

## REPORT 2

### *The contest for Parliament: Changing or sustaining the regime<sup>1</sup>*

Ayame Suzuki

The Malaysian Parliament (*Dewan Rakyat*) election held on May 5, 2013 was unarguably the most severely contested election in Malaysian history. Reflecting the high concern among the voters, the turnout rate reached 84.8%, the highest record in the country's history, and resulted in the decrease in the number of seats won by the long-serving governing coalition Barisan Nasional (BN). Winning 133 seats out of 222, BN managed to secure the simple majority in Parliament.. However, the coalition failed to regain the stable 2/3 majority that the coalition had lost in the previous general election in 2008, the first time in its history. BN also suffered a reduction in the number of seats in the Parliament from 140 in the 2008 election to 133. With the overwhelming support in urban areas, Pakatan Rakyat (PR) increased the number of seats and even surpassed BN in terms of popular vote. The latter is considered to be a manifestation of the people's unwillingness to endorse the continuation of four-decades-long rule under the BN. With a significant proportion of Chinese voters favoring PR, BN Chinese parties such as the Malaysian Chinese Association (MCA) and Sarawak United People's Party (SUPP) could win only a marginal number of seats, resulting in the absence of Ministers from MCA in the newly formed Cabinet and the change in the ethnic representation in the Government.

These results can best be understood not only in the context of electoral politics but also in the larger perspective of the politics and political economy of

---

<sup>1</sup> The author is deeply indebted to the IDE for providing generous financial support for her field trip during the election campaign.

Malaysia. The thirteenth general election (GE13) was the culmination of a decade-long change which can be termed as “fatigue of the 1971 regime”: four-decades-long regime, that had once made Malaysia a high-performing economy with a stable political system, facing challenges ranging from increasing pressure for political liberalization, call for equitable treatment between *Bumiputera* and non-*Bumiputera*, to the imminent need to restructure economy in order to overcome the so-called “middle income trap.” In other words, it was not only the BN as a governing coalition that was challenged in the GE13, but also the political and political economic systems that BN constructed in the past decades.

The structure of this report is as follows. It starts by describing the results of the Parliamentary election with its main focus on the Peninsular Malaysia. It then elucidates the structure of contestation between the two coalitions by comparing their manifestos and issues raised in the election campaigns. The subsequent section contextualizes GE13 in the long-term political and economic changes taking place in the past decades. The failure of the BN Government in responding to the calls for reform will be depicted as a major factor that brought the decrease in its seats and popularity in the GE13.

## ***I. Results of the Parliamentary election***

### **i. Political parties and candidates**

GE13 saw the fiercest competition ever between the two coalitions—BN and PR as the latter deepened inter-party cooperation that started as an electoral pact among the Parti Keadilan Rakyat (PKR), the Democratic Action Party (DAP) and Parti Islam Se Malaysia (PAS) in the general election in 2008, and later developed as the governing coalition in the four states, namely Kelantan, Kedah, Selangor and Penang after the election<sup>2</sup>. As opposed to the previous general election where the opposition pact could

---

<sup>2</sup> State of Perak used to be under the PR rule until the BN state government was endorsed in 2009, an

not field candidates in 18 constituencies and even saw an overlapping candidacy of PKR and DAP in six seats, in GE13, PR fielded candidates in all the constituencies and the case of overlapping of candidacy was limited to one seat<sup>3</sup>.

BN made up of 13 political parties<sup>4</sup> fielded candidates in all the seats except for the Pasir Mas constituency, where a radical Malay nationalist group leader Ibrahim Ali stood. As the Chairman of BN and the President of the United Malays National Organization (UMNO), the biggest component party, Najib Razak had the final say over the candidates. Najib picked “winnable candidates,” breaking the past common practice of fielding the party division leader as candidates. This move caused a defection of the party members who could not secure the BN candidacy, resulting in the significant increase in the number of independent candidates from 40 in 2008 to 79 in 2013.

## ii. Results at a glance

The result of the Parliamentary election is summarized in the table 1. BN won 133 seats compared to 89 seats for PR. In terms of the popular vote, PR trounced BN with 50.9% against the latter’s 47.4%. The biggest losers were non-*Bumiputera* parties in BN, particularly the Chinese-based ones: MCA that saw a decrease in the number of seats by eight and a reduction of its popular votes by 7.5 percentage points; and SUPP that lost five seats won from the previous election and saw a significant drop in popular vote by 10.2 percentage points. Other non-*Bumiputera* parties such as MIC, and the non-*Bumiputera*-majority parties such as PPP and Gerakan, and non-Muslim *Bumiputera*-majority parties including *Dayak*-based SPDP and *Kadazandusun*-based UPKO and PBS also suffered losses in the share of votes although it did not translate in

---

incident often referred to as the “Perak crisis.” For a detailed account on the “crisis,” refer to Quay (2010).

<sup>3</sup> Both PKR and PAS fielded candidates in the constituency of Labuan.

<sup>4</sup> BN component parties are as follows: United Malays National Organization (UMNO) Malaysian Chinese Association (MCA), Malaysian Indian Congress (MIC), Parti Gerakan Rakyat Malaysia (Gerakan), and People’s Progressive Party (PPP) that are mainly based in Peninsular Malaysia; Sarawak Progressive Democratic Party (SPDP), Parti Rakyat Sarawak (PRS), Sarawak United People’s Party (SUPP), Parti Pesaka Bumiputera Bersatu (PBB) based in Sarawak; and Liberal Democratic Party (LDP), Parti Bersatu Rakyat Sabah (PBRS), Parti Bersatu Sabah (PBS), and United Pasokmomogun Kadazandusun Murut Organisation (UPKO) based in Sabah.

any decline in the number of the seats won. On the opposition side, the Chinese-majority DAP garnered 63.1% of the votes in the constituencies it contested.

Table 1. Results of the Parliamentary Election by Political Parties, 2008 and 2013

	Number of Seats					Share of Votes* <sup>1</sup>		
	Number of Candidates		Number of Seats Won			2008	2013	2013-2008
	2008	2013	2008	2013	2013-2008			
<b>Barisan Nasional</b>	222	221	140	133	-7	51.4%	47.4%	-4.00%
UMNO	117	121	79	88	9	55.1%	53.1%	-2.0%
MCA	40	38	15	7	-8	43.7%	36.2%	-7.5%
MIC	9	10	3	4	1	45.3%	40.6%	-4.8%
Gerakan	12	9	2	1	-1	39.0%	34.3%	-4.7%
PPP	1	1	0	0	0	37.4%	13.0%	-24.5%
UPKO	4	4	4	3	-1	60.2%	48.6%	-11.6%
PBRS	(1) <sup>*4</sup>	1	1	1	0	-	45.3%	-
LDP	1	1	1	0	-1	42.9%	48.0%	5.1%
PBS	4	5	3	4	1	49.6%	44.5%	-5.1%
PBB	11 (3)	14	14	14	0	74.8%	77.1%	2.3%
PRS	4 (2)	6	6	6	0	65.2%	58.3%	-7.0%
SUPP	7	7	6	1	-5	53.6%	43.5%	-10.2%
SAPP <sup>*2</sup>	2	-	2	-	-	58.9%	-	-
SPDP	4	4	4	4	0	70.1%	52.4%	-17.7%
<b>Pakatan Rakyat</b>	211	223	82	89	7	47.4%	50.9%	3.4%
DAP	47	51	28	38	10	56.9%	63.2%	6.2%
PAS	66	73	23	21	-2	45.8%	46.9%	1.1%
PKR	97	99	31	30	-1	43.3%	46.8%	3.5%
Others <sup>*3</sup> / Independent	47	135	0	0	0	1.2%	1.7%	0.6%
<b>Total</b>	<b>458</b>	<b>579</b>	<b>222</b>	<b>222</b>		<b>100%</b>	<b>100%</b>	

\*1 Share of votes = number of votes earned / valid votes in the contested constituencies.

\*2 SAPP quit BN in 2008.

\*3 Other parties: State Reform Party (STAR), Parti Bersatu Rakyat Jelata Sabah (BERJAYA), Sarawak National Party (SNAP), Sabah Progressive Party (SAPP), and Parti Barisan Rakyat Sabah (BERSEKTU).

\*4 ( ) indicates number of uncontested candidates.

Source: Malaysian Election Commission Website (<http://www.spr.gov.my>); Star online (<http://www.thestar.com.my>); New Straits Times, March 10, 2008.

### iii. **Analysis of the results in Peninsular Malaysia**

The following section focuses on the result in the constituencies in Peninsular Malaysia. Four key factors should be mentioned to understand the result—malapportionment, slim majority, ethnic voting and urban/rural divide.

#### *Malapportionment and slim majority*

The uneven distribution of the number of registered voters in constituencies, or malapportionment, significantly favored BN that lagged behind PR in terms of share of votes earned. In Peninsular Malaysia, the smallest constituency is Putrajaya with 15,791 registered voters, and the biggest is Kapar in Selangor State that had 144,159 registered voters, with the disparity in the relative weight of vote amounting to 9.1 times.

As table 2 shows, BN performed well in the smaller constituencies, while PR won more seats in the bigger ones. For instance, BN swept all the seats in the 33 constituencies that fall under the first quintile—top 20% smallest constituencies. This resulted in the discrepancy between the number of the seats and popular votes. Average number of votes the two coalitions earned to win the seat was also different: BN candidates won with 26,413 votes on average, while PR candidates earned 42,011 votes to win in Peninsular Malaysia.

It should be noted here that malapportionment is partly a creation of electoral re-engineering by BN. For instance, 5 out of the 33 smallest seats in the Peninsular Malaysia were created in 1995, and 9 more seats were added in 2004 to this category. In other words, malapportionment that significantly favored BN was its own construction.

Another important factor that resulted in the discrepancy between the number of seats won and the popular votes was the margin of victory. As those who garner the most votes win under the Malaysian electoral system, there are many cases of winners defeating their opponents with a slim margin. In the GE13, BN earned 26 seats with less than 5% difference from the second contender, while PR earned 13 seats with the same

majority.

Table 2. Number and Percentage Share of Votes and Seats by Political Parties by Size of Constituencies, 2013

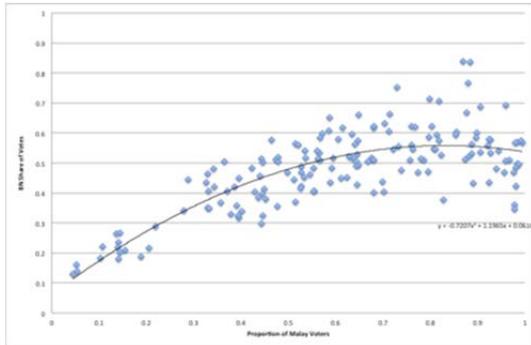
Number of registered voters	BN			PR			Total number of seats
	Number of seats won	Share of votes (%)	Share of seats (%)	Number of seats won	Share of votes (%)	Share of seats (%)	
1st quintile (15,791–45,952)	33	60.5%	100.0%	0	38.9%	0.0%	33
2nd quintile (46,577–59,226)	24	51.1%	72.7%	9	48.9%	27.3%	33
3rd quintile (59,345–71,965)	14	44.1%	42.4%	19	54.1%	57.6%	33
4th quintile (72,396–87,587)	7	40.6%	21.2%	26	59.4%	78.8%	33
5th quintile (88,272–144,159)	7	42.9%	21.2%	26	56.0%	78.8%	33
Total	85	45.8%	51.5%	80	53.3%	48.5%	165

Source: Malaysian Election Commission Website (<http://www.spr.gov.my>); Star online (<http://www.thestar.com.my>).

***“Chinese tsunami”: ethnic voting or urban/rural divide?***

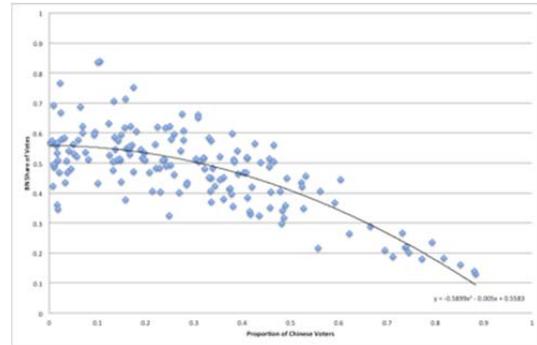
There is a clear relationship between the BN’s share of votes and the ethnic proportion in the constituencies as Charts 1 and 2 suggest. As indicated, the higher the proportion of Chinese voters (chart 2), the lower the share of votes BN earned and the opposite can be observed with regard to the proportion of Malay voters and BN share of votes (chart 1).

Chart 1. BN's Share of Votes and Percentage of Malay Voters, 2013



Adjusted R Square = 0.6228 (N=164)

Chart 2. BN's Share of Votes and Percentage of Chinese Voters, 2013



Adjusted R Square = 0.56909 (N=164)

Source: Malaysian Election Commission Website (<http://www.spr.gov.my>); Star online (<http://thestar.com.my>); *New Straits Times*, May 7, 2013.

The results seem to coincide with the Najib's allegation of "Chinese Tsunami," referring to the massive Chinese vote casted to PR (*Straits Times*, May 6, 2013). However, state-by-state result indicates another interpretation (table 3). The swing of votes toward PR (indicated as negative value in the table) can be observed across the Peninsular states except for Kedah. Among the states that saw a significant vote swing away from BN were Johor (-10.4%)<sup>5</sup>, Putrajaya (-6.3%), Selangor (-5.3%), Penang (-5.3%) and Perlis (-4.7%). A significant drop in BN popular votes are observed in Malay-dominant state of Perlis where more than 80% of the electorate are Malays and, more importantly, in the Putrajaya constituency where 96% are Malays (and most of them are civil servants who had been considered to be the loyal supporters of BN). These cases indicate the possibility that Malay votes also swung to PR in the GE13, contrary to the allegation of "Chinese Tsunami."

The same table also indicates the significance of urban/rural divide. BN significantly lagged behind PR in terms of popular vote in Penang, Selangor and Kuala

<sup>5</sup> Johor's case may best be explained in the context of the PR's electoral strategy. PR, particularly DAP, set the goal of winning Parliamentary seats in Johor, the strong-hold of BN, under the slogan of "Tsunami from the South," and fielded the party's national figures such as Lim Kit Siang, Liew Chin Tong and Teo Nie Ching. The party also held its 47th anniversary in Johor Baru in March 2013 as a symbolic gesture.

Lumpur, areas that are largely urban with low percentage of GDP from agricultural sector. Although it is difficult to statistically examine the relationship between the urban/rural divide and BN's share of votes as there is no conclusive data on the former variable, this aspect will be elucidated in the following section with a descriptive analysis based on the author's fieldwork.

Table 3. Results of the Parliamentary Election by States, % of Agricultural Activity in GDP

State	% of Agriculture in GDP*1	Total number of seats	Number of Seats Won			BN's Share of Votes (%)	
			BN	PR	BN ⇒ PR*2	2013	2013–2008
Perlis	26.8%	3	3	0	0	55.4%	-4.7%
Kedah (P)*3	10.0%	15	10	5	-6	50.6%	3.8%
Kelantan (P)	19.4%	13	5	9	-3	43.0%	-1.7%
Trengganu	7.5%	8	4	4	2	51.4%	-3.7%
Penang (P)	2.2%	13	3	10	-1	31.5%	-5.3%
Perak	13.5%	24	12	12	1	45.0%	-1.5%
Pahang	16.8%	14	10	4	2	55.2%	-4.3%
Selangor (P)	1.6%	22	5	17	1	39.0%	-5.3%
Kuala Lumpur	0.0%	11	2	9	-1	34.5%	-3.4%
Putrajaya	–	1	1	0	0	69.3%	-6.3%
Negeri Sembilan	6.6%	8	5	3	0	51.0%	-3.8%
Melaka	6.5%	6	4	2	1	53.8%	-3.7%
Johor	10.7%	26	21	5	4	54.9%	-10.4%

\*1 Figure in 2010 at constant 2000 price.

\*2 Number of seats moving from BN to PR.

\*3 (P) indicates the states governed by PR at the time of announcement of GE13.

Source: Malaysian Election Commission Website (<http://www.spr.gov.my>); Star online (<http://www.thestar.com.my>); New Straits Times, March 10, 2008; Department of Statistics, *GDP by State*, 2010 (CD-ROM).

## II. What Was GE13 All About? Contextualizing the Results in Malaysian Political Economy

### i. Comparing the manifestos

Manifestos of the BN<sup>6</sup> and PR<sup>7</sup> have striking similarities in some of the key areas. First of all, both camps tried to project a moderate image by promising financial assistance to the national-type Chinese and Tamils Schools (*Sekolah jenis kebangsaan*), religious schools (*Sekolah agama*) and other types of private schools. They also advocate

<sup>6</sup> BN, "A Promise of Hope."

<sup>7</sup> PR, "Manifesto Rakyat, Pakatan Harapan Rakyat."

upholding the status of Islam as official religion and guaranteeing the freedom of religion for non-Muslims at the same time.

Both manifestos also address the issue of rising cost of living. Provision of low-cost housing, allowances for the low-income group (*Bantuan Rakyat* 1Malaysia or BR1M for BN, and “cost of living allowance” for PR), and free or low-cost basic health care are equally promised. In addition to these, empowerment of women, development of social safety nets, and enhancing public safety are commonly found in the manifestos of the two coalitions. In sum, both coalitions targeted the middle ground in the spectrum of identity politics, and also promised to attend to the needs of those in the lower income strata through provisions of public goods.

Meanwhile, BN and PR considerably differ in the domain of economic policy and growth strategy. BN’s manifesto basically shows the continuance of the developmental state, albeit with a neo-liberal twist but still emphasize the state’s significant role in infrastructural development such as the proposed expansion of the Light Rail Transit (LRT) and the Mass Rapid Transit (MRT) and the extension of highways; in producing a business-friendly environment through the reduction of personal and corporate tax; and in promoting high-income and knowledge-intensive sector through various incentives. All these are in line with the idea of the New Economic Model announced in March 2010 that will be discussed later.

On the other hand, PR represented itself as a proponent of a “people’s economy” and called for more equitable distribution. Alleging that the concessions of government projects awarded and subsidies given to “cronies and big companies” in the sectors such as energy, telecommunications, transportation, water supply and primary goods had resulted in a price structure that favored businesses, the manifesto of the PR advocated a series of deregulation, liberalization and open concessions in order to break the current state of monopoly and lower the cost of living. The PR’s manifesto also contains “worker friendly” policies such as the minimum wage to be set higher than RM1,100 per month; the reduction of one million foreign workers to secure job

opportunities for Malaysians, and broadening the income tax band to lessen the burden incurred by the middle-class<sup>8</sup>. These policies aim at promoting equity through breaking the monopoly of wealth by businesses, and are in stark contrast to BN's distributive policy that focus on one-shot cash-handout to the lower-income group. Government's role in enhancing growth is also limited to financing SMEs, enhancing innovation and R&D through tax incentives, and encouraging competition.

While both coalitions equally mentioned nurturing *Bumiputera* entrepreneurs through divestment of the Government-Linked Companies (GLCs), BN placed clearer emphasis on the *Bumiputera* agenda and distributive policy along ethnic line including the effective implementation of the affirmative action by means of providing business opportunities to *Bumiputeras*, and also increasing Indian participation in the economy. PR, on the other hand, advocated the elimination of racial discrimination and called for promoting "fraternity" among the people.

In sum, both BN and PR advocated moderate socio-cultural (e.g. educational and religious) policies and populist distributive programs targeting the lower income group. However, they are different in economic and distributive policies. BN held on to the conservative developmental state, with fiscal and industrial policies prioritizing growth and businesses combined with distributive agenda along ethnic lines. On the other hand, PR was more concerned with restructuring the distribution of wealth through deregulation and liberalization to challenge the monopoly by the vested interests, and through raising minimum wage irrespective of race.

Finally, and importantly, PR's manifesto elaborated on the issues of governance such as clean and fair elections; the independence of institutions such as judiciary, police and the Malaysian Anti-Corruption Commission (MACC) from political control; media freedom; and, the abolishment of all the draconian laws that

---

<sup>8</sup> It should be noted here that the feasibility of some of these policies are not necessarily self-evident. For instance, raising minimum wage from the current RM900 should meet resistance by the private sector, especially small and medium enterprises (SMEs), without introducing effective measures to raise productivity on par with the increasing labor cost. Meanwhile, substitution of foreign workers with Malaysians should not be easy either, given the fact that the former have been filling the labor demand in such sectors as plantation and construction that are often avoided by Malaysian job seekers.

restrict people's freedom.

## ii. Issues during the election campaign

Issues raised during the political gatherings and election rallies (*ceramah*) reveal more about the two coalitions' strategies to garner support and also issues at stake for voters. Election rallies of both sides were essentially entertainment events, with jokes (some of which could even be deemed as defamatory), severe personal attacks against opposing personalities, music videos of candidates singing, and the continuous honking of horns. In most of the gatherings of BN observed, and to much less extent in PR's *ceramahs*, free food and drinks were distributed to the participants. In BN *ceramahs*, participants were also given free souvenirs such as blue T-shirts, scarfs and umbrellas with BN logo. In-depth policy discussion was hardly heard from either side. Instead, many of the speeches simply involved the constant shouting of party slogans.

Although the presentation of the election rally as entertainment was commonly seen in both sides, ideas presented in the campaigns were quite different between the BN and PR. The following section elucidates the issues in the two camps' rallies based on the author's observation of the election campaigns in Selangor State. The constituencies observed are as follows:

- ✓ Sengai Besar (P.93): Rural area with population mainly engaging in agriculture and fishery. 67.9% of electorates are Malay, 30.3% Chinese, 1.78% for Indian. It is a small constituency created in 2004.
- ✓ Klang (P.96): Urban area with manufacturing and service sector as key industries. 33.45% of electorate is Malay, 40.07% Chinese, and 18.58% Indians.
- ✓ Gombak (P.98): Urban area located in the outskirts of KL. Numbers of Malay *kampung*s (villages) remain in the Malay reserved land. Urban middle class, businessmen, and civil servants and ex-civil servants reside in well-developed housing areas. Malay constitutes 75.96% of voters, Chinese at 13.45%, and Indian

at 9.88%.

- ✓ Bukit Bintang (P.120): Chinese-dominant urban area with Chinese voters constituting 74.64%, Malay 16.2%, and Indian 8.18%.
- ✓ Lembah Pantai (P.121): Urban mixed seats with Malay making up 56.44%, Chinese 27.04% and Indian 8.21%. The constituency ranges from upper-class residential areas like Bangsar to low-cost flat areas such as Pantai Dalam.

***BN: developmental state, populist policies and conservatism***

BN's *ceramahs* focused on the coalition's past achievement in realizing "peace, stability and progress," that served as one of the BN's slogans for the election. The BN candidates, including Najib himself, reminded the voters of the coalition's achievement as the modernizer of the country in industry and agriculture, citing the recent economic growth, infrastructural developments, and increased opportunity for higher education as typical examples. They also projected the image of the coalition as the defender of the people's lives through pro-distribution policy of "*politik untuk rakyat* (politics for people)"<sup>9</sup>. Past policies such as subsidies for energy and foods, provision of low-cost housing, cash handout to lower-income household earning less than 3,000RM per month under BR1M, and book voucher for students were contrasted with "empty promises" of the Selangor state government whose previous election manifesto including single mothers' allowance, free toll of highways and free water for all the residents were not implemented<sup>10</sup>. With the catch phrase of "*Janji didapati* (promise fulfilled)," BN offered a series of lucrative subsidies including expanded version of BR1M, single mothers' allowance, bachelor's allowance, and free water.

Aside from these populist policies, BN also stressed that the coalition epitomized cooperation and power sharing among ethnic groups, under which all the ethnic groups benefited. Sensing the growing disaffection among non-Malays, particularly among the Chinese, BN candidates reiterated the successful coalition

---

<sup>9</sup> Quote from the speech by Najib Razak at Klang constituency, April 28, 2013.

<sup>10</sup> Free water up to 20 cubic meters was not provided for some flats in the state.

management, new electoral pact with the Hindu Rights Action Force (Hindraf), and the past economic development that benefited all including the Chinese population. This was again contrasted with the PR that, according to the BN's narratives, had been troubled with the feud between PAS aspiring the implementation of *Hudud* and secular DAP that was against it.

In addition to these, personal attacks against the opposition leader Anwar Ibrahim were very frequently heard. Anwar was depicted as a morally corrupt leader who would accept Lesbians, Gays, Bisexuals and Transgender (LGBT) groups and also as a failed former Finance Minister who almost mismanaged the Malaysian economy during the Asian Financial Crisis.

In sum, BN highlighted its past achievements in economic development and inter-ethnic cooperation, and promised the continuation of the developmental and populist policies. With a question “who said *ubah* (change) is good for you?” posed to the voters, BN's campaign was basically for securing continuity or the status quo.

***PR: breaking the vested interest and good governance***

PR's *ceramah* in urban areas was distinct from those of BN in that candidates and supporters from other constituencies and other PR parties spoke along with the candidate of the constituency. Accordingly, constituency-specific issues or the promise of specific material benefits were hardly heard. What dominated the PR *ceramah* instead was the common slogan of “*ubah* (change),” “*ini kali-lah* (That's it),” and “*wu yue wu hao huan zheng fu* (May 5, change government).”

The most frequently mentioned topic during the rallies was the skewed governance and unequal distribution of wealth under the decades-long BN rule. Possible electoral fraud and phantom voters, the “citizenship-for-votes” issue in Sabah, series of corruption allegations against the incumbents including the Minister of Women, Family and Community Development whose husband, a CEO of the Government-linked National Feedlot Corporation (NFC), was prosecuted, and Najib's alleged involvement

in the two Scorpene-class submarines purchases from a French shipbuilder that is said to have paid kickbacks to the PM's close ally. In this context, MACC was portrayed as an example of a state institution that was controlled by the powers-that-be<sup>11</sup>.

The coalition also frequently mentioned the state of monopoly in the utility sector by the BN cronies such as many of the Independent Power Producers (IPP) and water companies including Syabas, which had resulted in the higher cost of living for the people at large. "Mahathirism," or favoring big businesses, foreign capitalists and cronies was named as the cause of rising cost of living and slower pace of economic development than Korea or Taiwan. The elimination of cronyism institutionalized under the rule by Mahathir Mohamad through changing the government was pointed out as an imperative to realize equitable distribution and to achieve high-income nation status.

As an attempt to convince the audience that the BN's allegation that the PR lacked the capacity to govern, the coalition's speakers stressed the record of inter-party cooperation and the achievements by the Selangor state government. For this purpose, the PR *ceramahs* were often organized in a coalitional package, with representatives from at least two parties giving speeches and with the presence of the party flags of other coalitional partners. PR candidates stressed how Chinese should not worry about PAS by citing interviews of Kelantanese Chinese. Further, the PR candidates also assuaged the fear among Malays towards DAP by mentioning that *Sekolah agama* prevailed even under the DAP-led Penang state government. PR also emphasized their state governments' achievement such as provision of free water and enactment of the freedom of information act in Selangor, and disclosure of assets of state executive council members, and healthy fiscal management and corruption-free governance in both Penang and Selangor states.

### ***Reaction of voters (1): economic and distributive agendas***

Reaction of the voters in *ceramah* provides us with detailed information about the

---

<sup>11</sup> The mysterious death of a PR political aid during the investigation by the MACC in 2009 was also mentioned as an example of unfair operation of the organization.

voters' preferences. Although one should be careful in over-generalizing the insights drawn from selected cases of *ceramah*, these insights can be useful as supplementary data.

In the constituencies in Selangor, two different versions of political economy—BN's developmental and populist state and PR's mixture of neo-liberal and pro-distributive state—respectively drew totally different types of voters. BN enjoyed continued support from the rural Malays, civil servants, ex-civil servant and medium and small-sized Malay entrepreneurs. Majority of *kampung* Malays showed their support for BN as the provider of basic infrastructure and affordable houses<sup>12</sup>. Ex-civil servants, military veterans and Malay businessmen who benefited from various preferential treatments also showed their appreciation to the BN's past achievement in bringing infrastructural development and uplifting Malay's economic status, while criticizing PR state government for the reduced public investment.

As opposed to these voters who echoed the BN's developmental state orientation, most of the audience in the PR's *ceramah* positively responded to the opposition coalition's call for structural reform. PR's *ceramah* in the urban areas saw the visible presence of non-Malays, especially Chinese, who were conscious about the way their taxes were misused or even abused by the incumbents. The call to end racial politics or *politik perkauman* was also very well received by Chinese audience. Although the issue of affirmative action for *Bumiputeras* was not clearly mentioned in the rallies, Chinese voters' enthusiastic support for the end of racial politics reflected their disaffection against BN government that had been implementing the intensive affirmative action for four decades.

Meanwhile, laborers, irrespective of ethnicity, struggling with low wages, had every reason to vote for the PR that questioned the concentration of wealth in the hands of the rich. In a *ceramah* organized in a low-cost flat area in Lembah Pantai

---

<sup>12</sup> Aside from these economic needs, non-secrecy of the residents' party preferences in *kampung* areas might work in favor of BN. Blue stickers were attached to the doors of households to show their support for BN, which made it easy for the residents and parties to identify the supporters and non-supporters.

constituency, lower class Malays of various generations expressed their disaffection against the incumbent leaders who were accused of the wrongful accumulation of wealth and protection of rent-seekers and vested interests that oppress the ordinary people's lives.

***Reaction of voters (2): covert element of ethnicity***

As mentioned earlier, both BN and PR projected themselves as moderate and inclusive coalitions, and candidates of both camps did not focus on ethnic issues in the rallies except in very general terms. In the hope of winning the moderate voters, the focus of the speeches of both camps were rather on the broader political and political economic issues.

However, we cannot naively conclude that the election was all about politics and political economy. Although having been downplayed in the official discourses, ethnic elements certainly added dynamics to the electoral politics. For instance, there were occasions where ethnic issues were subtly mentioned in *ceramah*, when the audience comprised a single ethnic group. For instance, in a DAP rally dominated by Chinese audience, a speaker mentioned the disproportionately small number of Chinese schools. In a PKR rally where the audience was overwhelmingly Malay, a speaker from PAS mentioned the high proportion of Chinese among Malaysian millionaires as an example of inequality in the country.

In rural areas, some Malays showed their fear and distrust against DAP, which they regarded as a chauvinistic Chinese party. The news of DAP's rally attracting thousands of Chinese supporters in urban areas were received with fear by rural Malays who lived in rather homogenous rural or semi-rural settings. Meanwhile, UMNO members and entrepreneurs were firmly committed to protecting *Bumiputera's* special position that they think is well entrenched in the constitution and should not be questioned.

### iii. **Fatigue of the “1971 regime”**

Given the complex nature of the electoral politics, it is best to grasp the GE13 as a choice between the existing regime and a new regime presented by PR<sup>13</sup>. In this election, a regime that emerged in 1971 and had been entrenched for more than four decades was seriously challenged.

#### **“1971 regime”**

In 1971, Malaysians reconvened their Parliament after 19 months of suspension since the May 13 riot in 1969. Subsequently, the Government introduced the New Economic Policy (NEP) to put Malaysia on a growth track, eradicate poverty, and more importantly, to correct economic disparity between ethnic groups. The Federal Constitution was amended to prohibit questioning of “sensitive issues” or constitutional provisions related to the ethnic matters such as the special position of *Bumiputera*, citizenship, teaching and using of vernacular languages and the status of the Sultans. Most of the political parties, with DAP as a sole exception, supported or acquiesced to the amendment. In 1973, the Alliance, the governing coalition made up of UMNO, MCA and MIC, transformed itself into BN by merging with some of the opposition parties such as Gerakan, PPP and PAS, to deal with the sensitive issues through negotiation among the component parties. With legal curtailment upon freedom of non-BN actors such as students and civic associations (University and University Colleges Act; Societies Act), together with the overwhelming dominance in the Parliament, BN became an exclusive political club where important policies were decided in secrecy.

Legal restrictions on the citizen’s participation in the political process became stricter under Mahathir’s rule when the Government embarked upon state-led heavy industrialization strategy and where the Government obtained wide discretionary power over industrial policy and financial resources. Within a framework of public-private

---

<sup>13</sup> Regime is composed of mutually reinforcing three elements: socioeconomic alliances, political economic institutions, and public policies. Refer to Pempel (1998: 20--21).

cooperation, the Government projects and privatization contracts were awarded to businesses close to BN, including pro-UMNO Malay businessmen who were given tender awards as a part of affirmative action to *Bumiputera*. As a response to the opposition parties and media that tried to reveal the collusion and corruption in the public-private cooperation, BN put stricter restrictions on the right to know and right to speech (Official Secrets Act; Printing Presses and Publications Act), and also eroded judicial independence necessary to protect these rights against the infringement by the executive. Close government-private sector relations combined with the promotion of labor-intensive industry also meant repression of wages.

In sum, cooperation between the strong state and private businesses, the exclusive negotiation among BN ethnic parties on distributive issues including affirmative action to *Bumiputera*, the curtailment of freedom, cronyism and low wage, are closely intertwined and made up the “1971 regime.” This regime had been taken for granted or at least acquiesced to by the majority of population as a way of life in Malaysia for almost three decades.

### ***From Reformasi to government-led “liberalization” under Abdullah***

However, a serious challenge to the “1971 regime” was posed when *Reformasi* movement broke out following the arrest of then Finance Minister cum Deputy Prime Minister Anwar Ibrahim. The Anwar saga brought the issue of governance to the light: draconian laws that curtail freedom of people, cronyism, and the executive dominance over judiciary. The general election in 1999 saw an electoral pact between the opposition parties advocating a change in governance. In this election, the number of Parliamentary seats won and share of votes earned by BN declined from 162 seats out of the 192 seats in the House in 1995 to 147 seats, a vote share of 65.2% to 56.5%.

In an attempt to win back people’s support, Abdullah Badawi, the successor to Mahathir, promoted a “liberalization” of politics by allowing wider space for public opinion, including media, and by clearly stating that the executive would not interfere

with judiciary. Although there was no change in formal institutions, the general public took the statement as a sign of the Government allowing greater freedom. With the general public's expectation of Abdullah's reform, BN won 90% of the seats in Parliament in the 2004 general election.

Meanwhile, with the expectation of political liberalization, Malaysian citizens started to air their concerns in the public arena. One of the important issues was the affirmative action that had been implemented for more than thirty years. When an independent research institute, Asian Strategic and Leadership Institute (ASLI), published a report alleging the *Bumiputera's* share ownership had exceeded the targeted 30%, there occurred heated discussions on the continuation of the affirmative action. Another important issue raised in the well-circulated ASLI report was the poverty in the Indian community, that later was expressed in the form of a HINDRAF demonstration that started as an opposition against the demolition of a Hindu temple in Kuala Lumpur. In 2007, aside from these ethnic issues, professionals stood up to demand independence of the judiciary (Justice Walk) and clean and fair elections (Bersih 1.0), which drew massive participation of the urban middle class and youth.

In spite of the initial projection of his government as a "liberal" one, the response by Abdullah and BN to these citizen's actions was nothing but illiberal. As to the affirmative action, UMNO, recognizing the increasing call for abolishing it, radicalized and advocated upholding of the special position of Malays, with the slogan of "*Ketuanan Melayu* (Malay dominance)." Abdullah Government gave into the pressure from UMNO, and affirmed the continuation of the target of 30% ownership by *Bumiputera*. In addition, a series of demonstrations were suppressed with extraordinary police force. The experience of being attacked with tear gas and water cannon was something new to most of the participants, including those who joined the demonstration without much conviction to the cause, leading them to become zealous advocates of the need for liberalization of political regime.

These developments provoked anger from a cross section of the population:

moderate voters of all ethnic groups who rejected a radicalized UMNO; non-Malay voters who found MCA and MIC inutile in checking the radicalization of UMNO; urban middle class and youth who attended the demonstrations to witness the infringement of people's rights by the state. Accordingly, BN lost 2/3 majority of Parliament in the GE12 for the first time in its history.

### ***Compromised reform under Najib***

When Najib took over Abdullah as a PM, his mandate was to win back people's support to BN. Equally imperative was a new growth strategy to put Malaysia well on its way to a high-income economy, driven by innovation and higher productivity, or in other words, a way out of the "middle income trap." In fact, the challenge posed against BN in the 2008 election and the state of "middle income trap" were closely interrelated with each other: affirmative action was singled out as a cause of brain drain, particularly among Chinese high-skilled laborers, that contributed to the low labor productivity in the country<sup>14</sup>.

Recognizing these complex problems, the Najib administration proposed a holistic reform package addressing a wide range of issues including inter-ethnic relations, economic growth, labor productivity and wage policy, liberalization of political institution and administrative reform.

New concepts such as "1Malaysia" and "Global Movement of Moderates" were introduced in order to project the new government's image as an inclusive and moderate government. "1Malaysia" logo was displayed in so many places ranging from the body of the LRT coaches, kiosk, T-shirts, book vouchers for students, TV commercials, until one did not spend a day without seeing it. More importantly, in March 2010, the New Economic Model (NEM) was introduced as a blue print for making the country a high-income nation by year 2020. With inclusiveness as one of its core principles, NEM advocates market-friendly, non-discriminatory and transparent

---

<sup>14</sup> According to the World Bank (2011), at least one million Malaysians migrated into OECD countries, one third of who were high-skilled laborers and approximately ninety percent of them are Chinese.

affirmative action for the empowerment of the bottom 40% of households, along with other targets such as increasing labor productivity and reinvigorating the private sector through deregulation and privatization<sup>15</sup>. In line with NEM, that was introduced to be the one-shot panacea for the declining non-Malay voters' confidence and the "middle-income trap," the Najib administration liberalized 17 service sectors, introduced a statutory minimum wage of the private sector for the first time in the history, embarked upon the regulation of foreign workers, and implemented the Economic Transformation Programme (ETP).

Initially, the proposed new initiatives contributed to the image of the Najib administration as a reform government, and his approval rate rose from 45% at the beginning of his term in May 2009 to 71% in late 2011<sup>16</sup>. However, his reform seems to have been gradually watered down due to the pressure by Malay NGOs, business groups and UMNO politicians led by Mahathir who expressed their disaffection toward Najib's reform<sup>17</sup>.

Following the protest, the market-friendly, non-discriminatory and transparent affirmative action became purely nominal with the Tenth Malaysia Plan clearly providing the 30% *Bumiputera* ownership target. In addition, under the ETP, 43% of the MRT projects were reserved for *Bumiputera* companies (*NST*, November 6, 2012). Besides, the well-known UMNO crony such as Syed Mokhtar, continued to enjoy the government tender award for the big infrastructural projects under the ETP.

Equally important among Najib's reform was the establishment of the National Wage Advisory Council consisting of the government, business and labor associations. It was a response to the PR manifesto in GE12 promising the introduction of minimum wage and was supposed to be a way to regain the support from the workers.

The outcome of the deliberation in the Council was reflected in the Minimum

---

<sup>15</sup> National Economic Advisory Council, *New Economic Model for Malaysia: Part I*, 2010.

<sup>16</sup> Merdeka Centre, "Public Opinion Survey No.1/2013, 23<sup>rd</sup> January – 06<sup>th</sup> February 2013," p.22.

<sup>17</sup> Mahathir organized an assembly titled "*Melayu Bangkit* (Malay uprising)" with Malay nationalist NGOs in 2010.

Wages Order 2012 introducing the minimum wage of 900RM per month for peninsular Malaysia, and 800RM in Sabah, Sarawak and Labuan irrespective of the nationality of the laborers. These figures, however, did not satisfy the Malaysian Trades Union Congress (MTUC) that had been demanding the same amount since the late 1990s. MTUC was also unhappy with the Government giving into the pressure by the business sector, particularly SMEs that were against the introduction of minimum wage. Given the pressure, the Government decided to give SMEs a moratorium period for the implementation of the minimum wage (*New Straits Times*, December 22, 2012) and to apply minimum wage to the aggregated income including bonus and allowances instead of the monthly basic payment. These moves were considered to be the reflection of the Government's inattentiveness to the laborer's welfare. Here again, Najib's reform was somewhat compromised, eliciting disappointment on the part of the laborers<sup>18</sup>.

The Najib administration also embarked on reforms of political institutions after the Bersih 2.0 in June 2011, a mass rally calling for fairer and transparent elections. In the wake of the Bersih 2.0, public opinion went against Najib as his government banned the rally and repressed the participants with police force, contributing to the drop in Najib's approval rate from 65% in May to 59% in August same year<sup>19</sup>. As a response to this, Najib promised the election reforms, the abolishment of the emergency ordinances and Internal Security Act, and a revision of the laws curtailing freedom of people.

Subsequently, a bipartisan Parliamentary Select Committee (PSC) on Electoral Reforms was set up; Section 27 of Police Act requiring assembly of more than five people to get permission from the police was abolished and was substituted with newly enacted Peaceful Assembly Act; the University and University College Act (UUCA) was revised to allow students to join political parties; and the clause requiring publishers and printers to acquire the annual permit in the Printing Presses and Publications Act was revised to require them to get a permit only once.

---

<sup>18</sup> Author's interview with MTUC officials on March 15, 2013 at Wisma MTUC.

<sup>19</sup> Merdeka Centre, *op. cit.*

However, opposition parties, youth, media, and Bersih sympathizers, including the middle class, deemed most of these initiatives as cosmetic. For instance, the amended UUCA gives discretion to the University officials to ban the students' activities within the campus, and the Peaceful Assembly Act prohibits the citizens from holding street protests. Besides, 22 recommendations submitted by the PSC on Electoral Reform were not fully accepted by the Election Commission (EC). Among the rejected recommendations was an independent monitoring of the electoral roll that was deemed as the most important item given the ongoing controversy over the huge numbers of unidentified registered voters<sup>20</sup>. Also, the Government attempted to enact the Election Offences (Amendment) Act that was to prohibit the agents of the political parties from monitoring EC booths in the polling station<sup>21</sup>.

Those who demanded liberalization regarded all these moves as a reflection of the Government's reluctance to push through with reforms, or worse, its will to further curtail people's freedom. The result was the Bersih 3.0 in April 2012, which attracted several thousands of participants.

In the area of administrative reforms, Najib's promise to tackle corruption was also regarded as an empty promise, as he did not take decisive action in the NFC scandal. Before and during the election campaign, the opposition parties highlighted this issue as an example of the BN cronies enjoying government resources and also the Government tolerating misuse of public money.

### ***Entrenched Interests Revealed***

In hindsight, Najib's botched reforms revealed the character of the establishment. Affirmative action that had spurred complaints of unfairness among non-*Bumiputeras* and was singled out as one of the causes why the country remained in the "middle-income trap," mirrored the retained power of UMNO and Malay businesses

---

<sup>20</sup> The number of dubious voters differ between *Bersih* estimating 400 thousands and the EC alleging 40 thousands.

<sup>21</sup> The amendment bill was passed in the Parliament, but was later withdrawn due to the opposition from PR parties, *Bersih* and a part of BN members.

that had been benefitting for decades. Low wages, one of the reasons for the significant economic disparity in the country<sup>22</sup>, was not drastically rectified reflecting the strong influence by the business sector. The freedom of people and fairer competition among parties were not promoted as expected, and the BN's determination to hold on to power and the subordination of the state institutions, including the EC, were re-exposed.

The unfulfilled reforms under Najib were fully exploited by the PR that presented a different path for Malaysians: distributive policies not based on ethnicity; pro-labor policies; more competitive economy free from monopoly of big businesses and cronies; and, liberal political institutions. This is basically the overhaul of the "1971 regime." A broad segment of the population found reasons to support the PR's project: laborers who were angry about stagnant wages and rising costs of living; taxi drivers who felt exploited by managers who earned easy money by getting licenses from the Government and had the drivers work at low wages; non-*Bumiputera* voters who felt deprived of opportunities due to the affirmative action; and urban middle class and youth who were frustrated with the narrow space for political articulation.

### **III. Conclusion**

The reduced number of seats in the *Dewan Rakyat* and lower popular vote of BN than that of PR clearly indicate that majority of Malaysians are frustrated with the BN and the regime constructed by the coalition. The chances of the Government regaining public trust were certainly there, however, were missed due to the resistance by the vested interests among UMNO and business sector. BN managed to secure the simple majority in the GE13 owing to the populist distributive programs, manipulation of constituencies in the past decades, and the support by the vested interests and rural Malays who expect the Government's role as a provider of public goods.

---

<sup>22</sup> Income distribution of Malaysia is quite unequal with the upper 20% gaining 51.5% of the national wealth. This figure is even higher than the Philippines (49.7%) and Thailand (47.2%). World Bank, *World Development Indicators*, CD-ROM.

However, it is inconceivable that the disenchantment against BN among non-*Bumiputeras*, laborers and urban middle-class would vanish in the near future. The BN's survival hinges on the successful implementation of reform agenda that Najib once launched.

The prospect for the current Government to push through the reform, however, is very slim given the fact that it owes big businesses and Malay businesses that zealously supported BN<sup>23</sup>; and the fact that Najib failed to regain the targeted 2/3 majority in Parliament. If more conservative elements within UMNO took over Najib, the end of BN rule would further accelerate.

PR is not flawless either: the component parties seemed not to have agreed on the portfolio in the Cabinet; they did not go beyond an abstract slogan by proposing specific and feasible economic policies to make Malaysia a high-income nation. Yet, given that the BN has been and is embedded in a regime that maintains discriminatory policies, satisfies the demands of its cronies, and continually constricts the political space for citizens, the only path for reform in Malaysia might be a change in the Federal Government.

---

<sup>23</sup> There have been unconfirmed reports on big businesses and Malay businessmen financially supported the BN during the election campaign. The author also witnessed a Malay contractor organized a reception inviting BN candidates and a few hundreds of residents, where free food and drink were served.

## References:

### [Books and Reports]

- Merdeka Centre, "Public Opinion Survey No.1/2013, 23<sup>rd</sup> January – 06<sup>th</sup> February 2013."
- National Economic Advisory Council, *New Economic Model for Malaysia: Part I*, 2010.
- Pempel, T.K., *Regime Shift: Comparative Dynamics of the Japanese Political Economy*, Ithaca: Cornell University Press, 1998.
- Quay Audrey ed., *Perak: A State of Crisis*, PJ: Loyar Burok, 2010.
- World Bank, *Malaysian Economic Monitor*, 2011.

### [Party Manifesto]

- BN, "A Promise of Hope."
- PR, "Manifesto Rakyat, Pakatan Harapan Rakyat."

### [Statistics]

- World Bank, *World Development Indicators*, CD-ROM.
- Department of Statistics, *GDP by State*, 2010 (CD-ROM).

### [Website]

- Malaysian Election Commission Website (<http://www.spr.gov.my>)
- Star online (<http://www.thestar.com.my>)

### [Newspapers]

- New Straits Times
- Straits Times