re-iterated that no date would be set until after the APEC summit.

On the surface, the February 21 announcement appeared to have resolved the power transition contention between PH politicians that had gained traction over the past few months. In reality, as it was later confirmed through leaked audio recordings of the meeting, the exchange between the pro-Mahathir and pro-Anwar factions had been heated – the former insisted that the emphasis on power transition had undermined the PH government's credibility while the latter pushed for a clear timeline for Mahathir to step down for Anwar.[5] Soon after the meeting, the media reported that the pro-Mahathir faction was deeply upset at the disrespectful way some PH politicians had spoken to Mahathir. There was also outrage about some PH politicians who had allegedly challenged Mahathir and his party Bersatu to leave the coalition, even though doing so would have meant the certain collapse of the PH government.[6]

3. 'Dr M pledges to step down for Anwar, but not before Apec in November', *New Straits Times*, 10 December 2019.

4. James Chin, 'Why Mahathir leaving may not solve Malaysia's problems', *Channel News Asia*, 16 January 2020.

5. Kenneth Tee, 'Anwar: Leaked audio clip of Pakatan council meeting authentic', *Malay Mail*, 21 May 2020.

6. Arfa Yunus, 'Meeting turns tense', *New Straits Times*, 23 February 2020.

While PH's internal politicking made the headlines that February weekend, UMNO and PAS held an inaugural retreat under the banner of their Muafakat Nasional (National Consensus, MN) alliance. Since 2019, both UMNO and PAS, the two biggest Malay parties in the opposition, framed the MN alliance as essential to uphold Malay rights and Islamic values that they claimed were being undermined by the PH government. The contrasting optics between the two groups – PH and MN – could not have come at a worse time for PH. Key UMNO politicians took the opportunity to present their party as stable and working in cooperation with PAS for the greater good of Malaysia while depicting PH's constituent parties as engaging in petty power struggles.[7]

The heated PH presidential council meeting set the stage for a quick series of subsequent events. On February 23, key members of Bersatu with Mahathir in attendance held a six-hour long supreme council meeting at its party headquarters to discuss a potential exit from the PH coalition and a political realignment with UMNO and PAS. That morning, a PKR faction led by PKR deputy president and the Minister of Economic Affairs, Azmin Ali (a total of 11 of the 50 PKR parliamentarians) met at the Sheraton Hotel near the nation's capital in Kuala Lumpur, also reportedly to discuss an exit from the PH coalition government. By afternoon, there were reports that UMNO too held its own emergency supreme council meeting. By late afternoon, several politicians from UMNO, PAS and other smaller parties were believed to have met with Malaysia's King (the constitutional head of state) to discuss the possibility of a new coalition government. By night, UMNO and PAS leaders were seen attending a dinner meeting hosted by the PKR faction at the Sheraton Hotel. The dominant understanding circulating in social media then was that Mahathir had betrayed voters by colluding with UMNO and the Azmin-led PKR faction to overthrow the PH coalition government through backdoor dealings. Anwar pointedly referred to the developments as a «treachery» and a «betrayal» by politicians within PH.[8] Yet the widely anticipated announcement of the political realignment never came that night.[9]

Instead, in an unexpected twist the following day, Mahathir resigned as prime minister. An hour later, Bersatu and the Azmin-led PKR faction announced that it had exited the PH coalition.[10] With this, the PH coalition government fell short of the simple parliamentary majority and it effectively collapsed. After Mahathir announced his second shock resignation

7. Sira Habibu 'PAS-Umno inaugural retreat in Janda Baik a «historical» event, says Umno Youth chief', *The Star*, 23 February 2020.

8. 'Anwar Ibrahim says he has been betrayed by Pakatan Harapan partners amid talk of new ruling coalition', *Channel News Asia*, 23 February 2020.

9. 'Timeline: A week of political crisis in Malaysia', *Reuters*, 1 March 2020.

10. Hazlin Hassan, 'Mahathir quits as Malaysian PM: Timeline of political tumult', *The Straits Times*, 25 February 2020.

of the day – this time as the chairman of Bersatu – the remaining members of PKR led by Anwar, DAP and another smaller PH constituent party, the Malay-dominated Parti Amanah Negara (National Trust Party, Amanah) pledged their support for Mahathir to continue as prime minister claiming that Mahathir was not involved in the political plot. By evening, the King had accepted Mahathir's resignation and appointed him as an interim prime minister.

Mahathir subsequently proposed to lead a non-partisan «unity government» with politicians from across the rival parties, presumably to strengthen his own position while not being constrained by PH. This was immediately rejected by the PH constituent parties as their support for Mahathir was conditional on him being a PH prime minister and not an independent one.[11] UMNO and PAS too refused to join any government that included DAP, which they accused of being anti-Malay and anti-Islam.[12] Both Mahathir and PH failed to get the simple majority needed to form a new government. Within the week, Bersatu's president and a long-time Mahathir ally, Muhyiddin Yassin, outmanoeuvred his former allies in PH. Along with UMNO, PAS, Gabungan Parti Sarawak (Sarawak Parties Coalition, GPS) and other smaller parties, Muhyiddin formed the PN coalition government. On March 1, Muhyiddin was appointed as prime minister by the King.

The leadership succession question was the precipitating factor in the turn of events, but it was fuelled by other pertinent underlying factors – namely, intra-coalition ideological differences; socio-political polarisation; and personality clashes between key PH politicians – that made the February political crisis a high stakes gamble for all of the key actors involved.

Firstly, the ideological differences between PH's constituent parties that were set aside during the 2018 general election campaign emerged once PH was in government. Each party in PH was different in its racial composition and in its ideological orientation. While PKR was Malay-dominated and Muslim in orientation and DAP was Chinese-dominated and secular in orientation, both parties had worked relatively well with each other since the *Reformasi* (Reform) pro-democratic movement in 1998. Even though PKR was led by Anwar, who was a former Islamist activist, and its members shared close links with Islamist civil society organisations such as the Angkatan Belia Islam Malaysia (Muslim Youth Movement of Malaysia, ABIM), both parties had come to adopt similar viewpoints on good governance and institutional reforms, which could be broadly categorised as social democratic in outlook.[13] Indeed, Anwar was credited with being the thread

11. Yiswaree Palansamy, 'Kit Siang: Dr Mahathir only guessing at why unity government bid failed, *Malay Mail*, 4 February 2021.

12. Shannon Teoh, 'Malaysia's Mahathir moots grand coalition but old foes decline,' *The Straits Times*, 26 February 2020.

13. Wan Saiful Wan Jan, 'Why did Bersatu Leave Pakatan Harapan?', *Trends in Southeast Asia*, 10, 2020, pp. 4-8.

that linked DAP's secular democracy and PH's former coalition partner, PAS' Islamist ideologies, with common democratising ideals.[14] Both PKR and DAP appealed to multi-ethnic and urban voter constituencies in Malaysia, but they could not make headways in the Malay rural and semi-urban areas. Prior to the 2018 general election, the opposition coalition was dependent on PAS to appeal to Malay voters in those constituencies.

After PAS left the opposition coalition due to differences over PAS' insistence to advocate for *hudud* (Islamic criminal law) implementation in Malaysia, the opposition lacked a party that could convincingly appeal to Malay voters outside the urban constituencies. This need was supposed to have been filled by Amanah, the other Malay party within PH, which was formed in 2015 after a factional split from PAS. Its ideological orientation was described as «progressive Islamism» as opposed to PAS' Islamist and religiously conservative orientation.[15] Amanah primarily appealed to Malay and Muslim voters, who believed in the role of Islam in governance but were turned off by PAS' turn toward religious conservatism. However, as evidenced by Amanah's performance in GE-14 (11 seats compared to PKR's 50 and DAP's 42), it was unlikely that it could have ever garnered enough Malay swing voters to have caused the historic loss of the 61-year BN coalition government.

That role fell to former UMNO leaders, namely Mahathir and Muhyiddin, who were expelled from UMNO in 2015 by the then-UMNO president and prime minister Najib Razak over the 1MDB corruption scandal.[16] Together with Mahathir's son Mukhriz Mahathir, Muhyiddin and Mahathir founded Bersatu in 2017 to directly challenge UMNO in GE-14. In order to do so, Bersatu fashioned itself as a Malay nationalist party that would uphold Malay and *bumiputera* (indigenous) special birth rights. As such, Bersatu's ideological orientation was not very much different from UMNO; the only differing point that Bersatu sought to highlight about itself was its stance on the urgent need for anti-corruption and anti-cronyism governance measures. Former UMNO leaders like Mahathir stressed that the lack of such measures under Najib's leadership had made UMNO wholly rotten beyond redemption, which necessitated the entry of a new Malay nationalist party like Bersatu. Bersatu joined PH, which was decidedly against racial politics, out of a desire to topple Najib and UMNO and not because it shared the same ideological orientation of its coalition partners.[17]

14. Maznah Mohamed, 'Democracy and the end of ethnic politics', *Australian Journal of International Affairs*, 62, 4, 2008, pp. 441-459.

15. Wan Saiful Wan Jan, 'Why did Bersatu Leave Pakatan Harapan?'.

16. Saleena Saleem & David Han Guo Xiong, '1MDB and Consolidation of Power: Challenges to the Najib-led Government', *RSIS Commentary*, No. 170, 14 August 2015.

17. James Chin, 'Malaysia: the 2020 putsch for Malay Islam supremacy', *The Round Table*, 109, 3, 2020, pp. 288-297.

At one level, the branding of Bersatu as a Malay nationalist party was a tactical move to reassure Malay voters in the UMNO strongholds that it planned to target during the GE-14 contest. Bersatu was made up of former UMNO leaders and members who had long upheld the Malay nationalist narrative in which the notion of *ketuanan Melayu* (Malay dominance) was central and which had structured the racial hierarchies of politics in Malaysia for decades.[18] The Malay nationalist narrative stood in stark contrast with PKR and DAP, both of which had expressed future visions of a Malaysia without the pro-Malay affirmative action policies that had become conflated with Malay and *bumiputera* special birth rights. Instead, both parties had openly advocated for needs-based assistance that would be open to all races instead.[19] As such, Bersatu's ability to re-calibrate its Malay nationalist ideological orientation to fit under PH's overarching reformist agenda, which also promised a more inclusive and democratic Malaysia, was sorely tested once it was in the seat of government.

The second underlying factor was Bersatu's growing concerns about its political future within the PH coalition. These concerns were fuelled by an acute awareness of the dwindling public support for PH within the Malay majority population amid socio-political polarisations. Through much of 2018 and 2019, UMNO and PAS along with pro-Malay activist groups assiduously instrumentalised Malay fears over marginalisation under the PH coalition government. For example, only months into office, the PH government was embarrassingly forced to reverse its decision to ratify the International Convention on the Elimination of Racial Discrimination and the Rome Statute of the International Criminal Court after UMNO and PAS along with pro-Malay activist groups successfully organised a well-attended street protest. Both parties accused the PH government of planning to dismantle Malay special rights and undermine the primacy of Islam in Malaysia.[20] UMNO also instrumentalised ethno-religious controversies to claim that the PH government was unable to uphold Islam and curb the spread of un-Islamic values such as LGBT culture in society.[21] When public contention emerged about a school debate competition's controversial topic of homosexuality and rewriting the Quran, UMNO pointed to this as evidence of a «liberal» agenda forwarded by the Chinese-led DAP and pro-liberal groups that had influenced and misled Ma-

18. *Ibid*.

19. Kenneth Cheng, Eileen Ng & Faris Mokhtar, 'Voters not swayed by racial politics in Malaysian GE, but how long will that last?', *Channel News Asia*, 15 May 2018.

20. Norsharil Saat, 'Malaysia's anti-ICERD rally a reality check for Pakatan Harapan', *Channel News Asia*, 16 December 2018.

21. Hidir Reduan, 'LGBT rights protected but must abide by Malaysian laws, says minister', *New Straits Times*, 23 July 2018.

lays.[22] By late 2018, polls were already indicating that over 60% of Malays believed that «non-Muslim» DAP was in charge of the PH government, even though the government was led by Mahathir who was Malay and Muslim and who was known for championing Malay rights during his first premiership.[23] Given that studies before GE-14 had indicated that Malays had low trust in the DAP[24], it was evident that Mahathir's leadership was not reassuring enough for large numbers of Malays.

This was unsurprising because compared to PKR and DAP (with a total of 92 seats between them in parliament), Bersatu only had managed to win 12 seats during GE-14, which reinforced a growing perception among Malays that they had lost political power to the non-Malays.[25] As early as in 2019, Bersatu made moves to accept UMNO parliamentary defectors into its party in an attempt to strengthen its bargaining position within the PH coalition; by the end of 2019, Bersatu had 26 parliamentarians. This move upset their partners in PH who believed that the UMNO defectors were opportunists who would only undermine PH's reform agenda.[26]

In this context, the series of ethno-religious controversies in 2019 only reinforced socio-political distrust, which negatively impacted the overall public perception of the PH government.[27] As the political cooperation between UMNO and PAS bore fruit with the by-election wins in 2019, Bersatu politicians grew increasingly concerned about the party's long-term political future within the PH coalition. Given PH's dwindling public support, especially within the Malay majority population, Bersatu politicians believed that their future was tenuous, if they were to continue with the PH coalition.[28]

Bersatu politicians, including Mahathir, took different public positions from their coalition partners such as DAP, especially on matters related to race and religion. For example, Mahathir and some Bersatu politicians expressed sympathy and support for Zakir Naik, a controversial Muslim televangelist from India after he made derogatory remarks about the Chinese and Indian minorities in Malaysia. Zakir had been given Malaysian permanent residency by the previous UMNO-led government in 2017 after he was

22. 'Jangan Biarkan Agenda Liberal LGBT Semakin Rakus', *UMNO*, 17 October 2019.
(https://umno-online.my/2019/10/17/jangan-biarkan-agenda-liberal-lgbt-semakin-rakus).

23. 'Majority of Malays unhappy with Pakatan but have hope, says study', *Today*, 31 January 2019.

24. Serina Rahman, 'Malaysia's General Election 2018: Understanding the Rural Vote', *Trends in Southeast Asia*, No. 9, 2018.

25. Wan Saiful Wan Jan, 'Why did Bersatu Leave Pakatan Harapan?'.

26. 'Pakatan Harapan politicians, supporters up in arms over Bersatu's move to accept UMNO defectors', *Channel News Asia*, 13 February 2019.

27. See Saleena Saleem, 'Malaysia 2019: The Politics of Fear and UMNO's Renewed Relevance', for a review of these key controversies in 2019.

28. Wan Saiful Wan Jan, 'Why did Bersatu Leave Pakatan Harapan?'.

charged with money laundering in India. UMNO was motivated to do so to bolster its religious legitimacy with the sizeable group of Malays who supported Zakir. In 2019, Bersatu ironically found itself on the same rhetorical side as UMNO and PAS as it sought to appeal to its Malay voter base, even as some of its PH coalition partners demanded the deportation of Zakir.

The long-term considerations for their political futures then convinced Bersatu politicians of the merits of engaging with UMNO and PAS behind the scenes. This engagement resulted in the Malay Dignity Congress in October 2019. In a bold move at the Congress, Mahathir embraced both UMNO and PAS on the pretext of Malay unity urging closer ties because the Malay parties were «divided into six small groups» that were unable to «garner more than 50 per cent of public support».[29] Mahathir further claimed that although the PH government was led by Malays, the Malays were not in a powerful position because they were divided and reliant on the support of non-Malays.[30] The message put forth was clear – Mahathir signalled his openness to a Malay-dominated political alignment with UMNO and PAS, one in which Bersatu would be in a more politically secure position.

The third underlying factor was Mahathir's longstanding disdain for Anwar, whom he believed was not suited to be prime minister. Mahathir and the other Bersatu leaders had a clear goal to topple Najib Razak's government, but they recognised they were unable to do it alone.[31] This meant joining forces with the PH coalition in 2017 and purposefully setting aside past differences. However, this also meant making concessions such as Mahathir's promise to hand over power to Anwar after two years. Yet Mahathir had not actually intended to do so. Those close to Mahathir suggested that he continued to view Anwar as unwilling to defend Malay rights, which in his eyes precluded him from the premiership.[32]

This disdain for Anwar was also heightened by the practicalities of the situation that Mahathir found himself in once in government. As prime minister, Mahathir was able to appoint his own party members to key ministries such as Home and Education. However, if Mahathir had stepped down for Anwar, the balance of power would have shifted to Anwar's PKR given that it was the largest party in the PH coalition.[33] Furthermore, Mahathir was determined to orient his new administration toward implementing his policy visions that were ignored by the previous prime ministers Abdullah Badawi and Najib Razak, both of whom he had personally picked

29. Mahathir's speech at the Congress cited in Wan Saiful Wan Jan, 'Why did Bersatu Leave Pakatan Harapan?'.

30. *Ibid*.

31. Liew Chin Tong, 'Mahathir and the grand coalition', *Malaysia Kini*, 20 February 2019.

32. Wan Saiful Wan Jan, 'Why did Bersatu Leave Pakatan Harapan?'.

33. Qi Siang Ng, 'Why Mahathir is unlikely to make Anwar his successor', *The Interpreter*, 28 June 2019.

as successors.[34] Mahathir was deigned to permit Anwar to take over before he could actualise his policy goals, especially when Anwar had gone against him in the past.

The fourth underlying factor was the intra-PKR rift between Anwar and Azmin. Mahathir leveraged this rift to cultivate a relationship with Azmin, whom he appointed as the PKR Minister for Economic Affairs. Azmin was once a protégé of Anwar. Azmin helped Anwar to set up PKR after Anwar was imprisoned on trumped-up charges of sodomy and corruption during a power struggle with Mahathir in the 1990s. However, the rift emerged between them after Azmin became the Chief Minister of Selangor in 2014, the richest state in Malaysia. This rift was attributed to growing perceptions within PKR that Azmin was positioning himself to be the prime minister himself.[35] It did not help that Azmin was seen to be cosying up to Mahathir more than Anwar who was the leader of his own party, even as Mahathir showed no signs of making plans to step down as he had promised. The Azmin -Anwar rift only widened after the circulation of a sex tape in July 2019 that purportedly showed Azmin in bed with another man. Anwar asserted that Azmin should resign if the investigations revealed that it was indeed him in the video. This enraged Azmin, who had stood by Anwar when he similarly was accused of sodomy in 1998. Analysts speculated that either Anwar's supporters without his knowledge had orchestrated the sex tape scandal to force Azmin out as a possible prime minister contender or that Anwar himself was involved.[36] Either way, the scandal was indicative of the brewing power struggle between the pro-Anwar and pro-Azmin factions within PKR.

In sum, these four underlying factors motivated Bersatu and the pro-Azmin PKR politicians to defect in February, which paved the way for their political realignment with UMNO and PAS.

3. *Power struggles in an unstable two-coalition political system*

Mahathir's sudden resignation as prime minister and as head of his own party Bersatu was a tactical move that on hindsight backfired. Mahathir had actually approved Bersatu's engagement with UMNO and PAS to explore the possibility of working together in 2019.[37] However, he was unprepared to accept UMNO as a whole, particularly the UMNO politicians who were on trial for corruption such Najib and UMNO president Ahmad Zahid Ha-

34. *Ibid.*

35. Tashny Sukumaran, 'How Anwar Ibrahim and Azmin Ali's mentor-protégé relationship turned sour', *South China Morning Post*, 15 December 2019.

36. James Massola, 'Sex tape scandal grips Malaysia, clouding Mahathir-Anwar handover', *The Sydney Morning Herald*, 18 July 2019.

37. Wan Saiful Wan Jan, 'Why did Bersatu Leave Pakatan Harapan?'.

midi.[38] No amount of persuasion from Bersatu politicians during that six-hour meeting on February 23 could budge Mahathir's position, which left Muhyiddin as second in command in Bersatu, to move ahead with Bersatu's exit and to join forces with UMNO and PAS. Mahathir, the much experienced and wily political fox, was unceremoniously left on the curb.

Nevertheless, Mahathir vowed to challenge the «backdoor» PN government through pushing for a no-confidence vote in parliament or a snap election. His opportunities to do so though evaporated as the more urgent matter of tackling the coronavirus spread took precedence. During the one-week impasse in late February, as the rival parties sought to gather the parliamentarians' support, Mahathir insisted that he had the majority support in parliament to return as prime minister. However, the King later confirmed Muhyiddin as prime minister after his interviews with all members of parliament indicated that Muhyiddin had the majority support.

Two weeks later, Malaysia entered into its first lockdown on March 18 as the number of COVID-19 cases spiked.[39] The lockdown was extended three times till June during which parliament remained suspended. While Mahathir's proposed parliamentary no-confidence vote was accepted in early May, it was not heard as parliament met only for one day during which matters related to the pandemic were discussed. By the time parliament met again in July, Muhyiddin pushed to remove and replace the PH appointed House Speaker by vote, which was won by a two-seat margin. This confirmed to all that while Muhyiddin did indeed have the majority support (113 seats out of 222), this support was tenuous.[40] As such, Muhyiddin was forced to manage leadership challenges throughout 2020.

The one point in Muhyiddin's favour was public sentiment. A nation-wide survey indicated that Muhyiddin was hugely popular among Malays – he obtained a 92% approval rating in August. Across all races, Muhyiddin's approval rating was also high at 69%.[41] The people and the media affectionately referred to Muhyiddin as «abah» – father in Malay.[42] Muhyiddin's high approval rating was due to a combination of factors: a populace fed up with in-fighting by the PH government desired the governmental stability that PN claimed to offer[43]; Malay fears over marginalisation

38. 'Dr M: I told Muhyiddin to wait until graft trials were over', *Malaysia Kini*, 1 March 2020.

39. Hazlin Hassan, 'Malaysia bans travel abroad, shuts schools and businesses over coronavirus spread; lockdown till March 31', *The Straits Times*, 17 March 2020.

40. Shannon Teoh & Hazlin Hassan, 'Malaysia PM Muhyiddin wins vote to oust Speaker, proves majority in Parliament', *The Straits Times*, 11 August 2020.

41. 'Perceptions towards Economy, Leadership & Current Issues: 15 July – 10 August 2020', *Merdeka Center*, 2 September 2020.

42. 'Malaysia in deft hands of «abah Muhyiddin»', *New Straits Times*, 10 June 2020.

43. 'Poll reveals Muhyiddin as PM of choice for 65pct of Malaysians', *New Straits Times*, 16 November 2020.

hyped up by UMNO and PAS were mitigated by the optics of Muhyiddin's Malay-dominated government[44]; and Muhyiddin appeared confident and steady in his approach to handling the coronavirus outbreak as he guided the nation through its first lockdown.[45]

Through the year, both the PN coalition and the opposition attempted to attract defectors to their side and force a change in government at the federal and the state levels. PN had the upper hand; it gained control of four state assemblies through defections in 2020.[46] In August, in a move reminiscent after his forced exit from UMNO, Mahathir formed a new Malay nationalist party, Parti Pejuang Tanah Air (Fighters of the Nation Party) after Muhyiddin expelled him from Bersatu for not abiding by party dictates. Like UMNO, Mahathir claimed Bersatu too had «deviated from its course».[47] Yet Mahathir's quest to appeal to Malay voters proved challenging in the changed political landscape of 2020 where voter fatigue and disillusionment over fractious politics were prevalent sentiments. In its electoral debut, Pejuang suffered a massive loss against UMNO in the by-election contest for a state assembly seat held in a Malay-majority constituency in Slim, Perak later that August (Pejuang managed to garner only 14% of the vote).[48] In fact, two other by-elections held earlier that year were also convincingly won by UMNO. The poor faring undermined Mahathir's ability to attract potential Malay defectors to Pejuang and reduced his overall clout.

In September, as Mahathir's relevance in the on-going political saga gradually faded, Anwar claimed he had a «strong» parliamentary majority to form a federal government.[49] Anwar's claim though belied a growing perception within his own coalition that someone else (for e.g., Shafie Apdal, a former UMNO leader from Sabah now in the opposition) would be better suited to lead PH.[50] In the end, Anwar's claim never materialised.

However, the episode was important in publicising the seriousness of a power struggle between PN coalition partners, Bersatu and UMNO. When Anwar claimed to have majority support, UMNO's president Ahmad

44. R. Loheswar, 'In latest survey, Muhyiddin gets thumbs-up from 69pc Malaysians', *Malay Mail*, 2 September 2020.

45. Anisah Shukry, 'Malaysia Leader Maintains High Approval Rating on Virus Handling', *Bloomberg*, 2 September 2020.

46. Tricia Yeoh, 'The Rise and Fall of State Governments in Malaysia: Institutions, Constitutions and Political Alignment', *ISEAS Perspective*, 103, 11 September 2020.

47. P Prem Kumar, 'Malaysia's Mahathir forms new party to take on Muhyiddin', *Nikkei Asia*, 7 August 2020.

48. Shannon Teoh, 'Umno wins Slim seat in Perak, trouncing ex-Malaysian PM Mahathir's new party Pejuang', *The Straits Times*, 1 September 2020.

49. 'Anwar claims strong majority', *The Star*, 24 September 2020.

50. Francis E. Hutchinson, 'Anwar's Parliamentary Majority – Show and Tell, or Tell Only?', *ISEAS Commentary*, 23 February 2020.

Zahid Hamidi announced that «many» in UMNO supported Anwar's bid.[51] Even worse, UMNO threatened to pull out of the PN coalition to re-negotiate new terms of cooperation; UMNO never joined PN officially and the cooperation was on an ad-hoc basis.[52] The UMNO moves were fuelled by a perception within the party that it should hold more power in the PN government since it comprised the largest bloc compared to Bersatu and PAS. UMNO's resentment became pronounced during the intra-coalition negotiations for the Sabah chief minister position. In September, the PN coalition in cooperation with Sabah parties had won the Sabah state election against the PH coalition but then faced an impasse as both UMNO and Bersatu wanted their party member to be the chief minister. In an intra-coalition vote, Bersatu's candidate won the position.[53]

Bersatu took UMNO's threats to pull out seriously enough that it sought consent from the King to declare a state of emergency, which would have suspended parliament, on the pretext that it needed emergency rule to manage the socio-economic fallouts from COVID-19. Muhyiddin was concerned that he would not be able to muster majority support to pass his federal budget. The King rejected Bersatu's request and instead urged all parties to keep the focus on the country's interests rather than politics. The King's urging helped Muhyiddin to pass his budget, with UMNO's support.[54]

Therefore, while UMNO affirmed its support for the Muhyiddin-led government at critical moments when it appeared most unstable, the support was in reality conditional because UMNO viewed Bersatu as a threat. As Bersatu boosted its parliamentarians with the official admittance of the Azmin-led PKR faction into the party, UMNO pushed to assert its dominance. The power struggle was most evident in December after UNMO precipitated a leadership crisis in the Perak state assembly with a no-confidence vote. The Bersatu chief minister was forced to resign, and UMNO strong-armed Bersatu into accepting a chief minister from its party after threatening to form a unity state government with PH rivals, PKR and Amanah.[55]

The politicking between the PN and PH coalitions, and the power struggles between UMNO and Bersatu in 2020 demonstrated that there was

51. 'Zahid: Many Umno and BN MPs backing Anwar', *Malaysia Kini*, 23 September 2020.

52. 'Umno threatens to pull out of Malaysia's ruling alliance PN unless it gets new terms', *The Straits Times*, 16 October 2020.

53. Ram Anand, 'Muhyiddin's pick Hajiji Mohd Noor sworn in as Sabah Chief Minister', *The Straits Times*, 30 September 2020.

54. Ram Anand, 'Malaysia Parliament passes RM322.5 billion budget, proving majority support for PM Muhyiddin', *The Straits Times*, 15 December 2020.

55. Tarrance Tan, 'Umno is open to cooperating with PKR and Amanah to form Perak govt, but not DAP, says Nazri', *The Star*, 4 December 2020.

effectively a de facto but unstable two-coalition political system in Malaysia.[56] The unstable system, exacerbated by the lack of an anti-defection legislation, meant there were imperatives for parliamentarians to party-hop based on the changing context and their own vested interests. The entrenched nature of money politics in Malaysia meant that those with access to state resources were able to entice defectors through clientelist practices.[57] Once in office, Muhyiddin rewarded his parliamentarians «with lucrative political appointments in statutory bodies and government-linked companies» to attract and retain support.[58] Muhyiddin's tenuous hold on federal power was bolstered by Sarawak's ruling state party GPS' participation in the PN coalition government. This placed GPS in a position to secure Muhyiddin's agreement for a US$700 million in sales tax payment from Petronas, an energy firm owned by the Malaysian government. Prior to this, Sarawak had taken Petronas to court, demanding compensation from sales of its oil, without success.[59] Furthermore, long-established political parties like UMNO owned corporate enterprises, which allowed use of corporate funds to power its massive grassroots outreach and rebuild its public image.[60] UMNO could also rely on affective ties built between the party and local communities.[61] This partly helped to stem defections from UMNO but placed more pressure on Bersatu. This allowed, PAS, the smallest party within PN, to envision itself in a kingmaker position as it chose to maintain close relations with both Bersatu and UMNO; PAS officially joined both PN and MN at different times in 2020.

4. *Mitigating the COVID-19 economic impact*

Given the power struggles, the decisions by key political actors ultimately prioritised political considerations over the COVID-19 pandemic. In September, PN's decision to unsuccessfully force a change of government in Sabah by defections resulted in a snap election. This caused a nationwide coronavirus spread that necessitated further lockdowns in Malaysia, which

56. Kai Ostwald, 'Malaysia 2020: The Impasse of Two-Coalition Politics', *ISEAS Perspective*, 25, 6 April 2020.

57. Edmund Terence Gomez, 'Monetizing Politics: Financing Parties and Elections in Malaysia', *Modern Asian Studies*, 46, 5, 2012, pp. 1370-1397.

58. Chin-Huat Wong, 'Parliament as Prime Minister's electoral college: the defection game in Malaysia's democratic backsliding', *The Round Table*, 109, 5, 2020, pp. 586-607

59. 'Petronas pays US$700m in taxes to Sarawak', *The Business Times*, 17 September 2020.

60. Edmund Terence Gomez, 'Monetizing Politics: Financing Parties and Elections in Malaysia'.

61. Meredith Weiss, 'Duelling networks: relational clientelism in electoral-authoritarian Malaysia', *Democratization*, 27, 1, 2020, pp. 100-118.

crippled retail and hospitality industries.[62] As the COVID-19 cases spiked, public perception that the ruling PN elites were treated leniently over COVID-19 safety rules such as quarantine grew; calls for Muhyiddin to resign arose on social media after users compared the penalties imposed for breaking home quarantine between a food operator (a fine of RM 12,000 and jail for five months) and a PN minister from PAS (a fine of only RM 1,000).[63] Toward the year's end, the spike in COVID-19 cases and related deaths, reports of an overwhelmed health care system, the frequent lockdowns and anxieties over cost of living made more visible the socio-economic inequalities in society, which dampened Muhyiddin's initial popularity.

The economic impact of the COVID-19 pandemic was severe – the Malaysian economy contracted 5.6% in 2020, which was its worst performance since the Asian Financial Crisis in 1998.[64] The Malaysian economy was already affected by a debt crisis and a fall in government revenue due to low oil prices, but the losses from trade and tourism caused by global shutdowns due to the pandemic exacerbated the impact.[65] Domestic economic activity was also affected by frequent lockdowns in Malaysia – during the first strict lockdown in March through June when almost all domestic economic activity apart from essential services ceased, the losses amounted to RM 2.4 billion (US$592 million) per day.[66]

As Muhyiddin fought to stay in control of his government, he had to also ensure that the coronavirus outbreak was brought under control without decimating the economy. Muhyiddin sought to cushion the pandemic's impact with the issuance of five economic stimulus packages, amounting to RM 320 billion (USD$79 billion), as the year progressed.[67] The main aim of the packages was to increase cash flow for households and businesses through cash hand-outs, tax relief measures, employer wage subsidies to discourage retrenchments, and payment deferments. Muhyiddin also successfully passed Malaysia's largest budget ever in December – RM 322.5 billion (US$80 billion). It included provisions that permitted people to do early withdrawals from state-managed retirement funds, provided more cash

62. Shannon Teoh, 'Malaysia expands Covid-19 movement curbs to all but 3 states in peninsular', *The Straits Times*, 7 November 2020.

63. Shannon Teoh, 'PM Muhyiddin's claim that rod not spared for ruling elite heightens anger at Malaysian govt over Covid-19 surge', *The Straits Times*, 7 October 2020.

64. Anisah Shukry, 'Malaysia's Economy Sees Worst Year Since 1998 Asian Crisis', *Bloomberg*, 11 February 2021.

65. Lin Lean Lim, 'The socioeconomic impacts of COVID-19 in Malaysia: Policy review and guidance for protecting the most vulnerable and supporting enterprises', *International Labour Organization*, 2020.

66. Melissa Goh, 'COVID-19: Another total lockdown would be «very detrimental» to Malaysia's economy, says finance minister', *Channel News Asia*, 29 January 2021.

67. 'RM320bil fiscal stimulus packages in less than a year unprecedented, market observers said', *New Straits Times*, 20 January 2021.

hand-outs, and allowed further tax reductions for landlords who charged reduced rents for small and medium-sized businesses.[68] Yet a survey indicated that less than half of Malaysians agreed that the provisions meant to mitigate the impact of COVID-19 were enough to meet their needs.[69]

Toward the end of the year, a former deputy governor of Bank Negara Malaysia (Central Bank) warned of long-term negative trends that would, if unaddressed, set back growth by 20 years – namely, a decline in exports suggesting weakening international competitiveness; weak productivity growth; weak fiscal management with substantial leakages in the government's expenditures; increasing loss in social cohesion through fractious politics; and corruption.[70] In this context, UMNO-stalwart Najib criticised Muhyiddin's leadership by pointing out that big companies – Tesla, Amazon and Google – chose to invest in neighbouring Indonesia over Malaysia. He contrasted this to the influx of foreign investments during his tenure as premier (2009 – 2018).[71] Relations between the two had been strained since 2015 when Najib fired Muhyiddin from his deputy prime minister position for daring to publicly question his involvement in the 1MDB corruption scandal; this was set aside for political expediency as both needed to cooperate as part of the PN ruling coalition. Najib's conviction over the 1MDB corruption charges in July though sparked frustration among UMNO stalwarts, who held Muhyiddin responsible for the Najib's conviction. As the political tension amid the pandemic prolonged, Muhyiddin was open to more criticism from his opponents – from PH and from within his own coalition government – and his initial popularity suffered.

5. *Diplomacy amid COVID-19 economic interdependencies*

The COVID-19 pandemic disruptions caused by nationwide lockdowns made starkly clear the complexities of global interdependence. Prior to the border closure, 300,000 Malaysians commuted to neighbouring Singapore daily for school and work – the land border crossing between the two countries was one of the busiest in the world. The border closure and enforced quarantine rules meant that the Malaysians who worked or studied in Singapore were forced to find affordable housing there and were separated from their families for extended periods of time. As the year progressed, pan-

68. Emmanuel Santa Maria Chin, 'Here's the list of improved goodies announced for Budget 2021', *Malay Mail*, 26 November 2020.

69. Kenneth Tee, 'Less than half of Malaysians agreed Budget 2021 was enough, Emir Research survey finds', *Malay Mail*, 8 February 2021.

70. Sukudhew Singh, 'Malaysia risks not being a high-income economy even over the next 20 years', *The Edge Markets*, 22 November 2020.

71. '«What's happening?» Najib asks as Google, Amazon and Tesla pick Indonesia', *Free Malaysia Today*, 14 December 2020.

demic-induced economic downturn in Singapore led to significant numbers of Malaysians losing their Singapore-based jobs, with many struggling to find employment once back in Malaysia.[72]

The state of Johor, located next to Singapore, was hardest hit by the border closures. Coupled with the income loss from Malaysians working in Singapore, the state's economy was also affected as it was dependent on tourism and visitors from Singapore. Johor's retail and hospitality industries suffered acutely from the loss of Singaporean shoppers, who were the biggest spenders among international visitors; Singaporeans spent RM 11.56 billion (US$ 2.78 billion) between January and June 2019.[73]

Both Malaysia and Singapore were the «other country's second-most important trading partner» for the past 40 years.[74] The economic interdependence between the two countries spurred a flurry of diplomatic activity to mitigate the COVID-19 economic impact – Singapore needed Malaysian workers for many of its essential services and it also needed food supply chains from Malaysia to be undisrupted, while Malaysia needed to facilitate and support its workers who worked in Singapore.

Malaysia pressed on to forge better linkages with other countries with an eye toward a post-COVID world. In May, Johor announced that it would set up a state-investment firm to improve trade links with Singapore. By August, Malaysia and Singapore had implemented cross-border travel schemes that permitted short-term business travel, and periodic commuting for Malaysian workers in Singapore who could return home for short visits every 90 days. While the two countries failed to reach an agreement on a much-anticipated High Speed Railway project linking Kuala Lumpur to Singapore in December, the plans to build a Rapid Transit System railway linkage between Singapore and the capital of Johor proceeded. The year ended with Malaysia signing the Regional Comprehensive Economic Partnership (RCEP), the world's largest free trade agreement with the 10 ASEAN member countries along with China, Japan, South Korea, Australia and New Zealand. The agreement was meant to lower trade barriers for Malaysian goods and services in East Asia.

6. *Concluding remarks*

While the change of government in 2018 came though the ballot box, the change in 2020 came through defections of parliamentarians after back-

72. Amir Yusof, '«I eat one meal a day»: Some Malaysians who lost their jobs in Singapore left stranded and cash-strapped', *Channel News Asia*, 7 June 2020.

73. Amir Yusof, 'IN FOCUS: How COVID-19 has disrupted the close links between Singapore and Johor', *Channel News Asia*, 23 October 2020.

74. Francis E Hutchinson, 'Singapore and Malaysia backtrack on high-speed rail', *East Asia Forum*,12 February 2021.

door agreements were reached. The turn of events in 2020 signalled an abrupt halt to the tentative steps Malaysia had been making to improve its democracy. For the first time in postcolonial Malaysia's history, the sitting government was one that was not chosen by the people. Not only did this undermine the government's legitimacy as the socio-economic pains of the COVID-19 pandemic prolonged, but it also left the government vulnerable to the ensuing power struggles between rival parties. The year 2020 in Malaysia would be remembered for the emergence of a de facto two-coalition political system that was deeply divided and fragile and marked by a widening trust deficit between the people and politicians.