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How the Pandemic Is Keeping Malaysia's Politics Messy

Malaysia's first transfer of power in six decades was hailed as a milestone for transparency, free speech and racial tolerance in the multiethnic Southeast Asian country. But the new coalition collapsed amid an all-too-familiar mix of political intrigue and horse trading. Elements of the old regime were brought into a new government that also proved short-lived. The turmoil stems in part from an entrenched system of affirmative-action policies that critics say fosters cronyism and identity-based politics, while a state of emergency declared due to the coronavirus pandemic has hampered plans for fresh elections.

1. How did this start?

Two veteran politicians, Mahathir Mohamad and Anwar Ibrahim, won a surprising election victory in 2018 that ousted then-Prime Minister Najib Razak, who was enmeshed in a massive money-laundering scandal linked to the state investment firm 1MDB. Mahathir, 96, became prime minister again (he had held the post from 1981 to 2003), with the understanding that he would hand over to Anwar at some point. Delays in setting a date and policy disputes led to tensions that boiled over in 2020. Mahathir stepped down and sought to strengthen his hand by forming a unity government outside party politics. But the king pre-empted his efforts by naming Mahathir's erstwhile right-hand man, Muhyiddin Yassin, as prime minister, the eighth since Malaysia's independence from the U.K. in 1957. Mahathir formed a new party to take on the government but failed to get it registered. Anwar, meanwhile, failed in his bid to persuade the king to let him form a new government.

2. There's a king?

Malaysia is a parliamentary democracy along the lines of the U.K., except instead of one constitutional monarch the title rotates every five years among the rulers of nine Malay states. The king, known as the Yang di-Pertuan Agong, usually stays on the sidelines performing ceremonial duties, but is involved in major appointments like that of prime minister. He also is the one who declared the national state of emergency on Jan. 12, 2021 "as a proactive measure" to help contain a new surge in Covid-19 cases. The decree, which also suspends parliament, was the first since deadly ethnic rioting in 1969.

3. What's the latest maneuvering?

Muhyiddin and his cabinet resigned Aug. 16 -- less than two weeks after Najib's United Malays National Organisation, the largest party in the ruling coalition, retracted its support. Muhyiddin will stay on as caretaker prime minister until a successor is named. (The king, who accepted the resignation, said a new election is not the best option during a pandemic.) Muhyiddin had earlier resisted pressure to call one. Opposition politicians had accused him of using the pandemic to stay in power.

4. Who is Muhyiddin?

A 74-year-old career politician, he was Najib's deputy for six years before he was sacked in July 2015 after calling for greater clarity in the 1MDB investigations. He later joined forces with Mahathir to set up the new Bersatu party, and became home affairs minister in his government. A cancer survivor who's generally low profile, he's perhaps best known for quipping in 2010 that he considers himself "Malay first" and Malaysian second.

5. What does 'Malay first' mean?

Some 56% of the country's 31 million people are ethnic Malay (defined in the constitution as Muslim), and another 13% belong to other indigenous groups, according to 2019 estimates from the Department of Statistics Malaysia. Collectively they are known as bumiputera, or "sons of the soil." There are also large ethnic Chinese and Indian minorities who are Christian, Buddhist and Hindu. Government policies give preferential treatment to bumiputera, traditionally seen as disenfranchised, in such areas as public-sector jobs, housing and higher education. Critics say the preferences have fostered cronyism and a dependence on state handouts and have prompted many educated minorities to look for work overseas, draining the economy of talent. But they are something of a "third rail" in Malaysia's polarized politics. Mahathir's appointment of Lim Guan Eng as finance minister, the first ethnic Chinese to hold the post in over four decades, sowed suspicion among Malay nationalists that their benefits would be eroded, costing the coalition support.

6. How did Muhyiddin do?

Despite being backed by UMNO, his administration has seen progress in resolving the 1MDB scandal, including a conviction for Najib, which caused some discontent within UNMO. It and other parties in the new government support a more conservative agenda favoring Malays, including measures to promote a stricter version of Islam. Muhyiddin had pledged to be prime minister for all races and to strengthen government integrity. The emergency decree gave Muhyiddin some breathing room, while the pandemic has worsened: The new infection rate soared this year and confirmed cases topped the 1 million mark in late July. The government in

June unveiled its fourth stimulus package, but some people have taken to hanging white flags outside their homes in a sign of their desperation.

7. What about the economy?

With most of the country still under a virus-induced lockdown, Malaysia has lowered its 2021 growth forecast twice, to 3%-4%. The economy was already sputtering before the pandemic, then went into a tailspin as trade and tourism suffered. Curbs on movement dampened consumption and investment, pushing gross domestic product for 2020 to a 5.6% contraction, its worst showing since 1998. The government expects to see most states reopen “under new norms” in October. In the meantime, Malaysia has unveiled four aid packages this year worth billions of dollars to support people and businesses. That’s on top of the government’s 322.5 billion ringgit (about \$80 billion) budget for 2021, the country’s biggest ever. Even before the pandemic, surveys found rising living costs and a lack of jobs had replaced corruption and abuse of power as voters’ top concerns.

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