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When Federalism Meets Reality: The 20-Point Agreement, Sabah Politics, and Its Real-World Impact

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Introduction

Malaysia's formation in 1963 marked a significant milestone in its political development. Central to Sabah's entry into the Federation was the **20-Point Agreement**, which guaranteed autonomy and safeguarded the state's rights and interests. Over the decades, debates surrounding its implementation have continued to shape Sabah's political landscape and influence federal-state relations. An analysis of Sabah's political dynamics during the 2018–2020 administration of the Sabah Heritage Party (WARISAN) provided valuable insights into governance, autonomy, and national integration. These issues remain highly relevant today, as reflected in the most recent Sabah State Election (PRN-17 Sabah).

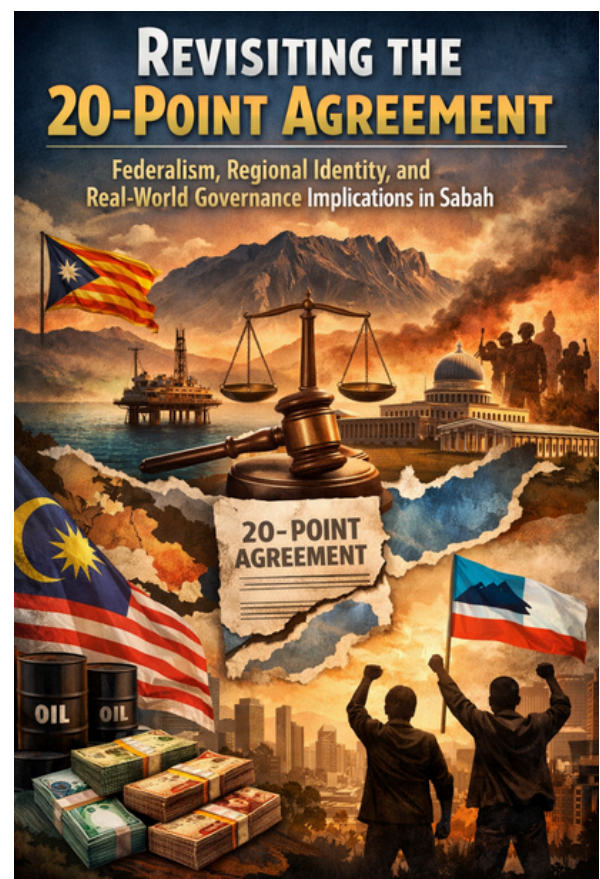
The Malaysia Agreement 1963 (MA63) and the 20-Point Agreement served as constitutional safeguards to protect Sabah's autonomy upon joining Malaysia. These provisions cover key areas, such as immigration, religion, language, finance, and administrative authority. Despite their significance, disputes over their implementation have remained a recurring issue in Sabah's political discourse. Unmet expectations regarding these provisions contributed to public dissatisfaction and shaped federal-state relations.

Federalism in Practice

Federalism, as defined by Wheare (1967), refers to the constitutional division of power between central and regional governments, with each level ideally operating independently within its jurisdiction. In practice, however, many federations, including Malaysia, adopt a form of **asymmetrical federalism**, where certain regions are granted special privileges due to historical, cultural, or political considerations. In the case of Sabah, this asymmetry is reflected in its greater autonomy over matters such as immigration, language, and administrative matters. However, perceptions that these rights have been increasingly encroached upon have contributed to tensions between the federal and state governments.

Key Issues in the Implementation of the 20-Point Agreement

Five key issues shaped political debates during the WARISAN administration regarding the implementation of the 20-Point Agreement. These include long-standing demands for a 20% oil royalty, concerns over financial allocation and fiscal autonomy despite Sabah's resource wealth, and



persistent inter-regional inequalities between Peninsular Malaysia and East Malaysia that have contributed to feelings of marginalisation. Debates surrounding Sabah's constitutional status, particularly efforts to restore its position as an equal partner in the federation, also remained central. In addition, the issue of Borneonisation calls for greater representation of Sabahans in the civil service and key institutions to ensure that governance reflects local aspirations and participation. Collectively, these issues remain integral to Sabah's political identity and continue to shape its relationship with the federal government (Abdullah & Mulia, 2018; Chin, 2019).

Impact on Malaysian Federalism

Unresolved issues have contributed to strained relations between the federal and state governments, reflecting ongoing tensions in governance and policy implementation. At the same time, socio-economic disparities have fostered distrust and feelings of marginalisation among certain communities, leading to the emergence of xenophobic sentiments. These conditions have also contributed to rising anti-federal sentiments, where dissatisfaction with perceived injustices has encouraged demands for greater autonomy. Furthermore, persistent grievances pose challenges to national integration by weakening unity and social cohesion. In some cases, competition for resources and political influence has also intensified ethnic and political tensions. Collectively, these impacts underscore the importance of inclusive governance and effective policy implementation in maintaining national stability (Chin, 2019; Wheare, 1967; Yusoff & Agustino, 2011).

Global Perspectives: Lessons from Other Countries

The dynamics observed in Sabah reflect broader patterns in federal systems worldwide, where tensions often emerge when regional autonomy is perceived to be undermined. In Spain, Catalonia's dissatisfaction with fiscal policies and perceived cultural marginalisation contributed to a strong independence movement, with the 2017 referendum highlighting how unresolved grievances can threaten national unity (Troitino & Kerikmae, 2021). Similarly, in India, the revocation of Article 370 in Jammu and Kashmir, which previously granted special autonomy, led to political unrest and heightened tensions between the central and regional authorities, demonstrating how constitutional changes can reshape federal relations. In Nigeria, disputes over oil revenue distribution in the Niger Delta have long fuelled regional discontent and militancy, reflecting the consequences of inequitable resource allocation. In Pakistan, feelings of political and economic marginalisation in Balochistan have contributed to separatist sentiments, illustrating the risks of centralised governance in diverse federations. Meanwhile, Quebec's pursuit of cultural and linguistic autonomy in Canada has led to referendums on independence, underscoring the importance of negotiation and accommodation within the federal system. These international cases collectively illustrate that unresolved issues related to autonomy, economic inequality, and identity can intensify anti-federal sentiments, reinforcing the relevance of Sabah's experience in global federalism discourse (Troitino & Kerikmae, 2021; Wheare, 1967).

Policy Implications and Real-World Significance

The cases above highlight the need to enhance dialogue and collaboration between central and regional governments to ensure more effective and inclusive governance. Promoting equitable development is important for reducing regional disparities and fostering balanced growth. Additionally, the findings reinforce the need to uphold constitutional commitments, such as the Malaysia Agreement 1963 (MA63), to build trust and legitimacy in the federation. Efforts to strengthen national unity involve addressing grievances that may fuel division and dissatisfaction.

Conclusion

The 20-Point Agreement remains a cornerstone of Sabah's political identity and a defining element of Malaysian federalism. Its implementation continues to influence federal-state relations, regional development, and national integration. Addressing longstanding grievances through inclusive governance and policy reform is essential for strengthening the federation.

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