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Asia in 2023: Navigating the US-China rivalry

Edited by
Michelguglielmo Torri
Filippo Boni
Diego Maiorano

viella

A large, intricate mandala pattern in a lighter shade of green, partially visible in the bottom right corner of the cover. It features concentric circles of geometric and floral motifs.

CENTRO STUDI PER I POPOLI EXTRA-EUROPEI “CESARE BONACOSSA” - UNIVERSITÀ DI PAVIA

ASIA MAIOR

The Journal of the Italian think tank on Asia founded by Giorgio Borsa in 1989

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In 2023, public discourse in Malaysia was dominated by identity politics, framed around the imperative of safeguarding Malaysia's national core. These dynamics obscured the intricate interplay of geographical, socio-demographic and economic marginalization, further polarizing voter preferences across the country. Within this framework, the newly appointed unity government struggled to promote reforms aimed at revitalizing the Malaysian economy and ensuring a fairer distribution of benefits, beyond existing ethnic-based policies. The Anwar administration progressively aligned its political narrative with the established discursive patterns of Malaysian political culture, averting public questioning of existing governance and political practices. In foreign policy, the Prime Minister leveraged his image as a Southeast Asian and Muslim leader to bolster Malaysia's relations with ASEAN countries and with the Muslim world. Within the latter in particular, Malaysia adopted a clear stance, notably through his outspoken condemnation of Israel and open support for the Palestinian cause.

KEYWORDS – Identity politics; Malaysia Madani; 3R; social disparities; unity government.

1. Introduction

In Malaysia, the year 2023 witnessed a growing trend in public debates being shaped by racially and religiously framed narratives, echoing the tones set in 2022 during the 15th general election (GE-15) campaign [Saleem 2023]. A Malay-centric rhetoric surfaced in the political discourse of the newly installed unity government led by the Pakatan Harapan (PH), an alliance of the Democratic Action Party (DAP), the Parti Keadilan Rakyat (People's Justice Party, PKR) and other smaller parties. Besides the PH, the unity government comprised three other coalitions: the Gabungan Parti Sarawak (Sarawak Parties Alliance, GPS), the Gabungan Rakyat Sabah (Sabah People's Alliance, GRS) and the Barisan Nasional (BN), led by the United Malays National Organization (UMNO), a Malay nationalist party. On the opposition side, the Parti Pribumi Bersatu (Malaysian United Indigenous Party, Bersatu) and Parti

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Islam Se-Malaysia (Islamic Party of Malaysia, PAS) – the main parties within the Perikatan Nasional (National Alliance, PN) coalition – continued to advance their hard-line brand of Malay religious nationalism.

The dominance of identity politics emerged in the context of increasing public disillusionment with long-unmet promises of reform to tackle widespread corruption, boost economic development and uplift the living conditions of the downtrodden sections of society. In this particular scenario, analysts and observers of Malaysian politics warned that, if not contained, the normalization of polarizing political narratives could alter the country's socio-political landscape for the years to come [Leong 2023].

In fact, appealing to racial and religious themes in Malaysian public discursive repertoire is longstanding. Similar dynamics have shaped political debate, state interventions and economic policies since the country's independence in 1957. In particular, Muslim-Malay dominance has provided the basis of political legitimacy along the principle of 3R – an acronym standing for «race, religion, royalty». The 3R concept encapsulates the racial-religious underpinnings of Malaysia's consociational state. It defines a political discourse that endorses Muslim-Malay primacy while also promising to address the ethnic-based socio-economic inequalities inherited as a legacy of British colonial policies [Rajandran and Lee 2023: 5]. Since independence, economic imbalances have negatively affected the Bumiputera («sons of the soil») – a Malaysian term describing the Malay majority and other indigenous peoples of Southeast Asia – compared to ethnic Chinese and Indian minorities. In the aftermath of independence, the sharp socio-economic disparities led to socio-political unrest, with racial riots erupting in 1967. As a response, the state introduced the Bumiputera agenda¹, a policy of affirmative action favouring the Malay majority and other minoritarian indigenous communities. The Bumiputera agenda reinforced the conflation of Malay identity and Muslim faith, already enshrined in article 160 of the Constitution.

In addition, throughout Malaysia's post-colonial history, allegiance to Malay royalty has served as a foundational element of national identity. Nonetheless, this principle has not invariably dictated government policies over time, nor has it uniformly underpinned political strategies and positioning [Hamid and Zawawi 2023: 25].

Notably, in the aftermath of GE-15 and leading up to the 2023 state elections², the 3R has assumed new significance, with identity discourses

1. On the origin of the Bumiputera agenda see [Mangiarotti 2022: 230-31].

2. Each of the thirteen states of the Malaysian federation possesses a legislative assembly and an executive council led by a Chief Minister. State elections are organized every five years, usually coinciding with federal elections. However, in August 2023, only six states conducted elections, namely Kedah, Kelantan, Terengganu, Penang, Selangor, and Negeri Sembilan. These states had opted not to dissolve their assembly in 2022, when federal elections were held.

appearing pivotal in mediating access to political power [Leong 2023]. At the same time, however, the fault lines of social disparity manifested across multiple interlocking factors.

To trace the contours of these developments, this essay sets out to examine some key events that marked the year 2023, aiming to disentangle ongoing socio-political trends in Malaysia. It highlights how, in 2023, the framing of social disparities through race and religion-centred discourses obscured the reality of disenfranchised social groups, not only across class and ethnicity but also in terms of their geographical locations on the fringes of Malaysia's socio-political landscape [Washida 2023].

The first part of the essay deals with domestic politics. It examines how the multi-coalition unity government that was formed after the November 2022 polls dealt with the challenges posed by internal political heterogeneity. This part also analyses how a politics of Malay identity shaped the campaign leading up to the 12 August state elections and assesses its impact on the unity government's manoeuvrability amidst a public debate increasingly polarized along ethno-religious nationalist themes.

The second part focuses on the government's economic agenda. It analyses the Madani economy, an ambitious framework which re-envisioned a familiar theme of Anwar's political narrative, aiming to tackle deepening socio-economic cleavages.

Finally, the article surveys some major issues on the international front, with a particular focus on Malaysia's outspoken stance regarding the Israel's war on Gaza.

2. *Unity government at test*

At the onset of 2023, keenly aware of the uneasy foundations of his unity government [Saleem 2023], Prime Minister Anwar Ibrahim took steps to consolidate his position. He began his mandate with a motion of confidence in parliament to establish his majority, followed by the presentation of a Memorandum of Understanding that bound coalition partners to the unity government [Hutcinson 2023].

Then, in January 2023, Anwar presented the slogan «Malaysia Madani», articulating a vision for government policies aimed at addressing present and future economic, social and political challenges. Since independence, slogans have been used by prime ministers as a branding tool, setting the administration apart from their predecessors. The new narrative was meant to replace former Prime Minister Ismail Sabri Yaakob's «Keluarga Malaysia» [Malaysian family], which fostered a vision of unity and social peace [Mangiarotti 2022: 228-231]. Madani is an Arabic term, derived from the name of the city of Medina, which broadly translates as «civilized». Malaysia Madani stands in continuity with other slogans coined by other prime ministers, such as Abdullah Badawi's «Islam Hadhari» [civilizational Islam]

and Najib Razak's «Islam Wasatiyyah» [moderate Islam]. All of them have sought to promote a vision of society based on Islamic values in opposition to the Islamist conservatism propagated by PAS [Musa 2023: 9].

Despite the enticing rhetoric rooted in good governance, progress and humanity embedded within the Malaysia Madani tagline, electoral concerns and political calculations took precedence over promises of political and social revitalization. During the first half of 2023, parties in the ruling coalition and the PN opposition devoted most political efforts on garnering support from Malay voters in anticipation of the 12 August state elections. Ethnic Malays dominate most electorates within the six states that headed to the polls, with Kedah, Kelantan, and Terengganu considered to be the country's «Malay heartland»³. Meanwhile, the governing coalition attempted to strike a balance between the necessity to reassure public opinion about its Muslim-Malay foundations, while also living up to its image as a pluralist, reform-oriented administration.

2.1. *UMNO: an unruly ally within the ruling coalition*

An obvious challenge to the viability and reputation of the Anwar administration has been the uneasy association between PH and the UMNO-led BN. In November 2022, as the outcomes of GE-15 resulted in a hung parliament, the then Agong [Malaysia's constitutional monarch] encouraged and approved the alliance between the two coalitions, former staunch political rivals, to form the unity government [Saleem 2023].

The UMNO governed the country uninterruptedly for 61 years until suffering a historic defeat in the 2018 national elections. The party's electoral decline is linked to a history of corruption scandals and entrenched clientelism. Despite the repeated calls for internal rejuvenation coming from its traditional grassroots electorate, by 2023 the distance between UMNO's leadership and these groups appeared to have widened further.

In January 2023, party President Ahmad Zahid Hamidi announced a «large-scale cleansing of the party» to target internal «saboteurs» [‘A large scale party cleansing’ 2023]. Supposedly aimed at bolstering UMNO's credibility as a dependable government ally, the measure resulted in the silencing of some prominent internal critics, including senior party leaders [Chin 2023]. Each had voiced their opposition against Zahid's choice to form an electoral alliance with the Chinese-dominated Democratic Action Party (DAP). Due to its overtly liberal-progressive agenda, furthering good governance, anti-corruption and socio-cultural pluralism, DAP has traditionally been viewed as an opponent of UMNO, particularly among the latter's Malay vote base.

3. With the notable exception of Penang, a small, wealthy and highly urbanized state with large ethnic Chinese (44.5 per cent) and ethnic Indian (9.7 per cent) populations [Hutchinson 2023, 23 November].

Hamidi's efforts to align UMNO with the agenda of the unity government proved insufficient to quell public distrust, particularly amid the corruption scandals involving Hamidi and other prominent party members. Hamidi was facing prosecution on 47 charges related to a corruption and money laundering case linked to a charity he established with the stated purpose of eradicating poverty [*Al Jazeera* 2023, 4 September]. The legal charges against the President emerged as fellow party member and former Prime Minister Najib Razak was serving a 12-year prison sentence for his involvement in the 1MDB state fund corruption scandal [Lemière 2023b].⁴ In September 2023, an unexpected court decision withdrew charges against Hamidi and halted his prosecution. The move elicited anti-government protests across major cities; Prime Minister Anwar was accused of betraying his anti-corruption stance by helping Hamidi in exchange for political support [*Associated Press* 2023, 16 September].

Despite internal challenges, UMNO's participation in the unity government has yielded some mutually beneficial outcomes [Ostwald 2023]. As identity discourses gained traction across the political spectrum, the party's image as the traditional champion of Malay nationalism provided voters with an alternative to the more extreme Islamist ethno-nationalist stance promoted by the PAS and BN alliance [Rahim 2018].

2.2. *A tightrope walk*

In 2022, political polarization along racial lines became a key feature of the run up to GE-15 [Saleem 2023]. As the unity government took office, the political climate appeared stiffened around divisive 3R tropes. On the one hand, UMNO intensified a rhetoric of Muslim-Malay dominance to counter the growing appeal of rival PAS among young rural voters. On the other, the PH coalition led by Anwar Ibrahim's People's Justice Party (PKR) diluted its reformist platform in response to accusations of undermining Malaysia's religious and cultural foundations⁵. In this regard, PH sought to enhance its appeal among Malay voters, particularly those who may be wary of the coalition's position on multiculturalism and inclusivity.

Assuming the positions of prime minister and finance minister, Anwar assembled a politically disparate cabinet in a bid to reconcile the political vision of PH and that of the other parties within the ruling «coalition of coalitions». The diverse and sometimes conflicting nature of the unity gov-

4. Concerns about the unity government's ability to carry out its anti-corruption and reform agenda have been further reinforced in February 2024, after the Malaysian Pardons Board, led by the outgoing Agong, halved Najib's sentence to six years.

5. During an interview with Radio Television Malaysia (RTM) on 7 January 2023, Anwar said: «sometimes these politicians will say that if Anwar becomes prime minister then Islam will be ruined, secularism and communism will gain a foothold, and LGBT will be recognised. This is a delusion. Of course, it will not happen and God willing under my administration this is not going to happen». [*New Strait Times* 2023, 7 January].

ernment's political groupings triggered speculation regarding the prospects of its survival [Jamaluddin 2023].

In a move that many considered potentially self-defeating, Anwar appointed his friend Hamidi as one of two deputy prime ministers. The nomination, which came despite the legal issues haunting UMNO's reputation, aimed at consolidating the unity government by securing UMNO's support. Hamidi's appointment was thus motivated by pressing realpolitik imperatives but cast a shadow over Anwar's commitment to anti-corruption, a foundational theme of PH's political platform.

As debates about the viability of Anwar's diverse cabinet grew, he also endeavoured to uphold PH's inclusivity principles, with moves designed to cater for areas of the country historically marginalised by peninsular-centred nation-building policies. In this regard, he appointed Fadillah Yusof of Parti Pesaka Bumiputera Bersatu (PBB), who thus became the first deputy prime minister from Borneo in the country's history. In addition, Eastern Malaysian MPs obtained relevant portfolios within the unity government, aiming to ensure consensus among East Malaysian voters in exchange for increased political representation and relevance [Mishra 2022, 24 December].

As state elections approached, Anwar found himself walking a tight-rope between expectations of his largely urban voter base – shaped around his long-cultivated image as a reformist and progressive leader – and the pressure of conservative pro-Malay forces questioning the legitimacy of his political power against the dictate of «race, religion, royalty».

In this context, the consolidation of a politics of Malay identity in public discourse overshadowed the multiple interlocking lines of socio-demographic and economic marginalization that have increasingly deepened social cleavages and influenced voters' preferences in Malaysia.

2.3. State elections



Figure 1. Malaysia states' map. Source: Wikimedia commons.

In the first half of 2023, less than a year since the last general election, Malaysia's political parties were gearing up for another electoral showdown. The two affluent states of Selangor and Penang were set to cast their votes

alongside Kedah, Kelantan and Terengganu, three of the country's five poorest states. In addition, elections were held in Negeri Sembilan, a coastal state with sharp internal variations in terms of economic development and socio-demographic distribution [Zhang and Chin 2023]. In the polls, the PH-BN alliance faced the federal opposition alliance Perikatan Nasional (PN). At the time, each coalition held three of the six states.

The ruling coalition fell short of showcasing to the public a convincing political narrative. This deficiency was considered especially detrimental as a substantial portion of voters hailed from rural, young and economically disadvantaged segments. These demographics have been less inclined to support PH and BN, and the lack of an appealing and coherent programme from these parties further diminished their chances of gaining favour among these groups [Welsh 2023]. Furthermore, thanks to the Constitutional Amendment Act 2019 (CA2019), which lowered the voting age from 21 to 18 [Saleem 2021], a large portion of the electorate in the six states comprised those aged 18-21. In the 2022 general election, PAS was able to gain traction among this very age group, especially in the rural heartland. For these reasons, state polls were seen as a litmus test for Anwar's administration [Pathak 2023, 28 July].

PH and BN appeared focused on reassuring voters about their roles as guardians of Malay-Muslim dominance. Anwar invested much political capital in presenting himself as a Muslim-Malay leader committed to upholding the Bumiputera agenda [Hutchinson 2024]. Remarkably, although during its first six months the government had implemented policies aimed at tackling the country's deepening socio-economic challenges, these measures' potential long-term effects remained at the margins of the electoral message of the PH-BN alliance. Instead, preoccupations that the so-called «green wave» – meaning the rise of Islamist PAS at the expense of a declining UMNO – would gain further momentum dominated public debates. Representatives of the ruling coalition devoted much effort in projecting the PN opposition as fuelling a dangerously extremist 3R narrative, threatening to undermine Malaysia's multicultural fabric. One month before the polls, a statement by Anwar during a press conference confirmed the increasing dominance of polarizing narratives in public debate:

to anyone who disobeys the law and challenges the constitution sowing seeds of division, the consequences not only from the government but also other parties, and also from discussions with a few of the Malay rulers is for this country to be saved from these clusters of people who are so desperate for power that they are willing to sacrifice the wellbeing of the people by causing chaos and discontent [...] consider this a final warning from the government [*New Strait Times* 2023, 11 July].

While the Prime Minister's remark was addressed at the entire political spectrum, it was implicitly calling out PN and its use of a divisive eth-

no-religious nationalist rhetoric in its campaign. Anwar's warning followed a number of statements by other political leaders mentioning the instrumental deployment of 3R narratives as detrimental to the country's stability and intercommunal relations.

In the end, the August state elections did not substantially alter the political equilibrium, although they confirmed some underlying trends. The ruling coalition kept the opposition at bay, maintaining its hold on Negeri Sembilan, Penang, and Selangor. The outcome can be partly ascribed to the remarkable growth of the DAP, which won 47 out of 48 of the seats it contested. The DAP had consistently positioned itself as a bastion of multiculturalism and civil rights. Its convincing performance in the state elections sheds light on the liberal electorate's growing concern over the identitarian bent displayed by several parties across the political spectrum.

The results also revealed the fault lines in the governing coalition's political narrative. As noted, the failure to effectively communicate key measures, particularly those aimed at empowering youth [Pathak 2023, 28 July], must be contextualized against the backdrop of a growing crystallization of the political debate around the theme of religious-racial belonging. In this context, pressing socio-economic issues affecting significant segments of the Malay electorate appeared to resonate more with PN's sectarian rhetoric than with PH's more transversal promises of equity and redress. In these circumstances, voters' support for the main coalition within the unity government was framed largely as against the opposition rather than as an endorsement of PH's platform of democratic reform.

Besides capitalizing on the steady decline of UMNO's popularity [Wong 2023], PAS has spent decades cultivating a support base among young Malay voters in the poorest states.⁶ The party's political narrative blends religious messages and moral values, while prioritizing the economic grievances of impoverished Malays in geographically neglected areas. Moreover, the party has been able to garner legitimacy in certain urban wards and outside its traditional rural strongholds, because past governments have failed to deliver on electoral promises. PAS has directly addressed the expectations of disenfranchised and impoverished voters, both Malay and belonging to neglected minorities.

The precarious political equilibrium among the different factions within the governing coalition benefitted from the anti-hopping law passed immediately before the November 2022 national elections, which prevented continuous defections within political parties [Subhan 2023]. However, in the post-election scenario, Anwar appeared increasingly preoccupied with strengthening Malay support for his leadership and the unity government

6. According to Altaf Deviyati Ismail, PAS' successes in the national and state elections must also be attributed to the decade-long effort in creating an ecosystem of educational, religious and communal spaces where the seeds of religio-political revival have assiduously been cultivated [Deviyati 2023].

[Lemière 2023a]. The state elections thus reinforced the political polarization to the detriment of the unity government's reform agenda.

2.4. «*Malaysia Madani*»: *A tenuous political narrative*

Presenting his «*Malaysia Madani*» slogan on 19 January 2023, Anwar said:

Madani means we must have good values and prioritise good governance and ethics. This will be crucial as we face 2023. Madani will be the approach we take where we disregard race, religion and political affiliations so everyone can have a fair chance» [*MalayMail* 2023, 19 January].

Madani has been an underlying feature of Anwar's political narrative since he first introduced the concept in 1995, when he was Finance Minister and Deputy Prime Minister. Deeply rooted in Islamic principles of social justice and equality, the first conceptions of Madani encompassed a number of values including tolerance, freedom of thought, moderation, pragmatism and reciprocity [Musa 2023].

As the political philosophy underlying Anwar's unity government, the Madani 2.0 advocates sustainability, care, creativity, inclusivity, respect and kindness to address inequalities stemming from racial and religious divisions. This should primarily translate into measures for wealth distribution, good governance and anti-corruption [Musa 2023].

The concept has been considered a potentially innovative approach for Malaysia's social reconciliation and economic recovery [Lee 2023]. However, certain government actions have rendered Anwar's Madani narrative rather tenuous, especially on issues concerning vulnerable and minority groups.⁷

Notably, civil society organizations have harshly criticized the government's proposed amendments to citizenship regulations. Originally meant to tackle a law that prevented a woman to pass on Malaysian citizenship to her children born overseas, the bill also included amendments that removed other protections against statelessness [Lawyers For Liberty 2023, 24 June]. According to the Human Rights Commission of Malaysia, these amendments «could adversely affect vulnerable groups like children born out of wedlock, stateless children adopted by Malaysian parents, and foundlings». The government, however, responded to the pushback by adducing limited leeway on the matter, with the final outcome resting in the decision of the Conference of Rulers [Tong 2023, 10 July].⁸

7. Critics have also remarked that the concept of Madani had previously been used by Islamist groups to propagate conservative and exclusionary views of Malaysian society [Aznan *et. al.* 2023].

8. The Conference of Rulers comprises the rulers of the nine Malay states and four governors from states lacking a hereditary ruler. The Conference has a number of functions, including electing the Agong (King) and approving certain amendments to the Federal Constitution.

The Anwar administration also displayed an increasingly conservative approach to civil liberties issues, suggesting a departure from PH's traditional progressive stance. In August, the government banned a series of LGBTQ-themed Swatch watches for «promoting, supporting, and normalizing the LGBTQ+ movement that is not accepted by the general public in Malaysia» [Strangio 2023, 11 August]. The ban was issued amid a growing crackdown on queer culture in Malaysia.

Especially in the run-up to state elections, the escalation of nationalist Muslim-Malay rhetoric appeared to influence the government's approach to several other social issues, including group-targeted policies.

On 5 August, during a question-and-answer session at Penang Matriculation College, an Indian student confronted Anwar regarding the flaws in pro-Bumiputera ethnic quotas in education. The student asked:

When will the quota system be abolished and replaced by a meritocracy system? My friends and I, as well as others that are not known, are affected by this quota system, all because they don't have Bumiputera status [Hwok-Aun 2023].

Despite the student's efforts to elaborate on her question, a visibly irritated Anwar interrupted her, claiming he has already addressed similar inquiries in previous sessions. He further accused her of being unfair to disadvantaged Bumiputera students and insisted she should have instead brought up specific cases of non-Malays being denied access into public universities [Ibidem].

Political opponents and several social media users criticized Anwar for essentially cutting off the student [Haizan 2023, 7 August], with the PN opposition demanding an apology from the Prime Minister [*Malaysia Now* 2023, 6 August]. This exchange underscored how group-based divisions persisted in dominating public discourse, despite the government's rhetoric of social harmony and cooperation. Yet, social cleavages have seldom been explicitly addressed in relation to the longstanding and emerging socio-economic disparities as well as issues of ethnic minority underrepresentation within Malaysia's changing social landscape.

Political discourse in 2023 revolved around the issue of social polarization and identity politics on the one hand and preserving Malaysia's core on the other. In these circumstances, any attempt to openly interrogate the current state of governance apparatus and political practices was shunned as sensitive or politically volatile. This trend highlighted the problematic way in which political power relates to the interlocking dimensions of race, community, as well as socio-economic and demographic factors.

3. *The Madani economic policy*

Despite the predicaments of politicized discourse, the Madani concept has provided the government with a blueprint for economic reform.

In mid-2023, Anwar launched the «Madani economy» framework, aiming to align the policies with the moral values underpinning government action. Against the challenges linked to the country slowing economic growth, heavily affected by a dwindling export industry and rising food inflation, the new scheme aimed to boost the country's wealth and position Malaysia as a leading Asian economy, while also guaranteeing a just re-allocation of the benefits. Within this framework, the government proposed seven key performance indicators to assess its economic mid-term targets within a 10-year period [Ministry of Finance Malaysia 2023a].

The presentation of the Madani economy plan was followed in October by the tabling of Budget 2024. Themed *Economic Reform, People's Empowerment*, the scheme allocated some MYR 393.8 billion (US\$ 82.4 billion). Among the various policy priorities, measures such as revenue protection, progressive taxation and reduced subsidies for the more affluent classes resonated with the Madani philosophy. The Budget is rooted in Anwar's vision of a «humane economy», a concept he developed over the course of his long political career. Based on the goal of creating a more equitable society, Anwar's humane economy complements «efficiency with welfare, growth with redistribution, and development with compassion», linking economic reform with moral and social renewal [Teik 2020: 23]. During his Budget 2024 presentation speech, Anwar proclaimed:

the economic policy is supposed to be geared towards growth and economic flattening. However, a huge amount of subsidies has benefitted the rich. It is hoped that by improving the leakage of subsidies, the proceeds can be distributed to the Rakyat (citizenry) including the increase in wages of the working class [Ministry of Finance Malaysia 2023b].

Overall, the Madani economy framework provides a roadmap for policymaking that could effectively enhance the country's economic standing while also uplifting the socio-economic conditions of the downtrodden [Tham 2024, 23 January]. However, the government's capacity to deliver on its reform planks remains to be seen. According to a report by the economic magazine *The Edge*, based on the 2019 data of the Department of Statistics of Malaysia, the vast majority (71.6 %) of households earning less than RM 3000 a month are Bumiputeras, compared to the 18.8 % Chinese, 7.4 % Indian and 1.4% households of other ethnicities [Yeap 2020, 12 August]. According to Sophie Lemière,

all indicators point toward the same ethnic and geographical directions: Malay communities in states located along the eastern and northern coast, as well as communities living in East Malaysia (specifically Sabah), remain economically more vulnerable than those in urban peninsular Malaysia [Lemière 2023b].

The nexus of ethnicity and geographical location in determining disparities and inequalities has been a major challenge to the government's

economic policy, especially in the context of a political debate locked in racially and religiously framed narratives. To follow up on its promise to tackle structural socio-economic disparities, the government needs to take regional inequalities into account besides ethnicity-based policies [Rongen *et al.* 2023]. Yet, a similar move is likely to be perceived as a threat to the interests of ethnic Malays, who constitute the major recipient of redistributive policies under current affirmative action policies.

Similar to Malaysia Madani's political narrative, the unity government's economic programme has struggled to translate political discourse into bold reform measures, which, nonetheless, could easily trigger opposition and calls for the government's removal. Anwar has seemed keenly aware of the risk of losing further traction among the Malay lower classes, especially with a public debate polarized along racial-religious lines.

4. *International scenario*

On the international front, the Anwar government has focused on three main priority areas [Tan 2023].

First, it has sought to strengthen relations with ASEAN member states and to boost Malaysia's role as a strategic player in the region, by pursuing an active agenda of diplomatic visits. In these contexts, besides promoting bilateral and multilateral cooperation, Anwar repeatedly spoke out on the humanitarian crisis in Myanmar. During visits to Thailand and the Philippines in early 2023, he urged ASEAN governments to condemn the junta's human rights violations in order to uphold «the cause of justice and the rule of law» [Anwar Ibrahim 2023, 2 March]. As pragmatically, he sought to tackle the inflow of Myanmar refugees into Malaysia [Gomez 2023, 2 March].

Second, Anwar's foreign policy has prioritized the Middle East, with the aim of enhancing his standing as a dependable leader within the Muslim world. The PM's approach has relied on the Madani philosophy, promoting Islamic values in both domestic and international politics. In particular, Anwar has consciously emphasized his personal and political affinity with Turkish President Recep Tayyip Erdogan. Anwar has also taken a clear stand vis-à-vis Israel's war on Gaza. Soon after taking office, he responded to Hamas's congratulatory messages by reaffirming Malaysia's support for the Palestinian cause. While Malaysia has never entertained diplomatic ties with Israel, it has hardened its position in the wake of the Gaza crisis, with Anwar becoming one of Israel's most vocal critics in the international political arena. On 20 December, he announced that Israel-registered ships and foreign vessels heading to Israel would be banned from Malaysian ports. He presented the measure as a response «to Israel's actions that ignore basic humanitarian principles and violate international law through the ongoing massacre and brutality against Palestinians» [*Al Jazeera* 2023, 20 December].

Thirdly, Anwar's unity government reaffirmed the country's non-alignment strategy vis-à-vis major power rivalry. Nonetheless, the administration has improved bilateral relations with China, through several high-level meetings with Chinese officials and visits to Beijing in March and in September [Tan 2023]. While the disputes in the South China Sea remain a point of contention between the two countries, Anwar has showcased a rather conciliatory attitude. This approach has drawn criticism from the PN coalition, which has accused the unity government of prioritizing economic projects that would enhance China's influence in Malaysia at the expense of the broader national interest.

5. Conclusion

In 2023, despite facing challenges from a heterogeneous coalition and from the polarization of public debate, the unity government managed to maintain its hold on power. While many observers considered the August state elections a litmus test for the soundness of the government, these contests also served as significant indicators of major socio-political developments in the country.

The Anwar administration's stance on critical issues regarding economic and social disparities was influenced by the consolidation of identitarian discursive repertoires. Anwar strategically aligned his rhetoric with the established discursive patterns of Malaysian political culture, projecting himself as a Muslim-Malay leader embodying national moral values. In this context, his Malaysia Madani slogan, rooted in Islamic moral principles concerning social justice and civilization, hardly superseded the communal logics governing socio-political relations. The government thus faced limitations in its ability to manoeuvre, especially when revisiting ethnic-based policies, which no longer reflect today's complex intersections of race, geographical origin and demographics underlying economic and social disparities.

In foreign policy, Anwar leveraged his image as a Southeast Asian and Muslim leader to enhance Malaysia's relations with ASEAN countries, China and with the Muslim world. Within the latter in particular, Anwar adopted a clear stance, notably through his outspoken condemnation of Israel and his relationship with the Palestinian leadership of Hamas.

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