

Technium.

44/2023

2023

A new decade for social changes

Technium

Social Sciences

Powered by

PLUS
COMMUNICATION



International
Communication & PR



Continuation or Reinvention? Assessment and Prospects of the Internal and External Policies of the Anwar Administration in Malaysia

Zhao Xinlei

Ph.D. Candidate, School of International Studies/Academy of Overseas Chinese Studies, Jinan University, Guang Zhou, China

zhaoxlbob@gmail.com

Abstract. With Anwar Ibrahim becoming the 10th Prime Minister of Malaysia, Malaysia has finally entered a new period after three years of "political crisis". At this stage, despite the new administration, Anwar is still facing various domestic and foreign crises and challenges, including weak economic development, a volatile domestic political situation, a growing racial crisis and conflicts and confrontations between major powers. The internal policy will focus on revitalizing the economy and settling the domestic political situation, while the external policy will continue with pragmatic diplomacy and balanced diplomacy among major powers, and the development of relations with China will be the top priority of the Anwar administration. However, whether such internal and external policies will help to achieve Anwar's political goals and baggage still needs to be observed and analysed, and the fragile political base is also an unstable factor affecting the stability of the new Anwar administration.

Keywords. Malaysia, China, Anwar, internal and external policies

1. Introduction

With the conclusion of Malaysia's 15th national election on 19 November 2022, Malaysia ushered in a new round of ruling parties and leaders, but as this election saw the first hung Parliament in Malaysia's history, i.e., the final election results showed that no political coalition won a majority of seats, subsequently, under the mediation of the Supreme Leader of Malaysia, Sultan Abdullah, Pakatan Harapan(PH), the Barisan Nasional(BN), subsequently, and other parties announced a coalition administration, which resulted in the appointment of Anwar Ibrahim as the 10th Prime Minister of Malaysia, with the agreement of the parties and the coalition(Zhao,2023). As the new Prime Minister, Anwar has been in the spotlight because of his extensive political career. He served as Deputy Prime Minister of Malaysia from 1993 to 1999 and was recognized as Mahathir's deputy before being jailed twice for his crimes and losing his parliamentary status. For his part, Anwar is a keen participant in Malaysian politics and is keen to promote the country's political transformation and development. His successful election is a sign that his long-held political goals have been achieved and that the PH returned as the country's main ruling party after it failed in 2020. With Anwar's rise to power came

several problems, both at home and abroad, such as the political instability in the country, which was affected by the political crisis. However, the dissolution of the 14th Parliament by the previous Prime Minister, Ismail, marked the end of a political crisis that had affected the country for three years. However, the effects of the political crisis continue to be felt, and Malaysia's domestic political scene is still facing a massive crisis. In addition, the new global epidemic has taken a heavy toll on Malaysia's economic development, and the new administration needs to take adequate measures to revitalize the country's economy. In the process of promoting economic development, relations with major powers, especially China and the United States, with which Malaysia has frequent trade relations, are an essential part of the new Anwar administration's foreign policy to develop relations with these powers, as well as to unite bilateral relations with ASEAN members and stabilize Malaysia's neighbourhood. These issues have become an important test of whether Anwar's new administration can successfully lead Malaysia back to prosperity. The key to solving these problems lies in the internal and external policies adopted by the new Anwar administration to solve the various problems at domestic and to develop relations with neighbouring countries and even major powers such as China and the United States, especially at a time when the conflict between Russia and Ukraine has not yet been reasonably resolved, and the conflicts and contradictions between significant powers are becoming increasingly acute, posing huge risks and crises to small and medium-sized countries such as Malaysia. The new administration also needs to take adequate measures to reduce the impact of the great power game on small countries such as Malaysia to safeguard national interests and security better. Therefore, the research question of this paper is what internal and external policies the new Anwar administration will adopt to solve the problems in the country and to deal with bilateral relations with neighbouring countries and major powers, and how much internal and external policies will affect Malaysia's future external and internal development. At the same time, the analysis of the internal and external policies and priorities of the new Anwar administration can also provide references and suggestions for China to develop its bilateral relations with Malaysia in the new era so that Malaysia-China relations can move forward in the direction of stability and prosperity in the new era.

2. Problems and dilemmas on the new Anwar Administration

Any new administration will face various problems and dilemmas when it takes office, both at home and abroad. Suppose an administration does not take adequate measures to address these problems but instead lets them go unchecked. In that case, they can lead to more severe problems and ultimately shake the administration's political foundations, so any new administration needs to address the country's current political and economic problems. In the case of Malaysia, despite the end of the three-year-long political crisis, the country's economy and politics are in a state of chaos, and the new administration needs to take adequate measures to resolve and promote the situation. As the new leader of Malaysia, Anwar is under enormous political pressure and burden, not only in terms of domestic political and economic problems but also in terms of relations with neighbouring countries and foreign powers. These problems can be divided into two categories, one being political, economic, and racial issues at the domestic level. The second category is that of foreign rivalries and conflicts within ASEAN.

(i) Domestic level

a. The domestic economy hit hard by the Covid-19 pandemic

In early 2020, with the global outbreak of the Covid-19 pandemic, Malaysia was no exception and was also strongly affected by the Covid-19 pandemic. In 2021, the outbreak was

proliferating, with confirmed cases increasing, leading to a stagnation of economic production and development in the country and worsening the epidemic. According to the data, Malaysia's economy will drop by 5.6% in 2020 compared to 2021, especially for Malaysia's tourism industry, which will cost Malaysia over 100 billion ringgit (approximately RMB 161.1 billion) in 2020. This is why Malaysian officials launched a 10-year plan at the end of 2020 to revive the tourism industry, which has been hit by the epidemic, among other things. As the Covid-19 pandemic progressed, Malaysia took adequate measures to contain the spread of the epidemic in the country. Eventually, it announced that it would reopen its gates to visitors worldwide on April 1, 2022. Although the reopening of the country's gates marked the beginning of Malaysia's re-engagement with the world, the Covid-19 pandemic still exists in Malaysia. It continues to constrain and affect the country's economic development. For the previous Anwar administrations, both Muhyudin and Ismail seem they failed to find a reasonable and effective way to lead Malaysia out of the quagmire of the epidemic, instead focusing mainly on domestic political party strife, which led to the country's economy being further affected by the epidemic, which also caused dissatisfaction among the Malaysian people. Therefore, for the Anwar administration, successfully promoting the recovery of the Malaysian economy will help it win the trust and support of the Malaysian people and will also help improve the position of the PH among the domestic political parties in Malaysia (HKTDC,2021). In this process, the resumption of economic cooperation with China will be an essential key, as the world's major economies have declared their coexistence with the new epidemic or reopened their borders in 2022, leaving China as the only country that still adheres to its zero policy and continues to implement a strict border policy, which makes economic exchanges and interactions with China highly inconvenient to many countries, including Malaysia. It is hugely inconvenient for many countries, including Malaysia, regarding economic exchanges and interactions with China. The announcement of the liberalization of China's Covid-19 policy at the end of 2022 and the reopening of the country's borders in early 2023 is an essential signal for Malaysia under Anwar's administration that the world's second-largest economy is finally coming back into line with the world. The Anwar administration should seize this critical opportunity to re-engage in a new round of economic interaction and cooperation with China and to boost Malaysia's economic recovery and development. In particular, with the Regional Comprehensive Partnership Agreement (RCEP) coming into force on January 1, 2022, the RCEP will also be a virtual platform and link to expand economic cooperation and exchanges between Malaysia and China. The Anwar administration can use this transparent and open platform to strengthen deeper economic and trade interactions and ties with China, providing a constant impetus to Malaysia's economic development in 2023.

b. Political turmoil at domestic

The 15th general election in 2022 was different from previous domestic elections in that it saw the first "hung parliament" in Malaysia's history, with neither the PH nor the BN being able to secure a majority of votes in Parliament. With more than half of the votes cast, Supreme Leader Abdullah declared a coalition of the different parties. However, the Perikatan Nasional (PN) refused to join the coalition administration formed by the PH and the BN, instead wanting to act as an opposition party to monitor Anwar's new administration. It seems that the PN does not trust Anwar's coalition administration and would prefer to replace him as the main ruling party in Malaysia, so they would constantly monitor him. The PN would challenge Anwar and the PH in the hope of taking over the country's leadership. For his part, Anwar needs to remain vigilant and aware of the crisis and formulate rational plans and policies to avoid

affecting his own stability. Another significant political problem for the Anwar administration is the weakness of the coalition administration under his leadership. It is evident in the fact that despite the coalition of the PH and the BN under Anwar's leadership, they only hold close to 30% of the Malay votes in Parliament, including UMNO, the largest Malay party, while the Parti Islam Se Malaysia (PAS) and the Parti Pribumi Bersatu Malaysia (PPBM) under the PN hold close to 60% of the Malay voters in the country. It is a significant shortfall for the coalition administration regarding Malay representation and a fragile political base for Anwar. The main reason for this is that Malaysia's leading political party, the BN, whose leading leadership group, UMNO, has performed very poorly on the issue of anti-corruption, with frequent serious corruption problems within the party, such as the allegations of serious corruption during the tenure of Malaysia's seventh Prime Minister, Najib, especially the alleged money laundering of the One Malaysia Berhad (1MDB) company founded by Najib, etc. Najib began to be questioned by the opposition parties and the public, indirectly leading to the BN losing its position as Malaysia's ruling party for the first time in the 14th Malaysian national election in 2018 to the Mahathir-led PH. The creation of the Najib incident led to the beginning a lack of trust and support for UMNO among the Malaysian public, coupled with a long-standing lack of concrete measures within UMNO to combat corruption, which led to a high incidence of corruption in the long run, the Malaysian public gradually lost confidence in UMNO. Therefore, when the BN announced that it would rule alongside the PH, this, in turn, drew backlash from the Malay public, who feared that corruption might still be a problem. Suppose the coalition administration under Anwar needs to take robust measures to address the country's corruption problem adequately. In that case, it will be a destabilizing factor that will shake Anwar's administration.

c. High divisions among Malaysia's ethnic groups

For Malaysia, one of the long-standing issues since the country's independence has been the issue of race (Guancha Syndicate, 2023). Malaysia is a multi-racial country, including Malays, Chinese, and Indians, with the Malay community accounting for around 70% of the population and the Chinese and Indians accounting for nearly 30%. This led to the most severe racial conflict in Malaysia's history, known as the "May 13 Incident", which took place on May 13, 1969. "The outbreak of the May 13 Incident also revealed the core issue that had plagued Malaysia's progress towards stability and unity, namely racial conflict. The ethnic Malays, who were dissatisfied with the economic dominance of the Chinese, believed that they, as the prominent members of the nation, should be the foremost leaders in all aspects. In contrast, the Chinese and Indians, as ethnic minorities, wanted to build an inclusive and united Malaysia. The issue of race has become a deep-rooted conflict that has plagued Malaysia's development. Successive administrations have taken various measures, such as the New Economic Policy (NEP), to improve the position of the Malay community in the national economy and to redistribute the share of the different races in the national economy. However, while this policy significantly affected the advancement of the Malays, it was at the expense of the Chinese, who fled in large numbers during the NEP period, which was counterproductive to Malaysia's goal of a unified racial state. For the Anwar administration, the issue of race was a matter of great concern. In addition to inter-ethnic conflict and struggle, the racial issue also manifests itself in divisions within an ethnic group. For example, within the Malay community, as mentioned earlier, the long-standing corruption issue has led to a large number of Malay voters no longer trusting UMNO, which they perceive to be ineffective in tackling and resolving the corruption issue, so they voted in large numbers for the BN's rival party, the PH, in the 2018 general

election, leading to the end of the BN's 60-year-long political time in Malaysia. The political time of the BN in Malaysia came to an end. The same problem was faced within the Chinese community. As the primary representative of the Chinese parties, the Malaysian Chinese Association (MCA) was also the main party involved in the BN. As a result of the MCA's disastrous defeat in the parliamentary elections between 2008 and 2018, losing its previous seats, MCA is at a disadvantage in the domestic political coalition. Moreover, on many issues surrounding the Chinese, such as the defense of Chinese language education, MCA needs to adequately express its views and defend the interests of the Chinese. With the birth of a new generation, many new generations of Chinese Malaysians no longer trust the old party, which faces serious divisions. In short, there are bitter divisions and conflicts between different races in Malaysia and between the same races, and this has become an important test for the success of the Anwar administration in leading Malaysia towards prosperity (Sina,2015).

(ii) International level

a. Conflict and confrontation between major powers

In addition to domestic issues that need to be addressed and resolved, the Anwar administration must also take adequate measures to deal with international emergencies. In particular, it has been a year since the Russia-Ukraine conflict erupted in early 2022, and the war between Russia and Ukraine is still ongoing, with an increasing impact on international politics and global economic development. The geopolitical rivalry and conflict between the major powers reflected in the Russia-Ukraine conflict have become unstable, threatening the current international political system. For many countries in the midst of it, the ability to take adequate measures to avoid or reduce the political and economic impact on their countries has become a critical test (Takashi, 2022). In the case of Malaysia, as a representative country in Southeast Asia, its long-standing foreign policy in dealing with significant power conflicts has been to adhere to a core of non-alignment and neutrality, adopting a hedging strategy to counterbalance conflicts and confrontations between major powers and reduce the impact on smaller countries such as Malaysia (Kuik, 2008;Chen, 2021), so as Malaysia's Foreign Minister Datuk Seri Saifuddin said in the face of the Russo-Ukrainian war, Malaysia is committed to remaining neutral in the ongoing Russo-Ukrainian war and will continue to work with the international community to find a suitable solution to the crisis in Ukraine(Azanis, 2022). In particular, Malaysia's significant geopolitical advantage has become the main focus of the contest between China and the US. In recent years, the rivalry and confrontation between China and the US have been on the rise and intensified, from the crackdown and sanctions against Chinese companies such as Huawei and ZTE during the Trump era and the subsequent outbreak of the US-China trade war to the Biden administration's new "Indo-Pacific Strategy," which aims to unite its allies in Asia and Europe in a concerted effort to contain China's further development in the Indo-Pacific region. China's further development and spread of influence in the Indo-Pacific region. Some scholars have even analysed the Biden administration's sanctions against Russia as a warning to China on the Taiwan Strait, warning it not to take military action against Taiwan to avoid more severe consequences. Malaysia has long maintained close ties and interactions with China and the United States. Economically Malaysia has been actively involved in China's "One Belt, One Road" strategy, based on which the RCEP has been established. Cooperation between the two countries has been deepening and expanding around the economic front. Although it seems complicated for the United States to replace China's critical role in Malaysia's trade development economically, given that Malaysia and China still have unavoidable conflicts and frictions over the South China Sea, Malaysia is deeply

concerned about the lack of political trust and reliance on China. This insecurity stems from the perception of threat caused by the power gap between small and large countries. Malaysia still needs to rely on broader cooperation with the US to find a stable balance in the US-China competition. As the Anwar administration comes to power, it will be necessary for Anwar and his administration to carefully consider whether they will continue the previous administration's foreign policy of maintaining close ties with the US politically and expanding cooperation with China economically or whether they will find a new path to develop relations with China and the US and other major powers. In addition to how to deal with conflicts and confrontations between major powers, how to deal with the knock-on effects of geopolitical conflicts between major powers is also an important issue. As a result of the conflict between Russia and Ukraine, the rising global prices of raw materials, freight, labour, food, fuel, and transport have exacerbated the pressure on operating costs. Malaysia has seen an increase in the cost of living, such as the rise in prices of essential goods such as food and fuel. Before the Anwar administration came to power, the Ismail administration had already taken specific measures, such as the establishment of Pasukan Kha's jihad Tangani Inflasi to effectively control the rising prices of commodities and the provision of subsidies to domestic consumers on fuel and some food prices to ensure that people's livelihoods would not be affected. However, these measures are still not enough, and more robust measures are needed from the Anwar administration to reduce the cost of living for Malaysians and to mitigate the impact of the Russo-Ukrainian war on people's lives.

b. Unity and division in ASEAN

The Association of Southeast Asian Nations (ASEAN) has played an essential and positive role in promoting regional peace and maintaining multilateral order since its inception. However, in recent years, ASEAN has faced various crises and divisions that have inevitably tested its stability and coordination capabilities. These crises have manifested themselves in two main ways. One is the need for coherence among member states on some critical issues. For example, in the Russia-Ukraine conflict 2022, ASEAN members reacted differently when deciding whether to follow the US and Europe in imposing sanctions on Russia. While most ASEAN countries have preferred not to adopt unilateral sanctions to resolve the Ukraine issue but to communicate through multilateral talks and consultations, Singapore has surprisingly adopted sanctions against Russia, including an arms embargo, restrictions on trade, and the suspension of financial services from four Russian banks. It is despite Singapore's emphasis on upholding international law and the purposes and principles of the UN Charter, which are fundamental to the survival of this small country (Times Newspaper,2022). However, such unilateral sanctions against Russia have seriously undermined ASEAN's long-held principles of neutrality and non-alignment and have led some countries to question the neutrality of ASEAN. As an alliance of small countries, ASEAN has long stood on the international stage by its principles of neutrality and non-alignment, which emphasize peaceful dialogue and negotiation in resolving international problems to avoid further deterioration. However, Singapore's behaviour, which is inconsistent with that of ASEAN member states, has dramatically undermined the neutrality and consistency of ASEAN's external activities and has undermined the long-held goal of ASEAN integration.

On the other hand, it also deepens the mistrust among ASEAN member states (Sputnik,2023). As ASEAN aspires to achieve a high level of political and economic integration, as the EU does, and this depends crucially on the coherence of the external activities and policies of all member states, Singapore's single sanction against a significant power gives

the other member states a deep sense of mistrust that national interests will be the most important political principle and will override the principles of coordination of the ASEAN multilateral organization, which will significantly reduce the degree of ASEAN integration. The second is the deterioration of ASEAN's immediate environment. In recent years, the US and its allies have stepped up their efforts to draw in and unite with ASEAN, hoping to make ASEAN a frontline position against China. They have established a series of international blocs around ASEAN. For example, the five-nation joint defense mechanism comprising the UK, Australia, New Zealand, Singapore, and Malaysia, the US-Japan-India-Australia Quadripartite Mechanism, and the AUKUS Agreement, etc. Establishing various international blocs aggravates the deterioration of ASEAN's surrounding environment and puts ASEAN in a great crisis. While ASEAN has long adhered to the principles of peace and neutrality in dealing with international issues, the various military blocs under the leadership of the US are forcing ASEAN to take sides in an invisible manner, which has greatly exacerbated the crisis of ASEAN's existence. Therefore, ASEAN members need to unite and take adequate measures to deal with geopolitical tensions and the deterioration of their neighbourhoods (Yuan,2023).

As far as the new Anwar administration is concerned, Malaysia has been playing a significant role in influencing and promoting ASEAN's foreign policy as a founding member of ASEAN and one of its key member states. With ASEAN facing massive internal and external crises and problems, it will be essential to see how the Anwar administration will respond to these problems and lead Malaysia to unite with other ASEAN members to tackle them.

3. Domestic and Foreign Policies of the Anwar Administration in the New Era

(i) The foreign policy of the Anwar administration

Compared to previous Malaysian administrations, the new leader, Anwar, faces many challenges, both internally and externally, that are far greater than those of his predecessor. As Malaysia's foreign policy is primarily influenced by the values and character of its leaders, Anwar's philosophy and style of governance will have a profound impact on the foreign policy of the new Malaysian administration. In Anwar's view, there are different levels of Malaysian foreign diplomacy, and different countries have different levels of importance in Anwar's administration. Therefore, the foreign policy of the new Anwar administration will depend to a large extent on the importance of interacting with countries in Malaysia's foreign affairs. These countries include Malaysia's neighboring countries and ASEAN, China, and the United States, Islamic countries such as Turkey and Palestine, Japan and European countries, etc., thus shaping the foreign policy of the Anwar administration in different ways.

The first is the pragmatic foreign policy of the Southeast Asian neighbors. For Anwar, the importance of diplomacy with Southeast Asian neighbors will be the priority of the new administration's foreign relations, not only because of the critical role of neighboring countries in maintaining security and stability in the region but also because both are members of ASEAN and stability and harmony in diplomatic relations with neighbors will help promote the stability and external development of ASEAN as a whole. Pragmatic diplomacy, on the other hand, focuses more on the practical acquisition of benefits, putting specific political differences and military frictions in second place to maintain stability in developing relations with other countries. For Malaysia, its most essential neighbors are Singapore and Indonesia. Anwar's first visit to Indonesia was on 9 January 2023, when he met and exchanged views with Indonesian President Joko on constructing a new capital, Nusantara. After he visited Indonesia, Anwar went to Singapore to meet with Prime Minister Lee Hsien Loong on 31 January 2023, where they signed three cooperation agreements in the areas of cyber security, digital economy, and

green economy (Guangming Net,2023), which will facilitate further cooperation between the two countries in areas such as trade facilitation, e-payment, and micro, small and medium enterprises (China-AESAN Panorama,2022). It shows that Anwar attaches great importance to developing bilateral relations with Indonesia and Singapore, making them the first and third countries he has visited since coming to power. It shows the importance of Indonesia and Singapore in Anwar's mind. Just after Anwar took office, Indonesian President Joko expressed an optimistic view of Anwar's election, believing that relations with Malaysia would improve and develop under Anwar's leadership (Huanqiu Net,2023). This kind of pragmatic good, neighbor diplomacy will greatly help Malaysia to build consensus with Singapore and Indonesia and unite their strengths to tackle the issues together, thus enhancing solidarity and cooperation with like-minded ASEAN members to adopt more concrete policies and measures to address the Myanmar issue and maintain ASEAN unity and stability.

The second deals with the non-aligned and balanced foreign policy of major powers such as China and the US. In Malaysia's case, since the beginning of the 21st century, dealing with the US and China has been one of the focal points of its foreign policy. This is because China and the US occupy an important place in Malaysia's diplomatic blueprint. Successive Malaysian leaders have not been able to ignore the importance of developing relations with the US and China, so they have tended to adopt a more active and effective foreign policy in order to maintain the appropriate balance in developing relations with the US and China. However, as the two major powers in the international political arena, the US and China have taken various measures to obstruct and contain China's development in the Asia Pacific region and globally due to their different values and ideologies, which has led to further conflicts and confrontations between major powers and posed serious threats and challenges to other small and medium-sized countries around the world, including Malaysia. How to simultaneously avoid arousing the antipathy and hostility of the two major powers towards Malaysia and better safeguard its security and interests is the main objective of Malaysia in dealing with the Sino-US conflict. Malaysia's main advocate is non-alignment and balanced diplomacy to develop bilateral relations with major powers such as China and the United States. *Balanced diplomacy* is a common diplomatic tactic used by small states in contemporary international relations to address and respond to their interactions with major powers, mainly using checks and balances, following, hedging, and dependence. This is a way of expressing one's views and opinions ambiguously to better protect the national interests of small countries from threats and infringements by the big powers. In its long-standing interactions with the US and China, Malaysia has often used the hedging strategy as a model and means of external development. The hedging strategy, as a specific instrument of balanced diplomacy, emphasizes the development of a two-way interaction with a major power to hedge against another major power or powers to minimize the impact of the game and confrontation between major powers on small states and thus help small states to find an appropriate balance in this game of major powers (Kuik, 2021). For Anwar, this balanced diplomacy and non-alignment policy will remain a necessary tool and strategy in his approach to Sino-US relations. As Malaysia's number one trading partner, China occupies a critical position in Malaysia's economic blueprint, and Anwar cannot ignore the significant role of China in promoting and facilitating Malaysia's economic development. This is why effective measures must be taken to consolidate practical economic and trade cooperation with China to maximize Malaysia's economic interests. I will not let Malaysia's relationship with China remain as it is, but rather strengthen it", Anwar said in an interview, which shows his high expectation and enthusiasm for the new administration to develop bilateral relations with China. He hopes that under his leadership, Malaysia's

relations with China will be strengthened and breakthroughs will be made. However, the development of bilateral relations with China is more economical, while politically and militarily, Malaysia and China still have some conflicts and frictions due to the South China Sea issue; for example, on 4 October 2021, the Chinese vessel Dayang was accused of entering Malaysia's exclusive economic zone, which sparked Malaysia's discontent with China and the Malaysian Foreign Ministry summoned the Chinese ambassador to Malaysia to protest against the incident. ambassador to express its protest over the matter (Malaysiakini, 2021). On 2 June 2021, Malaysia accused the Chinese military aircraft of entering Malaysian airspace, with then Foreign Minister Hishammuddin Hussein describing the incident as a "violation of Malaysia's airspace and sovereignty," adding that the Malaysian side's friendly relations with any country did not mean they would compromise on national security (BBC, 2021). Therefore, some political and territorial conflicts will become a destabilizing factor in the development of Malaysia and China. In order to address the political and military insecurity against China, Anwar will maintain close ties and cooperation with the US on security and defense and thus balance the economic dependence on China with pragmatic cooperation with the US, which is not popular with Malay Muslims. However, neither Anwar nor Malaysia can ignore the long-term development and growth of Chinese power in Southeast Asia, which will bring great uncertainty and risks of all kinds. It is, therefore, crucial for Anwar to promote cooperation with the US in areas such as security and defense. In conclusion, China and the US are vital to the new Malaysian administration under Anwar's leadership. Anwar will continue to pursue a pragmatic policy towards China, minimizing the risk of political friction and disputes that could damage relations between the two countries and focusing more on consolidating pragmatic cooperation with China at the economic level to promote and facilitate the long-term stable development of the Malaysian economy (ChinaNews,2022; Wenhui Net,2022). Anwar will also actively develop bilateral relations with the United States, paying close attention to cooperation between the two countries in various areas such as security and defense, seeing the US as an important force in balancing China in Malaysia and Southeast Asia. In the future, Malaysia will continue to adopt a non-aligned and balanced foreign policy, refusing to "choose sides" with the Chinese and American powers, and will adopt an equidistant diplomatic mindset to develop two-way interaction with the Chinese and American powers, and will always take the protection of Malaysia's national security and interests as the fundamental principle of its foreign development.

The third is Anwar's Islamic diplomacy. What makes Anwar's diplomatic thinking different from other previous Malaysian leaders is that he actively advocates and promotes Islamic diplomacy so that some Muslim countries will be his priority for bilateral relations after coming to power. This is based on the fact that Malaysia, as one of the Muslim countries, attaches great importance to its position and role in the Islamic world and wants to enhance its international influence in the complex international arena as an Islamic country and safeguard the security of the Muslim world. At the same time, as the coalition administration under Anwar's leadership has a weak political base among the indigenous Malay community, most Malay voters do not trust the coalition administration and trust the opposition party, the PN, more. It will help to win the continued support of Malay Muslims and increase his legitimacy in power. Thus, when Anwar came to power, two Palestinian Islamic movement Hamas leaders sent congratulatory messages. Anwar expressed his gratitude to them and reiterated Malaysia's support for the Palestinian people and their struggle. At the same time, Anwar has maintained a long and friendly personal relationship with Turkish President Erdogan, to the extent that Anwar describes himself as a personal and family friend of Erdogan and sees Turkey as a

modern, progressive Muslim country that can play a prominent role in international affairs. It also indicates the importance Anwar attaches to developing bilateral relations with Turkey, and with his friendship with Turkish President Erdogan, Malaysia and Turkey will maintain close interaction and ties during Anwar's administration. The two countries will establish more extensive cooperation and exchanges to promote solidarity between Islamic countries. Although developing relations with Islamic countries is not a major diplomatic priority for Anwar, Islamic diplomacy will be crucial for him and his coalition administration in gaining the support and trust of the Malay Muslim public.

Finally, there is pragmatic and friendly diplomacy with Japan, the European Union, and others. Although Japan and Europe are not as high a priority for Malaysia as they are with its neighboring countries and major powers, such as China and the US, they still play an important role in Malaysia's diplomatic landscape (Riyaz, 2022). For Japan, it is crucial to contain China's development in Malaysia and Southeast Asia. As Japan has stepped up implementing its Indo-Pacific strategy in recent years, Malaysia has naturally become a natural target for Japan's efforts to contain China's influence by strengthening its bilateral cooperation base with Malaysia. By consolidating its bilateral cooperation with Malaysia, Japan seeks to curb the spread of Chinese influence in Malaysia and Southeast Asia and prevent further development of China in the Indo-Pacific region (Reference News, 2022). In the face of such Japanese diplomatic initiatives, the Anwar administration, and even the previous Malaysian administration, wanted to avoid becoming an arena and tool for competition and confrontation between China and Japan due to political conflicts. The Anwar administration will uphold the principles and stance of pragmatic diplomacy to develop friendly relations with Japan and more extensive cooperation and exchanges with Japan in areas such as trade, investment, and tourism. For example, on 9 October 2022, Malaysian Foreign Minister Saifuddin announced that diplomatic relations with Japan would be upgraded from the existing strategic partnership to a comprehensive strategic partnership, while the two countries would reach further cooperation in digital technology, education, human resource development, and renewable energy. Petronas signed a memorandum of understanding with Japan's Ministry of Economy, Trade and Industry on liquefied natural gas a month earlier. All these actions also underline the importance Malaysia attaches to developing diplomatic relations with Japan, and the Anwar administration is set to consolidate the basis of cooperation with Japan in the new era.

For Malaysia, European diplomatic development is a much lower priority than Japan due to the long-standing conflict between the EU and Malaysia over palm oil, with the EU repeatedly imposing restrictions and even bans on palm oil from Malaysia. In particular, in December 2022, the EU agreed to a ban on the sale or export from the EU of goods whose raw materials are involved in deforestation. It bills immediately sparked resentment in Malaysia and Indonesia. As both Indonesia and Malaysia are the world's largest palm oil exporters, any ban on palm oil would directly impact Malaysia's direct exports and economic development. This is why Malaysia's Deputy Prime Minister and Minister of Plantation and Primary Industries, Fadilah Yusof, has also indicated that countermeasures will be implemented, including slowing down European commodity trade and reviewing EU imports (Xia,2023). Coupled with the rise in global raw material prices due to the Russia-Ukraine conflict and other factors, the EU's move has dealt a more direct blow to the Malaysian palm oil industry and exacerbated the deterioration of relations between Malaysia and the EU. Regarding how to deal with the Russia-Ukraine issue, there is a clear distinction between Malaysia's attitude and that of the EU, with the EU taking severe sanctions against Russia. At the same time, Malaysia has said that it will not take sanctions but will instead emphasize peaceful dialogue and friendly consultation

(Ryotaro&Knetaro,2022). In short, for the Anwar administration, pragmatic and friendly diplomacy will be at the core of its approach to EU relations. However, given the differences between the two sides over palm oil and Russia-Ukraine, the extent to which such diplomacy will pay off remains to be seen (Sputnik,2023).

(ii) The Anwar administration's domestic policy

In addition to the different strategies and measures adopted on the external front, the Anwar administration also needed to take adequate measures to address the problems and shortcomings at home. The internal policies are mainly focused on the economic and political aspects. Firstly, on the economic front, Anwar came to power when the global epidemic was temporarily receding, and countries worldwide were taking various effective measures to promote economic recovery and development. Malaysia's economy has been devastated after three years of epidemics, so economic revival is the primary objective of the new Anwar administration. At the same time, Malaysia is also facing a severe fiscal deficit, high public debt, slow infrastructure development, corruption, and unequal income distribution, so the focus of Anwar's economic policy will be on four areas: firstly, to reduce the fiscal deficit and attract foreign investment to revive the economic recovery and development; The second is to increase infrastructure investment and improve infrastructure conditions to establish a good and solid foundation for economic development. Thirdly, we should tackle the corruption problem, ensure equal income distribution, and establish a clean and fair administration. Fourthly, measures should be introduced to support low-income families and affected Malaysians to reduce the impact of the Russo-Ukrainian war on people's living standards and to ensure the well-being of the people. The second is at the political level (Bernama,2023). For Anwar, the problems at the economic level, although serious, are not fatal, but the problems at the political level threaten the stability and security of his administration and that of his new administration. At the beginning of Anwar's term, Malaysia's political scene was in turmoil after three years of the "Sheraton coup," the ruling party and the opposition parties engaged in a fierce battle and a back-and-forth that slowed down the country's development. During the three years of the political crisis, the PH, the PN, and the BN alternated in power. Although the PH under Anwar returned to power and Anwar himself achieved his long-sought political goals, he was left with what appeared to be an unprecedented political problem and burden. The coalition administration under Anwar's leadership needs to be stronger. It lacks the support and trust of the indigenous Malay elite in the country, while the opposition party, the BN, is eyeing a challenge to Anwar's new administration. In the face of these political problems, Anwar has to stabilize the political situation in the country, reduce competition and conflict between the various parties, and unite them to solve better the problems and crises facing Malaysia in the post-epidemic era (Eric, 2023). Once the country is politically stable, it will help the Anwar administration focus more on reviving and promoting economic development, developing better relations with other countries, and developing broader economic exchanges and cooperation.

On the other hand, Anwar also needs to take steps to enhance the prestige and status of the local Malay elite to gain the trust and support of the broader Malay political elite and thus strengthen the coalition administration's base (David,2022). At the same time, Anwar also needs to take measures to address the long-standing racial divide in Malaysia and reduce the risk of racial conflict to the country's development, especially by strengthening the unity and support of ethnic minorities, including the Chinese and Indians, in order to gain their trust and support for the new administration. The new cabinet of the Anwar administration shows the importance he attaches to the different roles played by different ethnic groups in his cabinet. For example,

Zahid, Chairman of the BN and UMNO, is the Deputy Prime Minister and Minister for Rural Development. At the same time, Fadillah, from the Sarawak Parties Alliance, is the other Deputy Prime Minister and Minister for Plantation and Primary Industries. There are also several Chinese ministers, such as Democratic Action Party (DAP) Secretary-General Loke Siew Hock, who has been re-elected as Minister of Transport, as well as Minister of Housing and Local Administration Nga Kor Min (China-AESAN Panorama, 2022). This shows that Anwar is uniting all ethnic groups to address Malaysia's problems better and promote positive development. However, although the new Anwar administration has demonstrated its ambition to stabilize the domestic political scene, the political instability in Malaysia has lasted for almost three years, and political issues are more severe and complex than economic issues, which will test the ability of Anwar and his administration to deal with and resolve them.

4. China's initiatives and suggestions for developing relations with Malaysia in the new era

For Malaysia, China has been its largest trading partner for 14 years, with close bilateral trade ties. In 2021 alone, China-Malaysia trade will reach US\$176.8 billion, up 34.5% year-on-year, faster than the average growth rate of other China-ASEAN China trade. In 2022, China-Malaysia trade further surpassed the US\$200 billion mark, reaching US\$203.6 billion, as the Chinese and Malaysian economies continue to grow in a stable and prosperous direction. In addition to frequent economic exchanges, Malaysia has the most intact Chinese language education and traditions outside of China, and its close cultural ties with China have deepened China's goodwill and complete trust in Malaysia. With China's gradual relaxation of epidemic measures, Malaysia has become the most popular tourist destination for Chinese visitors, with many tourists visiting the country and contributing to the booming tourism industry there. With the new Anwar administration in power, China needs to take new initiatives to maintain adequate communication and interaction with the new Anwar administration to lay a solid foundation for the successful development of Malaysia-China relations.

(i) Continue to broaden the scope of economic cooperation and build a more solid foundation for cooperation around the RCEP platform

With the coming of the Anwar administration, Malaysia has entered a new era of development. In this new era, China, as one of Malaysia's most important trading partners, should further take more active measures to promote close economic and trade ties and interaction between the two countries, especially by relying on the RCEP platform to strengthen and reinforce the foundation of cooperation between the two sides, making full use of the zero tariff and trade facilitation agreements reached under RCEP better to promote trade exchanges and communication between the two countries. At the same time, China should further deepen its cooperation and exchanges with Malaysia on the Belt and Road strategy and launch larger-scale cooperation and interaction in various areas such as public transport, infrastructure construction, and new energy; in particular, both sides should continue to vigorously promote various cooperation projects under the Belt and Road framework. In particular, the two sides should continue to vigorously promote the various cooperation projects within the "Belt and Road" framework and continue to negotiate and reach a new round of cooperation agreements. China should also encourage more enterprises to go out and invest and build in Malaysia so that the Malaysian people can feel the pragmatic investment and friendly cooperation of Chinese enterprises and contribute to the local economic development and economic income of the people and so that the development and opportunities of China's rise can benefit Malaysia and more developing countries so that more developing countries can also enjoy the benefits of

China's economic take-off. More developing countries will enjoy the benefits of China's economic take-off.

(ii) Reduce political differences and frictions, and strengthen mutual trust and communication through practical exchanges and friendly cooperation

Despite the frequent economic exchanges between Malaysia and China, political conflicts and differences exist between the two sides in the South China Sea and other areas. In order to address and avoid tensions between the two countries due to political differences and frictions, China should continue to adhere to a friendly and peaceful foreign policy, win Malaysia's trust and support with a warm and positive attitude, and consolidate the hard-earned achievements and foundation of cooperation between the two countries. China should further develop multi-faceted interaction and visits, such as exchange visits between leaders, to enhance mutual trust and consensus between the two countries, maintain full communication and consultation with Malaysia on significant issues in Southeast Asia and the world, adhere to the UN Charter as the fundamental principle for resolving major international issues, and advocate the use of peaceful dialogue and friendly consultation to resolve related issues in order to maintain international political stability and security better. China has also advocated using peaceful dialogue and friendly consultation to resolve issues to maintain international political stability and security. On the South China Sea, China should also adhere to the Code of Conduct for Parties in the South China Sea, actively implement the consensus reached in the Code of Conduct for Parties in the South China Sea, fully interact and discuss with Malaysia, strive to deal with differences and contradictions between the two countries in a peaceful and friendly manner, jointly maintain the harmony and stability of the South China Sea region, strive to reduce political differences and contradictions between them, and let economic development become the main topic between the two countries. The main topic of discussion is economic development.

(iii) Develop more extensive cooperation in the humanities, including education and tourism, and strengthen cultural ties and interaction between the two countries

In recent years, many Chinese students and tourists have travelled to Malaysia to study and visit the country, which has brought massive income to the country and promoted cultural exchange and interaction between Malaysia and China. As the global epidemic has temporarily subsided and China has re-joined the world, Chinese students and tourists will be the leading force in promoting cultural exchanges between Malaysia and China. The Chinese administration should also introduce more convenient policies to support Chinese students and tourists studying and traveling in Malaysia to remove more obstacles and enhance the cultural ties between the two countries. At the same time, as Malaysia has a large number of overseas Chinese, China should also maintain adequate communication and interaction with the Malaysian Chinese, invite them back to China regularly, strengthen the positive interaction with them in Chinese culture, let the Malaysian Chinese feel the warmth and friendship from China, and work together to promote Chinese traditional culture.

5. Conclusion

The year 2023 will be a new era for Malaysia; as the Anwar administration comes to power, it is bound to take various measures to address and resolve the various conflicts and challenges facing the country and re-examine and adjust its bilateral relations with various countries worldwide. In this process, the country's political instability, economic stagnation, racial division, and the game and confrontation between the major powers will all become massive crises and challenges for the new administration. In terms of handling and developing

relations with major powers such as China and the United States, Anwar will still insist on pragmatic diplomacy and balanced diplomacy with small countries as the primary means of dealing with them, refusing to take sides in the game of significant powers and insisting on neutrality and non-alignment as the fundamental principles of Malaysia's foreign relations in order to better safeguard Malaysia's national security and interests (Wang&Zhang,2021). China also needs to pay sufficient attention to the new Malaysian administration, maintain close communication and interaction with the Anwar administration, consolidate practical cooperation between the two sides in various fields such as economics and trade, humanities, etc., and strive to consolidate and enhance friendly and cooperative relations with Malaysia in the new era, to promote the development of both countries towards prosperity and stability.

However, despite the various measures Anwar will take to address the current crisis, the fundamental problem remains that his governing base is weak and lacks sufficient support from the elite. It will take time to see if he can achieve his political ambitions and national goals during his term.

Acknowledgements

I express my deepest gratitude to Mrs.Zhang for her patient and precious suggestions on this article.

Competing interests:

The authors declare no competing interests.

References

- [1] Azanis Shahila Aman. (2022, October 08). Spillover effects of Russia-Ukraine conflict on Malaysia. Retrieved from <https://www.nst.com.my/business/2022/10/838554/spillover-effects-russia-ukraine-conflict-malaysia>
- [2] BBC. (2021, June 02). South China Sea dispute: Malaysia accuses multiple Chinese military planes of entering the country's airspace. Retrieved from <https://www.bbc.com/zhongwen/simp/chinese-news-57326780>
- [3] Bernama. (2023, January 19). PM Anwar: Govt to restructure economy based on three main strategies. Retrieved from <https://www.theedgemarkets.com/node/652397>
- [4] Chen Y. (2021). Geopolitical tensions in the "Indo-Pacific" and the limits of Southeast Asian countries' hedging strategies. *International Relations Studies* (04), 108-128+158.
- [5] Cheng-Chwee, K. (2008). The essence of hedging: Malaysia and Singapore's response to a rising China. *Contemporary Southeast Asia: A Journal of International and Strategic Affairs*, 30(2), 159-185.
- [6] China-AESAN Panorama. (2022, December 03). Malaysia's new cabinet list released, many Chinese as ministers. Retrieved from <https://baijiahao.baidu.com/s?id=1751165167701684474&wfr=spider&for=pc>
- [7] China-AESAN Panorama. (2022, December 29). The first foreign leader to visit after Malaysia's general election, the Sultan of Brunei drives Anwar in a BMW. Retrieved from <https://3g.163.com/dy/article/HNBBVEMA0512DAHC.html>
- [8] China-AESAN Panorama. (2022, October 11). Malaysian Foreign Minister: The relationship between Malaysia and Japan will be upgraded to a comprehensive strategic partnership. Retrieved from

- <https://baijiahao.baidu.com/s?id=1746357950979983225&wfr=spider&for=pc>
- [9] ChinaNews. (2022, December 17). Malaysian Foreign Minister hopes that Malaysia and China will strengthen cooperation in the field of transportation. Retrieved from https://www.sohu.com/a/618047439_123753
- [10] David. Han Guo Xiong. (2022, December 20). Malaysia is Back: The Foreign Policy of Anwar Ibrahim. Retrieved from https://www.rsis.edu.sg/rsis-publication/idss/ip22081-malaysia-is-back-the-foreign-policy-of-anwar-ibrahim/#.Y_2rTOxBxo7
- [11] Eric Ellis. (2023, January 19). Back to the future for Malaysia. Retrieved from <https://www.asiamoney.com/article/2b0iuiqc130huzmk2ayo/southeast-asia/back-to-the-future-for-malaysia>
- [12] Guangming Net. (2023, January 31). Malaysian Prime Minister Anwar visits Singapore. Retrieved from <https://m.gmw.cn/baijia/2023-01/31/1303267781.html>
- [13] Guancha Syndicate. (2022, November 28). Malaysian society is highly divided, how far can the Anwar administration go? Retrieved from http://m.cyol.com/gb/articles/2022-11/28/content_B55oXUld8.html
- [14] Huanqiu Net. (2023, January 11). Malaysian Prime Minister Anwar visited Indonesia and wanted to participate in the investment and construction of Indonesia's new capita. Retrieved from <https://baijiahao.baidu.com/s?id=1754679645412536515&wfr=spider&for=pc>
- [15] HKTDC. (2021, March 26). Life in Malaysia seems to be returning to normal, but the economy is still hit by the epidemic. Retrieved from <https://research.hktdc.com/sc/article/Njk3MzI0NzQ1>
- [16] Kuik, C. C. (2010). Smaller states' alignment choices: A comparative study of Malaysia and Singapore's hedging behavior in the face of a rising China. *The Johns Hopkins University*.
- [17] Malaysiakini. (2021, October 04). The Foreign Ministry summoned the Chinese ambassador yesterday to protest the intrusion of Chinese vessels into the waters. Retrieved from <https://www.malaysiakini.com/news/594071>
- [18] Reference News. (2022, September 29). Japan may sign a memorandum of cooperation on liquefied natural gas with Malaysia, and also consider cooperation with Asian countries such as Singapore. Retrieved from <https://baijiahao.baidu.com/s?id=1745264388951405756&wfr=spider&for=pc>
- [19] Riyaz Khaliq. (2022, July 25). Anwar Ibrahim advocates 'neutral' Malaysia amid great power rivalry in Asia-Pacific. Retrieved from <https://www.aa.com.tr/en/asia-pacific/anwar-ibrahim-advocates-neutral-malaysia-amid-great-power-rivalry-in-asia-pacific/2645166#>
- [20] Ryotaro Sato&Knetaro Iwamoto. (2022, May 27). Malaysia's Mahathir on Ukraine: Small conflicts 'grow into world wars'. Retrieved from <https://asia.nikkei.com/Spotlight/The-Future-of-Asia/The-Future-of-Asia-2022/Malaysia-s-Mahathir-on-Ukraine-Small-conflicts-grow-into-world-wars>
- [21] Sputnik. (2023, January 12). Malaysia, Indonesia, EU spat over palm oil. Retrieved from <https://baijiahao.baidu.com/s?id=1754827380766865728&wfr=spider&for=pc>
- [22] Sputnik. (2023, January 19). Will ASEAN Split Over Myanmar? Retrieved from <https://www.163.com/dy/article/GU3C227H0530W6DQ.html>
- [23] Sina. (2015, June 17). 66 years after the founding of the party, why did the Chinese political party in Malaysia encounter a crisis? Retrieved from <http://news.sina.com.cn/w/zg/hwgc/2015-06-17/20491155.html>

- [24] Times Newspaper. (2022, March 06). Singapore reimposed unilateral sanctions after 44 years. How much impact will it have on Russia? Retrieved from <https://baijiahao.baidu.com/s?id=1726551618345512913&wfr=spider&for=pc>
- [25] Takashi Nakano. (2022, December 11). Malaysia's 'middle power' ambition faces rivals in own backyard. Retrieved from <https://asia.nikkei.com/Economy/Malaysia-s-middle-power-ambition-faces-rivals-in-own-backyard>
- [26] Takashi Nakano. (2022, December 06). Anwar faces fight to pull Malaysia out of middle-income trap. Retrieved from <https://asia.nikkei.com/Politics/Malaysia-election/Anwar-faces-fight-to-pull-Malaysia-out-of-middle-income-trap>
- [27] Wenhui Net. (2022 May 27). Malaysia's new Prime Minister Anwar: will strengthen Malaysia-China relations. Retrieved from <https://www.wenweipo.com/a/202211/25/AP63807f42e4b0e80f8116babb.html>
- [28] Wang Chuanjian & Zhang Song. (2021). A Study on the Formation Conditions and Implementation Validity of "Big Power Balanced Diplomacy" in Small Countries——Taking the Practice of the Philippines' Relations with China and the United States as an Example. *Pacific Journal* (05), 28-41.
- [29] Xia Junxiong. (2023, February 08). Palm oil imports into Europe restricted, Malaysia considers countermeasures: limit trade with EU. Retrieved from <https://new.qq.com/rain/a/20230208A06EXC00>
- [30] Yuan Zhou. (2023, January 05). NATO began to "dismember" ASEAN and create an anti-China encirclement. The President of the Philippines stated that it would bring opportunities to break the situation. Retrieved from <https://baijiahao.baidu.com/s?id=1754155332985462994&wfr=spider&for=pc>
- [31] Zhao Meng. (2023). Anwar as Malaysia's new prime minister. *World Knowledge* (01), 48-49.