

# Electing Reform

## *Barisan Nasional* Neopatrimonialism as Impetus for and Challenge to Malaysia's Democratic Transition

Meredith L. Weiss

### Abstract

Malaysia's May 2018 general elections saw the *Barisan Nasional* (National Front) coalition voted out of office after more than six decades of rule. Key to that electoral upset was the extent to which corruption—specifically, a self-serving, far-reaching, neopatrimonial form—had pervaded the polity, notwithstanding a fairly elaborate anticorruption institutional architecture. The *Pakatan Harapan* (Alliance of Hope) coalition now in power, and especially its determined prime minister, the nonagenarian Mahathir Mohamad, placed governance and anticorruption at the top of its reform agenda and took immediate steps toward institutional reform upon assuming office. However, the nature of a transition by election, in which the state apparatus, as well as a significant share of politicians, are holdovers from the old regime; the imperative to distribute the unavoidable costs of reform so as not to irritate too many voters; and the fact that opposition to former Prime Minister Najib Razak may have been more a “push” factor than institutional reform was a “pull” in *Pakatan Harapan*'s win complicate the invariably dicey and protracted task of democratic consolidation. At least some extent of meaningful governance reform is all but certain; how deep or far that remaking will reach is less clear at this stage in Malaysia's transition.

**Keywords:** Anticorruption, corruption, democratization, Malaysia, neopatrimonial, reform.

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Chief among the reasons for the stunning loss of Malaysia's *Barisan Nasional* (National Front, BN) in the May 2018 general elections—after an unbroken run of over sixty years since independence—was corruption. It had been fairly assured that *Pakatan Harapan* (Alliance of Hope, PH or *Pakatan*) would

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perform well. An overlapping predecessor opposition coalition, *Pakatan Rakyat* (People's Pact),<sup>1</sup> had secured a majority of popular votes in the last election in 2013, albeit still falling far short of a parliamentary majority. That year, incumbent BN Prime Minister Najib Tun Razak commanded higher levels of support than his coalition or party, the United Malays National Organisation (UMNO); the coalition's resultant reliance on their standard-bearer's cachet gave the BN campaign an unusually "presidential" cast. Moreover, the BN splashed out massively with pre-election budgets and campaign-time grants and gifts, seeking to maintain Malay and other *Bumiputera* (indigenous) support and to win back non-Malay (especially ethnic Chinese) voters, most of whom had defected to the opposition by 2008, the preceding election.<sup>2</sup>

By 2018, Najib's halo was decisively cracked—whereas former longtime prime minister Mahathir Mohamad, in office from 1981 to 2003, had patched his back together and thrown his lot in with Pakatan. Also, not only did the BN have less to spend (though it hardly pinched pennies through the campaign), but also a raft of mega-scandals allowed Pakatan to cast doubt more convincingly on its real munificence. In the end, Pakatan was able to maintain its absolute level of popular support, notwithstanding a vociferous third-party challenge from former coalition member *Parti Islam seMalaysia* (Pan-Malaysian Islamic Party, PAS), and to shift the distribution of that support enough to win parliament. Pakatan won 48 percent of the popular vote to the BN's 34 percent, translating to 113 and 79 seats, respectively; PAS won 17 percent, for 18 seats. (State-based parties in Sabah and Sarawak secured the balance of the 222 total seats.)<sup>3</sup> Ethnic Chinese support for BN was especially paltry—an estimated 6.5 percent—with nearly all the rest going to Pakatan; Malay votes were split among BN (43.5 percent), Pakatan (22.3 percent), and PAS (34 percent).<sup>4</sup>

What drove Mahathir out of retirement and off to the opposition was Najib's "crazy idea that cash is king."<sup>5</sup> UMNO and its key partners had long been powered by patronage, as detailed below. However, what had been distributed rent-seeking, enriching a fairly broad circle of "*UMNOputera*," especially since the developmentalist heydays of the 1980s, had turned increasingly

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<sup>1</sup> *Parti Islam seMalaysia* (PAS) had since exited Pakatan Rakyat; members of its "progressive" wing left PAS, reorganized as *Parti Amanah Negara* (National Trust Party), and joined the coalition in PAS's stead. Shortly after Mahathir Mohamad launched his new party in 2016, he allied that party, too, with what was now Pakatan Harapan.

<sup>2</sup> See Meredith L. Weiss, "Malaysia's 13th General Elections: Same Result, Different Outcome," *Asian Survey* 53, no. 6 (2013): 1135-1158.

<sup>3</sup> A number of seats changed hands subsequently, as members of parliament jumped from the BN to Pakatan, as well as through by-elections. For a detailed review and analysis of the results, see Ibrahim Suffian and Lee Tai De, "How Malaysia Voted in 2018," in *Toward a New Malaysia? The 2018 Election and Its Aftermath*, ed. Meredith L. Weiss and Faisal S. Hazis (Singapore: NUS Press, forthcoming), chap. 2.

<sup>4</sup> Ibrahim and Lee, "How Malaysia Voted in 2018," MS, p. 28.

<sup>5</sup> Interview by author with Mahathir Mohamad, October 10, 2016, Putrajaya, Malaysia.

under Najib toward personal and extraordinary enrichment, even as the cash flowing from party hierarchy to the ground also increased. By 2017, Malaysia's Corruption Perceptions Index (CPI) score<sup>6</sup> was 47 on a scale of 100, in which 0 is highly corrupt and 100 is very clean; the country ranked 62<sup>nd</sup> among 180 countries or territories globally. (Malaysia's score had not yet changed by the end of 2018, though it had ticked up to a rank of 61<sup>st</sup> globally.) While Malaysia outperformed neighboring states such as Indonesia, the Philippines, Thailand, and Vietnam, it significantly underperformed counterparts such as Singapore (tied for third globally), Japan, Taiwan, and South Korea. More revealing still, Malaysia had been on a downward slope. From 1995 through 2008, Malaysia's score averaged 50.8; it had dipped below 50 only twice, in 2000 and 2002. From 2009 through 2017, coinciding with Najib's premiership, the average dropped to 47.7, exceeding 50 only in 2014, then trending incrementally downward each year thereafter.<sup>7</sup> In other words, in the eyes of the experts and businesspeople whose assessments lie behind the CPI's component measures, Malaysia had been faring worse in recent years.

Especially key were concerns surrounding the 1Malaysia Development Berhad (1MDB) sovereign wealth fund that started to emerge in 2013. By the time of the 2018 elections, allegations of massive graft had reached a fever pitch outside Malaysia, with ongoing investigations in several countries—but Najib had shut down official inquiries at home. Alternative media and activists, as well as the parties in Pakatan Harapan, kept the story alive in Malaysia, however jaded much of the voting public seemed to be at the prospect of corrupt politicians. About one-third of the promises in Pakatan Harapan's elaborate, nearly two-hundred-page election manifesto centered on corruption and good governance, the core tropes of the coalition's campaign. When Mahathir strode back into office in May 2018, however improbably, backed by the very parties and activists who had declared him *Mahazalim* (loosely, The Evil One) and worse in the *Reformasi* era of the late 1990s, it was with the primary mandate and the overwhelming objective of rooting out corruption. His advanced age has lent credibility; observers generally believe that at this stage, he is not messing around: he has little time to waste as he seeks to restore his sullied legacy.

The new Pakatan Harapan government has thus launched itself into governance-reform and anticorruption initiatives as it strives to consolidate its democratic transition. However unreliable its commitment may be on other

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<sup>6</sup> Developed by Transparency International, the CPI is a composite measure, drawing on up to thirteen (for Malaysia, currently nine) established indices of corruption and governance. It captures experts' and businesspersons' perceptions of public-sector corruption, both institutional aspects (e.g., availability and enforcement of laws on financial disclosure or whistleblower-protection, extent of bureaucratic red-tape) and practice (e.g., the extent of bribery, nepotism in civil-service appointments, or prosecution of corrupt officials).

<sup>7</sup> Data from Transparency International Malaysia, "Corruption Perceptions Index 2018," slide presentation, January 29, 2019.

issues—and it is, on many—here the political will is strong, at least at the top. There are, of course, serious lacunae in what the coalition is set to address with gusto or alacrity, and allegations of new politicians’ adopting the habits of those freshly ousted arose almost immediately. Even at this early stage in the transition process, though, it is worth considering the new government’s approach to governance reform since the 2018 elections, and what looks especially promising or unlikely. To set the stage, we begin with an overview of “money politics” under the BN and the drift toward neopatrimonialism since the 1980s, especially over the past decade under Najib. The case sheds light on the specific potential for, as well as hurdles obstructing, institutional reform after a liberalizing electoral outcome,<sup>8</sup> and the real difficulty in moving beyond technical fixes toward more far-reaching, durable, politicization-resistant reform.

### **Money Politics under the Barisan Nasional**

To make sense of Malaysia’s present reform efforts—and of how anticorruption became such a lodestar—requires a grasp of how the system developed in its sixty-one years under the Barisan Nasional and progenitor Alliance coalitions. It was the Alliance, comprised of UMNO, the Malayan (later Malaysian) Chinese Association (MCA), and the Malayan (Malaysian) Indian Congress (MIC) that propelled the polity through independence from Britain in the mid-1950s, winning first municipal, then federal and state, elections. After racial tensions rattled Malaysia’s communal—ethnically stratified, albeit imperfectly consociational<sup>9</sup>—polity and nearly two years’ suspension of parliamentary rule, the Alliance reorganized as the expanded Barisan Nasional, incorporating a slightly shifting array of more or less communal, and national or state-based, parties. By the time Najib assumed the premiership in 2009, after a poor electoral showing in 2008 cost the BN its two-thirds parliamentary supermajority for the first time and obliged Abdullah Ahmad Badawi to step down as prime minister, the key players were firmly established as UMNO, the MCA, the MIC, and UMNO-free Sarawak’s *Parti Pesaka Bumiputera Bersatu* (United Indigenous Heritage Party, Bersatu). Opposing this camp at that point were the Democratic Action Party (DAP), *Parti Keadilan Rakyat* (People’s Justice Party, PKR),<sup>10</sup> and PAS, united in Pakatan Rakyat—itself the successor

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<sup>8</sup> Marc Morjé Howard and Philip G. Roessler, “Liberalizing Electoral Outcomes in Competitive Authoritarian Regimes,” *American Journal of Political Science* 50, no. 2 (2006): 365-381.

<sup>9</sup> Meredith L. Weiss, “The Consociational Model in Southeast Asia: Is It (Still) Relevant?” *Taiwan Journal of Democracy* (special issue) (May 2013): 149-170.

<sup>10</sup> When launched in 1998, PKR was *Parti Keadilan Nasional* (National Justice Party), an outgrowth from NGO *Adil* (Just), self-styled as chief vehicle of the Reformasi movement that the combination of the 1997 Asian Financial Crisis and a rift between Mahathir and then-deputy Anwar Ibrahim sparked.

to a similarly constituted *Barisan Alternatif* (Alternative Front) for the 1999 elections.

While much can be said about the nature of the BN and its component parties, three features most concern us now: the expansion of party—business (and overlapping state—business) links since the 1980s; the usually collective, imperfectly contingent nature of electoral patronage it has favored; and its partisanization of the civil service.

### ***Party—Business Links since the 1980s***

Over its time in power, the BN reshaped Malaysia's political economy, being itself transformed in the process. Key to post-1969 restructuring was not just remaking the governing coalition, but also the economy, most substantially through the dramatic expansion of colonial and postcolonial affirmative action policies to benefit Malays and other Bumiputera, the popular majority and UMNO's core.<sup>11</sup> Kicking things off in 1966 was the launch of *Majlis Amanah Rakyat* (MARA, Council of Trust for the People) to replace the Rural Industrial Development Authority of the 1950s as a conduit for Bumiputera benefits,<sup>12</sup> followed by an UMNO-established investment cooperative in 1968. But real change came with the New Economic Policy (NEP) of 1971–1990, followed by the New Development Policy (1991–2000), the New Vision Policy (2001–2010), then the New Economic Model (2011–2020). These initiatives institutionalized a particular form of “money politics” in Malaysia: less vote-buying than parties' and politicians' direct or indirect control of companies, skewed distribution of rents such as contracts and subsidies, and interference in the corporate sector.<sup>13</sup>

The NEP allowed “a massive transfer of state funds to Malays” (and secondarily to other Bumiputera), in the name of tackling poverty, redistributing wealth, and reducing the identification of ethnicity with occupation.<sup>14</sup> Its provisions tallied to “an almost unlimited source of patronage,” channeled indirectly—for instance, requirements that government-linked corporations (GLCs) favor Bumiputera, that Bumiputera secure all smaller and many larger government contracts, and that housing developers reserve discounted units for Bumiputera.<sup>15</sup> The 1975 Industrial Coordination Act, which required

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<sup>11</sup> This section draws from Meredith L. Weiss, *The Roots of Resilience: Party Machines and Grassroots Politics in Southeast Asia* (Ithaca, NY: Cornell University Press, forthcoming).

<sup>12</sup> MARA's primary foci are economic and vocational assistance and education, particularly through a network of Bumiputera-only tertiary institutions.

<sup>13</sup> Edmund Terence Gomez, “Monetizing Politics: Financing Parties and Elections in Malaysia,” *Modern Asian Studies* 46, no. 5 (2012): 1371, 1374.

<sup>14</sup> John Funston, “UMNO—from *Hidup Melayu* to *Ketuanan Melayu*,” in *The End of UMNO? Essays on Malaysia's Dominant Party*, ed. Bridget Welsh (Petaling Jaya, Malaysia: SIRD, 2016), 44, 46 (e-book).

<sup>15</sup> *Ibid.*, 47–48.

30 percent Bumiputera participation for manufacturing licenses, was especially important, even after the MCA secured amendments to protect Chinese firms.<sup>16</sup> Although Chinese capital was less a target than foreign ownership, the community was negatively affected, including by its sharply reduced access to local tertiary education.

Ensuring non-Malays' general acquiescence were growth rates averaging 6.7 percent annually throughout the NEP, opportunities for joint ventures (as well as "Ali-Baba" arrangements, in which Malays were largely passive rentier capitalists), and later the NDP's recalibration to accommodate minority educational and cultural interests.<sup>17</sup> Resource rents also helped, especially once Malaysia became a net oil-exporter in the mid-1970s. The 1974 Petroleum Development Act gave federal authorities jurisdiction over petroleum—states control natural resources otherwise—proceeds from which enabled public-sector expansion and state spending in the 1970s through 1980s.<sup>18</sup> Also, the MCA itself became highly invested in media and other businesses, even as UMNO's improved financial standing made the party no longer dependent on MCA resources, as it had been in Alliance days.

Starting early in the NEP years, the government nationalized firms and established a range of public enterprises, both government-owned and public—private joint-ventures; by 1979, the government owned about 557 public enterprises.<sup>19</sup> The public-sector share of GNP—29.2 percent at the NEP's launch—peaked at 58.4 percent in 1981, but then dropped to 25.3 percent by 1993. That decline followed an aggressive shift toward privatization in the 1980s, for which Mahathir preferred picking winners, including UMNO leaders and well-connected businesspeople, to open tender.<sup>20</sup> By the mid-1990s, most of the largest Bumiputera-controlled firms were linked to top UMNO politicians;<sup>21</sup> the state divested itself of public enterprises, giving

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<sup>16</sup> K. S. Jomo and E. T. Gomez, "The Malaysian Development Dilemma," in *Rents, Rent-Seeking and Economic Development: Theory and Evidence in Asia*, ed. Mushtaq H. Khan and K. S. Jomo (New York: Cambridge University Press, 2000), 289-290, and Edmund Terence Gomez, "Malaysia's Political Economy: Ownership and Control of the Corporate Sector," in *Misplaced Democracy: Malaysian Politics and People*, ed. Sophie Lemièrè (Petaling Jaya: Strategic Information and Research Development Centre, 2014), 247-249.

<sup>17</sup> Heng Pek Koon, "The New Economic Policy and the Chinese Community in Peninsular Malaysia," *The Developing Economies* 35, no. 3 (1997): 262-263, 274-278, and "Chinese Responses to Malay Hegemony in Peninsular Malaysia 1957-96," *Tonan Aja Kenkyu* [Southeast Asian Studies] 34, no. 3 (1996): 47.

<sup>18</sup> Jomo and Gomez, "The Malaysian Development Dilemma," 280-282.

<sup>19</sup> Ng Beoy Kui, "Vulnerability and Party Capitalism: Malaysia's Encounter with the 1997 Financial Crisis," in *Mahathir's Administration: Performance and Crisis in Governance*, ed. Ho Khai Leong and James Chin (Singapore: Times, 2001), 165.

<sup>20</sup> Jomo and Gomez, "The Malaysian Development Dilemma," 288-289, and Edmund Terence Gomez, *Minister of Finance Incorporated: Ownership and Control of Corporate Malaysia* (Petaling Jaya, Malaysia: SIRD, 2018), 38.

<sup>21</sup> Gomez, "Malaysia's Political Economy," 251-253.

trust agencies on behalf of Bumiputera (particularly *Amanah Saham Nasional*, the National Unit Trust Scheme), individuals holding assets for UMNO, and pro-UMNO Malay capitalists first dibs on shares.<sup>22</sup> A smaller number of non-Malays also shared in government rents via GLCs.<sup>23</sup> As of 2013, the Malaysian government controlled 23.6 percent of the corporate sector and 42 percent of the market-capital value of the Malaysian stock market through seven GLICs and 35 GLCs, linked to a total of 68,300 companies.<sup>24</sup> Links between GLICs/GLCs and UMNO remained tight and multistranded overall.

However significant the real gains from affirmative action in areas such as equalizing access to higher education, such heavy state economic involvement presents risks of, for instance, conflicts of interest from the overlap between regulators and investors. Moreover, the direct involvement of government and party actors themselves has fostered heavy politicization, even though the number of UMNO politicians and party leaders on GLIC and GLC boards has declined since Ahmad Abdullah Badawi succeeded Mahathir in 2003. Not just economic recessions, but also intra-elite feuds—frequently themselves tied to downturns—distress GLICs deployed for bailouts of crony firms as well as GLCs, especially with the government’s takeover of those firms associated with ousted UMNO leaders, such as Anwar Ibrahim in 1998 and Daim Zainuddin in 2001.<sup>25</sup> Neoliberal rhetoric has not gotten in the way of politically useful channeling of benefits. For instance, after attracting Malay ire for his efforts to reform ethnicity-based equity regulations, reform GLCs, and decrease patronage upon assuming office, Najib announced maintenance of “market-friendly affirmative action” under the 10<sup>th</sup> Malaysia Plan and Bumiputera Economic Empowerment Programme in 2013, extending anew benefits in shares, housing, and GLC projects, and preferential access to government contracts. Rent-seeking and scandals persisted—but Najib had effectively shored up the Bumiputera support he needed to eke out a win in the 2013 elections.<sup>26</sup> Moreover, well-connected Bumiputera fare best; still-limited opportunities have frustrated newly stoked ambitions among others in the category.<sup>27</sup>

The increasing alignment of political and economic power has changed politicians’ incentives. Previously, UMNO dominated via demographic might, encouraging the party to prioritize economically marginalized voters, for

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<sup>22</sup> Ng, “Vulnerability and Party Capitalism,” 170.

<sup>23</sup> Gomez, *Minister of Finance Incorporated*, 40-45.

<sup>24</sup> *Ibid.*, 176, 182.

<sup>25</sup> *Ibid.*, 189-190, 218.

<sup>26</sup> Funston, “UMNO,” 100-101; Gomez, *Minister of Finance Incorporated*, 58-60.

<sup>27</sup> Francis Kok Wah Loh, “Strongmen and Federal Politics in Sabah,” in *Elections and Democracy in Malaysia*, ed. Mavis Puthuchery and Norani Othman (Bangi: Universiti Kebangsaan Malaysia Press, 2005), 84-86.

instance, through pro-Malay educational policies.<sup>28</sup> NEP restructuring created new distributional coalitions motivated to safeguard their own interests, including the military and religious establishment (by way of schemes such as the Armed Forces Provident Fund and Tabung Haji pilgrimage fund<sup>29</sup>), new bureaucratic cliques, and parties.<sup>30</sup> Still, much patronage stays within the party or “sticks to a few hands at the top”; as elsewhere, patronage furthers “intra-elite accommodation” as well as lures voters.<sup>31</sup> The result has been a “grasping and disorderly clientelism” amid (especially) UMNO elites’ “tireless pursuit of patronage,”<sup>32</sup> as well as entrenchment of “warlords” to be bought off in party elections.<sup>33</sup>

But the icing on the toxic cake was sovereign-wealth fund 1MDB, launched in 2009. The 1MDB fund was tasked with making strategic investments (focusing on energy, real estate, and other sectors) for national benefit. It had scarcely gotten off the ground before it was wracked by debt and confronted by mounting revelations of political intervention and irregular accounting. Especially damning was a 2015 expose of USD700 million that mysteriously had been deposited into Najib’s personal accounts, allegedly from 1MDB.<sup>34</sup> Najib declared that the funds had been a Saudi donor’s contribution to UMNO’s 2013 election campaign—which, if true, would not violate Malaysia’s (near-nonexistent) campaign-finance laws. Whatever their source, UMNO indeed had enjoyed the benefit of a “massive patronage machine” for that year’s elections. Hundreds of millions of dollars flowed through 1MDB’s corporate social responsibility arm, *Ihsan Perdana Berhad*, to UMNO politicians and to schools, hospitals, village heads for *umrah* (pilgrimage to Mecca), and other beneficiaries, draining 1MDB resources.<sup>35</sup> By 2018, as elections again approached, the Malaysian government largely had called off investigations at home, declaring the matter settled. Investigators overseas were less sanguine, including in the United States, where then Attorney General

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<sup>28</sup> Tariq Thachil, “Embedded Mobilization: Nonstate Service Provision as Electoral Strategy in India,” *World Politics* 63, no. 3 (2011): 487-488.

<sup>29</sup> That the former became vulnerable as rent-seeking peaked in the 2010s may help explain increasing pro-opposition mobilization among veterans’ groups.

<sup>30</sup> James V. Jesudason, “The Developmental Clientelist State: The Malaysian Case,” *Humboldt Journal of Social Relations* 23, nos. 1 & 2 (1997): 155.

<sup>31</sup> Nicolas van de Walle, “Presidentialism and Clientelism in Africa’s Emerging Party Systems,” *Journal of Modern African Studies* 41, no. 2 (2003): 312-313.

<sup>32</sup> William Case, “New Uncertainties for an Old Pseudo-Democracy: The Case of Malaysia,” *Comparative Politics* 37, no. 1 (2004): 92.

<sup>33</sup> TI, *Reforming Political Financing in Malaysia* (Kuala Lumpur: Transparency International—Malaysia, 2010), 78.

<sup>34</sup> Tom Wright and Simon Clark, “Investigators Believe Money Flowed to Malaysian Leader Najib’s Accounts Amid 1MDB Probe,” *Wall Street Journal*, July 2, 2015.

<sup>35</sup> Tom Wright and Bradley Hope, “1MDB and the Money Network of Malaysian Politics,” *Wall Street Journal*, December 28, 2015.



Jeff Sessions extended an antikleptocracy investigation, begun under the preceding administration. That wider context made restoring Malaysia's *maruah* (dignity) among nations a campaign rallying cry for the opposition.

Nonetheless, however massive the scandal—one of the world's largest corruption and money-laundering cases to date—and however much its scale risked disequilibrating Malaysia's patronage order, it still might have blown over politically in Malaysia, at least unless and until investigations overseas implicated local politicians directly. Not only was macroeconomic growth still decently robust,<sup>36</sup> but also use of these funds purportedly to feed election machinery distributed the benefits widely. Nor does it help that "1MDB" is metonymy for a mind-numbingly complex saga. A March 2015 survey by Malaysia's respected Merdeka Center for Opinion Research found that fully 39 percent of respondents were oblivious to 1MDB and another 30 percent only minimally aware; only 29 percent said they knew at least "quite a lot" about the case. Only one-third faulted the prime minister or federal government.<sup>37</sup> Pakatan candidates worked assiduously to make 1MDB meaningful and legible by putting it in easily grasped household-economic terms, also lambasting Najib and his wife Rosmah's extraordinary wealth, rather than portraying matters in abstract norms of governance or morality. In the end, the case, along with a clutch of other high-profile financial scandals, *helped* to turn the tide toward a Pakatan victory. But arguably, that progress was slowed by long-term acclimation to the opaque intertwining of politicians in business and by how deep such networks (not to mention 1MDB-derived campaign resources) reached. Certainly within UMNO and the BN, antipathy to too-close scrutiny of financial dealings was to be expected.

### ***Electoral Patronage***

The electoral angle is key. Vote-buying and cognate "retail" strategies are comparatively rare in Malaysia, practiced more in remote rural areas (especially in East Malaysia: the Borneo states of Sabah and Sarawak) than among the urbanized majority, especially on the Malay peninsula.<sup>38</sup> What is common are forms of collective patronage or club goods. While all contenders have offered such lures, the party in federal power has enjoyed a clear advantage, and has used it; BN candidates have opened kindergartens, launched bridges and roads, announced villages' worth of low-cost housing, promised irrigation and electrification schemes, and more in the course of their campaigns.

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<sup>36</sup> GDP growth had been consistently positive since 2009, and 5.9 percent in 2017. See <https://data.worldbank.org/indicator/NY.GDP.MKTP.Kd.zg?locations=my> (accessed April 11, 2019).

<sup>37</sup> Merdeka Center, "Perception towards 1Malaysia Development Berhad Controversy," March 12–27, 2015, slides 4-5, 10, 12.

<sup>38</sup> Malaysia is over 70 percent urban overall, across primary ethnic categories, although "rural weightage" and over-representation of East Malaysia grant small rural seats undue weight as a proportion of parliament.

Sweetening the deal are free-for-all buffet dinners, just-in-time distribution events for welfare checks dating to the just-concluded legislative session, and other satisfying ceremonies, to make clear those politicians' value to their communities. Nor does the munificence start with the campaign.

The clearest signal of an impending election in Malaysia is the budget. For the 2018 election, that signal came in October 2017, with a federal budget that Prime Minister Najib described as "happy news that will put a smile on everyone's faces."<sup>39</sup> Increasing spending by 7.5 percent over the preceding year, the budget singled out a panoply of groups for benefits, bonuses, or assistance: civil servants, GLC employees, mothers, women generally, students, middle-income taxpayers, senior citizens, the disabled, caretakers, farmers, fishers, rubber-tappers, oil-palm workers, *orang asli* (indigenous) villages, entrepreneurs, and others. It funded investments in health care and housing, airports, special economic zones, roads, sports complexes, and schools. And it supplemented benefits earlier that year, including to Federal Land Development Authority (FELDA) families and recipients of *Bantuan Rakyat 1Malaysia* (1Malaysia People's Aid, BR1M), an unconditional cash-transfer scheme introduced in 2012, then progressively enhanced and extended.<sup>40</sup>

BN's manifesto, launched just over a month before polling day, pledged creation of three million new jobs; infrastructure and social-assistance spending; more targeted benefits (for women, youth, specific states, and groups such as FELDA settlers); and doubled-up BR1M payments for 2018.<sup>41</sup> The gifts kept coming as the campaign commenced, down to eleventh-hour promises of tax relief for anyone under twenty-six and bargain prices for low-cost housing residents to purchase their flats.<sup>42</sup>

The BN was not alone in turning public spending to partisan advantage. Pakatan offered many of the same sorts of benefits as its rival in 2018—enabled by its control of the Penang and Selangor state governments—including even a wedding allowance to echo a localized BN promise.<sup>43</sup> Pakatan, like the BN, pledged to build more and better affordable housing, to expand scholarship programs, to make more small-business loans and agricultural supports available, and to improve access to public transportation and health care. For

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<sup>39</sup> "Malaysia Presents Populist Budget Targeting Voters Ahead of Polls," *Today* (October 27, 2017), <https://www.todayonline.com/world/malaysias-najib-unveils-expansionary-budget-polls-loom> (accessed June 1, 2019).

<sup>40</sup> "No Telling What Will Happen at the Polls," *The Edge Malaysia*, June 19, 2017, p. S2. On BR1M, see Frederico Gil Sander et al., "Malaysia Economic Monitor: Towards a Middle-Class Society" (Bangkok: World Bank, 2014), 74-75, 84-85.

<sup>41</sup> Lee Hwok Aun, "BN's Manifesto Rides on Material Gains and Patronism," *Today* (April 17, 2018), <https://www.todayonline.com/commentary/bns-manifesto-rides-material-gains-and-patronism> (accessed July 18, 2018).

<sup>42</sup> Najib Razak, campaign rally speech, Wangsa Maju, Kuala Lumpur, May 1, 2018.

<sup>43</sup> Kow Gah Chie, "BN Pledges to Sponsor Mass Weddings in FT Manifesto," *Malaysiakini* (April 22, 2018), <https://www.malaysiakini.com/news/421049> (accessed July 19, 2018).

neither side were such promises pitched *only* to win elections, of course, but the range of targeted beneficiaries highlighted key constituencies to mobilize, such as women and youth. Both DAP and PKR, too, had embarked well in advance of the elections on reputation-enhancing infrastructure initiatives, notwithstanding their limited resources, such as small-scale hydro- and solar-power projects in East Malaysia; as the polls neared, they also promoted new projects in the states they controlled. Indeed, while electoral patronage has long been rampant, recent elections suggest a new scale and scope, not only demanding deep pockets and presenting barriers to entry to smaller parties or independent candidates, but also potentially deterring efforts to clean up governance *too* much, lest voters prove more interested in perks than principles.

But the imbalance in the resources it commands has given the BN an overwhelming advantage over challengers in Malaysia's patronage-driven politics, highlighting its essentially neopatrimonial aspect. Although Malaysian politics has remained consistently more institutionalized than in more thoroughly neopatrimonial polities, the role of the party (and of specific leaders thereof) has been to sustain hierarchical, dependent, loyal relationships: to eschew structured collective bargaining over public policies, to sideline the range of organized social interests, to elevate personal patronage over ideology or law, and to personalize rule.<sup>44</sup> Although Najib is not the first Malaysian prime minister to centralize and personalize power, his party deinstitutionalized in important ways as he increasingly turned the state to his own enrichment and—as loose threads started to unravel—protection.

Small, rural, especially economically underdeveloped seats have been where the BN's neopatrimonial aspect has been most pronounced. There, the BN's well-funded, extensive grassroots machinery, as well as its recourse to state machinery, have offered a seemingly near-indomitable advantage in canvassing, wooing, and mobilizing voters. (Only PAS has been able to match the BN's approach, and only on the east coast, among Malay voters.) For instance, only the BN has been able to afford to transport campaign workers to constituents, and constituents to polling stations, in highly inaccessible parts of Sabah and Sarawak. Even when the BN has repeated the same promises, election after election, those ever-plausible mirages, coupled with concrete, much-needed, if smaller "goodies" at election time, have done much to coax support in poor, largely rural areas. Supplementing budgetary benefits such as BR1M—of limited marginal benefit to working-class households in urban areas, where the cost of living is comparatively high, but carrying real impact for poor households or those in regions where MYR500 stretches further—have been a range of lures for voters in urgent need of infrastructure and services, from water tanks and zinc sheets for roofs, to community centers and religious facilities. The 2013 election, for example, in which the BN sustained this vote-

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<sup>44</sup> Michael Bratton and Nicolas van de Walle, "Neopatrimonial Regimes and Political Transitions in Africa," *World Politics* 46, no. 4 (1994): 458-459.

bank, saw promises ranging from regional universities, to a new crematorium, to agricultural-assistance schemes.<sup>45</sup>

Until the shakeup of 2018, the BN had cultivated particular dependency in still-significantly underdeveloped East Malaysia. In 1992, longtime Sarawak Chief Minister Abdul Taib Mahmud announced a “politics of development” strategy, which he defined as “a total commitment to development by using the power of politics to make sure that we achieve our development objectives.”<sup>46</sup> The purposefully vague policy lacked measurable targets and excluded communities that backed opposition parties.<sup>47</sup> BN campaign promises carried forward the theme thenceforth, though, offering tens of billions of ringgit to fund roads, water, electricity, housing, and health care.<sup>48</sup> As on the peninsula, over time, urban voters, who are generally less dependent on such investments than, for instance, more remote, poor minorities, and are concerned about both corruption and state autonomy, came to resist these appeals.<sup>49</sup> The BN made its expectations clear. Distributing MYR18 million in government allocations to Chinese educationists in Sibu, Sarawak, days before a 2010 by-election, for example, Najib proposed, “I help you, you help me. ... We will do what we should to give you what you want. And you know what I want.”<sup>50</sup>

Facilitating this patronage order have been exceedingly weak laws on party and campaign financing. Malaysia’s Election Commission (EC) caps what a candidate may spend during the campaign at RM200,000 (approximately USD 50,000) per parliamentary seat and half that amount per state seat. Yet, actual spending, at least among BN candidates, typically has far exceeded that level. (Electoral-reform discussions since 2018 have homed in on campaign finance, among other issues; a key concern is setting a cap on spending high enough to be realistic, but not so steep as to disadvantage small-party or independent candidates.) In 2013, the BN’s central party organization reportedly provided an allocation equivalent to the EC limit to each of the coalition’s candidates. The coalition also provided otherwise-expensive

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<sup>45</sup> For details from across constituencies, see Meredith L. Weiss, ed., *Electoral Dynamics in Malaysia: Findings from the Grassroots* (Kuala Lumpur and Singapore: SIRD and ISEAS, 2014).

<sup>46</sup> Quoted in Andrew Aeria, “The Politics of Development and the 1996 Sarawak State Elections,” *Kajian Malaysia* 15, nos. 1&2 (1997): 59.

<sup>47</sup> Faisal Hazis, “The Politics of Development in Sarawak,” *Akademika* 77 (2009): 96.

<sup>48</sup> Faisal S. Hazis, “Patronage, Power and Prowess: Barisan Nasional’s Equilibrium Dominance in East Malaysia,” *Kajian Malaysia* 33, no. 2 (2015): 12.

<sup>49</sup> For example, Neilson Ilan Mersat, “‘Blue Waves Versus Political Tsunami’: Sarawak and the 2008 Malaysian General Election,” *Akademika* 77 (2009): 113-132; Francis Kok Wah Loh, “Understanding Politics in Sabah and Sarawak: An Overview,” *Kajian Malaysia* 15, nos. 1&2 (1997): 9-10; and Faisal S. Hazis, “Patronage, Power and Prowess: Barisan Nasional’s Equilibrium Dominance in East Malaysia,” *Kajian Malaysia* 33, no. 2 (2015): 13-15.

<sup>50</sup> Joseph Sipalan, “Najib Tells Sibu: You Help Me, I Help You,” *Malaysiakini* (May 12, 2010), <https://www.malaysiakini.com/news/131646> (accessed June 8, 2019). (BN lost, barely.)

campaign paraphernalia (posters, flags, and so on) to candidates and took care of nationwide publicity, peppering highways and mass transit with billboards and newspapers with clever full-page advertisements, starting long before nomination day, the official start of the campaign period.<sup>51</sup> Many Pakatan candidates that year likewise indicated having received funds from party headquarters, but generally only about one-tenth of what the EC allowed, supplemented by a small stock of campaign materials (which some candidates actually had to purchase from party headquarters). Pakatan (nationally or at the state level) also sponsored a national advertising campaign, but not one anywhere near the scale and visibility of the BN's. Even when their parties have kicked in substantial funds and supplies, though, candidates generally have had to top-up allowances or other payments to their campaign workers. As a BN campaign worker in Sabah explained in 2013, "*Kalau tidak disuntik vitamin, macam mana mahu jalan?*" (If they are not given vitamins, how will the work get done?).<sup>52</sup>

Although reforms are now under way—and its more aggressive stance in by-elections since the 2018 general elections suggest a new mindset and approach—the EC has done very little until now to enforce its spending limits and other rules.<sup>53</sup> Moreover, the laws now under review require only that the EC keep tabs on candidates' or their designated agents' direct expenditures, and only during the official campaign period. Much—even most—of what actually has been spent has thus not been reported to the EC. Moreover, funds parties or candidates have raised have been poorly (or not at all) documented. The flaws in the system have long prompted pleas for better reporting, transparency, and enforcement.

### ***Partisan Civil Service***

In the prevailing environment, accountability has lagged, amid complaints of abuse of power, unfairness, and other problems. Weak legislative oversight or ministerial responsibility, the sluggishness one might expect of a politicized bureaucracy, and curbs on media and monitoring efforts have left few effective checks.<sup>54</sup> The Malaysian Anti-Corruption Commission (MACC), established in 1967, however prominent, until now has investigated fewer than 7 percent of reported cases, more often petty than really substantial allegations, and has seemed to target opposition politicians; the Auditor-General, too, has limited capacity or authority to investigate irregularities in government accounts.<sup>55</sup>

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<sup>51</sup> See Weiss, *Electoral Dynamics in Malaysia*.

<sup>52</sup> Interview by research team, Sabah, April 20, 2013.

<sup>53</sup> Josie M. Fernandez, ed., *Reforming Political Financing in Malaysia* (Kuala Lumpur: Transparency International—Malaysia, 2010), chap. 4.

<sup>54</sup> Noore Alam Siddiquee, "Paradoxes of Public Accountability in Malaysia: Control Mechanisms and Their Limitations," *International Public Management Review* 7, no. 2 (2006): 56-59.

<sup>55</sup> *Ibid.*, 49-53; Francis Kok Wah Loh, "Restructuring Federal—State Relations in Malaysia: From Centralised to Co-Operative Federalism?" *Round Table* 99, no. 407 (2010): 139.

Scandals have grabbed headlines: most recently, revelations of improper channeling of funds and contracts related to the Port Klang Free Trade Zone in 2009, mismanagement and graft revealed in a state cattle-farming scheme in 2010, and the huge 1MDB debacle, entailing massive debts and misappropriation.<sup>56</sup>

Part of the problem has been a civil service turned toward the interests not just of the state, but of the dominant party. Since 2018 (and before that at the state level), Pakatan government officials have complained of “sabotage” by civil servants still loyal to the ousted BN government—even as some acknowledge that what appears to be mischief may really be more incapacity (in some cases) or mere sloth.<sup>57</sup> But “bureaucratic internalization of the ruling parties’ interests” not only has allowed the BN to coordinate and consolidate vertical (federal—state) and horizontal (political—bureaucratic) control over the course of the coalition’s decades in power, but also has left civil servants “subject more to political control than to public accountability mechanisms.”<sup>58</sup> Having internalized the BN’s messages and objectives, civil servants have adopted BN-supporting perspectives as “behavioral norms” over the years; without prompting, they have assimilated BN interests and approved or crafted policies accordingly.<sup>59</sup> The challenge for Pakatan, then, not only has been to learn *how* to govern, especially for those coalition politicians who previously were only in opposition (or are new to government altogether), but to departisanize and/or win over the civil service. Now, too, Pakatan must determine whether to seek to turn the civil service to its own advantage or to foster nonpartisan professionalism. (At least officially, the latter position has won out, though the former remains possible, however low-key its execution.)

## **Governance and Anticorruption Efforts since the 2018 Elections**

The structure of patronage has made tackling it difficult—not just the fact that so many politicians benefit personally and in their election campaigns from GLC and other rents, and the allure of, for instance, a loyal civil service, but also the extent to which Bumiputera preference rests at the core of these policies. The majority of Malaysians see their own interests as being at risk, rightly or wrongly, should the system be cleaned up, if doing so (as rhetoric both for and against often suggests) entails shifting from race-based to need-

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<sup>56</sup> Abdilllah Noh, “Political Change and Institutional Rigidity in Malaysia: Is There a Way Out?” (Singapore: ISEAS—Yusuf Ishak Institute, 2016), 12-13, 15, and Gomez, “Monetizing Politics,” 1386.

<sup>57</sup> Interviews by author with cabinet ministers and other officials and reformers, February 2019, Putrajaya and Kuala Lumpur.

<sup>58</sup> Hidekuni Washida, *Distributive Politics in Malaysia: Maintaining Authoritarian Party Dominance* (New York: Routledge, 2019), 76.

<sup>59</sup> *Ibid.*, 77.

based state aid and reducing or eliminating those preferences *not* pitched toward reducing poverty. While we might understand Malaysians as being just as prone to “economic voting” as voters elsewhere, what that means in terms of vote-choice and preference is not so straightforward: personal economic decline under one government may not encourage defection if the alternative compromises what little extra edge a given voter has.<sup>60</sup>

Malaysia is not new to anticorruption efforts. For its first five decades, the MACC (established as the Anti-Corruption Agency in 1967, and with permutations in name and function since then) was reasonably independent and critical, notwithstanding periodic (rebuffed) efforts at interference. Once the chief commissioner moved toward charging Prime Minister Najib with 1MDB-related corruption in 2016, though, its top leaders were forced out; the agency remained quiescent, effectively blocking more aggressive investigations, until after Pakatan took the reins. The new government’s National Anticorruption Plan (discussed below) then laid the ground for a more empowered and independent MACC.<sup>61</sup> The previously credible parliamentary Public Accounts Committee tracked a similar trajectory. Other initiatives, such as the *Institusi Integriti Malaysia*, maintained credibility, but limited policy efficacy per se; Integriti focused largely on cultural change, for instance, by developing curricular plug-ins for age-appropriate children’s trainings. Government Transformation Programmes (GTPs) introduced in 2010 and 2012 furthered the effort, targeting identified National Key Results Areas (NKRAs), ranging from upgrading standards of living and fighting crime, to governance-specific efforts at “reducing corruption” (as through a new whistle-blower protection act), centered in a purpose-built Performance Delivery and Management Unit (PEMANDU), established in 2009 under the Prime Minister’s Department.<sup>62</sup> Taken together, though, these institutions have offered limited monitoring, enforcement effort, or empowerment, and have focused more on formal than informal institutions.

When Pakatan came into power, however, it was with governance as its central concern. As in, for instance, Uruguay (as Daniel Buquet and Rafael Piñeiro explain in this issue), party competition was clearly a factor in

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<sup>60</sup> See Meredith L. Weiss, “Money, Malfeasance, and a Malaysian Election,” in *Missed Signs or Late Surge: Malaysia’s 14<sup>th</sup> General Election and the Defeat of Barisan Nasional*, ed. Francis Hutchinson and Lee Hwok Aun (Singapore: ISEAS—Yusof Ishak Institute, forthcoming), chap 6.

<sup>61</sup> Prime Minister’s Department, *National Anti-Corruption Plan*, <http://integriti.my/giacc/wp-content/uploads/2019/01/National-Anti-Corruption-Plan-2019-2023.pdf> (accessed April 12, 2019), especially objectives 1.4.12 and 5.3.3.

<sup>62</sup> Government of Malaysia, “Government Transformation Programme: Annual Report 2010” (Putrajaya: Jabatan Perdana Menteri, 2011); World Bank, “Driving Performance from the Center: Malaysia’s Experience with PEMANDU,” <http://www.worldbank.org/en/country/malaysia/publication/driving-performance-from-the-center-malysias-experience-with-pemandu> (accessed February 18, 2019).

pushing anticorruption to the top of the policy agenda. Prime Minister Mahathir, reelected at the head of the coalition at the ripe age of 92, saw the opportunity to set the record straight one last time. The fact that he is the one at the helm, argue even one-time nemeses now his partners in the Pakatan government, is what best ensures at least short-term progress and momentum-building; interviews suggest essentially unequivocal belief that Mahathir himself is sincere and determined, however less sure the single-minded commitment of his presumptive successor, Anwar Ibrahim, or others in the government, given their need to navigate a longer-term political logic of securing reelection.<sup>63</sup> However, that all in Pakatan can see the extent to which messages of the BN's corruption fueled the 2018 election outcome has likely strengthened political will across the board. Building upon predecessor Pakatan Rakyat's 2013 *Buku Jingga* [Orange book], Pakatan Harapan's 2018 election manifesto hammered home governance. The second plank of the party's *Buku Harapan: Membina Negara Memenuhi Harapan* [Book of hope: Rebuilding our nation fulfilling our hopes] focused specifically on nineteen promises related to reforming institutions of administration and politics; a twentieth promise aims to make Malaysia a country known for its integrity, under the broader ambit of making Malaysia a more inclusive, moderate exemplar.

Almost immediately after the election, Mahathir and fellow Pakatan leaders set to work on institutionalizing a new framework for addressing corruption. Institutionally, the key prongs—apart from a revived, enforcement-focused MACC and related agencies—are a new Cabinet Special Committee on Anti-Corruption (JKKMAR, a revamped version of a semi-dormant, and never previously terribly energetic cabinet-level committee dating from the days of Mahathir's prior premiership) and a new National Centre for Governance, Integrity, and Anti-Corruption (GIACC) as a policy-planning unit. Supplementing these bodies have been, in particular, a Council of Eminent Persons (CEP) to advise the government on reform in its first hundred days, an Institutional Reform Committee (IRC) the CEP tasked with offering concrete suggestions, and a set of overlapping, longer-lasting consultative bodies for electoral, parliamentary, and other reforms. Helping in the effort have been not only highly capacitated and motivated experts from civil society, but also international partners, ranging from the United Nations Development Program (which set up a Governance program focused on institutional reform after the election), working multilaterally, to a host of bilateral would-be collaborators (governments and functionally specific technical agencies from Australia, Britain, Canada, South Korea, and elsewhere), jockeying for useful niches.

These efforts already have started to yield fruit. By early 2019, efforts were underway, for instance, to certify a pilot group of federal, state, and local

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<sup>63</sup> Mahathir functions much as the “signature public figures” whom Gergana Dimova describes (in this issue) in Romania—political leaders with both capacity and incentive to rewrite rules.



government entities as compliant with an antibribery mechanism; to determine ways to improve the capacity and independence of the judiciary, as a necessary, but weakened check on corrupt practices; to strengthen parliament through establishment of select committees and other institutional reforms; and to fulfill a Manifesto promise by establishing an Independent Police Complaints and Misconduct Commission. Ministries had introduced consultative processes for developing frameworks and policies. The Ministry of Foreign Affairs, for example, has promulgated—and secured parliamentary approval for—a new foreign policy framework developed via a Consultative Council and extending even to townhall meetings with students, to determine their priorities.<sup>64</sup>

A centerpiece reform, though, was the launch of the National Anti-Corruption Plan (NACP) in late January 2019. The NACP identified 115 concrete objectives, with a lead agency to pursue each deliverable, drawing especially on the more than two hundred proposals the IRC had submitted in mid-2018. (The IRC’s report has not been made public, however, to the committee’s consternation.) Reforms that would touch on parties and elections specifically are still in the works as of this writing. Although the Election Commission has been testing procedural tweaks already in the context of by-elections (e.g., adjustments designed to smooth the process of declaring candidacy on nomination day), an Electoral Reform Committee expects to require about two years to finalize its recommendations over nine topical clusters, from maintenance of the electoral rolls, to voter education, the conduct of elections, and political financing—potentially including suggested changes to the electoral system as a whole, perhaps to introduce mixed-member proportional representation.<sup>65</sup>

However promising these initial steps, much still depends on the will of specific individuals, not least Mahathir himself. Already in heading state governments from 2008 onward, then Pakatan Rakyat’s DAP, PKR, and PAS had developed similar practices of targeted assistance, credit-claiming, and partisanization of public policies (e.g., issuing welfare checks at constituency service centers or in party-branded envelopes), implicitly acknowledging the extent to which voters were likely to penalize them for eschewing such time-honored practices.<sup>66</sup> Even ideologically reformist now-MPs speak of being offered “envelopes”—cash from businesspeople or others in search of favors, which they may well keep—and of cultivating their own party-loyalist small-scale entrepreneurs to bid for government contracts, first in a sheltered way to allow them to become more competitive, before the government revamps the process fully, as promised, to open tender. GLC reform has been limited at best,

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<sup>64</sup> Interview by author with Minister of Foreign Affairs Saifuddin Abdullah, February 12, 2019, Putrajaya.

<sup>65</sup> Interviews by author with ERC members, February 10 and 12, 2019, Subang Jaya and Petaling Jaya, Malaysia.

<sup>66</sup> Weiss, *The Roots of Resilience*, chap. 5.

with politicians still entangled in firms' leadership, including under historically corruption-embroiled ministries such as Rural and Regional Development. Laments political economist Terence Gomez (in an op-ed that kicked off an acrimonious online exchange with former finance minister, and recent CEP member, Daim Zainuddin), we see "a gradual and perceptible attempt to reinstitute the practice of selective patronage in the conduct of politics and in the implementation of policies, hallmarks of Umno politics that led to its fall."<sup>67</sup> Mahathir's party, Bersatu, seems especially vulnerable: it is the only Pakatan party purposefully focused on Bumiputera advancement, and hence needs to affirm its support for the community. Moreover, its ranks are awash with UMNO refugees, including enough party-hoppers, some with decidedly tarnished records, to prompt expressions of concern from its coalition partners and civil societal watchdogs.<sup>68</sup>

### Potential Pitfalls

However sincere Pakatan Harapan's commitment to governance reform, particularly to dismember and preclude reconstruction of BN-era neopatrimonial and broadly corrupt praxis, the coalition faces daunting challenges. Especially, but not exclusively, where the same people are in office now as previously, old habits are bound to die hard, and that Pakatan is targeting so many state structures and policy areas at once runs the risk of broad but shallow, rather than more focused and incisive, reform. But even with idealistic, fresh faces (and an aged leader dead-set on sweeping the stage before he bows off), the mechanism of Pakatan's ascendance also sets a cap: elections. As noted above, in 2009, Najib Razak entered office with a "slew of economic, social and educational reform plans" in view; those proposals caused his popularity to surge in his first year. Yet, once he tried to reform Bumiputera privileges, the UMNO grassroots and affiliated Malay-rights organizations voiced aggressive displeasure. He backtracked.<sup>69</sup> That cautionary tale cannot be far from Pakatan, and especially Bersatu, leaders' minds.

A key reason for Pakatan's pushing through to victory in 2018 was Bersatu's ability to draw Malay votes; as the figurehead most associated, in the popular imagination, with NEP-type policies in Malaysia, Mahathir had the credibility to assuage these voters' concerns that voting in Pakatan might endanger their self-interest. Should governance reform mean Malay small contractors lose their lock on state contracts, or simply that Pakatan eschews the usual pot-

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<sup>67</sup> Terence Gomez, "Patronage Is King in New Malaysia?" *Malaysiakini* (January 11, 2019), <https://www.malaysiakini.com/news/459903> (accessed February 7, 2019).

<sup>68</sup> For instance, Bersih 2.0 press statement, "UMNO MPs En Masse Joining Bersatu: Destablising Democracy" (November 1, 2018), <http://www.bersih.org/press-statement1-november-2018-umno-mps-enmass-joining-bersatu-destablising-democracy/> (accessed February 19, 2019).

<sup>69</sup> See Gomez, *Minister of Finance Incorporated*, 58-60, for details.

sweetening community projects and promises during the next campaign, the coalition may run a serious risk of being voted out of office. Explained one Pakatan deputy minister, from his perspective as a former opposition MP, May 9 saw the “victory of democracy,” not of his coalition; should commitment to their reform agenda of institutionalizing a politically liberal order mean the coalition loses the next election, so be it. But he recognizes that others in his coalition feel differently; they would rather pull back on reforms lest the coalition fail to win again.<sup>70</sup>

Indeed, the evidence thus far is mixed. Since the May 2018 general election, we have seen a structurally empowered Election Commission investigating complaints and even disqualifying candidates for misbehavior. But recent by-elections also have seen Pakatan’s joining the BN in malfeasance such as misuse of state machinery and insinuating a link between the election outcome and state development aid.<sup>71</sup> And in keeping with praxis concerning Pakatan state-level GLCs over the past decade, the Pakatan federal government seems loathe to reduce the state’s role in the economy *too* much, even as the parties work to develop their own financial bases, to be less reliant on membership dues, fund-raising dinners, and swag sales, as in the past.

At the heart of the dilemma is the fact that corruption in Malaysia is not merely a matter of rent-seeking for personal enrichment—however far Najib in particular may have gone in that direction—but also a primary fuel for and output of election machinery. Given the ongoing, existential hurdle of the ever-next election, political will may thus fall short of what is truly needed to remake the system, especially looking below the apex of the state—since to be meaningful, institutional reform and new mindsets must percolate throughout the system. New political finance laws now being drafted are likely to require registration of donors, cap allowable donations, require that donations be made to the party proper rather than to individual politicians, and monitor spending by the party and candidates. Rules in development aim also to clarify precisely (or simply to enforce existing guidelines on) what the campaign-time caretaker government can and cannot do. These reforms may help to curb at least campaign-period distributions, even if more ongoing particularism is harder to squelch. But Pakatan is all too aware that its mandate is thin: the marginal shift in (presumably mostly Malay) votes that nudged the BN out and themselves in probably had more to do with ousting Najib than inviting systemic reform.

Grim prognostication aside, the fact of a new government—one awash, at least in rhetoric, with better governance, sustainable development goals, and

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<sup>70</sup> Interview by author, February 11, 2019, Putrajaya, Malaysia.

<sup>71</sup> For example, Zakiah Koya, “Most Number of Electoral Offenses in Cameron Highlands, Says Bersih,” *Malaysiakini* (January 31, 2019), <https://www.thestar.com.my/news/nation/2019/01/31/most-number-of-electoral-offences-in-cameron-highlands-says-bersih/> (accessed February 19, 2019), and Lu Wei Hoong, “Guan Eng: ‘Vote Harapan for Development’ Remark Taken Out of Context,” *Malaysiakini* (January 17, 2019), <https://www.malaysiakini.com/news/460717> (accessed February 19, 2019).

the like—encourages a normative shift, however incremental. Efforts in civil society—especially election reform coalition Bersih 2.0 (*Gabungan Pilihanraya Bersih dan Adil*, Coalition for Clean and Fair Elections), anticorruption groups such as C4 (Centre to Combat Corruption and Cronyism), and civil-liberties advocacy organizations such as Aliran (*Aliran Kesedaran Negara*, National Consciousness Movement) and Suaram (*Suara Rakyat Malaysia*, Voice of the Malaysian People)—as well as among online media (the highly popular *Malaysiakini* news site, for instance) not only helped Pakatan win, but also will be pivotal to sustaining reformist momentum. Not only is Bersih 2.0, for instance, actively reaching out to BN parties, to convert them to the cause of electoral reform,<sup>72</sup> but also dozens of civil society organizations (CSOs) launched a CSO Platform for Reform shortly after the 2018 elections. Although the immediate euphoria of Pakatan’s having won initially seemed to quell critiques, by June, CSOs had organized a dialogue session with around thirty parliamentary backbenchers, followed by additional meetings (albeit often with unclear impact beyond a photo op and chance to hand over a memorandum). Having first organized themselves to mirror cabinet ministries, in early 2019, the CSOs restructured; the Platform now includes thematic clusters, the better to accommodate issues such as electoral reform.<sup>73</sup> The coalition’s proactive outreach to government ministries and agencies amid the latter’s discourse of “consultation” makes meaningful collaboration at least somewhat more likely; given these advocacy organizations’ lack of the same electoral imperative that parties have, their involvement bodes well for keeping governance reform simmering, even if not at full boil.

### **Conclusion: A Fraught Beginning**

Malaysia’s unusual liberalizing electoral outcome, and the reasons for it, offer both impetus and a mandate for meaningful reform. At the same time, such peaceful, nondisruptive turnover also has left abundant remnants of the old order securely in place. Both buoyed and daunted by high expectations, the new Pakatan Harapan government has inherited a damaged state apparatus. Malaysia’s polity had veered from patronage-oriented to arguably neopatrimonial over the nine years of Najib Tun Razak’s premiership (2009–2018). Pakatan, and especially new-again Prime Minister Mahathir Mohamad, evinces real will to reform, and years of dogged mobilizing have built remarkable strength within civil society to support reform efforts, across key domains, complementing the legacies of prior state initiatives for anticorruption and broad “transformation.”

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<sup>72</sup> Interview by author with Thomas Fann, Bersih 2.0 chair, February 12, 2019, Petaling Jaya, Malaysia.

<sup>73</sup> Interviews by author with CSO representatives, February and April 2019, Kuala Lumpur and Petaling Jaya, Malaysia.

Yet, not surprisingly, substantial reform, particularly beyond technical fixes, surely will be more limited than idealists hope and slower than those raring for change would prefer. Three dimensions will be especially important. The first is to ensure that what reforms Pakatan enacts are institutionalized sufficiently well to outlive any one leader and equipped with checks and balances to prevent recurrence of similar abuses as in the past. Already we see new “power elites” developing, to repopulate not-yet-dismantled structural frameworks, particularly at the nexus of politics and business.<sup>74</sup> The second dimension will be socialization toward new norms, including popular acculturation away from now-endemic expectations among voters of generous leaders with the “personal touch” and seeing local deliverables, rather than holding those leaders accountable for legislation or programmatic achievements. Pakatan’s detailed 2018 manifesto offers voters a checklist—one on which the recently promulgated NACP elaborates further. But we have yet to see whether (and which) voters shift toward or cleave to a premise of responsible party government rather than determine they are better served by patronage. Third and finally, it remains to be seen whether Malaysia falls back toward old habits of adopting “accountability rhetoric and institutional reform” as a “defensive political strategy meant to placate critics and project a sense of commitment to reform,” recognizing the power of accountability as an idea, but sidestepping genuinely progressive or democratic intents.<sup>75</sup>

Malaysia’s experiment thus suggests potentially paradoxical results for governance and democracy. Success in curbing access to payouts or contracts could mean Pakatan loses the election and the BN (or some combination of UMNO and PAS) returns in 2023 with a mandate to spend and dole out more. Even if the latter outcome comes to pass, however, it seems all but inevitable that Pakatan will at least have enacted *some* meaningful reforms related to elections, parliamentary practice, judicial procedure, and governance safeguards in the interim. Meanwhile, Najib’s fate will hopefully serve as a cautionary tale for future leaders tempted to veer again from “honest graft” in the conjoint service of self and party,<sup>76</sup> to truly damaging neopatrimonialism.

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<sup>74</sup> Interview by author with E. Terence Gomez, February 9, 2019, Petaling Jaya, Malaysia.

<sup>75</sup> Garry Rodan and Caroline Hughes, *The Politics of Accountability in Southeast Asia: The Dominance of Moral Ideologies* (Oxford: Oxford University Press, 2014), 58, 86.

<sup>76</sup> William L. Riordon, *Plunkitt of Tammany Hall: A Series of Very Plain Talks on Very Practical Politics* (New York: A. A. Knopf, 1948).

