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Prime Minister Anwar Ibrahim at Mid-Term

By Ariel Tan

SYNOPSIS

Anwar Ibrahim is on track to complete his first full term as prime minister. While he presides over a stellar economy, racial politics continue to cast a shadow over his administration.

COMMENTARY

Malaysian Prime Minister Anwar Ibrahim is two months shy of the midpoint of his five-year term. Having consolidated his position, he is expected to complete his term and seek a second. The opposition's threats of taking down the government have tapered off. In fact, the most recent controversy concerned Anwar's support of a two-term limit for prime ministers and the opposition's racially charged response. Power entrenchment and reform versus racial and religious identification will continue to drive political discourse in the run-up to the next general election, to be held by January 2028.

Anwar's Achievements

Anwar's talent for political deal-making has enabled him to parlay the cards he was dealt in the 2022 general election. With Pakatan Harapan securing 82 seats out of 222, he became prime minister after forming alliances with former foes in East and West Malaysia and now holds a two-thirds majority in parliament. Perikatan Nasional, comprising mainly Parti Islam se-Malaysia (PAS) and Parti Pribumi Bersatu Malaysia, came in second with 74 seats. Anwar's manoeuvres have left Perikatan on edge – tensions simmer between PAS and Bersatu leaders, with the latter mired in graft charges and infighting.

Leveraging the powers of incumbency, Anwar has won the acceptance of key members of the Malay establishment for him to complete his term. The King has

signalled his support. Anwar has avoided moves that impinge on the power of the Malay-majority civil service and the Islamic bureaucracy. He has also raised their wages and recently announced Aidilfitri assistance of RM500 for civil servants at the lower grades and RM250 for government retirees.

The Malaysian economy is buoyant. The minimum wage was raised to RM1,700 in February. Catching up on lost time, the government has announced plans to promote new technology sectors and implement long-delayed infrastructural projects. The Malaysian stock market and ringgit were top performers in Asia for 2024, supported by government-linked companies and global trends.

Approved investments reached a historic high, and the economy grew by 5.1 per cent in 2024, outperforming the 3.4 per cent growth of 2023, driven by strong domestic demand and recovery in exports and tourism. This trend is expected to continue, although the drivers of growth may be dampened by tax expansions and subsidy cuts slated for 2025 as well as potential global trade disruptions.

These positive macroeconomic indicators need to be felt on the ground for them to benefit the ruling coalition at the ballot box. Even so, for some voters – Malays and non-Malays – race and religious identity may trump economic performance. While non-Malay voters have increasingly voted for Harapan, most Malays have tended to vote for Malay nationalist or Islamist parties.

Anwar has sought to move voters away from race identity by focusing on the economic interests of the working and middle classes. However, while there may be growing anti-elitist sentiments among some, they may still not support Harapan. Race is still seen as overwhelmingly shaping one's social, educational, economic and political prospects.

Finally, the Anwar administration has focused on survival over political reforms in its first two years. Anwar's record on handling corruption is mixed. Key affiliates, such as allied United Malay National Organisation (UMNO) leaders and Sabah coalition partners, are perceived to have been treated with kid gloves in corruption cases. Concerns for judicial independence were heightened by the outgoing Chief Justice's recent public warning against interference in judicial appointments.

The government has signalled its willingness to do more. It recently pushed through the Parliament Services Act to enhance parliament as a separate branch of government, reducing its dependence on the executive.

Stalemate and Racialisation of Politics

The outcomes of multiple state elections and by-elections at both state and federal levels since GE2022 suggest that voters prefer the status quo and wish to avoid further political swings. On the positive side for the ruling coalition, this means that should the next election yield similar results, the same component parties and allied parties could return to power with Anwar as prime minister.

On the negative side, Malay support for Anwar remains anaemic despite his reassurances on upholding Malay-Muslim privileges. Instances of racial and religious

discord continue unabated and are amplified in social media, where there is a sense that the prime minister is often reluctant to take a position, preferring to leave it to the King or the parties. Anwar may have recognised that he would need to take a clearer stand on such issues even at the expense of non-Malay support, as he recently did on the controversy over the relocation of the century-old Dewi Sri Pathrakaliamman temple and the building of a mosque in its place.

Anwar's challenge with conservative Malay voters primarily derives from his convictions over alleged sodomy and abuse of power, although he has since been pardoned. His long collaboration with the Democratic Action Party (DAP), which UMNO and PAS have demonised as anti-Malay, is viewed with suspicion by many Malay voters. The fact that DAP contributes 40 seats to Anwar's coalition while his party, Parti Keadilan Rakyat, has 31 seats is portrayed as him being beholden to DAP and thus doing their bidding.

Anwar's agreement with the proposed two-term limit for prime ministers at the recent DAP congress was used by PAS to allege that DAP was dictating to him to dismantle the Constitution. A PAS leader indicated that the party was willing to discuss the proposal on the condition that only a Muslim could hold the position. PAS president Hadi Awang characterised the two-term limit as going against god's will. Anwar has since asked the cabinet to study the issue. This is yet another instance of political reform being racialised. The proposal had, in fact, been backed by Harapan and PAS earlier.

Anwar might hope that coalition partner UMNO would bring in Malay support and seats with Malay-majority constituencies. However, there is pessimism among UMNO members who see graft-tainted UMNO leaders Najib Razak and Zahid Hamidi as liabilities. Most recently, UMNO's last prime minister, Ismail Sabri, was named a suspect in a corruption probe involving RM700 million in government funds. Despite UMNO having distanced itself from Ismail, this has further eroded the party's standing.

According to an annual survey by Merdeka Center, Malay sentiment towards the unity government remained negative but improved in 2024, with 36 per cent of Malays feeling that the country was heading in the right direction, compared to 55 per cent who thought otherwise. In 2023, the findings were 23 per cent and 67 per cent, respectively. It also found that Anwar's approval rating had risen to 54 per cent, up from 50 per cent the previous year. However, 53 per cent of respondents felt the country was heading in the wrong direction, a slight decrease from 54 per cent previously.

Conclusion

Anwar would be credited if he succeeds in leading his government to full term – Malaysia's first since the collapse of UMNO/Barisan Nasional rule in 2018, paving the way for a culture and process of peaceful transfer of power at the federal level. On the other hand, he is seen as highly constrained in his ability to bring about change to the old order and to deliver on the reforms that are the mainstays of Harapan's agenda, particularly in combating corruption, checking executive power, and adopting a multi-racial approach to governance.

Most concerning, hate speech and racial discord have not abated. An annual study on racism by the civil society group Pusat Komnas recorded 28 cases involving federal lawmakers in Parliament out of 73 cases last year. It [noted](#), “the MPs have used racial and religious sentiment in their speeches, placing subtle and/or overt hints of racial superiority, stereotyping, prejudice, and misinformation of existing laws”.

The opposition risks overplaying the race card in the absence of a clear and future-oriented governance programme. PAS has been lacklustre in delivering economic growth in the four states it governs – although Bersatu is seen to have leaders with deeper experience in federal government. While economic performance is important, economic management is often assumed to be handled by elite civil servants and technocrats in the key economic ministries in any case.

To win over more Malay voters, Anwar would need to continue persuading them that he is a strong and trustworthy leader capable of bringing peace and order to race relations. If he fails to do so in the next election, the Malay-based parties may seek to regroup and form their version of a unity government.

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