

Politics

Anwar Faces Many Pitfalls After Finally Becoming Malaysia PM

- Veteran reformist's challenges include economy and Islamists
- Anwar must also deal with longtime nemesis as likely partner

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Anwar Ibrahim, the almost man of Malaysian politics, finally clinched the country's premiership after decades of waiting. Now, the reformist leader must make sure that he keeps the job.

That won't be easy in a nation that's now had four prime ministers in four years. Former finance chief Anwar is likely to control an unstable majority and his administration looks set to include his longtime nemesis, the graft-tainted United Malays National Organisation. That may prove an obstacle to policy making and could easily bring his government down.





Anwar Ibrahim arrives at the Istana Negara palace in Kuala Lumpur, on Nov. 24. *Photographer: Samsul Said/Bloomberg*

Anwar, 75, will also have to steer an economy that's on the most fragile of rebounds at a time of surging inflation and living costs. He will also face pressure from an opposition dominated by an increasingly popular hardline Islamic party.

The elections have opened up "multiple religious and racial faultlines" across the political landscape, said Tan Teng Boo, chief executive officer and managing director of Capital Dynamics Asset Management Sdn. in Kuala Lumpur. Anwar's biggest task will be to "ensure that these faultlines don't erupt."

Here are some of the challenges that Anwar and his government will confront in the months ahead:

Confidence Vote

The new prime minister has thrown down the gauntlet to his main rival, ex-premier Muhyiddin Yassin who has questioned the validity of his support, by scheduling a confidence vote on Dec. 19, the first day of the new parliament. Anwar said a day after being sworn in that he now has a supermajority of 148 out of 222 seats as more political groups joined his government.

Read more: [Anwar to Test Majority With Malaysia Parliament Vote in December](#)

It's a risky move if Anwar doesn't get a 112 seat majority during the confidence vote, which will push him to step down less than a month after becoming prime minister -- the shortest-ever tenure in Malaysia's history. It would then fall again on King Sultan Abdullah Sultan Ahmad Shah to determine a new leader who he believes commands the majority.

However Anwar can propose to the king to dissolve parliament and hold do-over elections. Ultimately it will depend on the monarch on whether this would be the best move for the Southeast Asian country.

Power-Sharing

A key test will be who gets what in Anwar's new government under a power-sharing formula. Anwar will have to appease the majority Malays and UMNO while keeping traditional coalition allies happy. That could see a bloated cabinet as he seeks to ensure that the different parties each have roles though Anwar has insisted it will be smaller.

"Malaysia's new cabinet should not be too big like the previous cabinet," said Awang Azman Awang Pawi, an associate professor with the Academy of Malay Studies at Universiti Malaya. "Anwar needs an efficient and trusted cabinet."

Pakatan Harapan, Anwar's coalition, mentioned two deputy prime ministers in its manifesto, including one from the underdeveloped but resource-rich states of Borneo. An UMNO leader such as Ismail Sabri Yaakob, the former prime minister, or ex-Defense Minister Hishammuddin Hussein might also be put forward as a deputy premier to help keep the party within Anwar's government.





Ismail Sabri Yaakob *Photographer: Samsul Said/Bloomberg*

The center-left Democratic Action Party, which holds the largest number of lawmakers in Anwar's bloc and has the support of minorities, may take a back seat on cabinet deliberations to ensure unity and to counter the polarizing narrative that it's anti-Malay. During its short time in federal government, DAP controlled the finance and transport portfolios.

Uneasy UMNO

UMNO, linchpin of former ruling bloc Barisan Nasional, is beset by infighting and there's a push to remove its chief, Ahmad Zahid Hamidi, who's also the Barisan boss. The politician pushed for snap polls that saw BN lose significant ground in Malay-dominated regions and was instrumental in pushing for the coalition to be part of Anwar's government.

UMNO will hold its general assembly on Dec. 21, which may see Zahid lose his job, a development that would create turmoil for Anwar. Zahid's potential replacements may not be as willing to work with Anwar's coalition.

Keeping UMNO in government will also depend on the kind of cabinet posts and policy-making input that Anwar offers its leadership.





Ahmad Zahid Hamidi, center, on Nov. 21. *Photographer: Arif Kartono/AFP/Getty Images*

Anti-Corruption Push

When it was previously in government, Anwar’s multiracial coalition cracked down on institutional corruption, going after UMNO leaders. It orchestrated investigations into the troubled state fund 1MDB, which led to former premier Najib Razak starting a 12-year prison term for his involvement this year.

With UMNO likely to be included in the new administration, it will probably push for a royal pardon for Najib, which could anger Anwar voters and allies. Any exoneration of UMNO Chief Zahid, who faces corruption charges associated with his foundation, would pose the same problems.

And if Zahid does go to jail, he’s likely to be replaced by a leader who might not want to work with Anwar.

Compromising on Reforms

Anwar may have to compromise on his coalition’s manifesto and pledges for reform as he seeks to maintain his unity government. While he won’t face hurdles in carrying out welfare-oriented promises -- which sound similar to those of his rivals -- a pledge to eliminate racial and religious discrimination may not go down so well.

The majority Malays and indigenous communities enjoy a “special position” per the constitution, which has translated into government policies that give preferential treatment in areas such as public-sector jobs, housing and higher education.

In 2018, Pakatan Harapan had to backtrack on a decision to ratify a key United Nations anti-discrimination treaty after opposition from UMNO and an Islamist party, raising concerns at the time that its momentum was stalling.

Fragile Economy

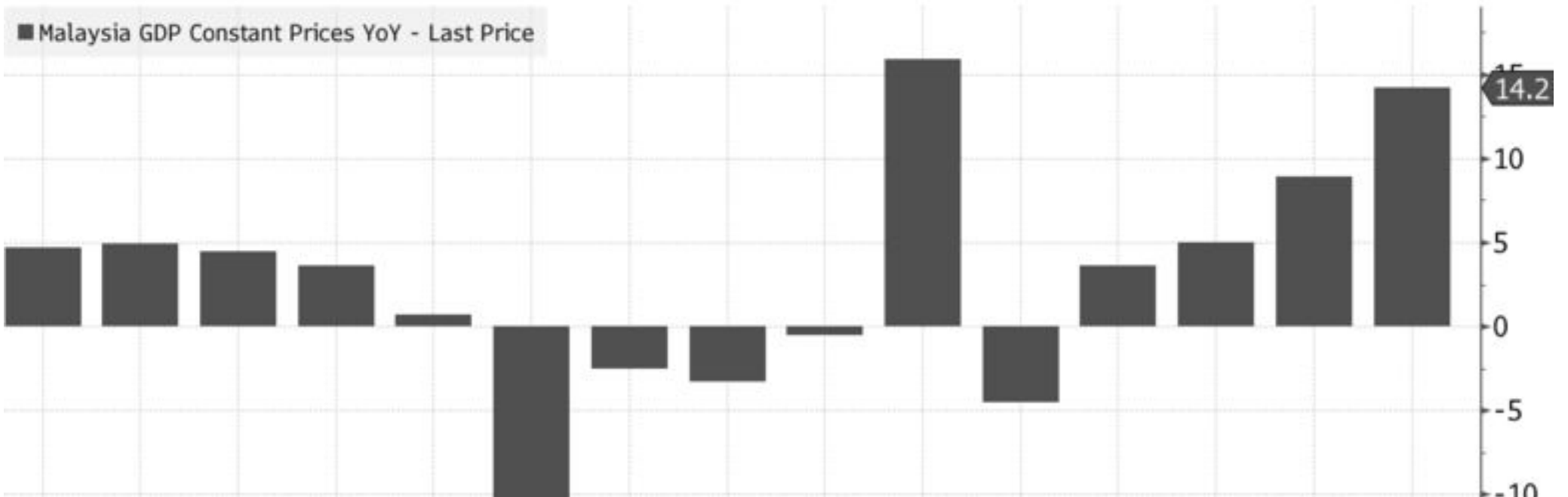
Malaysia’s economy is set expand at a slower pace of 4% to 5% in 2023, compared with more than 7% this year, while economists expect the central bank to continue to raise interest rates in a bid to tame inflation. That could prompt Anwar to take an increasingly populist stance and adopt UMNO’s more generous promises of cash aid to help the country’s poorest.

Anwar told reporters on Friday that reducing the burden of rising prices is the immediate priority of his administration and that he would meet relevant government agencies to discuss the matter.

“There’s a recognition that the focal point needs to be on the economy and the social fabric,” said Bridget Welsh, honorary research associate with the University of Nottingham Asia Research Institute Malaysia. There will be “more attention to the social safety net and to the vulnerabilities of different communities.”

Risks Loom

Malaysia's economic growth is set to moderate on global slowdown





Source: Bank Negara Malaysia

Bloomberg

UMNO pledged to ensure every household earned more than 2,200 ringgit (\$490) a month, meaning the government would top up incomes to ensure that they reached that threshold. If Anwar's government takes such measures, it may delay its fiscal consolidation plan and earn the ire of credit rating firms.

The new administration will table a 2023 budget in the December parliament session and that could well be one of the key tests of confidence. It remains unclear if Anwar's administration will make significant tweaks to the spending plan presented in October.

Read more: [Seven Charts Show State of Malaysia's Economy Ahead of Polls](#)

Countering Islamists

Parti Islam Se-Malaysia, or PAS, won the most seats in the election, will now discuss Anwar's offer to join his unity government as it positions itself as the key representative of the Malay community.

As the biggest opposition party, PAS is likely to campaign to limit the open sale of alcohol in Malaysia and to close gambling outlets. This could put pressure on Anwar's moderate agenda and force his administration to offer more religious policies in education and the civil service, a strategy used by former leader Mahathir Mohamad in the 1990s.

PAS's long-stated objective has been to turn Malaysia into an Islamic state. For years, it has pressured the federal government to allow it to implement strict Islamic laws in the eastern states of Kelantan and Terengganu. With the most number seats in parliament, PAS could band together with former premier Muhyiddin Yassin's party and even pressure some UMNO lawmakers to make an attempt to seize power again.

Read more: [Divisive Islamists Loom Over Malaysia Politics After Big Win](#)

– *With assistance by Ravil Shirodkar and Joy May Yen Lee*

(Updates with Anwar's comments throughout)