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MARCH TO DEMOCRACY: MALAYSIA'S FOURTEENTH GENERAL ELECTION

Caroline F. Weisstuch



Malaysia's fourteenth general election marked the first transfer of parliamentary power in the country's 60-year history, with the Pakatan Harapan coalition winning a majority of the Parliament seats and the popular vote. This article examines the factors that led to the election outcome, notably the changes in the rural vote and the previous government's inability to live up to the rising economic expectations of urban, middle-class residents. This victory shifted Malaysia's politics from an electoral authoritarian regime to a legitimate democracy.

Introduction

In May 2018, Malaysia held its fourteenth general election (GE14) to select new leaders. Since its independence in September 1963, Malaysia had been governed by the autocratic United Malays National Organisation party of the Barisan Nasional (BN) coalition. While Malaysia, from its inception, has been a democratic state, its Prime Ministers continued policies and practices to ensure the continuation of "electoral authoritarianism" in the state and systematically designed conditions through which the incumbent government could always remain in power (Schedler). These included gerrymandering and malapportionment of voting districts. As a result, the general elections held every 5 years were largely for naught, because the BN was almost guaranteed to remain in power, effectively creating a one-party government. Authoritarian regimes last, on average, about 23 years, but Malaysia's remained in power

for more than a half-century, a testament to the entrenchment of single-party politics and continued suppression of non-native Malaysians (Geddes). The 2018 election was different, however, and was the culmination of nearly a decade of rapid change in the country. Malaysia was rapidly urbanizing, and with this came an influx of young ethnic Indian and Chinese residents. Additionally, the BN was losing its stronghold in rural areas due to corruption and failed political promises that stagnated the economic growth of Malaysians. These issues led to the surprise victory of the Pakatan Harapan (PH) coalition in 2018 and marked the first transfer of power in Malaysia's modern history. While the elected government has much to do, the victory validated an end to electoral authoritarianism in the country and can be considered a watershed moment for democracy in Malaysia.

This article explores the factors that influenced the outcome of the GE14, notably the changes in the rural vote and the

government's inability to live up to the rising expectations of its residents. The emergence of a true two-party system in the wake of the election means that the BN and PH coalitions need to make beneficial policies and keep their promises in order to maintain parliamentary power. Such change would create a legitimate democracy in Malaysian politics for the first time in its history.

Background

Despite its decades in power, the BN was hardly a perfect operation. In-fighting and power grabs among its ruling elite persisted for many years. Additionally, after race riots in 1963, the BN passed legislation to benefit the native Malays (bumiputera) that allowed them to prosper at the expense of ethnic Chinese and Indian residents. These laws continued for years and left many non-Malay populations feeling disillusioned with the ruling government. In the second half of the twentieth century, the BN faced no challenges in government and therefore continued to promote these race-based policies because they provided a stable base of supportive voters. In the country's early years, Malaysia had an agriculture-driven economy. Most people lived in rural areas, a major incentive to target the political platform at the rural, ethnic Malays working on agricultural lands, thereby ensuring a steady source of votes (Pepinsky, "The 2008 Malaysian...").

After its landslide victory in the 2004 election, the BN doubled down on the rural Malay vote, promising them additional favorable policies in order to retain their loyalty (Loh). By doing so, the BN largely turned its back on the rest of Malaysia, a nation by then rapidly urbanizing and industrializing, with a growing and diverse middle class. In response, in the twelfth general election in 2008, large portions of non-native Malaysians voted against the BN, instead voting for a new political coalition (PH) that supported the interests of the emerging middle class, a group made up mostly of ethnic Indian and Chinese residents living in urban areas. The BN coalition won the popular vote with only 51.5%, enough to keep them in power but not enough to retain the two-thirds Parliament majority needed to pass legislation,

which the coalition had built through years of gerrymandering and malapportionment of voting districts (Pepinsky, "The 2008 Malaysian..."). This shock outcome of the twelfth general election ushered in a two-party era and was the initial turning point in the creation of true democratic competition in Malaysia.

After the 2008 election, the PH embraced a wider array of voter concerns and continued its development of center-leaning policies that catered to those the BN had neglected, in particular the blossoming urban middle class. The urban population in Malaysia had been increasing dramatically since the middle of the twentieth century, moving from being unimportant to the center of an industrializing and increasingly service-oriented economy and culture. This shift created an enduring voter base in the country, one whose problems and issues needed to be addressed. In 1970, the urban population was only 27% of the total population, whereas in 2010 it had increased to 71% of the total population, with projections of reaching 75% by 2020 (Siwar et al.).

A major component of this urban growth has been a younger demographic of middle-class citizens, who have had a significant impact on voting trends. Of the 18.7 million registered voters in 2017, more than 40% were between ages 21 and 39, which was more than double the number of voters over age 60 (Lin). This generational shift of young urban professionals began to play a larger role in Malaysian politics. They had grown up with the increasingly stagnant BN and were hungry for a real and functioning democracy. They harbored rising expectations for not only the material comforts of a high-income nation but also a participatory, representational government that reflected their ideals. A less corrupt and more accountable government that catered to younger population groups was something that voters began to push for after the close result of the twelfth general election. Increased middle-class political participation pushed back against rural voters and their interests, which contributed to the rise of the PH as a legitimate second party. Thus, rising economic expectations and a younger voting block led to changes in election results.

These changing demographics influenced voting trends during the thirteenth general election in 2013, when more of the urban, ethnic Chinese, and ethnic Indian residents voted against the BN (Pepinsky, “Rural...”). Gerrymandered constituencies and other inbuilt advantages for the BN meant that even though it won only 47% of the popular vote, its worst-ever electoral performance, it still won 60% of the 222 parliamentary seats and was able to retain the ruling majority (“A Dangerous Result”). Many middle-class Malays swung their vote to the PH coalition, whereas most rural Malays continued to vote for the BN due to fear of losing their special rights, which the BN continued to promise. Thus, for rural Malays, the final outcome was good. Yet the overall vote suggested that many Malaysians believed that the government was not keeping up with the demographic and economic changes. For years, the BN regime had been bolstered by the lack of a multiple-party system and thereby could get away with unfulfilled promises, catering to its trusted band of voters. In short, although the BN maintained its majority in the government, the opposition had made incredible strides, becoming a legitimate opponent and setting up for an even more interesting election in 2018.

In the lead-up to Malaysia’s GE14 in 2018, it appeared that either coalition had a chance to achieve victory. The BN needed to consolidate its rural Malay base, which it was in danger of losing, so it continued the strategy of unfulfilled promises to the rural population to retain this significant base. On the opposition side, in addition to retaining existing constituencies of urban and middle-class voters of all ethnicities, the PH needed to expand its rural appeal to offset the gerrymandering and electoral manipulations instituted by the BN. For the first time, four opposition parties joined together to create the PH coalition and unite the opposition forces needed to topple the existing regime. One of these groups, the Bersatu, represented the interests of rural Malays and gave this population an alternative voice in the polls (Goh). Previously, rural Malays voted for the BN because it claimed to represent the rural voice, so the Bersatu joining the opposition coalition alleviated the

fear of voting against the BN and the special privileges that the native Malays had enjoyed. The Bersatu was led by Mahathir Mohamad, who ran on a platform that rural Malays were poor because of then-current Prime Minister Najib Razak’s policies. The opposition also ran on a promise to abolish the goods and services tax (GST) (see article by Ni in this volume), a move that would alleviate some of the financial pain felt by rural Malays. These decisions were made to attract rural voters to the opposition coalition.

As a result of fierce campaigning and unification of the opposition coalition, the PH won not only the popular vote but also an outright majority of Parliament seats. In total, the PH won 113 of the 222 seats. The PH maintained its constituencies in urbanized states and also made great strides in rural eastern Malaysia, picking up 16 seats. The BN won 79 seats, and the Malaysian Islamic Party won 18 seats and was the highest vote-getter in the northeast peninsula. The other 12 seats were won by additional parties across multiple states (“GE 14”). By turning its attention to the needs of the rural voters and distancing themselves from the BN, the PH was able to sway voters nationwide.

The 2018 election outcome, while resulting in the first transition of party power in Malaysia’s history, was far from unexpected. Two main factors contributed to the outcome of GE14—a swing in the rural vote and the rising expectations of the middle class. A close examination of electoral data shows how these forces combined to produce the outcome of Malaysia’s GE14.

Changes in the Rural Vote

Malaysia has long been a nation of social and political divisions, a testament to its considerable ethnic heterogeneity. With large Indian and Chinese populations, in addition to native Malays, no single ethnic group has dominated Malaysian society and politics. Furthermore, these various groups do not reside in the same areas, leading to additional divisions. A majority of Malays live in rural villages as agricultural workers, whereas the ethnic Chinese and Indian populations live in areas with more diversified occupational

structures. During the nation's early years, Malays in the agricultural sector dominated the economic and political landscapes, with agriculture the main driver of the economy. This focus has shifted, however, as Malaysia continues to develop a flourishing business and industry sector, which has shifted the economic centers of the country from the rural farmlands to the bustling and diverse urban areas (World Bank Group).

The modernization and socioeconomic change that came to Malaysia led to rapid industrialization in and around the urban centers. Chinese and Indians living in these areas shifted toward industry-based jobs and lifestyles. Three major states emerged as centers for industry in Malaysia: Johor, Penang, and Kuala Lumpur. These states are not the largest by population or land, but they do have some of the highest percentages of both urban and non-Malay residents. Malaysia has a well-scattered population with a weak public transit system, so the labor demanded by the growing industries of these areas needed to come from within the states themselves. Johor, Penang, and Kuala Lumpur are known, according to Hasnul Hadi Samsudin, Vice President of Creative Content and Technologies at the Malaysian Digital Economy Corporation, as the places where the "talent" for this kind of work is, and there is no mechanism for finding talent elsewhere in the country. Evidence suggests that a good share of the ethnic inequalities in educational and economic achievement can be explained by differences in rural-urban background and the consequent differential exposure to opportunities, which have led to further disparity between the urban and rural populations in both employment and income, because most residents in rural areas have no way of accessing the urban centers. The geographic spread of the country has made remediating these issues difficult and left the two populations more separated than ever (Hirschman and Yeoh).

As the economic power shifted toward urban centers, wealth concentrated around Johor, Penang, and Kuala Lumpur. With agriculture no longer central to driving the economy, rural communities began to suffer financially. Even then, rural Malays could rely

on support from the BN, which they saw as the protector of the pro-Malay state, ensuring the rights and privileges that allowed them to maintain a disproportionate amount of power in politics, jobs, and education. Additionally, the BN positioned itself as the champion against a corporate elite that was trying to bring urbanization to Malaysia. Rural areas tend to be more ethnic Malay than urban areas; thus, by campaigning for Malay votes in a rural district, the BN needed to emphasize rural issues. The BN used its political power to provide cash, food, and other gifts, coupled with the promise of more development projects, to reinforce its voter stronghold among rural Malays. As a result, the BN was accustomed to receiving nearly 60% of the popular vote in every general election and had recorded a high total of 63.85% of the popular vote in the 2004 election (Loh). By catering to rural Malay issues, the BN enjoyed an almost uncontested reign over the government for nearly 60 years.

In recent elections, however, the rural population became increasingly frustrated with the BN and its governance. Voters were disappointed with the government's lack of solutions to the housing crisis and to the stagnation of incomes (see article by Buell in this volume). Rural Malays, who once were in the center of the country's political and economic life, were no longer the driving force behind Malaysia's power, and they turned away from the BN to explore other political options. In the thirteenth general election, however, the rural vote, something that had been so securely tied to the BN's victories, had been split between the existing party in power and the opposition. The PH won 1.1 million rural votes to go along with a majority of urban and semi-urban Parliament seats. Notably, the BN won only 5 urban seats and 20 semi-urban seats, with only 300,000 votes in urban areas ("The Rural-Urban Divide..."). This trend continued in the GE14. Although the BN maintained a majority of the rural base, winning 70% of the rural vote, that was not enough to win the GE14. This shift in the rural vote was enough to send the opposition to victory and demonstrated the disappointment that rural Malaysians were feeling in their government. The BN simply did not have the solutions to

counter the country's rising expectations and could not provide policies to help the economic stagnation of the middle class.

The urban and rural voters had been polarized for many years due to demographic and economic differences; at the same time, the increasing middle-class urban voting base also contributed to the PH's victory in 2018. With more young rural residents leaving for the centers of industry, the urban demographic has had, and will have, an increased presence on the national scale. More than 40% of the voters in GE14 were under the age of 40; these young urban professionals likely will have an outsized voice in future elections ("Malaysia's Election Commission..."). Additionally, the rural voters who left the BN for the opposition demonstrate the disillusionment that rural Malays felt after 60 years of failed promises. The agricultural sector was weakened, and rural voters were looking for a change that would improve their livelihoods. With increasing urbanization and a shift toward a service economy, these differences could lead to a further schism between the urban and rural voters and could continue to have an impact on the outcomes of Malaysia's general elections.

Inability to Meet the Rising Expectations of the Middle Class

In recent years, Malaysia's GDP has been steadily increasing, and Malaysia's economy is on its way to achieving high-income status, defined as having a gross national income per capita of \$12,056 or more (World Bank Data Team). With rising incomes, the emerging generation in Malaysia has experienced a new level of wealth, and their expectations of themselves and their society have risen quickly. These dual trends made it difficult for the BN to meet the skyrocketing expectations of young Malaysians.

Instead of paying for important political and environmental regulations, young middle- and upper-class Malaysians want to spend their money on lavish vacations and luxury homes. They do not want to pay for what they perceive as "unnecessary" expenses and instead turn to individual needs when it comes to spending. This high expenditure on personal items has led to increasing household debt and the

consequential borrowing of funds. Malaysia's household debt-to-GDP ratio—at 84.6% for 2017—is exceptionally high compared to Organisation for Economic Co-operation and Development countries and occurs when households borrow money to be able to spend more when their income is not high enough, in anticipation of higher income later ("Malaysia's Economy..."). For many Malaysians, however, incomes have not risen, but with higher expectations of material spending many people have felt the pressure to borrow funds to meet the high cost of living, especially in urban areas. Additionally, incomes are not rising uniformly across all sectors, such that some people are benefiting economically more than others. A stagnant minimum wage, for example, has stifled lower-income Malaysians who are struggling to meet the high cost of living and higher expectations. So, although from an outside perspective, the Malaysian economy appears to be succeeding, not everyone is thriving, and voters placed their blame for the economic woes on the policies and practices of the BN.

For average Malaysian citizens, the cost of living is too high for their stagnant income levels (see article by Buell in this volume). The BN could not reduce this high cost and instead went ahead with the development of more upscale housing in Malaysian cities, in particular Kuala Lumpur. In Kuala Lumpur, the 2019 average home price was RM773,000 (\$190,000), which was more than 100% higher than the price a decade earlier. With the need for affordable housing units increasing alongside a rise in upscale developments, a mismatch developed between the housing supply and demand, which exerted an upward pressure on house prices. The actual needs of many Malaysians were not being fulfilled; as a result, many luxury units were left empty or used solely as investment properties. Additionally, the country's rising expectations led to a decreased interest in affordable housing, as people wanted to live well above their means. On the affordable side, the subsidized housing stock was underwhelming, with only a quarter of houses launched nationwide from 2016 to March 2018 priced under RM250,000 (\$61,000). The continued development of luxury units

despite the housing woes has not helped the economically stagnant Malaysian middle class (“Malaysia Lacks...”).

While undergoing a rapid economic change, Malaysia also underwent a demographic change that wreaked havoc on the housing affordability in metropolitan areas. More people, especially young families, moved to urban centers, putting even more pressure on the already expensive housing market. The increasing population drove up demand for a limited number of affordable houses, which made the prices increase and decreased purchasing power. Kuala Lumpur, for example, has a very high cost of living, and the more people who move to the city, the more the stresses on the affordable housing market will increase. Many urban Malaysians began to feel resentment toward the BN, because the policies and inability to aid in lowering the cost of living left many residents unable to live up to society’s high expectations (“Malaysia Lacks...”).

In addition to the increase in housing prices, the implementation of a GST by the BN left poor and middle-class residents struggling to afford essentials (see article by Ni in this volume). The GST, a value-added tax, was designed to raise revenue to offset the budget deficit, and a universal 6% rate was implemented in 2015. Many believed that the GST was a drain on personal incomes, and it was unpopular with young urban professionals. Likewise, the GST only added to the woes of lower-income residents, who already were experiencing inflation. Perhaps even more significantly, middle-class Malaysians had less money in their pockets, and they could no longer keep up with the skyrocketing expectations of the new Malaysia. As a result, residents of all ethnic groups and backgrounds began to resent the BN for its failure to address the debt crisis and increase stagnant incomes that left them unable to live the extravagant lives that they felt they deserved (“Malaysia to Remove...”).

Malaysian Democracy in the Twenty-first Century

The election result of GE14, although not entirely unexpected, was still a major event and

turning point in Malaysia’s history. Excepting recent immigrants, the country’s citizens had never experienced a change in government, and an outcome like this was truly a once-in-a-lifetime event. Unlike many other topplings of authoritarian regimes, the demise of the BN was not met with violence or rioting but rather a peaceful transfer of power. This was unusual and has allowed for the real possibility of the continuation of a legitimate two-party democracy in Malaysia. Additionally, whereas other leaders of authoritarian governments might flee the country to avoid prosecution or violence, the former Prime Minister and leader of the BN, Najib Razak, remained in the country after the election results were confirmed. While this went on, the BN did not retaliate, leaving the election results intact and allowing the PH to prosecute Najib. The PH, as of this writing, has continued to rule peacefully since taking power in mid-2018.

The newly elected government, although making big promises, has high expectations to live up to. It ran, and won, on promises to address the issues plaguing everyday Malaysians, such as the affordable housing crisis and urbanization, and has taken steps to rectify some of the missteps of the previous government. Additionally, the government abolished the GST as of June 2018, and, although it will be replaced by reintroducing a sales and service tax, the PH has demonstrated that it is taking steps toward fulfilling its campaign promises. If the PH is to retain its majority, it has to prove to everyday Malaysians that it not only is able to live up to campaign promises but also will work to rewire a 60-year-old governing style. Young voters were inspired by the PH’s promise of change and are expecting big results from the new ruling party. This is not an easy task, for, in the digital age in Malaysia, voters are impatient, and, with high expectations, demand change now.

Conclusion

A shift in the rural vote and the rising economic expectations of the middle class contributed to the outcome of Malaysia’s GE14. The PH was able to capitalize on the disillusionment of young voters to the BN, and, with a changing demographic and economic

landscape, gained significant voters in both urban and rural states. While the BN lost the GE14, it still enjoys significant support in the country, especially from rural native Malay voters. It is significant that 30% of the rural population voted for the opposition coalition—the highest total in Malaysia’s history, but that figure means 70% of the rural voters were still loyal to the BN in 2018. The PH victory was not brought about by all Malaysians, and certainly not all native Malays. As such, the question arises of whether or not the bumiputera population will channel its fear and experience of losing their special privileges into more votes for the BN in the next general election, scheduled for 2023. With the current wave of nationalist politics sweeping the world, it is not unreasonable to foresee a scenario in which the native Malays, angry with the new government, shift back further to the right, pushing Malaysian politics back to the BN.

The PH has to demonstrate that it can live up to its campaign promises, and it will not be an easy task to recast an existing governmental structure. Changing peoples’ mindsets also will take time, but in the age of social media rebellions, voters want to see immediate change. Swift and drastic change is something that could be unreasonable for the government to accomplish and be a detriment to its perceived success in power. Thus, the PH

has to focus on successfully undertaking its reforms, because failure to do so could lead to disillusionment with the new democracy, but it also has to be careful with pushing reforms too far and too fast. This need for balance should motivate the PH to create policies that address both urban concerns and rural Malay issues.

Malaysia’s transition from an electoral authoritarian state to a true democracy has been a gratifying experience for many residents. The GE14 ushered in an era of two legitimate coalitions having a shot at electoral victory. This could lead to innovative ideas from both groups and thereby to significant economic and social reforms in the coming years. Because there is now real competition for parliamentary majority, both the BN and the PH need to remain in touch with the general electorate and respond quickly to the country’s issues, leading to reforms that benefit all Malaysians. Whether the two-party system is here to stay is left to be discovered, but with a slow implementation of new policies and benefits designed to please most Malaysians, the country can continue toward real economic, social, and democratic progress in the twenty-first century. The outcome of the GE14 has sparked an era of change in Malaysia, and its effects have the power to shift the country’s policies, and attitudes, for many years to come.

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