

# Malaysian government suffers losses in six state elections

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Six state elections were held in Malaysia on August 12. While the results did not alter the make-up of the national parliament, the election provided a measure of the rising opposition to Prime Minister Anwar Ibrahim and his Pakatan Harapan coalition.

Superficially the status quo remains. The ruling coalition retained control of the three more urban and industrialised states of Selangor, Penang and Negeri Sembilan while the opposition Perikatan Nasional coalition consolidated its grip over the rural and largely ethnic Malay states of Kedah, Kelantan and Terengganu.

However, the opposition parties not only increased their seats in the states under their control but made significant inroads into the other three states. Across all six states, the total number of seats contested was 245, with the Perikatan opposition winning 146 seats or 60 percent. At dissolution, the Perikatan opposition held just 35 percent of all seats.

In Selangor, which surrounds the Malaysian capital of Kuala Lumpur, the ruling coalition slumped from 45 to 34 seats while the opposition increased from five to 22 seats. In Penang, Pakatan Harapan went from 35 to 29 seats and in Negeri Sembilan from 35 to 31, while the Perikatan Nasional increased from one to 11 seats, and zero to 5 seats respectively.

Large segments of Malaysian workers and rural poor confront low wages, job insecurity and unemployment, and deteriorating living conditions. The significant swing against Anwar's coalition points to mounting frustration over the lack of the relief touted in the lead up to last year's federal election.

Instead, the central policies of the Pakatan Harapan government have been to open the Malaysian economy up to further capital investment, both local and international, and to curtail social spending in line with

the demands of finance capital.

In the lead-up to the state election, Anwar unveiled a grandiose plan to restructure the economy to transform Malaysia into "a leader among Asian economies" while ensuring the benefits were shared equitably. In reality, the proposals, including the establishment of a special financial zone in Johor and cuts to the budget deficit, are aimed at attracting foreign investors, while a pittance in handouts was announced for civil servants and low paid workers.

Significantly, due to the lowering of the voting age from 21 to 18, the number of registered voters across all six states increased substantially from 6.9 million in 2018 to 9.8 million, an increase of 2.9 million voters, representing predominantly younger voters.

Young people, however, are among those hardest hit by unemployment and underemployment. Around 40 percent of degree and diploma holders are underemployed in semi-skilled and low-skilled jobs (mostly "sales and services"), according to 2022 job placements data released in June.

According to official statistics, there were 5.6 million graduates in Malaysia in 2021, up from 5.36 million in 2020. On Reddit, a typical comment was: "I didn't slog my ass 3 years diploma, 4 years degree with RM50,000 student debt just to work minimum wage" at RM1,500 (\$US323) per month.

The election campaign was marked by an increased pitch to ethnic Malay chauvinism and Islamic communalism promoted by the political establishment since independence from Britain in 1956. While some 70 percent of voters are ethnic Malays, predominantly Muslims, 23 percent are ethnic Chinese and 7 percent ethnic Indian. Since the 1970s, governments have established preferential policies for Malays in public education, public sector jobs and private businesses.

During the election campaign, the Islamist Pan-Malaysian Islamic Party (PAS), the largest member of the opposition coalition, ran a fear-mongering campaign warning that the government would further undermine the privileged position of Malays. It vilified the ethnic-Chinese Democratic Action Party (DAP) within the government coalition in particular.

The government coalition responded in kind. It is an unstable alliance between Anwar's People's Justice Party, DAP, and the PAS breakaway AMANAH, with what remains of the United Malays National Organization (UMNO). UMNO, which is steeped in pro-Malay chauvinism, ruled the country from 1956 until 2018 through electoral gerrymander and police state methods.

While Anwar has previously championed more egalitarian policies, he reacted to opposition criticism by doubling down on pro-Malay policies. When asked by an ethnic-Indian student about ending the Malay preferential quota system, he berated her for asking the question and stated that the system would not be abolished.

In reality, the pro-Malay preferences have most benefited the layers of crony Malay businesses and figures associated with UMNO. The widespread corruption was graphically exposed in the scandal related to money laundering and embezzlement of billions of ringgit from the national investment fund, 1MDB, by former UMNO prime minister Najib Razak.

The state elections led to a further rout for UMNO, which went from 41 seats across all six states to just 19. Anwar's largely ethnic Malay People's Justice Party (PKR) fell 42 seats to 26, while DAP retained all but one of its seats.

PAS made the greatest gains increasing its seats from 75 to 106 while the other major coalition partner Bersatu, an UMNO breakaway, went from 11 seats to 39. Both PAS and Bersatu made their greatest gains in Selangor, the most populous and industrialised state, contributing a quarter of the country's GDP. Selangor is also characterised by glaring inequality.

Poverty-level wages are a prominent topic on social media. In May 2022 the minimum monthly wage was raised to RM1,500 but this is far removed from the living wage for a single person of RM2,700 recommended by Bank Negara, the country's central bank, in 2018 before prices soared.

While average annualised inflation in June decreased to 2.4 percent from 4 percent and higher in 2021 and 2022, food inflation, which hits poorer households, is still elevated at 4.7 percent.

Confronting a deteriorating global economy, the government will impose new burdens on working people. Spelling out his economic plans in July, Anwar declared, "my utmost priority in the near term is to rebuild the country's fiscal capacity. We are all aware of the national debt situation." Government debt is more than 60 percent of GDP.

Anwar, who is also finance minister, warned that "without any reforms, we will face a very serious crisis that would undoubtedly affect the country's structure." These reforms include scaling back cost-of-living benefits, including through price controls on the cost of electricity and petrol, in favor of a so-called targeted scheme. As part of the government's first budget, subsidies are capped this year at RM64 billion, significantly lower than the RM80 billion figure in 2022.

In a distorted fashion, the election results not only reflect a growing disaffection with the government but rising social tensions being generated by worsening living conditions for most working people. While the opposition coalition has capitalised by whipping up reactionary communalism, like the government it has nothing to offer the vast majority of the population other than empty promises.



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