

MAHATHIR

The Secret of the
Malaysian Success

What the reviews say:

"The most important aspect of Hajrudin Somun's book is a precise and good analytical description of a model of development of one of the 'Asian Tigers', countries in which the 'economic miracle', including fast progress and structural changes, took place in the 1970s and 1980s of the last century. It is unmistakably evident that Mahathir's policy of the economic and social development of Malaysia was no miracle, but, as brilliantly presented by Somun, it was the result of his analysis and political struggle.

"The other significant aspect of this book is the writing itself. This is a model of true political analysis. Despite being written by the author of popular literature, the style of the book borders the literature genre and has thus become a 'novel' about the right person in the right place at the right time. This person, Mahathir Mohamad, was not the catalyst of change merely in Malaysia, but actually he initiated change in the entire world."

Dr Zarko Papic, well-known Bosnian scholar and economist

"Bosnia and Herzegovina, with its specific nationalisms, could learn from the 'Mahathirism' vitally important things: the transfer from the particular to a national feeling, breaking off with a rigid approach to the past, a formula for the economic improvement of the country, significance of the cultural transformation of the society, etc. The author of this excellent book illustrates all these elements in an implicit manner, understandable language, a style that is purified to perfection and analytical tools which describe the most complex issues with a masterpiece simplicity."

Enver Kazaz, leading Bosnian literary critic

MAHATHIR

The Secret of the Malaysian Success

HAJRUDIN SOMUN

Translated from the Bosnian by
LEJLA SOMUN-KRUPALIJA



Pelanduk
Publications
www.pelanduk.com



This English edition published by:
Pelanduk Publications (M) Sdn Bhd
(Co. No. 113307-W)
12 Jalan SS13/3E,
Subang Jaya Industrial Estate
47500 Subang Jaya
Selangor Darul Ehsan, Malaysia

in cooperation with the publisher
of the original Bosnian edition
DANI, Sarajevo, Skenderija 31 A

This English edition is translated from the Bosnian.
Translator: Lejla Somun-Krupalija
Assistant translator: Belmir Zec
Proofreader (English): Julie Poucher Harbin

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Cover photo: Tara Photography, Asia Inc, May 2002
Most of the photographs in this book are from *Bernamea*,
New Straits Times and Dr Mahathir Mohamad's family albums.

ISBN 967-978-879-2

Bosnian edition:
CIP Data - National and University Library of Bosnia and Herzegovina

Somun, Hajrudin
Mahathir, tajna malezijskog cuda / Hajrudin
Somun - Sarajevo: Dani, 2003 - 172 str.,
[8] listova s tablama : ilustr. ; 24cm. -
(Biblioteka Dani)
ISBN 9958-717-06-9
COBISS BH - ID 12119302

Printed and bound in Malaysia

M
1145129

m
9 23-2598
2004

26 AUG 2004
**Perpustakaan Negara
Malaysia**

for Fatima Cita Somun

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Foreword

IF it is true that the destinies of entire nations in certain periods of history are determined by their leaders, then Malaysians in the last quarter of the last century were lucky. Namely, the economic and social prosperity of Malaysia, this country in Eastern Asia that was colonised for many centuries, owes much to the rule of its Prime Minister, Dr Mahathir Mohamad. Because of his unwavering vision, a previously poor agrarian country, insecure about its national identity, is today the 18th largest trading country in the world.

Two strongly intertwined aspects of Dr Mahathir's overall vision for Malaysian development deserve special attention. First, he was concerned about achieving the delicate balance of maintaining the Islamic identity of the Malay Muslim majority in Malaysia and modernising the country. Second, unlike other Islamic countries, he sought to create an efficient, competitive, economically successful state and secure the well-being of its citizens, not only through the development of its oil reserves but through other means.

"Muslims pray to Allah for help, but they have forgotten that Allah has ordained that He will not help to change the fate of any community unless they strive to change their fate themselves," Dr Mahathir more than once said. His vision of both maintaining and modernising the Islamic identity of the Malay Muslim majority was not only a matter of words, but is evident to every visitor to this beautiful country. If he had

worried only about his power, Dr Mahathir could have, without much risk, done what was typical of most other postcolonial rulers of the Islamic world: rigid interpretation of Islam, practical exclusion of women from public life, investment only in mass education of citizens, and continuous incitement of religious and ethnic conflict with the minority Chinese and Indian communities of Malaysia. That would have guaranteed Dr Mahathir a safe, long rule with absolute power.

However, in place of this, he chose the opposite method to achieve the aim of his vision: the creation of a modern, prosperous post-industrial society, based on widely accessible education for all its citizens. He learned from the rich experiences of Japan and most developed Western countries. The extent to which he succeeded is best seen in the statistics: the previous GDP of US\$300 per inhabitant (at the time of Independence) has already reached US\$4,000. In addition to a stable and balanced economy, foreign trade has reached US\$170 billion. The poverty rate has dropped to 7 per cent from 50 per cent.

Not all politicians who are heads of democratic states are statesmen. The former are concerned only about the results of forthcoming elections and the latter are concerned about their legacy. If you look at the latter half of the 20th century, not many leaders do not fear how history will remember them. One of the rare cases is Dr Mahathir Mohamad. The reason why the statesmanship of this leader arouses such broad interest, even beyond watchers of Malaysian political history, is the Malaysian Prime Minister's successful and daring vision of economic development of a country that was once one of many underdeveloped states. The major and, for a number of reasons, unique characteristic of his vision is the abandonment of neo-liberal economics (as in Chile) and the brave creation his own development model.

For years already, in the economic schools of the most prestigious Western universities, the most intriguing course is the one which seeks to answer whether the "Washington Consensus," (the name that economist John Williamson gave in 1989 to a list of ten policy recommendations for countries willing to reform their economies) is a universal and almost universally unsuccessful model of economic development for underdeveloped countries that is imposed by the International Monetary Fund and World Bank, or if it's truly the only possible model of development for the underdeveloped world.

Some of these questions can easily be answered by examining the realisation of Dr Mahathir's vision. Accolades for the "Giant of Asian Politics" (London's *The Economist*) continue to arrive from unexpected parts of the world. "From the point of view of the Washington consensus, the industrial policies according to which governments seek to form the future format of the economic development—are a mistake. However, Dr Mahathir has treated that question as one of his major responsibilities. He believed that unless he wants to introduce his country to the club of developed industrial countries of the West, the government must emphasise education and technology. Given this choice, education and investment policies that will be able to complete this task were created," wrote Joseph Stiglitz, the former chief economist of the World Bank (1997-2000) and a Nobel Prize winner in Economics in 2001.

It is evident that his vision is well founded because, despite pressure from international financial institutions, Malaysia resolved and insisted on changing its economic model. Today, it is the only country in East Asia, besides South Korea, which has in a short period of time succeeded in recuperating from the disastrous consequences of the huge economic crisis that this part of the world fell victim to in 1997.

To conclude, the results of such a unique life and the statesmanship of Dr Mahathir based on only the two examples I mentioned—is a sin. Fortunately, the remaining part was taken care of by the author of this book, one of the last sons of the *pleiad* (the Greek word for a group of seven illustrious figures), a brilliant foreign-affairs analysts from the former Yugoslavia.

His rich erudition, knowledge of facts, unique style of writing, and the particular arrangement of his book, not only have all the necessary elements for an exciting read for a wide audience about a rare statesman and faraway Malaysia, but it's also about today's world and the possibilities for it to be a better and fairer place.

Senad Pecanin

Preface

AMONG the many political leaders I have met, Dato' Seri Dr Mahathir Mohamad is the first, after Indira Gandhi, I have ever longed to write a book about. The leaders from the other, the black side of the human medal, like Saddam Hussein, whom I know best, are those I do not wish to write about.

Thus, when the opportunity arose, I sat down to work, studied all that was available to me on Dr Mahathir and wrote what you have before you today. This is not a scientific work, because it would require much more time and experience. It is not a reporter's sketch either, because I have spent a year studying the Prime Minister of Malaysia and his deeds, and trying to profoundly grasp the subject. It is neither this nor that. After all, contemporary journalism and literature have already mixed their genres.

I started from one particular instant, and maintained that course, that Dr Mahathir is surely leaving the post of Prime Minister in October 2003, which he himself confirmed on a number of occasions. Although nothing is certain in politics and all kinds of things can happen, I never doubted his decision. I came across statements in some books from the latter half of the 1990s, that Dr Mahathir is announcing his retirement, and that he is leaving the country "in good hands." We know what happened in the meantime.

There is another issue that could have impeded my work and could have additionally complicated it. This was my position of the head of a diplomatic mission in the country

about whose leader I am writing a book. Perhaps it is a unique example. It was a risk, given that I still don't know what the reaction will be. However, Dr Mahathir himself indirectly helped me to take up that challenge. He is always open for discussion, even for a critical approach. Despite accusations by the Western media that Malaysia is hindering freedom of speech, no author of the extremely critical, even filthy books about Dr Mahathir, such as some of the PAS authors, has ever been imprisoned. The bookshops in Kuala Lumpur freely sell books on very unpleasant testimonies of the prisoners who were sentenced according to the Internal Security Act (ISA).

I largely referred to books, articles, speeches, presentations and interviews of Dr Mahathir which speak for themselves. Then came the Malaysian and regional sources. The Western ones I just skimmed through. First of all, I believe that local authors, as well as regional ones, know Malaysia better than anyone else. Secondly, Western authors, even when they do know very much about Malaysia, like the British, have a lot of biases and burdens left from the colonial times. This was in particular true as Dr Mahathir did not mince his words when speaking about the British and other Westerners.

We are indebted to "Ljiljan" publications for the translations of two significant books by Dr Mahathir in Bosnia and Herzegovina. His books have been translated into many languages. Dozens of books on him and on "Mahathirism" as a specific policy have been published.

I did not make a traditional bibliography, but the important sources have been referred to in the footnotes. I would, however, single out Khoo Boo Teik's *Paradoxes of Mahathirism* as the most well-substantiated source and it has been rated by some Malaysians as the best ever book about Dr Mahathir. I was guided in this selection process by my experience with books on Bosnia. Among some 250 books

that appeared in Western languages, I read a dozen, and among them the one closest to my understanding and the one that was most objective was Noel Malcolm's *Bosnia: A Short History* (1994). As I found many like-minded critics of this book, I still use that book as a guide for explaining the substantial issues of the past and present of my country. Regarding Malaysia, I will mention a different example. Although I have read M. Bakri Musa's *Malaysia in the Era of Globalisation*, I did not use or quote any of his views. Having in mind his being medical doctor, and living a long time in the United States, I found reading his book interesting, but at the end I felt something suspicious in its general approach.

The honest approach is a leading principle I was trying to apply in my all writings.

I have not, therefore, adhered to the rules that are necessary when undertaking scientific research, thus allowing myself to mention only the most elementary notes and references. Where I found it to be more important to quote Dr Mahathir's speeches, I used some of the tens of speeches I had before me.

I am also not sure whether I was sufficiently consistent in mentioning names and titles. Despite my sincere and hard effort, this was not easy to achieve, because of the very long and numerous titles. Here are two examples: the full title and name of the present King of Malaysia is—Yang di-Pertuan Agong XII, Tuanku Syed Sirajuddin Syed Putra Jamalullail. Or, when one addresses the Chief Minister of Sarawak officially, the complete title is YAB Dato' Patinggi Tan Sri Dr Haji Abdul Taib Mahmud, and the name is actually only the last three words.

Because of frequent confusion, I wish to emphasise once again that Malays refer to each other by their first name and not by their father's name. Thus 'Mahathir' is the first name and 'Mohamad' is his father's name. 'Prime Minister Dr

Mahathir' is usually referred to as 'Dato' Seri Dr Mahathir'. There have been suggestions that Malays introduce continuous surnames. The surname, or the membership in a clan, is the most important name for the Chinese. The Indians usually use the names from the Hindu tradition and mythology, while some Christians among them give their children names of a Latin background. For us from Bosnia or the Balkans it sounds strange when we hear that some Malays, especially women, bear typical Christian names. When I asked Marina Mahathir from where she got a Christina name, she was surprised: "Why Christian? First time I hear that my name is a Christian one!" This is just one of Malaysia's many multicultural features.

It is difficult to grasp all of the possible Malaysian titles, as there are so many of them. When I would come across one explanation, it was usually incomplete. *Tungku* or *tunku* is a prince or princess, but it can also be *tungku* or *tengku*. *Tunku* is used more in the northern areas of the Malaysian peninsula, and *tenku* in the south. Just as you grasp the understanding that the title *Datuk Seri*, *Dato seri* or *Dato' Seri* is a bit higher than the English sir and somewhat lower than lord, you don't know where to place the *Tan Sris* or the *Tuns*, who are more numerous than all the lords of England. While the other titles are the same for both male and female bearers, the female form for *Dato'* or *Datuk* is *Datin*; the female form for *Tan Sri* is *Puan Sri*. I would not agree with some attempts to compare these titles to the Turkish *agas* and *beys*. When I asked the Undersecretary of the Ministry of Foreign Affairs, Ku Jaafar Ku Shaari, what the meaning of "Ku" was, he led me to further confusion regarding Malaysian titles. More distant relatives of the royalty sometimes give to their children a shortened version of *tunku*, as *ku*, *engku*, *ungku*. However, if the sister of Ku Jaafar, for example, was to get married to a commoner, her children cannot bear such names. In such case, a name as

Megat could be given if parents want to keep that distant royal origin.

The terms in Malay, this very simple language, where dual is constructed by repeating a word, have been quoted in their original, in particular as any translation could be wrongly used to compare religious terminology in the Bosnian language, where it is easily labelled to be of Turkish origin.

Addressing readers of the English edition, I should emphasise that this book was written from a European or Bosnian angle, and for the people speaking Bosnian or some other South-Slav language. In an attempt to make Dr Mahathir and his country closer to those readers, some aspects, historical facts, information and figures are given more extensively, although they are very much known to Malaysians. That is why the translation of the book consist also more details, and all quotations are given following its original sources.

I must express special gratitude to Dato' Hashim Makaruddin, special assistant to the Prime Minister of Malaysia, for his support in publishing the English edition of this book, as well as to Dato' Ng Tieh Chuan, the Managing Director of Pelanduk Publications, for his suggestions.

In my country, I owe gratitude for being granted this opportunity to complete this work, firstly to my country, Bosnia and Herzegovina, which sent me to Malaysia to the responsible post of the Ambassador. I had hesitated about coming to Malaysia, but today I do not regret my decision. Secondly, I am grateful to my wife, Fatima Cita Somun, for her support and understanding, although she has been waiting for me to write a completely different book for many years now.

Hajrudin Somun
Sarajevo-Kuala Lumpur
June 2003

Chapter 1

2002

THAT SATURDAY, June 22, 2002, will go down in history in Malaysia as brief moments, so full of meaning, often do. In the main auditorium of the Putra World Trade Centre (PWTC) in Kuala Lumpur, the 50th annual conference of the leading Malaysian political party UMNO¹ was coming to an end. The faces of the highest political leaders showed considerable exhaustion, but had a relaxed attitude. It had been a year of momentous decisions and new directions for the people. The closing speeches followed one after the other. It was now the Party President and Prime Minister Dato' Seri Dr Mahathir Mohamad's² turn, like at each conference for the last 20 years or so. Given that his opening speech had excited the whole country, it was expected that there was nothing exciting left to say in the closing speech and that it would be "business as usual" as any other closing speech had been.

He did not take long to deliver his closing speech, but what he said instantly caused confusion and chaos in the

¹ The United Malays National Organisation (UMNO) was established in 1946.

² Dato' Seri' is a title which governments or sultans bestow for special commendation, a title that falls between the British 'Sir' and 'Lord'. Mahathir is the first name while Mohamad is his father's name, which is preceded by 'bin' (son of) in official documentation. Dr Mahathir is addressed in Malaysia as Dato' Seri', Perdana Menteri or Prime Minister. Other persons for whom are bestowed with similar titles will be mentioned in full on the first occurrence of their name.

auditorium and the whole country.) The party leadership rose to their feet suddenly and started moving towards the speaker. The first who spoke out was the Minister for Foreign Trade and the President of Wanita UMNO, the women's wing of the party, Dato' Seri Rafidah Aziz. She ran stumbling towards the rostrum. Then she grabbed Mahathir by his arm and asked: "Why, but why?"

Mahathir's name was coming out from the mouths of hundreds of party delegates, mostly women, who raised their hands above the pink, yellow and blue scarves most wore. The auditorium began to fill up with male delegates who had earlier been standing in the hall outside to find out how many goals Brazil had scored against Korea in the World Cup. It was six in the evening and everyone was waiting for the final speech, so they could go home. Those who were half-following the conference on their television sets at home, leaned closer to see what was going on, and the people on the streets, they say, stopped to ask what had happened to Mahathir.

The leader of the nation physically resisted his closest colleagues. They were trying to restrain him by holding his arm and grabbing his hands. He looked at them through tears that suddenly appeared underneath his glasses. He was saying: "I have decided, I decided a long time ago ..."

He had actually resigned from all duties, as Prime Minister, as head of the coalitional National Front and UMNO, and as the parliamentary representative from Kubang Pasu in Kedah. What he had uttered provoked a storm of protests.

Attempts by Party Vice-President Dato' Seri Abdullah Ahmad Badawi to request a statement from the conference against his resignation were being lost in shouts of "Mahathir, Mahathir" and patriotic songs. Everyone was standing up. Mahathir was still shaking his head and waving his hands;

struggling against his colleagues. He could not hold back his tears. They took him away to the nearby presidential room, with his wife Dato' Seri Dr Siti Hasmah Mohamed Ali.³ Five vice-presidents of the party managed to persuade him to retract his resignation, which Abdullah later revealed to the impatient delegates. The streets were empty because everyone wanted to watch what was happening at the PWTC on telly.

Exhausted, Mahathir left for home with his wife and daughter Maizura, where he could devise a new plan in peace. He would not resign then and there, but would wait until October 2003, after the Summit of the Islamic countries in Kuala Lumpur. It was published the day after, that the Prime Minister would not immediately resign. He was in addition requesting two months of leave so that Abdullah, who was to be his successor for the most important functions, could have an opportunity to be introduced to the position of Acting Prime Minister. He did not change any of his earlier plans. That Monday he left with Dr Siti Hasmah for a planned holiday in Italy, but not as the retired leader of Malaysia.

The theoretical basis for his plan had been outlined in the speech he gave at the opening of the UMNO Conference, two days before his dramatic resignation announcement. It would be difficult to paint a complete picture of what his resignation meant without a shorter analysis of this speech.

Mahathir's speeches at his Party conferences were always anticipated with keen attention, and likewise this one was expected to give answers to some of the questions that had come up between the last two UMNO gatherings. Among other things, the effects of September 11 and the preparation

³ Mahathir's wife also has the same title as her husband, so her whole name is mentioned with the title: Dato' Seri Dr Siti Hasmah Mohamed Ali.

for the next elections by the weakened majority ruling party. The tension was heightened due to the death of the leader of the Islamic opposition party PAS⁴ Dato' Seri Fadzil Noor, who was succeeded by Dato' Seri Haji Abdul Hadi Awang, a radical subscriber to *syariah* law and a strict Islamic state.

I had earlier followed some live presentations of Mahathir, written and improvised. But this speech, both the English translation handout and Mahathir's Malaysian speech, stood out because of its carefully developed composition, broad vision of today's world, and refined language and line of thought.

A World of Uncertainty

Mahathir looks at today's world, or the "world of uncertainty", from a less optimistic angle. In his speech to the UMNO General Assembly, he said "The third millennium and the 21st century has not brought about a better human civilisation ... The age of Information Technology, the age of knowledge has arrived. But unfortunately man has become arrogant about because of his capabilities."⁵ He also said, "The greatness of a nation is measured by the invention and possession of weapons that can kill more people and not by the greatness of its civilisation ... It is clear that mankind has not advanced beyond the Stone Age when might equals right."

About terrorist attacks, including those of September 11: "While the rich countries with their high tech focused on the development of sophisticated weapons in order to increase their firepower, an ordinary passenger plane was used as a

⁴ PAS (Pan-Malaysian Islamic Party) was established after the division of UMNO into an Islamist and a liberal wing.

⁵ Speech by the President of UMNO, Dato' Seri Dr Mahathir Mohamad at the UMNO General Assembly at the Putra World Trade Centre, Kuala Lumpur, Thursday 22 June 2002.

guided missile to attack the symbol of the power of the advanced countries." The greatest effect of this attack is the spread of unparalleled fear of terrorists. "Faced with this unprecedented threat, the big powers appear to have panicked and lost their direction." Terrorism has not stopped, nor has the victory in Afghanistan contributed anything to the fight against terrorism.

Mahathir spoke about the terrorism against Palestinians: "Actually the possibility of terrorist attacks has increased because Israel, which oppresses Palestine, used the war against terrorism to upgrade its terror attacks against the Palestinians ... Israel must realise that it is surrounded by Arab and Muslim countries ... Remember that the attackers on September 11 were not Palestinians. They were from Muslim nations nearby Israel. It is impossible for Israel to kill 1.3 billion Muslims in order to secure itself ... We fear that anybody who supports Israel can be a terrorist target ... It is terrorists, not governments that are responsible for the victory or defeat of the country ... They can be anywhere. They can be ordinary people today and terrorists the next day."

"The only thing that will stop their terrorism is the removal of the reason for their struggle," Mahathir says, "No human being will sacrifice his life, especially by exploding himself, without a cause. ... If terrorism is to be stopped then the injustice done to and the oppression of Palestine and its people by Israel must first be stopped quickly. The territory of Palestine must be returned to the people of Palestine."

According to Mahathir, globalisation is equally threatening to humankind at the beginning of the 21st century. The end of the Cold War meant that capitalists were freed "from having to contain their greed" as they did not anymore have to fear that poor countries would become communist. That is why they now want to seize the riches of

the whole world. "Taking advantage of the telecommunications technology and the speed of jet travel, they devised the concept of a borderless world and globalisation." That world means for them a free flow of capital without any conditions that would protect independent countries. As poor countries do not have access to capital, they do not have any use of this "free flow". Borders can be crossed by capital, but poor people cannot migrate to rich countries.

The concept of currency marketing has caused a financial crisis and recession in Eastern Asia. Although it is clear to them that this creates an economic catastrophe for little countries, those who run the international financial system reject changes to the financial regime. The gigantic banks and corporations are perhaps an even larger threat to developing countries. They can become so big and powerful, and have such a huge effect, that they can take over the politics of small countries, as is taking place in Central America. "Our country, Malaysia, will surely be a target," Mahathir warns.

"It is not that we reject globalisation completely," he says "but we believe that if only capital has the freedom to cross borders, it is very dangerous."

The Muslim world, even prior to September 11, according to Mahathir, was accused of being backward, violent, and lacking the good governance and capacity to develop. Now the situation is even worse, because everyone with a Muslim name is treated badly: Muslims are, even more than before, subject to intimidation and harassment. Mahathir is aware that this approach towards Muslims is difficult to correct, but that it is possible and much better if Muslims improve their attitude and situation.

He said that today, Muslim countries are more prone to international conflicts between themselves than with

non-Islamic states that, in some cases, are their enemies. Ever since the fall of the Ottoman Empire, there is no Muslim country that follows the true teachings of Islam on the issue of self-defence (with arms) in order to raise fear in the enemy and acquire the capacity to defeat them. Furthermore, he said that because these countries do not want to be industrialised, developed and modernised, they cannot produce a variety of products, including arms but instead are forced to acquire their arms from others, even from their enemies.

Muslims, Mahathir continues to remind us, "pray to Allah for help. But they have forgotten that Allah has ordained that He will not help to change the fate of any community unless they strive to change their fate themselves."

What Mahathir believes is even worse is that the moment the government of some Muslim country tries to develop its country and improve its defense capability by using science and technology—some groups come up who oppose those endeavours, believing that these endeavours are secular and non-Islamic, and that the government should be overthrown. He goes on to say that these groups "often use the name of Islam ... in order to legitimise their violent actions." The governments that try to develop their countries and improve their defence systems are then too busy trying to defend themselves from such groups that have "hijacked Islam."

Therefore, if they want to save themselves, Muslim countries must improve themselves and return to the true teachings of Islam.

The Malaise of the Malays

Mahathir at this point turned towards his party, his people, and then his country. It will soon be evident why in this order. He started with a short historical background of the country.

As he explained, for the past 450 years—the period of Portuguese, Dutch, British, Japanese and Siamese colonisation of Malaysia, there were no serious attempts by the Malay to liberate their land. The Malay were, according to Mahathir, “so weak in spirit that they believed only the white men could rule their states. If it had not been for the Japanese, an Asian people who are not white, defeating the British imperialists, probably the Malay even today would have demanded independence, because they have no confidence in themselves as a people capable of administering and developing the Malay States.”

The mistake of the British was that they were too greedy and that they wanted to make real colonies out of the Malay States. “The Malay sultans were to be made chief *kadis* (religious judges) in charge of the Islamic religion and Malay customs. Whoever lived in Malaya without regard to their race, migrants or not, whether they were citizens of another country or not, would be accorded the same rights as a citizen of Malaya, with the same status as the *Bumiputeras* (or ‘sons of the soil’). Because the Malays were weak, they lost all their rights.

Mahathir summarised the possible fate of the Malays had the British plan of the establishment of a Malayan Union succeeded, “For the first time the Malays were shocked, shocked because they would not be dispossessed in their own land, people with no right in their own country. They would become like the Palestinian people in Palestine, or the Native Americans in the U.S. and Canada, the Maoris in New Zealand. Poor, without education, divided between small states with loyalty only to their rulers, without arms or an organisation to represent them, it was clear and obvious that the Malay would lose their homeland ... become “coolies” in their own country ...”

"But Allah be praised, at this critical moment," Mahathir continued, the Malay became aware of "the dire need for them to forget their state loyalties and unite in one organisation to fend off the planned Malayan Union by the British." All Malay organisations in all the states unanimously agreed to establish the United Malays National Organisation (UMNO). The only party that was not part of this initiative was the Malay Nationalist Party. UMNO was the organisation that united the Malays. The British "until then dealt only with the Malay sultans," who could lose their title if they were not obedient. Then, the colonial powers had to accept UMNO as the unique voice of the united Malays. "The Malayan Union of the British was dropped in favour of the Federation of Malaya." The heads of UMNO were nominated to the Federal Legislative Council and were given the title "The Honourable."

Even then, before independence, as Mahathir reminds us, divisions arose within the Malayan community, because some of them realised that a good political position can lead to power, status and income. At the same time, part of the *ulama* (the Islamic clergy), not satisfied that they would no longer be nominated for various councils, separated from UMNO and established their own party. "Aware of the strong faith of the Malays in Islam they decided to make use of Islam to attract the support of the Malay," Mahathir said, "With that they named their party Pan Malaysian Islamic Party or PMIP." However, the Malays rejected this party during the 1955 elections, in which they won only 52 seats, not more than the Alliance Party, within which UMNO had the greatest number of votes. The British accepted UMNO and the Alliance Party and considered them the representatives of the Malay people in the British colony, to which they would grant independence in 1957, two years earlier than planned.

This powerful unity amongst the Malay, according to Mahathir, contributed the most to their eventual independence. "This was the only weapon that they had ..."

"Today the Malays no longer give priority to unity." Mahathir says, "Anything can divide and break them up"—fighting for a position in the party, unfounded doubts in the leadership, disappointment over lost opportunities in business, lies of the opposition... They are not only divided, but they also are prepared to conspire with their enemies in order to frustrate the struggles of the Malays. In this manner the party PAS, which earlier claimed that UMNO is not an Islamic party because it cooperates with non-Muslims, is now prepared to embrace the leaders of the Democratic Action Party (DAP), which does not accept that Malaysia is an Islamic country.

The accusations against UMNO did not take effect in 1955, but the claims that UMNO has become an un-Islamic (*kafir*) party brought victory at the 1959 elections to PAS in the federal states of Kelantan and Terengganu. Since then the confrontations with UMNO, based on the alleged claim that it is not Islamic enough, have been multiplying. "Now the accusation has been made that the leader of UMNO does not believe in the Day of Judgment (*Akhirah*) and much more," said the Prime Minister and leader of UMNO. Those subscribing to PAS views never considered whether such allegations were true. Whatever they accused UMNO of was taken for granted to be true.

Divisions amongst the Malay are becoming greater because of the unfounded accusations against UMNO. "In the democratic system there is admittedly a role for opposition parties," emphasised Mahathir, "Without the opposition the ruling party may make mistakes without being corrected. Division due to a mistake of the government is not serious.

Although support can be given to the opposition, awareness of and loyalty to the race and religion can still be maintained."

"But," continued Mahathir, who had the growing attention of the delegates in the silence of the massive auditorium, "we find that the enmity towards UMNO is no longer because of political differences or even religion. The enmity towards UMNO by some Malays is due to the influence of PAS causing extreme hatred, hatred that was sown from childhood, until it became part of the culture of these people. UMNO people are not only regarded as not Muslims, but the leaders of UMNO are depicted as wicked Pharaohs (*firaun*) and, begging your pardon, pimps. Why these accusations are made need not be questioned or explained. It's just hate."

It is hate that Mahathir sees amongst the Malays today. "The Malays," he continues, "who are all Muslims, and are the majority in Malaysia, are not safe. The Malays are still weak, backward, and the poorest people. If we take out the Chinese and all that they have built and own, there will be no small or big towns in Malaysia, there will be no business and industry, there will be no funds for subsidies, support and facilities for the Malays. The Malays will return to the time when they were colonised before, poor, uneducated and looked down upon by everyone."

"The Malays are not safe," Mahathir says, "but we can secure ourselves, we can make progress, we can regain our honour fully, if we are aware of the dangers that we face now and if we make preparations to overcome them."

Mahathir sees enemies in the economic sector, in particular on the home front. When the New Economic Policy (NEP) was launched for the benefit of the Malays, there was no opposition. But when foreigners and the media started accusing the government that only their friends benefit from NEP, then the Malaysian opposition welcomed

these accusations and used them to attack the whole programme. They completely disregarded the opportunity provided for hundreds of thousands of Malay children who would never have been able to enter higher education. But they did not find it valuable that 40 funds were established to assist Malay business, that tens of thousands of contracts and licences were provided to thousands of Malay contractors. More than seven million Malays became stock owners in large corporations. All of these endeavours were made in order to increase the participation of Malays in the economy to 30 per cent.

Today, however, the NEP reaches only 2 per cent of that goal. "The reason is," according to Mahathir, "that when shares are sold to Malays, they immediately resell the shares to non-Malays. It was the same with the licences, approved permits and the contracts which were given to them." Only a small number of Malay businessmen did not sell those opportunities in exchange for a fast buck. Realising that such persons contribute to the success of the NEP, the government provided them with more opportunities, and this was the background for some very successful Malay businessmen today. Then envy entered the picture and those successful businessmen were accused of being good friends of the government and government leaders. It was not only the foreigners and foreign media who came up with such accusations, but some Malays also joined them saying that NEP benefits only a small and narrow circle of Malay relatives and friends.

"Who are these people who have become rich as successful Malay businessmen and industrialists?" asks Mahathir. "They are just anyone who worked hard, who did not become Ali in the Ali Baba partnership. Investigate their background. Did they really succeed because they are cronies

or is it because they didn't sell off their opportunities that they succeeded? The reason why they get more opportunities is because they are less likely to sell off their opportunities and they are more likely to succeed."

The government cannot avoid the accusations. "Seeing those who become millionaires and billionaires and live in palaces, those who own all the skyscrapers, big businesses and factories; seeing those who took over privatised government agencies; seeing all these people who are non-Malays, and the Malays only become paid drivers of the big cars owned by others and coolies hired by others, then the condemnation of the government will be more strident."

"The Malays do not lack anything. They have the brains, the energy and skills, the capacity, the manual ability, the strength just like everyone else. If they have not succeeded," Mahathir says, "after being given opportunities many times, after they have been helped with all kinds of facilities and even more money, the reason is that," here he raises his head towards the audience and says he begs the pardon of the Malays, "they are not hard working, i.e. they are lazy and like to find the easy way and the quick way, no matter what the end result." He goes on to say that the Malays lack patience, and that they want to be rich instantly. This is the reason why they sell the licenses when they get them, why they sell the approved permits when they receive them, when they get a contract for a business, they sell it for cash. "After selling and getting the cash, they come back to ask for more."

"Truly, I feel ashamed to expose all of this, especially in front of the other people, in front of the whole nation and the world," said Mahathir breathlessly, "But they all already know all this." he adds, "I am not exposing anything that they don't know. I only mention what is already known."

"Actually," he says, turning to ways of overcoming the situation, "the Malays and the other *Bumiputeras* can succeed if they put in a little more effort. For success, they must be honest with themselves ... Loans for business must be used only for business, used with good care, managed properly because the money that is borrowed must be repaid. Before making a profit, do not spend in anticipation of a profit. Contain your desires and spend as much as you are capable only ... God willing we will succeed."

"Learn from the Chinese," he says. "Remember when we sell licenses, contracts and other things to them, their cost of doing business increases. We do not have to carry the cost of buying licenses or contracts. But even though the cost for the Chinese businessmen is higher, they can still make profits. Why is it that with lower costs the Malays and *Bumiputeras* cannot make a profit?" The Malays must exercise diligence, self-discipline and patience.

"Perhaps you are fed up with my criticism and condemnation," the Prime Minister addresses the Malays in a calm voice. "But, as a person who has been chosen to lead, should I not say what is true with good intention? Am I as a leader required to follow, so as to be popular with supporters? It is meaningless if leaders become followers, and remain silent when seeing the followers doing or demanding what is wrong, what will damage all, leaders as well as followers."

He continues: "So please pardon me once again, because I still have to comment on the weaknesses of Malay cultural values."

Reminding that all Malays are of a holy Islamic faith that is capable of creating honourable and successful people and societies, and that is able to face all kinds of crimes or at least reduce them, as well as the fact that Islamisation succeeded in reviving the previously ignorant Arabs, Mahathir emphasises

how the Malay have removed themselves from Islamic culture, although they have embraced it for a long time. He lists drug abuse, HIV/AIDS, rape, indulging in unnatural sex, incest, murder (even of one's own parents and siblings), stealing and other crimes, which he claims occur among the Malay more often than among other non-Muslim communities.

"We note that if we go by the dress and behaviour of the Malays, they are more Islamic and pious now than before. If we hear them talk, we get the same impression. Can such people, with so much knowledge about the teachings of Islam, who seem to hold strongly to Islam, willingly commit so many things which are against the teachings of Islam and sinful?" Mahathir asks, emphasising that the cause has nothing to do with fate, but with a theory, which he says "may be right or may be false."

He finds the first cause to be the "broken family." He believes that "many Malay parents" are not good parents when compared to other communities, in which parents supervise and control their children, who in return work hard for the family and study diligently for school. Families distressed by divorce are also more frequent among the Malays. "Islam permits marrying two, three or four," he says, "but if you cannot be fair to your wives then marry one only." Trying to add some humour to the discussion, he says: "I believe those with more than one wife in this auditorium can be fair to their wives, but I believe that many in the hall and outside cannot."

"Other than parents," Mahathir says, "the main influence on our children, the generation that will succeed us, is wielded by the teachers." This is why major emphasis has been put on education in Malaysia. Twenty per cent of the national budget contributes to education. Out of a million civil servants, over 300,000 are teachers in schools and other education

institutions. "... I would like to emphasise," he adds, "that the majority of our children in the schools learn and absorb good values ... but in comparison to other communities, followers of other religions, there is a high number of Malay children who are not well behaved ..."

Asking himself why this is the case, what is being emphasised in the education of Malay children, whether the schools shape an honourable personality who can see the difference between good and bad, what is forbidden by religion and custom and what is not, Mahathir says: "Truly, those who fail in this task, those who instead teach how to make enemies and hate other Malay and Muslims, those who do not sow the true values of Islam, values that are all honourable, these people are the betrayers of the religion and the Malays."

Although violence and immorality present on the Internet and TV contribute to the moral collapse, according to Mahathir, "this does not explain why more Malays are involved in social ills."

The Islamic Nation and its Progress

Mahathir contributes to the current debate about Malaysia as an Islamic country, but does not want to make a political issue out of it that could lead to a division of Muslims in Malaysia. "stated that Malaysia is a Muslim nation... because all the conditions of a Muslim state according to the teachings of Islam are found in Malaysia" and not "... in order to be endorsed by a particular party."

He turned to the *syariah* criminal code (*Hudud*) that was endorsed by the Legislative Council of Terengganu state, but it is still not clear whether it is in accordance with the Federal Constitution of Malaysia. "We do not reject the true *Hudud* Laws," Mahathir says, "We accept them just as we accept all

the teachings of Islam. But we know the teachings of Islam are not rigid and so tight that we must carry them out without taking into consideration the surroundings and the consequences. We know under certain conditions we are allowed leeway, so that the religion will not be a burden and would hurt us...(because) Islam is not imposed by Allah s.w.t. in order to be a burden to the followers, to punish them."⁶

The same goes for man-made laws, Mahathir goes on to say. "Man-made laws which result in injustice are not Islamic laws, no matter by what name they are called. All of us, Muslims and non-Muslims, know that justice means the criminal must be punished, not the victim of the crime... What is wrong is not the teachings of Islam but the people who interpret them in favour of their political creed. The people who formulate laws so that the victim of rape is punished with a heavy punishment, while the rapist escapes punishment, these people do not hold to the true teachings of Islam. Thus if a woman claims that she has been raped by a known person and there are signs of force being used, and today we can confirm the identity of the rapist by the examination of semen, are we to ignore all this evidence simply because the procedure cannot be followed?"

That is the reason why Mahathir considers sinful those who accuse the victim of rape of adultery, and unjust those who draft such laws. As an argument he used a number of *ayats*, verses from the Quran, and said afterwards, "And now certain quarters will say, The person who says all this has no religious education, does not know the Arabic language and has no right to talk about religion." What he has to say to them is that Islamic countries consider Malaysia a role model of an Islamic state which they want to emulate. "They do not regard Malaysia as a model Islamic country because of the

⁶ S.w.t.: *Salawat - Salla Allahu aleyhi wa salam* ("Peace be upon Him")

actions of the people who try to make use of Islam for the political interest of their party. They regard Malaysia as a model because of its administration and its development as well as its struggles for Islam according to the commands of Islam." While the person, thinking in this case of himself, "who is deemed unqualified and has no right to talk about religion, has been invited by Muslims in other countries to speak about Islam, and his books on Islam have been well received by many Muslims and translated into other languages, including into Arabic and are widely distributed."

"Although I am not satisfied with various things that I have mentioned in my speech," Mahathir says, "I must admit that truly we have achieved much progress."

In a world in which many developing countries lost their freedom and independence, saw their economies collapse and were struck by poverty, Malaysia can still freely express its opinion, remain neutral when it is necessary, and has sustained its economy and reduced poverty. "Our people live well in peace and security, free from injustice, free from the threat of terrorist groups, which would like to destroy democracy and overthrow the government." Although NEP has not succeed in its entirety, the differences between the *Bumiputera* and non-*Bumiputera* have been reduced. If *Bumiputera* were only farmers and fishermen before, poor and destitute, today many are successful in business and industry, able to compete for jobs in the country and internationally. Some of them are invited by foreign countries to help in solving those countries' economic and financial problems. "Towns in Malaysia have all the facilities found in developed countries There is hardly a village that is not supplied with water and electricity, tarred roads, schools and health clinics"

The numbers also indicate substantial progress: the average per-capita income was US\$300 at the moment of

independence, while it is US\$4,000 today. There are still people who are poor, but their number has dropped from 50 per cent of population to 7 per cent. Malaysia is the 17th largest trading country in the world, and its exports and imports have reached almost US\$170 billion. For over five years exports have been higher than imports. The reserves of the country amount to US\$33 billion.

Malaysian houses are no longer made out of bamboo and wood, but out of brick and concrete, and are equipped with water and electricity. If people do not have a car, they at least have a motorcycle. The life of the Malays is better than before. For those who are not too choosy, there is always work. If there are too many foreign workers, this is because Malaysian workers are not prepared to do some jobs, while there are better jobs around. Farmers and fishermen are still poor in comparison to other workers, but their poverty will never be overcome, because farmers with only two acres of land and who work only a few months cannot earn as much as workers who work the whole year.

In general, "Malaysians, including the Malays and other *Bumiputeras*, live in peace and plenty, which will improve as the economy grows."

At the end, Mahathir repeated once more, "I beg your forgiveness for the harsh words that I have used in this speech. But I don't use filthy words, nor do I call anyone by shameful names. My language is not book language because I am not a language expert or a literary man. The only thing that I wish is that people should understand what I say. I use this ordinary language," he goes on to say, "because it is easier for me as a Malay who loves his own race, loved it since I realised I was a Malay some 65 years ago, at which time I realised that I was from a race that was looked down upon, a colonised race, a

race without honour, a race with a feeling of inferiority when set against other races, other nationalities."

But, although expected, this was still not the end of the speech to the delegates, his nation and the whole of Malaysia: "Like all people in the same situation, I dreamt I could change the perceptions I had," Mahathir says, as an attentive auditorium listened. "The perception of the Malay, the perception of other races towards my race. I did not dream I could do much to achieve this except as an ordinary citizen. But Allah be praised. I was given, through the support of UMNO members, the Malays, the other Malaysians, by the Grace of Allah, to become someone who can play quite a big role to change a little the status of my race, the Malay race, to change the perceptions of this race."

"I have tried my very best." He goes on, "There has been a little success say some people. I have no right to assess my own achievements. That is the right of others. But I have tried as hard as I can. There were times when I was elated with what I thought was my success. But mostly I feel disappointed—disappointed because I achieved too little results from my principal task, the task of making my race a successful race, a race that is respected, a race that is honourable, a race that is highly regarded."

"I beg your pardon because I have failed." Mahathir says, "I pray that from among the Malays there will emerge a leader capable of changing certain characteristics of the Malays and the *Bumiputeras* so that they will have a culture more compatible with success."

The moment, two days later, when Mahathir expressed his determination in resigning in such a dramatic manner, with the brief stressful and tearful episode, cannot be viewed separately from this speech. While he was completing it, there was an unusual, almost electric charge from his messages. It

was clear that it was not an everyday speech, from its style and language structure, long introduction about the insecure situation of the world, the gradual build up to the critical point, moving from general to intimate feelings, and the constant shift from a negative to a positive approach, while giving space and expression to the negative one. Only in one moment did he put down the written text, probably when the dissatisfaction fumed from within him, and he opened his arms and said: "I gave you everything, everything!"

Terrorising the Terrorists

What was the defining feature, for world as well as Malaysia, of the narrow period of time during which Mahathir, at an advanced age, was preparing himself for the most important decision in his life and the period immediately following it?

The first year after September 11 was passing, that date that will bring new dimensions to the world for many years to come.

Malaysia called the Ministers of Foreign Affairs of the Islamic countries to come to Kuala Lumpur on April 1, 2003, and discuss the effects of September 11. Mahathir's specific wish was that at that extraordinary Organisation of Islamic Conference (OIC) an agreement be made on the definition of terrorism, that would be then be forwarded to the United Nations (U.N.).

He suggested a basic definition, given that, "We cannot fight an enemy we cannot identify."

"Fighting terrorists is not like fighting another country," he emphasised, obviously having in mind Afghanistan. "We can flatten the enemy country until nothing is left of that country. It is entirely possible to do that now, and it has been done. But we can still miss the terrorists, for we do not know who they are and where they are. They may not be in the country we

have destroyed. They may be elsewhere: they may even be in our own country."

"We cannot hunt down terrorists until we all agree who they are and we cooperate in the hunt," continued Mahathir. "We already know that it is entirely possible for freedom fighters struggling against oppression to be mistaken for, and to be deliberately labeled as, terrorists by their oppressors. Thus Jomo Kenyatta, Robert Mugabe, Nelson Mandela, Sam Nujoma were all labeled terrorists, were hunted down and faced jail sentences if they were captured. But we know that today they are accepted as respected leaders of their countries."

"So, how do we identify terrorists?" Mahathir asks. "We can adopt conventions, but terrorists will not respect them... Before we agree on the conventions, we must decide what acts constitute acts of terror and who should be described as terrorist."

"I would like to suggest," he says, "that armed attacks or other forms of attack against civilians must be regarded as acts of terror and the perpetrators regarded as terrorists. Whether the attackers are acting on their own or on the orders of their governments, whether they are regulars (military) or irregulars, and if the attack is against civilians, then they must be considered terrorists. Groups or governments that support attacks on civilians must be regarded as terrorists, irrespective of the justification of the operations carried out, irrespective of the nobility of the struggle."

"According to this definition of terrorism," Mahathir finds that, "the attack on the World Trade Center on September 11, the human bomb attacks by Palestinians and the Tamil Tigers, the attacks against civilians by Israeli forces, and the killings of Bosnian Muslims and others, must be considered as acts of terror and the perpetrators must be considered as terrorists."

Anyone supporting them must be considered as terrorists. Where states are behind the acts of terrorism, the whole government must stand condemned. But no race or religion should be condemned or discriminated against simply because people of the same race or religion have been involved in terrorist activities."

This is the definition Mahathir presented to the Ministers of the OIC, for which, as for many other issues, he could not reach a compromise. The definition was simply left that way due to time and other considerations.

Mahathir's persisting insistence on the removal of the causes of terrorism, as one of the means of uprooting it, was presented on other occasions. The same goes for the identification and emphasis of two of those causes. One has to do with economics and the other with politics; the disparity between the rich and the poor and the powerful and the weak, as well as the oppression and humiliation the Palestinians are subjected to by Israel that has been going on for five decades.

Mahathir repeated that Israel cannot stop the carnage by terrorising the terrorists. Some Western media later adopted his expression, "terrorising the terrorists". "The suicide bombers consider themselves already dead," he said, "and are on the way to heaven. They are not likely to be deterred by the threat of death. Killing their leaders is not going to help either. More violent leaders will replace the fallen leaders and the terror attacks will go on. The Holocaust did not defeat the Jews. A second Holocaust with Arabs as victims will not defeat the Arabs either. Israelis must come to their senses and opt for de-escalation of terror rather than escalating it."

The Muslims, also, according to Mahathir, must condemn terrorism when it is clearly defined. Terrorising of people is not the Islamic way, nor is the murder of innocent people.

Mahathir's equating Palestinian suicide attacks with terrorism provoked surprise in the Islamic world, expressed by

bitter remarks in conservative circles or simply silence. It was courageous to say something like that when, equally courageous but desperate young Palestinians, in the *fatwas* of the religious establishment and media are called heroes. Some ten days later, when Mahathir was visiting Morocco, he was asked to explain the difference between suicide-bombers and the fighters for independence. He said: "We cannot condemn people who are desperate... Palestinians are resorting to such acts because no one is helping them... We can't say they are not terror attacks. They are. But if the world wants to seek an end to this, then the Israelis must withdraw and negotiate."

What the Malaysian Prime Minister emphasised at the Organisation of Islamic Conference (OIC) in Kuala Lumpur as a significant contribution of his country towards uprooting of the causes of terrorism, is something rarely heard from him; the long fight against communist uprisings, almost exclusively the Malaysian Chinese.

"In Malaysia we had to deal with terrorists for 42 long years—from 1948 to 1990," he said. "We fought against them, we hunted them down and we punished them. But we also looked into the causes of their insurrection. We found that they were mainly Chinese who felt alienated because the British had not given them citizenship status. The majority of ordinary Chinese who sympathised with them, and who also felt just as alienated, supported their insurrection. Accordingly the independent Malaysian government gave more than a million Chinese citizenship, protected them, provided land for them, enabled them to go about their business, and gave them meaningful participation in the government of the country."

"This was what the Malaysian government refers to as winning the hearts and minds of the people. And the Chinese were won over...they slowly ceased helping the terrorists,

stopped the recruitment of new members, and they actually helped the government apprehend many of them. What the government did may sound like appeasement. It may encourage people to resort to terrorism in order to achieve their objectives. However by removing their grievances and the causes of their violent anger, they had to admit that their struggle had become meaningless. Eventually they laid down their arms. Today Malaysians of Chinese origin are peace loving and loyal to the country."

Mahathir, it seems, adopted much from the Chinese philosophy of patient avoidance of armed conflict. It must have been a painful and difficult experience for Malaysia to have guerrilla war that lasts for four decades and to avoid large open conflicts with thousands, or even millions of victims, as was the case in Indonesia.

The President of the Malaysian Senate, Tan Sri Michael Chen Wing Sum, emphasised during the opening of the Asian-Pacific Parliamentary Forum in Kuala Lumpur that Malaysia was "always very vigilant against terrorism" ... and in combating that issue, "we have always looked at the root cause with the aim of resolving the issue from that perspective". And then he recalled a piece of advice given by Chairman Mao of China, to the Malaysian Prime Minister Tun Abdul Razak Hussein in 1974, on how to combat terrorist activities caused by the Malaysian Communists of that time. Chairman Mao said: "You are the legitimate government, they are illegal. They dare not come into the open. They cannot hurt you if you don't go near them. Gather the support from your people. Be patient, give them time, and they will fade away." Tan Sri Chen cannot assess whether such advice was effective. However, he concludes: "But 15 years later, in 1989, the Malaysian Communists had decided to call it a day and

concluded and agreed with the Malaysian government to cease all violent activities."

Mahathir continued with the current tasks and problems of the country, as if it could not have happened that he had already retired, although his days in retirement will not be peaceful for as long as he is in good physical condition.

In mid-July additional elections were held in two election counties of the state of Kedah, close to Mahathir's hometown and the seat of the state, Alor Setar. It was a test for UMNO, the leading party of the coalition of the National Front, but also for the opposition party PAS. At the preceding elections UMNO won in one county and PAS in the other, slowly and dangerously entering the earlier untouchable areas of the ruling front. This was the case during the July elections, too, except with a lot of tension, mutual accusations, insults, incidents and even comical scenes.

The PAS campaign had an almost exclusively religious sound to it. Thus Mahathir appeared clad in a robe and wearing a cross, with the words "*Dr Mahathir Paderi Besar Gereja*", and "*Rabsia Besar di Sebalik Mengbadap Pope di Rom dan Cuti di Itali*" ("*Dr Mahathir the Chief Priest*" and "*The Big Secret Behind his Meeting with the Pope in Rome and his holiday in Italy*"). Mahathir had met the Pope. Another poster shows Mahathir and Abdullah with a subtitle: "*Dr Mahathir Nyanyuk Pak Lah Merapu*" ("*Mahathir is Senile and Pak Lah is Gibberish*").⁷ The leadership of the youth wing of UMNO was proclaimed to be made up of Jewish agents, while Azalina Othman, its leader, to be a Christian.

Mahathir responded by saying it is up to the people to believe or not to believe the accusations of the opposition, but slandering others is strictly forbidden in Islam and is regarded

⁷ Pak Lah, meaning a "quite, modest man", is the popular nickname of Deputy Prime Minister Abdullah Ahmad Badawi.

as worse than murder. He warned that there could be unrest if such "dirty tactics" were employed in the next general elections. He accused PAS in particular for threatening to harass the Chinese if they voted for UMNO delegates, to the point where a considerable number of Chinese did not vote at all. It went so far, as Mahathir said, that PAS, which claims to champion Islam, twisted and manipulated many of his statements for political gain, such as the criticism against the party's spiritual leader Nik Aziz Nik Mat, "who said that Allah was a gangster." Although the Chief Minister of Kelantan, Nik Aziz, did make these remarks, flyers were circulated accusing UMNO leaders of insulting Allah.

During an International Forum on Islam in Kuala Lumpur, Mahathir spoke about negligence in the field of knowledge, and how there needs to be follow-ups to contemporary Islamic scientific discoveries. What has been repeated for years, and what is considered an obstacle to progress for Muslims in the world and in his country, is the wall that the *ulama* and the religious circles built between themselves and knowledge, which they not only consider has nothing to do with Islam, but also find inappropriate. He quoted a famous *hadith*,⁸ that says we have to seek knowledge, even in China. "At the time of the Prophet what was the knowledge available in China?" he asked and then answered: "Certainly not about Islam. China had at that time already developed a good system of government, great scientific knowledge, and high-level agriculture. They had produced paper and ink and explosives and a variety of scientific instruments."

Muslims have, according to Mahathir, in the later period of Islamic history, ignored acquisition of knowledge. Only

⁸ *Hadith*: all that is narrated by the Prophet, his acts, his sayings, and whatever he tacitly approved, in addition to all reports which describe his physical attributes and character

religious knowledge was considered to be knowledge, and it was sinful to gain knowledge from other fields, because it did not contribute to life after death. He sees in this one of the main problems and reasons for today's backwardness of, and poverty in, the Islamic world. Also is the problem in his own country, which was evident from the July elections. The *New Straits Times* wrote: "The past hundred years of Islamic revivalism have yielded Afghanistan's Taliban and, in Malaysia, PAS with its intransigent, rigid and bellicose attitude that diminishes the virtues of Islam."

A Mixture of Paradoxes

Thus Mahathir expressed in those few months, as he will continue to express, many bitter words of dissatisfaction over what he wanted but did not succeed in changing and some of the things he could not change. For those who believe his ambitions are too high, he had a simple answer: "I don't have any great ambition," he said. "I am mortal. Anything that I can do that is good at any time I will do it. I have not set myself any goals. To me satisfaction comes from seeing the things that I set out to do materialising practically in front of my eyes. I don't even seek to be remembered. I don't care what people think about me. I only think about what I have been able to do, and about what I have done. That's the usefulness of having authority: to be able to do things."

As I listened and watched him, I asked myself who is this man Mahathir, who changes from doubt to determination so often. I had seen him only once earlier, three years ago, at Sarajevo University, when he gave a lecture and said that there is much that Malaysia can learn from Bosnia and also that Bosnia can learn from Malaysia. For a brief time, I shared the views of some of his critics. Then I did away with them only when I found myself in his immediate vicinity, during the

*Majlis Berbuka Puasa*⁹ hosted by the Minister for Foreign Affairs Dato' Seri Syed Hamid Albar.

Actually, I became convinced by hearing about the beliefs of Syed Hussein Alattas, one of the most fruitful and popular Malaysian authors in the last thirty years, well-known as a non-conformist political writer, sharp satirist, and bohemian with long hair—voiced during his first meeting with Mahathir. This writer lives modestly with nine children, six grandchildren and a few adopted children. Roger Mitton wrote in *Asiaweek*: "When Alattas starts to write, Malaysian politicians begin to tremble." Out of some of his thirty books, three are about Mahathir, and are very critical of him. I will relate an anecdote about when they first met.

At the closing of the election campaign in 1999, Alattas found himself in Anak Bukit, in Kedah, where Mahathir was supposed to officially open a children's educational foundation. He wished to see in person this person some call a pharaoh, or as he said: "My intention was to have a close look and to study Dr Mahathir's face closely and thus this would enable me to see his aura. I had to see his chances of winning." Alattas, namely, was sure that his predictions would come true. "You can call it coincidence if you like", he says, "but so far none of these political predictions that I have made using my knowledge on physiognomy and the third eye failed. Malay people very much believe in luck as part of their belief in the mystic. Malay mysticism is very popular among the politicians. Some would even go against religion by resorting to the black magic."

"Before Dr Mahathir departed from a group of foreign and local journalists, I went close to him and shook his hands.

⁹ *Majlis berbuka puasa*: "breaking of fast" meal or dinner during the Muslims' fasting month of Ramadan. In Turkey and Bosnia, it is called *iftar*.

From a distance, I already could feel his aura. If you have read T. Lobsang Rampa's *The Third Eye*, you would understand what 'aura' is all about. One could feel the comfort of being near him. There was something nice that vibrated from his heart. We shook hands and our eyes met. I saw the sincere smile on his lips and I saw light in his eyes. The human eye is the window to the soul. It was clear there was no anger or vengeance in him against me. He was cool. Dr Mahathir asked me: 'How long did you take to write your book?'

"Two weeks, Dato' Seri," Alattas answered.

At that time he noticed that all the journalists remained and were there focusing on the two of them. They were awaiting Mahathir's reaction to the writer who had been a nightmare to most politicians. One volume of his political trilogy, published a year earlier, had the title: *Sunnab Nabi Mohammad SAW vs. Sunnab Dr Mahathir Mohamad (Sunnab of Prophet Muhammad SAW vs. Mahathir Mohamad Sunnab)*. It was a hard critique of Mahathir's sacking of his deputy Dato' Seri Anwar Ibrahim.

"Two weeks?" Mahathir asked, surprised. "I take one month to write a speech and it takes you two weeks to write a book! If this is the case, I also want to keep long hair like yours."

"*Cari makan*," Alattas replied to the Prime Minister's joke and smile. "*Cari makan*" in Malay means, "that's the way life is" or as the French would say "*c'est la vie*."

Since that meeting Alattas stopped criticising Mahathir.

Hence, Minister Syed Hamid invited me to his *Majlis Berbuka Puasa* to sit at the table with Mahathir, where there also were the Polish doyen, two ambassadors and two high-ranking Malay officials. I attracted Mahathir's attention, when to the Minister's question "How are you, your Excellency from Bosnia?" I replied "You are better, Minister!" "And why should I be better?" the Minister went on to ask.

"There are a few of reasons," I replied. "First of all, you are younger." "And secondly?" he asked impatiently. "You are the Minister of Foreign Affairs, which is the sweetest job in every government." Others laughed and Mahathir, looking at me and then at Syed Hamid, said: "He is completely right, you see."

The discussion went on to a number of issues, but not politics, followed by pleasant, but not rich Malay dishes. Mahathir told how he was in Arabia four times for the *haj*, the pilgrimage to Mecca. "The first time it was a real *haj*. I was there with the Sultan of Kedah in 1974. The trip wasn't planned, so my passport did not have the necessary details. It would have been dangerous for me to be caught, so I kept close to the Sultan at all times. Later I went for *umrah*."¹⁰

He spoke of how the Ka'aba was small and narrow inside, "just like between these four columns." He said it was dark inside and that you cannot see, so it was difficult to climb in the first time. "Earlier," he said, "there were some worn-out stairs, but now they have made new stairs, that they bring close, like those for the planes." Those who had not been to the *haj* were asking about the *tawaf*, the circle around the Ka'aba, and what was inside. "Tawaf has to be performed quickly when you are near the Ka'aba, because the circle is small. Inside I did not see anything, I was busy with prayers and did not have time to look around."

We spoke about the Berbers from North Africa, and Mahathir said he asked about them when he had visited Morocco. They say that there are Christian Berbers, although not many, and that they spoke a Yemeni dialect. It seems they are descendants of Sabceans. As everyone smiled at the phrase that "every problem comes from Yemen," the Yemeni

¹⁰ *Haj*: the yearly pilgrimage to Mecca, during the *Aid-al-Adha*, while *umrah* pilgrimage can happen any time during the year.

deflected the topic of conversation to their coffee, which they said was the best in the world, so that Yemen would not be seen only as a problem. Mahathir then told me: "You in Bosnia drink good, but strong coffee!" I explained to him how Bosnian coffee is made, how this is the only thing I know how to make at home, and how I even brought all the equipment used to make Bosnian coffee, including the *jazwa*, a small coffee pot, to Kuala Lumpur. He was listening in an unusual manner, as if he was storing away all his impressions somewhere in his brain. He has aged, but his hands do not have the aging spotting that mine, which are twelve years older, have.

He also said that one eats well in Bosnia. He liked in particular our "meatballs." We discussed whether he meant *cevapcici*, or meat cakes, or something altogether different. Or may be *sudzuka* sausage? Then Syed Hamid joined in to say how he liked beefsteaks the best in Sarajevo, opening his hands wide to show how large they were. "*Burek*, Bosnian meat pie also!" he said, trying to explain to others how tasty it is. "It is unexplainable," I said, trying to help him.

Later on, we were saying goodbye to Mahathir, in the quiet of the tropical evening, in front of the gate of the Wisma Putra, the Ministry of Foreign Affairs, located, like a European medieval castle, on the highest hill of the government seat of Putrajaya. He was waiting for Dr Siti Hasmah. "She can never get enough conversation," he said, "when she meets her friends."

I remembered Alattas as I sat next to Mahathir and watched his eyes as he spoke. His eyes are a bit shadowy behind his eyeglasses. When they look at the person they are speaking to, they radiate with trust and curiosity, as if they are asking for mutual trust in what they express. A light smile, or half smile, as it is described by his biographers, common with

people exposed to the public, which Mahathir changes quickly into a sincere expression of joy, especially when he is in a situation where he does not have to talk about politics. If he had won me over with his courage in facing the struggles of his country, his precise diagnosis of the hard-to-heal illnesses of the Islamic world, and his groundbreaking analysis of the new forms of slavery in the developing world disguised as globalisation, this evening he conquered me irretrievably with his soul, which, I think cannot do harm. So let them say about him what they will. He did make mistakes sometimes, but he did not give up. I remember Ben Bela, the first Algerian president, who said that one should have ideas, but one has to implement them even if only two out of ten are successful.

Mahathir has an additional trait, rare among statesmen: a simplicity of expression. Such as: "The economic turmoil precipitated by the Europeans cannot stop the 'World Century'." "Ease of travel and communications of every kind have already shrunk the world. It is going to shrink even more. Whether we like it or not, we will all be rubbing shoulders with one another, we who are from every continent, of every colour and ethnicity."

That which had the most impact on the contemporary development of Malaysia could be described in such terms as: the Malay nationalism and its setting in Malaysian multiethnic frameworks; the creation of ethnic balance and coexistence; the limiting of the role of feudal rulers; the strengthening of the role of Islam and the curbing of militant retrograde interpretation of Islamic teachings; populism and autocracy; market economy, privatisation and information technology as the motors of economic development.

¹¹ After the Asian economic crisis of 1997, Mahathir wrote: "The 21st century was not going to belong to any continent. The 21st century will be the 'World Century'."

Before I go on to follow the life of Mahathir, trying to illuminate those significant milestones in Malaysian development upon which Mahathir had the strongest effect, and in trying to understand the many dilemmas he faced—which is probably an impossible task in itself—let me quote Khoo Boo Teik. Khoo, in the introduction to his excellent study on Mahathir, *Paradoxes of Mahathirism*, writes: "If Mahathir has been in public view for nearly fifty years it is by no means clear that the man and the politician are well understood ... For me, he seems to be most approachable when regarded as a series of personae, and most comprehensible when taken as a composite of personal and social paradoxes."¹²

¹² Khoo Boo Teik, *Paradoxes of Mahathirism: An Intellectual Biography of Mahathir Mohamad*, Oxford University Press, Kuala Lumpur, 1995

Chapter 2

1960s

THE 1960s and the time before the 1960s ...

It is said that the human palm can reveal many of the secrets of the past, and even the future life of its owner. I don't believe in this. I believe that if we wish to understand a person's future progress through life, we should be looking at a person's childhood, whether we are scrutinising common people or exceptional ones.

Therefore the starting point for, not only the basic directions taken by Dr Mahathir Mohamad in his political engagement that has lasted for more than fifty years, but also for his obsessive dissatisfaction with the working habits and change in mindset of most of his compatriots, can be found in his days of youth. It is easily discerned from his own memories and the necessary data which he has written down simply, almost like school homework: "I was born in 1925 in the town of Alor Setar in northwestern Malaya (as Malaysia was then called), the youngest of ten children. My parents belonged to the lower middle-class and we lived in what would be called a slum today. My father worked as a schoolteacher and later as a school headmaster. He brought up his family to be very orthodox, very disciplined, and very oriented towards education."

"I was rather lucky," he goes on to say, "to get a good education, first in the Malay language and subsequently at the only English-medium school in town. My father paid for the

schooling which was only three ringgit a month. My mother had a religious education and taught me the Quran. I also had a religious teacher who would come to our house every day to teach me how to read the Quran and educate me thoroughly in the Islamic faith and its various practices. Although my family was not fanatically religious, we did adhere very closely to the Muslim faith. This gave me a very good starting point in life: a strong family, a solid education and a good religious grounding.

"The greatest influence in my early days no doubt came from my father. He always insisted on strong discipline and wanted his children to do certain things at specific times. There were times when we had to study and times when we could go out to play. He taught me and my brothers different subjects, in particular mathematics, for which he seemed to have a great fondness. I took all this for granted and accepted that a child had to obey his parents. Although my father never talked about politics or the future prospects of our nation, he worked tirelessly all over the country to educate the Malay people."¹³

The young Mahathir had role models at an early age, unlike many other Malays, in his father Mohamad Iskandar, an English school teacher, the first headmaster of Alor Setar's first English school (now known as Maktab Sultan Abdul Samad), and in his mother, to whom he owes a profound devotion to faith that, to others, is unassuming. He was at that early age when habits we acquire can rarely, if at all, be shed in later age. It is interesting that I have not found the name of his mother anywhere, nor has anyone mentioned it to me, while everyone knew his father's name. Even Mahathir does not mention it in the body of work that I had access to. Is this a

¹³ Mahathir Mohamad, *A New Deal for Asia*, Pelanduk Publications, Subang Jaya, Malaysia, 1999, p. 13

grain of Islamic patriarchy, which, in this region of Asian ideologies, has found fertile ground? In contemporary Malaysia, even though women are present everywhere, protocol dictates that the greeting or handshake is directed at the man first.

Mahathir spent his high-school days without much anxiety, not nurturing any great ambitions. Even if he thought it would be good for him to work as a civil servant, he did not believe it would be possible. His family, he said, did not have any connection with the people around the Sultan of Kedah, nor were they one of the privileged Malay families.

He was only following what was happening around him in passing.

This was the time between the two world wars, when British rule completely strengthened its position in the Malay peninsula, divided into numerous little Malay states. Each one of these states had an agreement with the British that defined British "protection," but not "colonisation." Mahathir, however, made a distinction between these terms. These little states were British protectorates and in that way had maintained considerable independence in local governance, in particular on religious matters. The British were in charge of foreign affairs, but did not interfere in internal affairs, in their own way. As Mahathir says: "The British were not too repressive. They could have colonised us fully from the beginning, but chose to create a protectorate image. Although the British actually controlled the administration fully, they managed to give the impression that the locals had status and authority. The Malaysian sultans were called 'the rulers' by the British, although they were never really given any power to 'rule.' The British did not send a 'governor' to our country, but an official they called a 'British Adviser'. In reality, however, his so-called 'advice' had to be strictly followed. The British were extremely

clever at this form of semi-colonial rule: they would call things by one name, but in reality do quite another thing."

Although the term "colonial rule" is taken for granted, especially when we talk about Malaysian history, the Malay nationalists extend Mahathir's distinction between protectorate and colony to the period prior to the British. They believe that Malays, from the beginning of their history, never succumbed to foreign invaders. Some of their authors seek to prove "that the Malays have never, as a people, been colonised. What they did, when directly threatened in many situations, was to tactically regroup elsewhere because they were under siege and outmanoeuvred by the superior armoury and firepower of the invaders."¹⁴

Whether this is scientifically acceptable or not, the proof for this argument can be found in the period of the Portuguese invasion and victory over Melaka, at the time, the strongest state in South Asia. It took place in the 1530s. Sultan Mahmud withdrew with the traders and their families to other territories of the Malay peninsula. He did not manage to liberate Melaka from the Portuguese during the two raids, but his sons established sultanates in Perak and Johor where their descendants still reign today.

At the very end of World War II, the greater part of Asia was controlled by the Europeans. The British held India, Burma, Singapore and Hong Kong, while the Dutch had Indonesia. Vietnam, Cambodia and Laos were under French rule. Most Asians felt inferior to the European colonists. There were no notable activities, apart from India, for a movement towards independence.

¹⁴ Ismail Noor and Muhammad Azaham, *The Malays Par Excellence ... Warts and All: An Introspection*, Pelanduk Publications, Subang Jaya, Malaysia, 2000, pp. 8-9

The Japanese occupation of a huge Asian region in 1940 changed and shook this part of the world.

"Not only did the Japanese forces physically oust the British, they also changed our view of the world. It was a very frightening experience. From our house in Alor Setar, we saw the retreating British troops, and then, from a distance, we could see the Japanese approaching the town. The British troops blew up bridges as they retreated and the Japanese troops shot and bayoneted British soldiers who were left behind. They were apparently preoccupied with fighting the British and did not bother the local population too much. Then, of course, began a time of food shortages and we experienced lootings and chaos in our town. We switched from one set of rulers to another virtually overnight."¹⁵

For Mahathir, a sixteen-year-old boy then, life became much more difficult. But, whether he wanted it or not, he started growing up much quicker, and enriching his knowledge that would have a significant role in directing and determining his views and his actions throughout his entire later life.

His English school was closed and he had to attend a Japanese school, although reluctantly. He preferred to sell bananas at the small market in his quarter of Pekan Rabu, where he had his stall. He sold coffee and cakes, but mostly "bananas, fresh and fried." He learned some Japanese. For Malays who learned to communicate in Japanese, the occupation was not too difficult. It was hardest for people of Chinese origin, who were persecuted by the Japanese, imprisoned and killed. The Europeans, apart from those who were from countries allied to Germany and Italy, were placed in concentration camps. Some were taken away together with

¹⁵ Mahathir Mohamad, *A New Deal for Asia*, pp. 15-17.

thousands of Indian and Malay workers, to work on the notorious "Death Railway" between Burma and Thailand.

Mahathir watched the Japanese, but did not feel any particular animosity towards them. He liked to hide and look at one of their engineers working relentlessly. However, he did wish they would leave his country and that the British would come back so that he could attend his school again.

The Japanese Occupation lasted about three years. From our European understanding of the Japanese as members of the fascist "Axis Powers," an understanding that is based on the antifascist movement against the largest human genocide, at least in the beginning Mahathir's later analysis of the Japanese occupation of his country, is puzzling. Perhaps it is most succinctly defined in his book, *A New Deal for Asia*: "There is no doubt in my mind that people across the Asian continent suffered immensely from the war and many were unjustly killed or captured. The initial Japanese defeat of the Europeans did, however, also have another psychological effect on many Asians. Even today, some Japanese will argue that their occupation of Asia was not so much an act of aggression towards the Asian nations, as it was an attempt to free us from European colonial rule. There is at least some truth to that argument. Before the war, when Malaya was under British rule, our entire world view was that we had no capability to be independent. We thought that only the Europeans could run our country and felt we had to accept their superiority. But the success of the Japanese invasion convinced us that there is nothing inherently superior in the Europeans. They could be defeated, they could be reduced to grovelling before an Asian race, the Japanese. Before the Japanese Occupation, the Japanese were reputed to be producers of the worst quality goods in the world, cheap goods that were not durable at all. The war, however, changed

my attitude, first of all because they were able to defeat the British. The Japanese were definitely a very disciplined people, very rigid in the way they stood, in the way they saluted and addressed their superiors. This somehow impressed upon me and later convinced me that with discipline one can master almost anything. Thus there was a new awakening amongst us that if we wanted to, we could be like the Japanese. We did have the ability to govern our own country and compete with the Europeans on an equal footing."

Thus the Japanese Occupation, for the Malays, despite their suffering, had a knock-on effect that was still very significant: the Malays were free from the feeling of inferiority to the "white man."

I like to walk past the Malaysian Parliament that rises above the tropical trees that in place of fruit bear large flowers of yellow and pink, the colours of Buddhist priests. I walk amongst the paths and park gardens tended to like British Royal parks, the only difference being that these are not cut precisely in straight lines, but are cheerfully scattered across the hills of Perdana, one of the most peaceful and most beautiful hillsides of Kuala Lumpur. The National Monument (*Tugu Peringatan Negara*) was raised on one of those hills, with large figures in a triumphant exposition of English monument sculpture. The faces of the victors are strained, their fists are raised and there is a flag and some knees kneeling. The composition is very expressive. There are yearly ceremonies, on July 31, when the Prime Minister and commanders of the army and police, are laying wreaths at that memorial, followed by the perfectly performed military music, echoing over the deep green area. Heads of the diplomatic missions also attend that impressive ceremony.

The only unusual thing is that all the figures on that monument, in a country populated by mixed Asian races,

represent white, Caucasian soldiers, probably from Australia and New Zealand. Besides the English words—"Dedicated to the heroic fighters in the cause of peace and freedom"—there is also an inscription in Arabic, meaning, "May the blessing of Allah be upon them."

Is this racial tolerance, or an old abandoned sign of inferiority, or does no one in Malaysia feel like asking such questions?

The Family: An Anchor

The Japanese defeat at the end of World War II and the return of British rule brought Mahathir one of his first dilemmas: he was yearning for the return of the British with their protectorate. This would mean he could continue with his disrupted education. In addition to the picture of a new Asian power that could defeat the British, another disappointment appeared. In place of a protectorate, the British were intending to set up full-fledged colonial rule in Malaya.

In those areas, unlike in Europe that was basking in its first peaceful spring, the war went on until the European autumn. Mahathir had to wait until October 15, 1945 for the Sultan Abdul Hamid College to open again, where his father Mohamad Iskandar was teacher and governor. Impatient, and for high school an already advanced student, he counted that the College was closed for 1,390 days. He soon became popular among his colleagues: organising debates, editing the school paper and leading the literature and debate groups. He joined various resistance groups, led by Malay nationalists opposed to the British plan for the establishment of a Malayan Union. Given that students were not allowed to be political activists, they worked in secret, mainly at night, putting up posters with messages against the Union. As they did not have enough money, they devised various ways to overcome this.

One of Mahathir's colleagues cut printing blocks from potatoes, and they used Chinese ink for printing the words. In vain the British sought the authors of those posters in Alor Setar printing houses.

What did the British wish to achieve with this Malayan Union, still unaware what a high price they would pay for it? They planned to form a central union from all the little states and sultanates from the Malay peninsula that were scattered with more or less advantageous protectorate arrangements. The central protectorate would be led by a governor, who would be, of course, British. The former Malay states would cease to exist and their feudal lords would become only religious leaders, or *kadis*. In short, Malay sovereignty would be transferred to the British Crown, transforming Malaya into a colony. The plan did not include Singapore, nor did it include Sabah and Sarawak. What embittered the Malays the most was the decision of joint citizenship, which would give equal citizenship to the indigenous Malays and earlier or later Chinese immigrants, Indians and other migrants to Malay lands.

Resistance spread among the young Malays, in particular. Mahathir organised the first Kedah Malay Youth Union, which later became the Kedah Malay Union political party, which would develop into the United Malays National Organisation (UMNO). A meeting of 41 Malay associations was held with the aim of creating a national resistance to the Union, which the British had already proclaimed. The British had also already sent a governor to Malaya in Kuala Lumpur in March 1946. After this meeting, UMNO was established, led by Dato' Onn Ja'afar. The British, after an unsuccessful debate with the Malay leaders and UMNO, gave up the idea of the Union, and agreed on the establishment of the Federation of Malaya, which started functioning on February

1, 1948. The sovereignty of the leaders and the rights of the states was maintained, and because of the somewhat more privileged status of the Malays, there was some discontent among the Chinese and Indians, although they, too, were against the Union. Sarawak and Northern Borneo (later Sabah), however, did become colonies.

The leaders of UMNO soon started a campaign for total independence.

Mahathir, however, considered the victory against the establishment of the union was the end of his political battle. He thought the Malays were still not capable of running their country. The Federation of Malaya was, as Malaysia is today, a multiethnic country, with Malays, Chinese and Indians as the three majority ethnic groups. Among the four million inhabitants at the time, the Malays were the largest majority, making up almost half the population, but the Chinese, who were representing a third of the population, were much more powerful in terms of wealth and economic power.

Mahathir decided to acquire higher education. In order "to be accepted as a leader," he says, with the activism of his youth against the Malayan Union in his veins, he felt a drive towards politics. He does not hide this in his later memoirs: friends "naturally accepted my self-projected leadership."

He wanted to study law, but received a scholarship for medicine at the King Edward VII College of Medicine at the University of Malaya in Singapore. This University would be transferred to Kuala Lumpur after independence. Already in his first year of study he met Siti Hasmah, who was also studying medicine. Apart from her, there was only one more Malay woman studying medicine. At that time it was unusual for a Malay woman to gain higher education, but her father, like Mahathir's father, was very strict and insisted that his children acquire higher education. Although before they

graduated they did not get engaged, they knew they would get married one day. "... Before my first year was over," Mahathir says, "we had become steady." He always emphasised family as an important means of support in his life. For him family is "the anchor which keeps us stable in a complex society."

In order to earn some money, in addition to the scholarship, Mahathir started writing for *The Sunday Times* in Singapore, while attending a course in journalism. Had he not become what he is today, those texts signed with the pseudonym "Che Det" would not have left a significant mark. Later, these texts took up the attention of the many researchers of "Mahathirism" as the stepping stone to some of the ideas Mahathir further developed and achieved.

One of the texts, addressing non-Malays, looks at the traditions and events of everyday Malay life. He wrote how fishing was done on the rice fields and how the price for the catch could never bring in a profit. He explained how preparations were made for picnics to the nearby mountains during the season of the popular durian fruit. He evoked the memory of celebrating *Hari Raya* in the countryside, the hard work of the housewives and the joy of the children; the "open house" tradition, where the house would be opened to family, friends and passersby. Sometimes he had humorous comments, although humour is not his favourite. Thus he wrote once how people on picnics used to eat durian for breakfast, snack, tea and dinner. What this means is well known to those who are familiar with the effects of this most famous aphrodisiac with the most unpleasant smell which is why it is forbidden in airplanes and hotels.

Che Det, in his writings, noted the changes in Malay social life, without expressing any nostalgia for the extinction of some old habits. He expressed surprise at the habit of

organising such traditional dances as *joget* or *ronggeng* in Malay everyday life, despite the availability of contemporary Western dances and cabarets. He noticed the inclusion of rumba and samba elements into the national dance, which was massively popular at special occasions or in public parks.

Even today, some fifty years later, Mahathir—as he recently said—has the habit of dancing *ronggeng* at private parties.

He was interested, at the time, in the traditions of marriages, which the Malays are so sentimentally attracted to, despite the high number of divorces. It made him think that more attention is given to the wedding ceremony than to the future happiness of the married couple. He advocated abolishing the prohibition against marriage between "royal ladies" and the common people, which was introduced "no doubt motivated by a desire to preserve the mythical purity of the royal blood."

The other side of the texts by Che Det referred to the problems of the Malay, rather than their joys. He was angry at the countryside people "with their apathy towards English education and lack of faith in their own children's abilities." He stressed that they "never would send their children to English schools even if they could afford to as quite a high percentage of them undoubtedly could." He was in particular sensitive about the difficult conditions of the workers on the rice fields. "Malay padi planters need help," he wrote. Malay leaders enjoyed calling those workers "the backbone of their race" to which Che Det commented: "What they imagine is their backbone is made up of their most illiterate and tradition-bound members."

However, one of the texts of the young Mahathir, hiding behind the name "Che Det", slightly crosses the threshold into political issues. During the conflict between the incessant

royalists and UMNO members in 1949, he takes the UMNO side, but very carefully. With a polite tone he did say what he wanted: "Those belonging to the royal courts could compromise or lose, perhaps for ever, the confidence and loyalty of their subjects." And when the conflict became critical he did not hesitate to say that it "will be surprising if feudalism can hold its own" against the new force of a "new Malayan democracy."

The most noted text from that series of writings, which lasted for some three years from 1947 to 1950, and which gives the whole series a special significance, is titled "New Thoughts on Nationality." This text, with insignificant changes in terminology, can be considered a longer abstract for *The Malay Dilemma*, Mahathir's book that was the most criticised and most praised. He presents in that text the main issues he deals with in *Dilemma*: "Hereditary rights of the indigenous people, the backwardness of the Malays and the obstruction of Malay privileges, and Chinese dominance and trading discrimination." Above all, Che Det announced what Mahathir would call, two decades later, the ideologies of the main Malay dilemma: "the necessity of retarding progress."

In a nutshell, when Che Det was identified, in his ideas one could discover "the qualities which prefigured the Malay nationalist persona of Mahathir Mohamad: an unwavering identification with the Malays, an intimate knowledge of their problems, and an uncompromising defence of their rights."¹⁶

The Progressive Doctor

Mahathir returned to Malaysia with a medical degree from Singapore in 1953. After working as a trainee in Penang's General Hospital, he spent a short period of time working as a

¹⁶ Khoo, *Paradoxes of Mahathirism*, p. 86

doctor in Langkawi, Perlis and Jitra, and then settled in the state hospital in his hometown, where he was Dr Mahathir until he joined politics. This did not mean, as you will see, that he did not engage in politics, sometimes even more than with medicine.

Sometime at the beginning of his medical career, a boy came to the hospital and told Dr Mahathir: "My grandfather is very ill," the boy said, still trying to catch his breath after running all the way from the poor colony near Sungai Korak railway line, some two kilometres from town. "Where is he?" the doctor asked. "Across the Sungai Korak railway line. Follow the lane by Najat School till you get to the end of the road. You have to go on foot to our house because no cars can go through."

"All right," Dr Mahathir said, "you go home first, I'll be there."

When the doctor arrived, he saw the grandchild and his young mother next to the sick old man, in front of whose bedside bloodstains spread. He had been coughing for days and coughing up blood. Dr Mahathir examined him, gave him some medication and instructions, and when the daughter asked how much did they owe him, he said, "Just give whatever you can."

I borrowed this story from Zainuddin Maidin's *The Other Side of Mahathir*,¹⁷ and the boy from the story who ran to the doctor is the author of the book. He became famous as a journalist and editor of *Utusan Malaysia*, a leading Malaysian paper. He interviewed Dr Mahathir often, using their common background from Alor Setar. (Zainuddin was recently appointed Deputy Minister of Information.)

¹⁷ Zainuddin Maidin, *The Other Side of Mahathir*, Utusan Publications, Kuala Lumpur, 1994, pp. 3-4

Mahathir soon became popular in town and nearby villages for his equal treatment of all patients, whether they were farmers, civil servants or workers, rickshaw drivers or teachers, princes or paupers. All these layers of society lived in the seat of the state and sultanate of Kedah, the richer living in the north and the poorer families living in the south. Dr Siti Hasmah was employed in the Health Centre in Jitra, some twenty kilometres north of Alor Setar, where she committed herself, in addition to her medical practice, also to the education of the rural population, in particular mothers, in the field of health protection.

After three years, in 1957, Mahathir left the state hospital, in which he felt fettered and where he could not engage in social and political activities. He opened a small private clinic, Maha Clinic, in the Pekan Melayu part of town. It was one of the five private clinics in town, and the first one owned by a Malay. In time, the number of patients increased, and they called his clinic the "UMNO Clinic". Mahathir continued to visit his patients living around the town, often spending whole nights out, and performing minor surgeries. The medical practice did not bring the income one could become rich with. There was no medical insurance, and the medical service prices were very low. Some US\$3 was the price for an examination, five for a shot, six for a house visit. Mahathir also became familiar with the problems of the Indian workers in the rubber plantations, in particular through his post of president of the Kedah Association of Tuberculosis.

He achieved one of the first successes in social activities when the City Council of Alor Setar accepted his suggestion to regulate the waste removal that was polluting the water. He asked that the night toilet waste removal service is privatised, which was at the time removed in lorries, and the workers gave preference to the houses that gave a good tip.

Mahathir was already the head of the Alliance for Alor Setar at the time, which was made up of UMNO, the Chinese MCA and the Indian MIC. He was also president of UMNO for the whole Kedah state. He became popular as the "progressive doctor". He fulfilled his only personal wish—to have a good car. He bought a long Pontiac, competing with the other non-Malay doctors in town. The inhabitants now spoke even more about the doctor who drives the Pontiac across the narrow town roads, where a car rarely passes by, where most people ride bicycles.

Dr Mahathir, after four decades, remembers those days: "When I look back, I think my medical training and years as a practitioner have stood me in good stead. It has made me better able to diagnose any given situation. When I was an active practitioner, I used to be able to diagnose people very quickly; when a person with malaria or another serious disease entered the room, I immediately knew what he suffered. That training later became very useful to me in politics where you constantly need to gauge people's reactions and must be able to tell whether or not you are hearing the truth. I once told *The Economist* that politics is a good profession for people with medical training. Doctors go through the process of observing a patient, recording his or her medical history, then you make a physical examination, do lab tests, and finally arrive at a diagnosis. When I encounter a political problem, I go through the routine of observing all aspects of the problem, including its historical dimensions, analysing it in detail to identify all the signs and symptoms, then I do 'lab tests,' and finally I reach a conclusion and prescribe a course of action.

"Another quality I gained from practising medicine was a certain compassion and sense of responsibility for people in need. As a doctor you try to understand people's ailments as

well as their feelings—their depressions or their joys—and this has no doubt served me well in later years.”¹⁸

The Trap of Ethnic Challenges

The independence of Malaya was announced at midnight on August 30, 1957. The Commission of the Commonwealth Lawyers, lead by Lord Reid, prepared a draft Constitution, based on the memorandum prepared by the leaders of the Alliance. This draft Constitution was accepted by the Malay rulers, as well as by the British and Malay governments. Malaya then became a constitutional monarchy, with a King who is chosen among the nine Malay rulers every five years. The House of Commons of the Parliament is chosen during elections, while the House of Lords, or the Senate, is nominated. Each state receives a local council, chosen during elections. The first President of the Malayan government and Head of UMNO since 1951, Tunku Abdul Rahman, suggested in 1961 that a wider federation is established, Malaysia, that would include the territories of Malaya, Singapore, British North Borneo (Sabah), Sarawak and Brunei. The Brunei ruler decided he will not join the federation, feeling that the income from oil—that started greatly flowing in—will dissolve within the federation.

Thus Malaya grew into Malaysia, which was inaugurated on September 16, 1963.

Problems with neighbours ensued immediately. Indonesia, which was ruled by Sukarno, announced the Confrontation policy against Malaysia, entering across the border with its troops into Sarawak and North Borneo (renamed Sabah). Indonesia and Philippines, equally dissatisfied that the North part of Borneo became part of Malaysia, cut diplomatic

¹⁸ Mahathir Mohamad, *A New Deal for Asia*, pp. 20-21

relations with Kuala Lumpur and reject the positive view of the U.N. on the establishment of a new federation. Only after Sukarno was ousted from power in 1966 did the relations between these two countries and within the region normalise.

In the meantime, disagreements began with Singapore, which was populated with a Chinese majority; this small island state, as seen by some people—became expelled, while seen by others—left Malaysia and declared independence on August 9, 1965.

How was this process of the formation of today's Malaysia followed by the doctor-politician Mahathir Mohamad?

He refused to participate in the second general elections in 1959, feeling hurt because of the first doubts about him expressed by the Prime Minister Tunku Abdul Rahman. His activities in UMNO, however, brought him a place in the Parliament for the election council of Kota Setar Selatan in 1964. Thus, at the age of 39, he was involved in both state and national politics.

At that time, all Malaysian politicians of all ethnic groups, were more or less "ensnared in ethnic challenges" and "many thrived on them."¹⁹ Soon, Mahathir joined the Malayan politicians and intellectuals who were embittered at each Chinese remark of the "special position" of the Malays. Their non-Malay opponents called them "the ultras," a term popularised by Singapore Prime Minister Lee Kuan Yew.

Three months after Singapore was to be separated from Malaysia, Mahathir increased his rating among the Malay politicians in the Parliament by challenging Lee himself, whose political brilliance and debating skills were considered unsurpassed. People used to say: when Tunku Abdul Rahman makes a mistake, people consider it normal, but when Lee makes a mistake, they say it is impossible. Having no

¹⁹ Khoo, *Paradoxes of Mahathirism*, p. 18

inferiority feelings towards Lee's greatness and experience, Mahathir mercilessly rejected "the mad ambition of one man to see himself as the first Chinese Prime Minister of Malaysia." He had already mastered the skill of ethnic accusations and contra-accusations which, based on a later confession, he would not enter with bad intentions. "I have been misinterpreted and misunderstood, even at the time when I was labelled as 'ultra.' I felt that the labeling was a political gimmick, and that image is unacceptable to a large majority of Malaysians. When I was a Member of Parliament, all I was talking about was that the Malays should have a fair share in this country—no more than that."²⁰

The division of different layers was developing in all directions as the forthcoming elections in Malaysia were drawing close, and in particular the division between the Malays and the Chinese. The Malays were dissatisfied with what independence brought to them. They had Malay leaders in the government, but their living standards did not improve. Only a small number of Malays was employed in the larger companies owned by Europeans, while the Chinese still held the strings of the economy in their hands.

The dissatisfaction with the party leadership was also on the rise among UMNO party members. Prime Minister Tunku Abdul Rahman was, rightfully, more and more doubtful towards Mahathir, who was encircled by young and educated Malays. While he was excluded from politics between the two elections, Mahathir did not cease to criticise the many Malay problems not only the government but also the President of the government himself. He criticised Tunku's inclination on the compromise that is part of the Malay saying *tidak apa*—"never mind." He considered completely unacceptable Tunku's

²⁰ Tan Chee Khoon, *Without Fear of Favour*, Eastern Universities Press, Singapore, 1984, p. 61

philosophy: 'Let the Chinese be traders, and the Malays be politicians.'... that "the tradition should take precedence over everything else." Mahathir considered that inclination on tradition in particular regressive. Actually Tunku subscribed to the Malay saying: "*Biar mati anak, jangan mati adat*" ("Let the child die, but let not the custom perish"). Mahathir thought this saying was indicating "a fanatical hold on customary practices." He says: "From the logical viewpoint, if the child dies, then the custom dies along with it."²¹

The Alliance won with a tight majority on May 10, 1969 and one of the victims of division was Mahathir Mohamad himself. He was beaten, to everyone's immense surprise, in Kota Setar Selatan by the PAS candidate, Haji Yosof Rawa. The opposition was better off at these elections than at any other elections since independence. Mahathir was damaged, apart from being called "an ultra" by a statement that the votes of the Chinese are not important. Thus a number of Chinese who used to vote for the Alliance earlier, turned towards PAS. On the other hand, some of Mahathir supporters thought that he was deceived, because they promised to support him during the elections.

At the height of the tension, on May 13, three days after the elections, ethnic riots broke out in Kuala Lumpur. It is estimated that several hundred people were killed in these riots, mainly Chinese, and that much of the markets and goods were destroyed. The Constitution was suspended and the government established a Department of National Unity, which had the task to formulate the state ideological basis and social programmes. The ideological principles, *Rukunegara*, were adopted, as the basic policy for the whole country and all ethnic communities.

²¹ Mahathir Mohamad, an article in *Utusan Malaysia*, September 18, 1992

After the elections, the conflict between Prime Minister Tunku Abdul Rahman and the younger forces of UMNO was even more intense. Mahathir, again, was in the lead, whether he wanted it or not. Mainly, his sharp letter to Tunku, where he requested the Prime Minister to resign, appeared soon after the riots, while the curfew was still on. Mahathir's basic idea was that wrong policies were chosen for the multiethnic society of Malaysia. He accused Tunku that his views "were based on stories you heard from people who surround you, and who tell you only what they think you like to hear or should hear." He continues in the letter, "Permit me to tell you what the position, the thoughts and the opinions of the people are really." Mahathir informs Tunku that he has become the object of hate by Malays, especially those who lost their homes, children and family. And that this is the reason why it would be best if he resigned.

The background of the conflict between these two most prominent personalities that have marked the history of Malaysia since its independence was also the difference of their background and life. Tunku was a prince and a bureaucrat, he was used to an easy life, while Mahathir had to go through all the hardships in life. Tunku expressed warmth towards people, but Mahathir was with the people and understood all their problems. Tunku grew up in the company of royal children, and later with the English and other foreigners. His road extended from Malaysia to London, while Mahathir's from Alor Setar to Singapore.

Mahathir probably did not think about the consequences of the letter he was writing, but he was confident of the motive which moved him to write it. "The race riots revealed the difficulty of running a multiracial society," he explained this situation later, "and laid bare the deep rifts that had emerged between the Chinese and other, poorer ethnic

groups, particularly the Malays. It was an eye-opening experience for most Malaysians, and we realised the dangers of racial tension and social inequality in rending the nation asunder."

Tunku requested Mahathir to be expelled from UMNO. Some of the members of the party's Supreme Council suggested Mahathir apologise to Tunku, so that he would not be expelled from the party. At the Council it was announced that Mahathir refused to apologise. In the end the decision to expel him was adopted and his letter was proclaimed to be forbidden. Anyone caught in possession of the letter without special permission would be sentenced to a year in prison or a fine of a thousand ringgit, or both. The publishing, printing and distribution would send a person to prison for three years.

Tunku after this called for a press conference and said: "A letter which took ten minutes to write has destroyed my 17 years of service. Mahathir himself knows that, for the country and the people, I have sacrificed all my comforts and have become impoverished as a result, so much so that even to pay my income tax I was forced to sell my possessions."

However one takes this, 1969 was, as Mahathir himself finds it, "a turning point" in the short history of independent Malaysia—and no doubt a turning point in his political career as well. In only three months "it transformed him from being a failed electoral candidate into a living symbol of Malay nationalism."²² Although he himself experienced it differently: "After I was expelled, people were scared to come and see me. They felt they might be incriminated. There was a policeman watching the house."

Perhaps he was still not aware how the pebble he threw into the political waters formed circles that will expand more and more.

²² Khoo, *Paradoxes of Mahathirism*, p. 63

Chapter 3

1970s

MAHATHIR MOHAMAD accepted his exile from politics calmly, but what he achieved in these few years is the best proof that, whether he was aware of it or not, he did not consider it final.

He wrote *The Malay Dilemma*,²³ a book without which one cannot even make a sketch of the period Malaysia went from its independence through to its great economic achievements. The author of the book never gave up, nor did he diverge from its basic course. New dilemmas were surfacing about the Malay reality, but they all seemed to be connected to the original dilemma that Mahathir faced.

Before he began to consider the essential tenets in his analytical piece of work, Mahathir asked the question "What went wrong?" He described the situation in Malaysia that resulted in ethnic tension and conflict on May 13, 1969. Contrary to the official view that ethnic harmony prevailed during the preceding years, especially those prior to independence, Mahathir bluntly claims that in Malaysia there never was true racial harmony. "There was a lack of interracial strife," he says. "There was tolerance. There was

²³ Mahathir Mohamad, *The Malay Dilemma*, Times Book International, Singapore, 1970. This book has been reprinted 15 times until 1996. For practical reasons we are not referring to pages when quoting parts of the book. The interpretation of the book is not interrupted with other quotations or sources in this chapter.

accommodation. There was a certain amount of give and take. But there was no harmony. There was in fact cacophony, muted but still audible. And periodically the discordant notes rose and erupted into isolated or widespread racial fights."

The Malays and the Chinese can live as neighbours. They can meet at work, even socialise. But when they retire, they retire into their ethnic and cultural sanctum. As Mahathir explained, "In their own world their values are not merely different, but are often conflicting."

Before the arrival of the Portuguese, the number of non-Malays on the Malay peninsula was insignificant. As much as one could deduce, relations between the Malays and the Chinese, who were the majority, were friendly. It is understandable because the Chinese, when they are in a minority, avoid provoking Malays. The Chinese and the other non-Malays did not only learn the Malay language, but also accepted the life of the Malays. Conflicts were rare.

The arrival of the Europeans meant a rise in the arrival of the Chinese and Indians in the Malay sultanates. However, believing they were in this country temporarily, they did not have contact with the Malays. Conflicts were thus avoided, but among Malays, especially during the later period of British rule, there was a rising awareness of danger for their political position, provoked by the presence of the Chinese and Indians. The British were determined to prevent any interethnic dissension. In addition to this, the British and the settlers never questioned the right of Malays to their country. Therefore, there were no ethnic tensions because they lived separately. "People who live apart," Mahathir says, "need not like each other."

The Japanese occupation separated the Malays and Chinese from each other even more. Some Malays were actively pro-Japanese, while others, if they did not sympathise

with the Japanese, were not anti-Japanese either. The Chinese were discriminated against. The Indians identified themselves with the struggle for the independence of India. Thus when the British returned, the Sino-Malay relationship "was anything but cordial, and when the communists (mostly Chinese) tried to set up a government for each of the Malay states, bloody Sino-Malay clashes were precipitated." The British and their armed forces prevented these clashes from growing into a real ethnic war. The Malays placed their trust in the British, but were "soon disillusioned" since the plan for a Malayan Union meant that the Chinese and Indians were going to get the same rights as the Malays. During the period of political activities that led to independence, in the 1950s, a notable level of cooperation and trust was established between the Malays and the Chinese.

This was true for the first years following independence. "But power corrupts," Mahathir says, "and the near-absolute power that the Alliance obtained corrupted the thinking of the leaders almost absolutely." Mahathir did not like the situation, in particular in his UMNO party, from which he was expelled for exactly such views. "The result was that mediocre men were left to run the country," he mercilessly.

Thus many things went wrong, in particular the premise that was the basis of the government of the time. It stated that ethnic harmony, established when independence was won, is the true example of harmony between the different communities of Malaysia. The premise held that the Chinese are interested only in business and acquisition of wealth, while the Malays were interested only in being civil servants. In addition to this, leaning on its accumulated power, leadership of the country became insensitive to criticism, whether it was coming from the opposition or from supporters. They were not capable of noticing radical changes in the views of the

people. That is why the government was in shock and that is why "anarchy exploded" on May 13, 1969.

Mahathir was using this as an introduction to his book, while it was actually an introduction to the fall of Tunku Abdul Rahman's governance. Mahathir refuted the main notion that Tunku's rule was based on: a pluralistic Malaysian community is possible with the support of this "separatist" formula—"Malays in politics, Chinese in economics."

The first question Mahathir asks in *The Malay Dilemma* is, How and to what extent do hereditary factors affect the development of Malays? Although there are no scientific studies, and he himself has no scientific pretensions, the author believes it is necessary "to shed some light" on this subject, so that a better understanding may lead to overcoming, at least in part, the adverse effects of these factors.

As he explained, geographical conditions made the Malays people of the lowlands. There were so many fertile tropical valleys around the rivers that there was no need to inhabit the mountains and to make arable land out of them. Getting food did not require much thought so famine and starvation, a common feature in China and other countries, were unknown in Malaya, even in the old times. Even the feeblest had something to live on.

Rice cultivation, the most common occupation of the Malays, is a seasonal occupation. What one would gather in two months was sufficient for the whole year. The warm and humid climate was not favourable to difficult physical labour or mental activity. Apart from some individuals, most of the people were spending the year recumbently. Social contacts were limited because of the small communities in which the farmers lived. Some town settlements were established, but

only on the estuaries and riverbanks. Local chiefs and *rajas*, craftsmen, teachers and tradesmen inhabited the largest ones.

Animism was the indigenous religion of the Malays. Hinduism and Islam were foreign in origin, brought by the tradesmen who would settle in the small towns, or by marrying into well-off Malay families. The differences between the farmers and those influential mixed families were growing. "The influence of Islam on the Malays was tremendous," says Mahathir. "The Arabic language and culture that are part and parcel of Islam were absorbed by the Malays and caused drastic changes in their way of life. Adaptation of the Arabic script by Malay scholars resulted in increased literacy and an easier acquisition of the philosophy and sciences of the Middle East. Unfortunately, all the cultural and educational changes brought about by Islam remained for the most part in the town areas. Later on, when teachers moved into, and established religious schools in the rural areas, their teaching was limited to religion only. ... The influence of custom or *adat* and the strong animist beliefs of the rural areas limited Islamic teachings, and caused the practice of Islam to merge with Malay *adat* and its animist basis."

These observations by Mahathir are presented in their entirety because they do not only talk about hereditary factors of the Malay, but also about their history and their spiritual and cultural development.

Mahathir also takes a look at the massive influx of Chinese immigrants, which was the greatest change in the Malay environment since the arrival of Islam. The conflict started between two entirely different ethnic and racial groups, which also had entirely different sets of hereditary influences.

From generation to generation, for more than four thousand years, life for the Chinese was a fight for survival. Only the stronger members of the community survived. The

Chinese custom that marriage should not be within the same clan resulted in more crossbreeding than inbreeding, in direct contrast to the Malay tendency towards inbreeding. The Chinese, used to hard work and wars, and encouraged by the British, settled in Southeast Asia and brought with them their hereditary characteristics and abilities and eagerness for adventure.

The Malays, with such weak hereditary and natural influences, could do nothing but retreat before the onslaught of the Chinese immigrants. Whatever the Malays could do, the Chinese could do better and cheaper. The face of the cities changed. The small Malay shops were lost next to multiple Chinese shops. The price of land in cities rose suddenly. Attracted by huge sums of money, the Malays sold their land and withdrew deeper into the suburbs.

It did not cross Mahathir's mind, and he did not have a need to think of it, but as interpreter of *The Malay Dilemma* I will draw a comparison. There is a comparison to be drawn between conditions in the faraway Malay peninsula and what happened at the beginning of the 20th century in Palestine. There, as in Malaya, the British played their role during a period when the Arabs were massively selling their land around the fertile Jordan river for good money to the Jewish settlers.

The Chinese easily found a common language and interest with the British in Malay lands at a time when the former were settling in Malaya for business and trade, and the latter were strengthening their "protective" rule. The Chinese not only provided the infrastructure for the proper functioning of the big British import-export houses, but the wealth that they so readily acquired also made them good customers of the British. Very soon the towns began to assume the characteristics that the Malaysian towns more or less have

today. With the support of the British, newly-arrived Chinese "had destroyed the self-reliance" of the Malays in craftsmanship, skilled work and business. Malays living in towns and cities were encouraged to maintain their administrative power. In order to prevent them from having stronger political authority, the British aimed at keeping the rural and urban population at a distance and widening the gap between them. For this purpose they were in particular using the system of the Malay Land Reserve, which was earmarked for the farmers. The land in cities was not part of this system and could be freely sold, but Malays living in villages, even if they wanted to, did not have sufficient funds to purchase land in the cities. The British thus limited any kind of expansion or development of the Malays in the rural areas.

In addition to this, the British were encouraging only roadbuilding that linked towns for administrative purposes and for the export of rubber and tin, but not villages. This reduced education in villages to only religious education. There were no newspapers and no communication. Cholera and other contagious diseases ravaged the uneducated and the poor. That drew a clearer picture of the situation of the rural Malays. They were not even able to watch "the tremendous changes of the late nineteenth and twentieth centuries" in the rest of the world.

Turning back to hereditary factors, Mahathir points out an additional characteristic of rural Malays. Because of the complete lack of interethnic and interreligious marriage, in contrast to urban practice, and aggravated by the habit of family in-breeding, rural Malays were too pure bred. First cousin marriages, in particular among children of two brothers, were frequent after the independence of Malaysia and they still occur. The result was the propagation of undesirable characteristics, whether dominant or recessive, of

the brothers or sisters who were parents of the married couple. Besides this there was the custom of marrying as early as thirteen or fourteen years of age.

Additionally, Malays abhor celibacy. It is a shame to remain unmarried. Regardless of whether a person is fit or unfit for marriage, he or she still marries and reproduces. "An idiot or a simpleton is often married off to an old widower, ostensibly to take care of him in his old age." These people also reproduce. "The cumulative effect of this can be left to the imagination."

What Did Independence Bring?

The Japanese occupation during World War II and the disappointment in the British, who wanted to completely enslave the country in the ruins of the aftermath of war, resulted in a metamorphosis of the Malay character. Seeing their salvation in politics, the previously lethargic and self-effacing Malays entered debates and various organisations. "An aggressive spirit pervaded Malay society at all levels and this same spirit carried the Malays through to *Merdeka* (Independence)." For a time it seemed as if they really broke away from their "lethargic past". However, all these changes were superficial. Deep down, their character and native traits, acquired over the centuries, persisted.

Merdeka brought power and wealth to the new Malay élite. The law and politics provided for them positions in which they could become rich, or at least have a good livelihood. In the *kampung* (village), life improved, and the farmers moved closer to the cities and towns. Politics created for the Malays "a soft environment which removed all challenge to their survival and progress." Mahathir, nevertheless, does not think this new environment was good for the Malays. "They will become softer and less able to overcome difficulties on their

own." However, even the alternative is not promising. Removal of all protection would subject Malays to the primitive laws that enable only the fittest to survive. This hardy and resourceful race could be bred to be capable of competing against all newcomers. "Unfortunately," the author emphasises, "we do not have four thousand years to play around with."²⁴ He does not see that the way out is to allow the Malays to fight their own battles.

The way out for Mahathir is somewhere in the middle: in a "constructive protection"²⁵ worked out after a careful study of the effects of heredity and environment, which would otherwise allow the deleterious effects to continue.

Mahathir looks at the Malay economic dilemma of the first years following independence through the prism of earlier centuries.

When Indians and Arabs arrived on the shores of the Malay sultanates they already had what could be called economic independence. There was trade, exchange and production and many people were involved in the import-export business. Even the *rajahs* themselves were involved in business. We cannot exactly determine when coinage came into use, but it surely antedated the arrival of the Chinese, as ancient coins that have been found show strong evidence of Indian and Arab influence.

Once the Chinese tradesmen started settling in the Malay peninsula, and this happened because of the long periods of time that they had to spend in Melaka and other ports waiting for the monsoon season to end, they adapted very quickly and their businesses spread. They were employed by the Malay

²⁴ Thinking of the 4,000 thousand years of Chinese history and civilisation.

²⁵ This is an often-used term that can be interpreted as "positive protection."

leaders, and showered them with expensive presents. However, at that time the Chinese acquired wealth and influence only due to their sophistication in business.

With the arrival of the Portuguese, the Dutch and finally the British, the Chinese gained a position in business they hold even today. "It must be remembered," Mahathir says, "that the Europeans came out East not to conquer but to trade. In the quest of trade, however, they were prepared to do anything. They conquered and they plundered. They made treaties and they broke them. They were in fact completely unscrupulous. For these unscrupulous people the Chinese traders were a godsend."

Only when the Malays gained independence did they again start to play a significant role in trade and business. However, this does not mean that they solved their economic dilemma, because "for every step forward that the Malays make in the economic field other races make ten." The concept of business had changed and changed again, but the Malays never could adapt. "Their feeling of frustration continued to deepen."

Mahathir believes that "it would not be entirely fair to blame only others for Malay economic backwardness. The Malays must admit to a fair share in this blame. From the leaders to the ordinary *kampung* dwellers, Malays have displayed an attitude that augments even the slightest efforts of others to displace them in the economic field."

Was it really that bad, as if "an extreme lassitude has descended on the Malays," and does it indicate that "they are just not good enough for anything?" Mahathir asks, believing there is another side to this coin—"a reverse side to this phenomenon." The Malay architects plan and supervise the construction of large building sites. The Malay engineers build the most modern bridges. The Malay experts in

agriculture conduct experiments and create the highest production rate of cereals. The Malay doctors and lawyers are comparable to their colleagues from any other ethnic community. "The potential is there," Mahathir says, "but only in a limited field is it developed."

He finds all these misgivings are due to, on the one hand the apathy of the Malay, and on the other hand the shortsightedness and apathy of their leaders. "The fact is that even their responsible leaders suffer from the same lassitude that permeates their community." The Malay leaders believe that their people do not wish to work and that, above all, their people do not want to change. It is not true that they cannot change, Mahathir finds. "Politics have shown that the Malays can change." Before World War II, "it was difficult to imagine a race more disinterested in politics than the Malays," but a radical change happened in their attitude to politics when, after the war, the Malays had to oppose the British plan for the Malayan Union. The elections, for instance, could not have been imagined a decade earlier, but they took place in short order with no incidents or problems. The Malays thus were capable of a radical change in their attitude to politics.

The issue for Mahathir is whether they can change equally well in other fields. "Why not?" is his answer. However, he explained that in order to achieve this, "the measures must be drastic," as they were in politics. Beforehand, the truth must be told in no uncertain terms. Malays must be aware of their mistakes, as well as the mistakes of others. Wherever it is necessary new laws need to be promulgated in order to make economic measures more efficient. What is wrong, however, is not only that Malays make little effort to right the economic wrongs from which they suffer, but for them it is also wrong to even mention that economic wrongs exist. It seems to be that the less they talk

about it the more Malaysia will benefit from the economic stability built on Chinese economic domination. "The Malay dilemma," Mahathir says, "is whether they should stop trying to help themselves in order that they should be proud to be the poor citizens of a prosperous country or whether they should try to get at some of the wealth that this country boasts of, even if it blurs the economic picture of Malaysia a little."

That was one more basic justification for taking up the "constructive protection" of the Malays.

As the 1960s turned into the 1970s, Mahathir spent less and less time at his clinic, although it fed his young family. He spent more time performing surgery on the complex Malay "corpus"; trying to pinpoint its visible and invisible illnesses, and prescribe medication that would alleviate its historical and racial backwardness, neglect and sleepiness.

He was researching and finding reasons for the privileged position that the Malay gained after independence. *The Malay Dilemma* will therefore, apart from the bitterness it will bring to Malays, also provide the hope for a quick economic recovery. Mahathir himself will gain adversaries in those Malaysian circles that were already looking down on the sudden rise of the Malays and their attempts to enter the business scene. This was in particular true among foreigners who were already labelling him a Malaysian extremist and nationalist.

Thus Mahathir continued to seek arguments for the preferential treatment of the Malays in the new Malaysian state.

In education, for instance, he finds one motive for such treatment and says that it "is not to put the Malays in a superior position, but to bring them up to the level of non-Malays." During the British rule, not only were Malays economically backward, they were also educationally behind. They made up the majority in schools, but only rarely could

continue their education after primary school because primary vernacular education was free for Malays. That is why quotas were set and Malays receive a higher number of scholarships than what is by percentage rightfully theirs. The Malays, as Mahathir says, were not "proud of the 'privilege' of being protected by law like cripples." However, in such conditions they had to "let pride take second place to the facts of life."

The government provides scholarships and other bonuses to two categories of students. Some go to excellent students, who are usually not from poor families, while others go to students with minimal qualifications. For the latter, "who, for financial reasons, are handicapped, these scholarships are absolutely necessary," Mahathir says. "They are the means of breaking a vicious cycle. Backwardness in a modern society spells poverty. Poverty leads to poor education. Poor education perpetuates more poverty. Somewhere the cycle has to be broken, and a rich country like Malaysia would stand accused of moral irresponsibility if she did not subsidise the education of the poor."

It was similar with the Malaysian Civil Service (MCS). The Malays received four out of five civil service places, although they represented less than half of the total population.

Here we are asking the question about whether racial preference is abominable, given that jobs should go to the people who are best qualified. Mahathir links the conditions that facilitate applying the ethnic principle in this field to the change that took place with Malaysian independence. Mahathir finds that the British "ruled this country well" and that they were expert administrators. He also notes how they built up an efficient civil service, that they brought law and order to the strife-torn tin-mining areas, settled the minor wars of Malay *rajahs*, and put an end to piracy. They also built

roads and railways and collected taxes that were spent on public services.

Ruling Your Own Country

The Malays, however, could not be satisfied simply because jobs were well done. "We wanted," Mahathir says, "to rule this country ourselves. We might not do it as efficiently but that was irrelevant. What was important was not merely achievement of independence. We wanted Malayanisation as well. And we wanted it rapidly, according to a fixed timetable. The implication is that we did not care whether we could do the job equally well; we merely wanted to take over, because we were the Malays. In other words, under these circumstances we should discriminate in favour of ourselves. We blatantly declared that there should be job preference on a basis of race. It was racial prejudice which formed the basis of Malayanisation."

It goes to show that even laws cannot prevent discrimination, and Mahathir's prime argument is in the laws concerned with Malay Land Reserve.²⁶ Those who are familiar with the position of the American Indians can find some similarities, not only in the terminology but also in the historical context. The reason for the original law was not some sort of national privilege accorded to the Malays because immigrants have always been legally entitled to own land and they did not lose it with this law. The Malay Land Reserve Laws were by intention a measure to counter what was becoming quite obvious during the colonial era—which the Malays were losing all their land to richer immigrants and foreigners. "Clearly," Mahathir stresses, "unless legal measures were adopted, the ultimate result would be that the Malays

²⁶ The Malay Land Reserve Laws.

would become tenants of foreign and immigrant landlords in their own country. In other words, although the Malays called Malaya Tanah Melayu (or Malay Land), there would in fact be no real land belonging to them. The possibility was distinct and credible at one time."

The aim of that law was to give the Malays some land they could call their own. What was already in the hands of non-Malays was to remain their property. In addition, provisions were made for the removal of Malay Reserves to enable the British and other non-Malays to acquire the land, especially if it was tin-bearing land. In the urban areas removal of Malay Reserves was a regular feature. Malay landowners in the urban areas, attempting to maintain living standards comparable with other urban dwellers, soon got themselves into debt with non-Malay moneylenders. Given that the guarantee was the land they held, when debts were not paid, the land was sold to non-Malays. In the end, the true aim of the Malay Land Reserve Law boiled down to racial inequality, and not equality. In Kuala Lumpur, for example, Malays had almost no land to call their own in 1890.

In the analysis of the code of social behaviour of the Malays, Mahathir points out one particular "code"—the feudalistic nature of Malay society. For Malays, as Mahathir says, rank is what matters and rank is followed by other privileges. The highest rank is that of the ruling princes, the hereditary *rajās* of the Malay states. Showing respect and expressing the values of a loyal subject is common for everyone in Malay society, even to those educated according to Western standards. Knowing how to behave when in the presence of your *raja* is knowing how to behave in general. There are even special words in Malay when one is addressing royalty or speaking in a palace and at special events. The contact between *tunkus* (the princes) and between the *rakyat* is

not foreign to the Malays. The Syeds, the descendants of the Prophet, are also accorded a high degree of respect, and in some states, Syeds are as privileged as royalty.

According to Mahathir, "In itself the feudalist inclination of the Malays is not damaging." People who are able to follow an unwritten code of behaviour are easily made to observe written laws. People who accept that a society must have people of varying degrees of authority and rights easily make a stable society and nation. A revolution in such a society is unusual unless led from above. "A feudal society is therefore not necessarily a dormant or retrogressive society. It can be a dynamic society if there is dynamism at the top."

Although Mahathir has had quite a few objections to Darwin's theories, Mahathir also expressed his approval of some premises of a Social Darwinist world view, which Mahathir built into his own concept of ethnic stereotypes about the Malay people, as well as about the postcolonial Malaysian pluralistic society.

The specific weight and significance of *The Malay Dilemma* at the time of its writing was its message, regardless of the extent to which it is coloured by "Malayan nationalism." This message is also what had kept this book in focus during the subsequent years and decades. The messages were directed towards those who were leading the country; those who excluded Mahathir from that process when they said they needed to create and implement a programme of "constructive protection" of the Malays as the precondition for the stable development of Malaysia. Here is his response to the dilemma of "how Malays need to take on something seriously unless they want to remain proud to be "the poor citizens of a prosperous country": "The cup of Malay bitterness must be diluted. A solution must be found, an equitable solution that denies nothing to anyone and yet gives the Malay his place in

the Malayan sun. The Malay problem must be enunciated, analysed and evaluated so as to enable us to find a solution. The problem must be faced now before it is too late."

Mahathir did not manage to get *The Malay Dilemma* published in Malaysia. Instead, it was published in Singapore in 1970. In Malaysia, however, the order to arrest anybody found reading Mahathir's letter to Tunku Abdul Rahman was still valid. The reading and distribution of the book was forbidden for eleven years. The book was, however, passed from hand to hand in secret, and its author thus became even more popular as the "Malay nationalist." Although he was in political isolation, Mahathir maintained contact with his sympathisers in UMNO and even in PAS. He participated and made presentations at numerous seminars and forums, within and outside Malaysia. The UMNO Youth Head, Dato' Harun Idris, was the first person that visited Mahathir in his clinic and suggested he return to politics.

When Prime Minister Tunku Abdul Rahman,²⁷ pressured by the events of 1969 and their effects, resigned in favour of his deputy, Tun Abdul Razak, in September 1970, almost simultaneously a call for Mahathir's political rehabilitation was initiated. Mahathir was pleased with this, but he was not in a hurry. As the UMNO leadership did not unanimously approve of his return, his party membership was returned to him only on March 7, 1972. The next day, in the leading daily, *Utusan Malaysia*, his statement was published: "I take this as a challenge for me to do something even more beneficial for the people and the nation." A few days later it was followed by a caricature in *Utusan Zaman*, which was not greeted with appreciation by the UMNO leadership. Mahathir was shown as Superman landing on earth, and the hands of the members

²⁷ Tunku Abdul Rahman was from a family of princes of the Kedah sultanate.

of the Executive Committee of UMNO are raised towards him. According to the paper, "Mahathir's return to UMNO is like superman returning from the skies: when two lions are bantering, the elephant dare not smile."

The text in the newspaper, equally laced with an Asian tone, said, "The disciplinary committee felt that it was better for Mahathir to be inside rather than outside UMNO. Outside the party he is a king without a country, and could perchance damage the king with a country. Mahathir is now like a duck returned to water. Whatever happens, he will be opposed by enemies within the party, and supported by friends. His readmission will not end the crisis in the thinking of politicians."

Tan Sri Syed Jaafar Albar was the only one from the old guard who did not hide his dissatisfaction with Mahathir's return to politics. He offered him all his earlier functions, but Mahathir rejected them. That was the end of the career of that politician who had been one of the founders of UMNO and the independence movement. He was remembered for his opposition to Singapore's secession from Malaysia. Thirty years later, his son, Syed Hamid Albar is Mahathir's Minister for Foreign Affairs.

At that time, in 1971, the Malaysian government had already formulated and started implementing the New Economic Policy (NEP). We can only assume how much Mahathir's *The Malay Dilemma* contributed to the creation of the NEP, but there is no doubt that many of his statements, expressed sharply and in an alarming manner, did find their place in that economic programme. Convincing proof, after all, is Mahathir's acceptance of the NEP and his following of the NEP principles, from the day he joined the government, and in particular his support of the NEP when he started leading the government at the beginning of the 1980s.

At that period, the Chinese dominated most of the commercial sectors of the country, although they made up about a third of the population. Populating Malaysia and other Asian countries in the early years, they usually worked as merchants and owners of small shops, and always had the talent for business and the desire to accumulate material goods. The Malays, who made up more than half the population, usually lived in the rural areas and showed little interest in business and commerce. Business was limited to tin mining, rubber planting and a relatively small international trade industry. There was hardly any manufacturing industry and the service sector was rudimentary. Public utilities were owned and under the control of the government and brought in practically no revenue for the state.

This situation led the government, whose leadership had changed, to realise that in order to achieve long-term stability and prosperity for the country it was essential to close the gap between the Malays and the other ethnic groups. However, as Mahathir used to say, "Moving the Malays and other *Bumiputeras* into the mainstream of economic activity was easier said than done." Almost all Malays were unskilled in business and did not regard money as capital, but simply as a convenience for purchasing daily necessities. Only some held university diplomas, and an even smaller number were qualified in a profession. Malays made up only 4.9 per cent of all registered professionals in 1970.

The establishment of the National Operations Council (NOC) to examine the root causes of economic disparity and inequality of the economic development of different ethnic groups preceded the NEP. In addition to the Council, representatives of all ethnic groups were brought together in the National Consultative Council to help formulate a new policy to restructure the economy in order to achieve a more

equitable distribution of wealth. The principal purpose was to draw the Malays into the mainstream of the country's economic life. This idea was not to expropriate or redistribute the wealth of other ethnic groups, but to enrich the Malays through expanding the "economic cake."

Achieving the Goals of the NEP

The idea was to "level up" rather than "level down," which would enable the other races to benefit from the expanded economy and trade of the country. One of the main objectives of the NEP was the eradication of poverty, irrespective of race and economic function. A significant aspect was the accumulation of new wealth in order to make "the overall cake larger" distribute more to the poorer groups. "In many societies," Mahathir says, "redistribution of wealth has, in somewhat simplified terms, meant to take from the rich and give to the poor. The leaders of Malaysia realised that this would be the wrong attitude. It would have been unfair to the races that had already worked hard to achieve a certain standard of living and would have incited further racial instability. The only thing we could do was to create more wealth and then make sure that the poorest part of the population received its fair share of this increased wealth."

Thus the NEP was the twenty-year programme of a new economic policy for Malaysia with very specific targets for the Malays. One aim was to increase the share of economic wealth held by the Malays from 2.4 per cent to 30 per cent of the total. In some countries and societies this could even have been considered insufficiently ambitious, given that Malays made up 56 per cent of population at the time of the NEP. However, if one takes into account the Malaysian circumstances, this was a very ambitious programme. At the same time, it was foreseen that the non-Malay share of the

economic wealth would be increased from 34.3 per cent to 40 per cent, while the share of foreign economic wealth was to be decreased from 63.3 to 30 per cent.

Very soon after the programme was initiated, high schools were built in rural areas and scholarships were distributed to Malays for attending boarding schools in the cities. Quotas for accepting Malay students and students of *Bumiputera* descent to university were introduced in order to increase the number of Malays and other *Bumiputeras* in higher education.

Due to the NEP, Malays received special privileges in business. The government offered a higher number of contracts and licences in order to motivate the Malays to enter business sectors that were then under total Chinese domination. Thus the government assisted the Malays in securing shares in companies that were owned by the government. Credits, office space and many other benefits and economic advantages were at the Malays' disposal.

In order to achieve the goals of the NEP, Malaysia introduced "positive discrimination," which Mahathir often also calls "constructive protection," or what Americans define as "affirmative action."

At the time when the NEP was launched, it represented "a radical breakaway from the union 'state-capital' that existed prior to 1969," and from the very beginning the substance of the NEP was the total growth of the Malaysian economy. The economic growth was supposed to increase employment opportunities that would help abolish the "identification of race with economic function." The Malaysian economy showed a quick growth in the first decade of the NEP. The average annual growth rate was 7.3 per cent for the Second Malaysia Plan period of 1971-5 and 8.6 per cent for the Third Malaysia Plan period of 1976-80. The employment rate in 1970 was 4 million, and in 1980, 4.8 million. The percentage

of unemployment in the country decreased from 7.8 per cent to 5.7 per cent.

Mahathir returned and completely dedicated himself to politics after the 1974 elections in which he won a seat in Parliament and an offer to be Minister of Education in the government. He finally left Maha Clinic in Alor Setar and moved to Kuala Lumpur. Two years later, he was nominated as the Deputy President of the Government. He was Minister of Foreign Trade for some time as well.

In all the functions he had held, Mahathir now had much more influence. He paid the most attention to the economy of the country and the achievement of the NEP goals. He wanted the Malays to understand—as well as the rest of the world, as he frequented international events and meetings—that Malaysians were capable of ruling their own country and constructing and designing an economic and social system “that was both fair and efficient.”²⁸

Mahathir thus lent an ear to the complaints of the Chinese and some foreign governments who complained about state overregulation and intervention in the economy. He opposed the rigid controls of the Industrial Coordination Act 1975, as well as the “nationalistic” Petroleum Development Act 1974. He reassured foreign investors and interlocutors in the West, Japan and Hong Kong that “equity requirements” and the government’s acts did not preclude profitable investments in the Malaysian economy.

Chinese business, which also felt the benefits of the NEP in its first decade, remained, however, suspicious and tended to develop short-term businesses that did not guarantee long-term stability. The old breed of Chinese entrepreneurs never quite adjusted to the NEP. However, younger Chinese businessmen discovered easier ways of becoming rich in

²⁸ Mahathir Mohamad, *A New Deal for Asia*, p. 36

"rent-seeking" alliances with Malay businessmen and politicians, a subject that would be the target of Mahathir's eternal criticism of his Malay compatriots. Chinese businesses avoided "manufacturing which entailed larger risks and longer periods to recuperate investment outlays" and "transferred assets abroad to diversify their economic and political risk."

To what extent this was a direct effect of Mahathir's ideas, and to what extent this was a direct effect of the efforts of the ruling Malay élite to maintain their power and support in an inherited feudal structure, is yet to be seen. However, the very top of UMNO party leadership came out with their own political warp. The very same UMNO leaders who were attacked by Mahathir himself in *The Malay Dilemma* for their abuse of power, as pointed out by the young and smart critic of Malay society, Farish A. Noor, "have been unable to break away from this culture and patronage and dominance once they come into power."

"The paternalistic culture of Malay feudal politics," that was embodied at the time by UMNO leaders, "incurs an economic cost—and more often than not it eventually translates into the form of money politics that they all openly condemn in public."²⁹

Thus the new administration of Tun Abdul Razak on the one side was launching the NEP and introducing the so-called "new way" (*arab baru*) and "new realism" (*realisme baru*), and on other side was trying "to break the traditional mindset of the rural Malays."

Directed towards that aim, the General Secretary of UMNO, Dato' Senu Abdul Rahman, published the book *Revolusi Mental*—a joint effort among a number of Malay academics, politicians and journalists that portrays the image

²⁹ Farish A. Noor, *The Other Malaysia*, Silverfishbooks, Kuala Lumpur, 2002, p. 203

of the Malays "as an indolent and unproductive race developed during the era of British colonialism" and "being somehow incapable of meeting the demands of development and modernity." The sociologist and political author, Syed Hussein Alattas, later wrote that the aim of that book was the promotion of the ideological ruling élite, or rather liberal capitalism and the philosophy of possessive individualism. He said, "*Revolusi Mental* was fundamentally directed towards promoting the ideology of the ruling élite, which was liberal capitalism and the philosophy of possessive individualism."³⁰

At the end of the 1970s, Malaysia was standing on its own feet. The country was stable and the economic policy of the NEP started bearing fruit. Only in the faraway jungles was there still a smouldering pro-Chinese communist revolt. Given that the leaders of this revolt were not prepared to hand over their arms, the Prime Minister, Tun Abdul Razak, even sought advice from Mao Tse-tung. There were no problems with the neighbouring countries. In the country, "special rights" that Mahathir requested in *The Malay Dilemma* for his "definitive nation" were fulfilled institutionally in the political supremacy of UMNO, the strongest party in the Barisan Nasional (BN), the coalition National Front.

That BN, established after the 1974 elections, also included the Malaysian Chinese Association (MCA) and the Malaysian Indian Congress (MIC), the two largest ethnic communities. The Front was approached by another six parties, which during the Alliance were in opposition. Among them were Parti Islam SeMalaysia or Pan-Malaysian Islamic Party (PAS), People's Progressive Party (PPP), Gerakan Rakyat Malaysia (Gerakan), Sarawak United People's Party (SUPP), Pesaka Bumiputra and United Sabah National Organisation

³⁰ Syed Hussein Alattas, *The Myth of the Lazy Native*, Kuala Lumpur, 1977, p. 149

(USNO) from Sabah. Only the Democratic Action Party (DAP) and Partai Sosialis Rakyat Malaysia (PRSM) didn't join the National Front.

While a balance of mutual interests was established between the Malays and Chinese, misunderstandings and conflict on a political basis, and even more on an ideological basis, persisted among the Malays. In addition to this, the gap widened between the two main poles and the concept of the development of the country. On the one hand, there was the UMNO concept and on the other hand was the PAS concept. UMNO had its own internal conflicts and shaky periods. Mahathir at one point even disbanded the whole party and then brought it back together again. However, UMNO was still the leader with a plan for the development and future of Malaysia.

A stereotype image about PAS was created, in Malaysia as well as in other parts of the world concerned with Malaysian affairs, that portrayed its leaders as basing their support among the uneducated religious masses, and showed a party that advocated strict adherence to the *syariah* concept of an Islamic state. The fact that this movement had undergone its own changes and had substantially different approaches towards the basic principles of Islam and governance of the state, is rarely talked about even in PAS itself. On the one hand, perhaps this is because it suits the current leadership of the party, so that the facts of the half-century old history of PAS are not brought out into the Malaysian public. On the other hand, the wider media of Malaysia is not interested in the history of PAS in particular as the current politics of a party that provides sufficient material to make this party look like a bugaboo to the ordinary Malaysian citizen.

PAS history began only five years after the establishment of the oldest Malay party, UMNO, which was established in

1946. Actually, PAS was created out of UMNO, when members of the UMNO Bureau for Religious Affairs decided to break away from the party, and in 1951 established their own party. Many of its members kept dual membership in both UMNO and PAS for the first five years of the party's history, including the first party president, Haji Ahmad Fuad. In the beginning the party was very poor, so it could only field 11 candidates in the 1955 elections. The situation improved only in 1956, when the third party head was elected, Dr Burhanuddin al-Helmi, "one of the most brilliant and articulate political thinkers and leaders Malaysia has ever produced."¹¹

PAS in the 1950s and 1960s was radically different from the PAS in the 1980s and subsequent years. At that time, Islamic scholars, such as Dr Burhanuddin, looked at a multitude of alternatives that unfolded before them. PAS became a radical Islamic party under his leadership, but that radicalism was expressed in an anti-Colonialist, anti-Imperialist and nationalistic programme "that went beyond narrow confines of ethnocentrism and race-centred politics."

Dr Burhanuddin, like many other Islamic reformers of the 20th century, was an Islamist who struggled in the "here and now." Unlike the conservative and dogmatic Islamic thinkers of his time, who continued to seek support with their made-up traditions and by invoking the history of the "golden age" of Islam, Dr Burhanuddin's heroes and models were men like President Sukarno of Indonesia and Gamal Abdel Nasser of Egypt. Dr Burhanuddin also advocated for a dialogue with leftist and other ideologies. However, in 1965 he was removed when he was arrested under the Internal Security Act (ISA), and accused of collaborating with Indonesian

¹¹ Farish A. Noor, *The Other Malaysia*, pp. 57-59

nationalists to overthrow the Malaysian government. He died in 1969. His successor, Muhamad Asri Muda, diverted the party into the waters of "ethno-nationalist politics," which narrowed the party's activities and alienated PAS from the non-Malay and non-Muslim parties and organisations. At the beginning of the 1980s PAS was finally taken over by the *ulama* and the Islamic traditionalists, who then and now "look to the medieval past for role models and solutions."

Islam, or rather its interpretation, application and use, became the obsessive concern of Mahathir starting with the end of the 1970s. Just as he witnessed and participated in the significant success of reducing the "Malayan economic backwardness" within the stable development of Malaysia, he came across "the many forms of confusion threatening the Malays." Tension and intolerance among the ethnic communities was reduced to a great extent. Even PAS, the party at the time which was "the only Islamic party that opposed accepting other non-Malay, non-Muslim communities," and that claimed that "Malaya belongs to the Malays," accepted the "non-Malay" presence as a reality and joined in the effort of economic development.

Balance Between this World and the Next

Instead of rejoicing in the first successes of the NEP, Mahathir called upon the Malays to deal with and to "act to overcome the thousand and one problems confronting them." He formulated this appeal in a new book called *The Challenge*.³² He moved away from *The Malay Dilemma* with this new alarming content. He basically warned the Malays that "the challenge is tremendous—the stake survival itself." As he says in the

³² Mahathir Mohamad, *The Challenge*, Pelanduk Publications, Subang Jaya, 1986

introduction, "The Malays have emerged from a long period of backwardness only to be pulled in different directions by conflicting forces, some of which seek to undo whatever progress has been made and plunge the entire community back into the Dark Ages."

Mahathir placed religion in a special place in his analysis of "conflicting forces" that emerged amidst a modern world and changing circumstances for the Malays. "One of the saddest ironies of recent times," he emphasises in the introduction to *The Challenge*, "is that Islam, the faith that once made its followers progressive and powerful, is being invoked to promote retrogression which will bring in its wake weakness and eventual collapse. A force for enlightenment, it is being turned into a rationale for narrowmindedness, an inspiration towards unity, it is being twisted into an instrument of division and destruction."

He goes on to say that "some sections of the Malay (Muslim) community" are "susceptible to the notion that Islam exhorts its believers to turn their backs on the world," while "other sections of the community are being confused by attempts to equate Islam with socialism, using the ambiguity inherent in words like justice, equality and brotherhood."

Mahathir does not identify nor does he accuse directly those "sections of the Malay (Muslim) community." Some of the Islamic tendencies of the religious governmental institution and police were already forbidden "for being deviationist." Others, although not named explicitly, are recognisable. First of all, PAS, which broke its links with the Barisan Nasional coalition, and in which there was a prevalence of a radical leadership loyal to the ideal of an "Islamic state," was very hostile towards the National Front. At that time one movement became popular; the sociopolitically-oriented Muslim Youth Movement of

Malaysia (ABIM), which was very critical of government oversight. In particular, it emphasised the poverty of Malays and corruption in the government. Another ideologically-oriented party, the Malaysian People's Socialist Party (PSRM), emerged that attempted to bring together socialism and Islam. On the other side, there were Islamic groups such as Darul Arkam (House of Islam), which expected its followers to withdraw from their community like the model Islamic societies that existed at the beginning of Islamic history. Regardless of their differences, these "Islamic tendencies were prepared to redefine" the role of Islam in politics, government and administration. Practically, these Islamic tendencies made up the platform for criticising UMNO and the National Front from a religious point of view.

An impartial observer could identify in these tendencies some radical, retreatist and obscurantist, as noted by Judith Nagata, signs of a "reflowering of Islam" in the Malay social and cultural life.³³ However, Mahathir had a different view of the emergence of "doctrinaire and obscurantist" Islam among Malay students, intellectuals, government officials and rural PAS strongholds.

The Challenge finds failure in the radical tendencies, a failure to understand how "a balance cannot be attained between spirituality and materialism" or "an incompatibility between Islamic spirituality and socialist and communist ideologies based on materialism." The requirement that there be "material equality" has nothing in common with "equality and brotherhood ... not in material wealth but in religion" that existed "in a staunchly Muslim society." Mahathir allocated two chapters in *The Challenge* to "Materialism and Spirituality"

³³ Judith A. Nagata, *The Reflowering of Malaysian Islam: Modern Religious Radicals and Their Roots*, University of British Columbia Press, Vancouver, 1984

and "Spirituality and the Modern Challenge", in which he summarises the opposing views of Islam and socialism as follows: "The materialistic motivation as found in a socialist society is not part of Islamic philosophy. Equality in property is not the basis of justice and brotherhood in Islam. Possession of property is not equal in a Muslim society and there is no demand that all Muslims should own property of the same value. Islam accepts the reality that in any society there will be rich and poor, king and commoner, leader and follower."

According to Mahathir, however, "a balance can be achieved between an interest in things spiritual and things worldly." For him it is in vain that some groups of Muslims "try to preserve spirituality by closing their eyes and ears to reality. They reject everything that they deem worldly and try to isolate themselves from outside influences. To revive the faith in spiritual values that flourished in the days of the Prophet, they try to practise the way of life of those days." In another place, he says that, "However, this is not possible. Conditions have changed so vastly that nobody can escape invasion of the modern world. Times and ways gone by cannot be revived. Attempts to do so will fail and the failure will further endanger the spiritual values that one seek to defend and strengthen."

In a nutshell, Mahathir discovered in those retrograde tendencies "a fatal inability" to understand how "what Islam demands is not rejection of the world." In other, somewhat clearer, words, he says, "Islam has never urged the rejection of worldly wealth."

What *The Challenge* finds particularly unacceptable in those "dark tendencies" is the unappreciated "secular" classes of Western education. This brought "the depreciation of many fields of worldly knowledge" out of fear that "faith in Islam will be weakened by the mastery of such knowledge." That approach, according to Mahathir, is the result of a lack of

knowledge about the extent to which Islam has contributed to the field of world education since the 14th century. Malays should understand that Western or secular is "neither Western nor secular," because "all (Western) knowledge and skills (having) originated from the contributions of Muslim pioneers. The education and knowledge that the West and that the Western people have spread through the world are in reality Islamic. When the Muslim mastered these, Islam spread rapidly. It would not be too much to say that the knowledge helped the spread of Islam. Knowledge which was so effective in helping the spread of Islam cannot be said to be in conflict with Islam."

Mahathir provides "a concrete lesson" on how Malays can do away with their doubts in knowledge that they call Western or secular. He says that in Western Asia, as Malaysians call the Middle East, "even now, where the technology of warfare is concerned (the Muslims) are still forced to be beggars," and that in their defence they are "still dependent for defence on the Americans (capitalists) and Russians (communists). Muslims who hinder the mastery of knowledge related to the production and use of such equipment (of war) dubbing the knowledge 'secular', may be committing treachery against their religion rather than preserving its integrity."

In *The Malay Dilemma*, Mahathir briefly looked back at the spread of Islam to the Malay peninsula, and emphasised the beneficial influence that religious beliefs more advanced than animistic and Hindu beliefs had on the world. In *The Challenge*, he is more concerned about radical, retrograde occurrences that he cannot relate to the progress of the Malays. Powerless to prevent the expansion of Islam into the social and political life of the Malays, Mahathir takes up these happenings in what he knows best—dialogue. Thus in other parts of *The Challenge* one can recognise polemical tones, such as:

- "There is no place in Islam for extremist theories and practices";
- "Islam evidently does not hold poverty in high esteem or disapprove of wealth";
- "Organisation and discipline are vital to the essence of Islam as the true faith";
- "A religion lives while its followers live";
- "A religion exists because its followers exist."

Mahathir has formulated in his book, and often returned to this formulation, one of his main conditions for economic development and rehabilitation of the Malays—"to attain a balance between this world (*dunia*) and the next (*akhirah*)."³⁴ A balanced approach to "worldly wealth" and "worldly knowledge" is something without which, according to Mahathir, "Muslims will be oppressed and finally spiritual values too will be lost."

The Islamic resurgence in Malaysia moved Mahathir to turn "inward to the Islamic core of the Malay community" in order "to counter the 'retrogressive', 'narrow-minded', 'divisive', and 'destructive' interpretations of Islam." In *The Challenge*, according to Khoo, Mahathir "had not yet fully worked out his own Islamic system of values for the Malays beyond the principles, injunctions, and exhortations that he offered. But he had begun to offer a reading of Islam that came not from an Islamic theologian but a Malay nationalist. The result was that the Malay dilemma was recast as a Muslim dilemma."³⁴

This "reading of Islam" is too soft a description of Mahathir's confrontation with the Islamic factor as one of the "conflicting forces" that would be deepened and sharpened in the coming decades.

³⁴ Khoo, *Paradoxes of Mahathirism*, p. 41

Mahathir briefly turned to the Malay values that determine the faith and progress of his nation. As he said, the Malays can overcome those "thousand and one problems" only if they hold on to their "good Malay values." He does not elaborate on those values, but specifically mentioned respect for the elderly, and rules and customs like proper attire, decent behaviour, reverence for religion, marriage, the family, work, mutual respect, and honesty.

According to Mahathir, suddenly the dangers threatening the Malays were joined by a new threat—"a West in decline." By this Mahathir means the "many undesirable Western values"; a "perversion of values" whereby what used to be good is now considered bad and vice versa. Previous values such as "orderliness, discipline and firm social organisation" have been supplanted by dubious social behaviour. Thus the workers in the West abused the right of going on strike in order to prevent the oppression of employers and turned it "into a weapon used to oppress others." Student demonstrations, regardless of "whether or not the demonstrations are allowed by the laws of the country," lead to the destruction of the rule of law and the creation of anarchy. He does not like the appearance of some "deviant behaviour of a minority" such as nudity in public, smoking marijuana, cohabitation among undergraduates, male prostitution, homosexual marriages and screening of obscene films. Malays very quickly "assimilated" the negative values of the West, "but not the values and norms which have given strength to the West." They were not sufficiently aware of the "sleeping danger" from the uncritical copying of the "forms rather than the substance of Western civilisation." "As the value changes in the West are more towards bad than good, and because it is easier to copy the bad, Malay society is showing definite signs of changing for the worse," he wrote.

According to Mahathir, Western countries endeavour to protect their interests by "various effective ways and means." He even sees the creation of the European Economic Community (EEC) "as a means of controlling the world market so that the East would not be able to reverse the economic oppression which the West had inflicted on it." However, he finds that "the most effective pressure inflicted by the West on the East" is the "democratic governments" which the West inflicted upon its former colonies "as a condition for independence." Because of the lack of experience in democratic administration and other problems faced by such nations, such governments turn into "autocracies" and "the entire Western machinery" condemns "the nation concerned."

Such an "anti-West" message, although he is careful when discussing the basic values of civilisation, was directed to the Malays, but was later developed as one of the basic principles of Malaysia's relationship with the rest of the world.

Mahathir turned from the non-Malay, primarily Chinese factor, to the Islamic factor and then to the anti-West factor, when the author of that contemplative collection of essays, *The Challenge*, was already in power as deputy prime minister. He was the "second man" in the state and was waiting to be the first. This was reflected in a more statesman-like approach in the book, and a more composed style than was the case with *The Malay Dilemma*. He concludes in *The Challenge*: "In various parts of the world, nations that gained independence together with Malaysia have broken up or changed in character. Some are split in two; others are no longer national entities; yet others have become stooges of foreign powers. Nearly all these new nations have rejected or ceased to practise the forms of democracy that they inherited and chose on gaining independence.

"Will Malaysia too follow this trend? Will a democratic government prove too weak to overcome the problems mentioned above, and will it be replaced by a dictatorship? Or will Malaysia gradually become paralysed and finally disintegrate because it cannot solve its problems? Or will realisation of all this cause Malaysians and their leaders to work side by side to preserve the integrity and sovereignty of Malaysia and the characteristics which have so far managed to make Malaysia a multiracial nation that is successful and progressive in the true sense?"

Chapter 4

1980s

MAHATHIR readily awaited his swearing in as the fourth Prime Minister of Malaysia in mid-July 1981, after the resignation of Tun Hussein Onn for health reasons. He had a theoretically developed political and ideological orientation. He already had a dramatic political past and a quick promotion from an outcast from his own party to a national hero. He had many loyal friends and supporters and enemies, both the usual package of politics. He had gained much government experience as Minister and Deputy Prime Minister. He had a warm family nest as the anchor of his life. As the new president of the governing party he received full support. He came into the political arena completely prepared to take on the new challenges, an arena not yet secure enough to be completely void of slippage and falls.

He inherited a stable system, substantially stable compared to other Southeast Asian countries, without making comparisons to the rest of the developing world, ravaged by putsches, riots and poverty. Malaysia, unlike those countries, lived in peace and natural prosperity, additionally made comfortable by the discovery of oil and gas resources, rich enough to satisfy the national needs and with surplus for export.

In the end, he inherited from his predecessors, in particular from the first Prime Minister Tunku Abdul Rahman and the second Prime Minister Tun Abdul Razak, some tested

characteristics he was grateful for. Abdul Razak was well known for a great capacity for work and stringent demands on his senior collaborators. Hussein Onn was respected for his personal integrity and his boldness in tackling political corruption. When asked once whether anyone had an impact on the development of his "strength of will and pragmatism" Mahathir replied: "I inherited all these things from previous prime ministers. From the first prime minister, I learned how to handle race relations. I inherited pragmatism from the second prime minister. He always talked about being pragmatic, about doing things that you can do, not doing things that you wish to do. I learned from the previous prime ministers. But the difference is that I put thing across much more strongly than the others. Being pragmatic is what Tun Abdul Razak is all about, that's what I learned from him. But I must admit that whereas they were more diplomatic, I am less diplomatic. If I feel something is right, and should be done, I will do it and I will say it. That's really the difference. We have had the same party governing this country since independence and the principles are the same. How do we work between the different races? All these ideas were put in place by my predecessors, so I owe it to them."³⁵

Mahathir behaved on the first day of his premiership just as he had described himself. Unlike the paternalistic Tunku Abdul Rahman, the self-effacing demeanour of Hussein Onn, Mahathir entered the office of the Prime Minister of Malaysia "with a rude slamming of doors," as someone noted. He straight away introduced the recipe of Dr Mahathir: predict challenges, identify problems, acquire ideas and develop solutions.

He first started with cleaning and waking up the dormant bureaucracy, which was already fearful of him. He set up

³⁵ *Asian Inc*, May 2002

control of working hours and badges for civil servants, like the one he wears himself almost always. He launched the slogans for a "Clean, Efficient and Trustworthy Government." He moved the clock forward by one hour in Peninsular Malaysia in order to have an equal time zone with Borneo.

He made a public apology to Tunku Abdul Rahman—after he had refused to do so in 1969. He requested the ban on *The Malay Dilemma* be lifted, so that it could be published without any legal obstacles in Malaysia. The fact that *The Malay Dilemma* was banned for eleven years itself poses a small dilemma: were the opponents of that book still strong, or can it be understood as patience, one of Mahathir's traits, which at the first look can seem to be contrary to his political temperament. After all, the author of that banned book was for almost half of that period the "second man" of Malaysia.

Already after the first two weeks from taking over the duties Mahathir ordered a much more important directive, which straightaway had a strong and relaxing echo in Malaysia: this was the release of 21 detainees held under the Internal Security Act (ISA), most of them imprisoned for political activities unacceptable by the act. At that time, such prisoners were called "prisoners of consciousness" in former Yugoslavia. Mahathir will never be able to break free from the debate and controversy about the ISA. The liberated prisoners included Kassim Ahmad, Chairman of the Malayan People's Socialist Party, two DAP Members of Parliament and eleven members of the illegal organisation *Pertubuhan Angkatan Sabilullah* (The Movement on the Path of Allah). Later on many deemed by the government to be in the way "this way or other" will be targeted by the same ISA.

Abdullah Ahmad was also one of those liberated, a person who spent five years in prison without an indictment. He was arrested when he was "almost" at the pinnacle of his career, as the closest adviser and greatest confidante of Prime Minister

Tun Abdul Razak, and also the Deputy Minister in the Prime Minister's Department and member of the highest leadership circle of UMNO, which itself had a secret internal battle for leadership. Very soon after Razak's death, the security was questioning him on suspicion of communist leanings. "One night during Ramadan in 1976, Dr Mahathir, Musa Hitam, Ghafar Baba, Tun Abdul Rahman Yaakub, Razaleigh Hamzah, all came to my house for dinner," he said later. "They laughed and called it 'Dollah's last supper'." Dollah was Abdullah Ahmad's nickname among his friends. "There was talk then that they were going to take me in," he continues. "After dinner, Dr Mahathir took me aside and told me they were coming for me. He said I should leave the country. He was the Deputy Prime Minister, but he knew he could not save me. Tun Hussein Onn had his advisers and he was listening to them."

Abdullah did not want to flee the country. "I had nothing to hide and I wanted to face them," he said. People from "the Special Branch" really came and took him to the notorious camp in Perak, leaving behind him his wife and three children, from one-and-a-half to five years of age, whom—which in particular was difficult for him—he could not accompany on their first day in school. After he was released he received a master's degree at Cambridge University, returned into politics, won and lost in elections, was Malaysia's Ambassador to the U.N., and then in the end took up the role of editor-in-chief of the New Straits Times Press.

When I spoke to the then Tan Sri Abdullah Ahmad I told him how I was talking to a Chinese friend that I was acquainted with him, the reply was: "I know, he is good. But he was in prison as a communist." I was actually interested what was hidden behind that secret accusation. What does he have to say to the fact that even today a Chinese believes he is a communist. "Do I look like a communist?" he made a joke,

and then added: "In this country, and especially then, it was very dangerous when someone says you are a communist. Of course, I was not a communist. But I was in the way of many people. Had they not imprisoned me then I would probably still be in Putrajaya today," i.e., to have a high position in the country.

At that time fear of communism was still strong. What was happening in Vietnam and Indonesia had resounded in the whole region, where an atmosphere of a new McCarthyism was pervasive. As advised by Abdullah Ahmad, Prime Minister Tun Abdul Razak, whenever he could, maintained a neutral stance in the international arena. Malaysia voted for China's admission into the U.N., although it was still fighting against pro-Chinese communist guerrillas. The Americans did not like the fact that Malaysia already then was not taking pro-West steps.

This is how Mahathir moved—one step inside, one step outside.

Turning towards the world, the first who were criticised by the new Malaysian government were the British.

In September 1981, the Prime Minister's Office initiated a campaign to "Buy British Last." It was more of an instruction rather than a boycott of British goods—which is how the British interpreted it: that all proposed government awards of tenders to British firms, except direct investment, were to be sent to the Prime Minister's Department³⁶ for review together

³⁶ The Government had a Department for the Prime Minister, established before Mahathir, which was a special body made of up of highest advisers, co-workers and experts. The Department included four Ministers from various fields. They had Deputies (one Minister and a number of Deputies are Chinese). The Department also within it has an Economic Planning Unit, which prepares the development strategy of the country and is in charge of scientific and technical assistance to other countries.

with all the concrete tenders. If non-British substitutes were not available and if the British tenders were especially competitive, the government was allowing the purchase of British goods.

The direct reason for this instruction was the anti-Malaysian campaign in the British media and in the London Stock Exchange (LSE) because the Malaysian government took over Guthrie Corporation, one of the oldest British plantation companies in Malaysia. The takeover was organised by one of the government investment agencies, Permodalan Nasional Berhad (PNB) or National Equity Corporation, and completed the taking over so quickly that September 7 morning that the Guthrie management and LSE were astounded. The British media called that "an act of nationalisation" regardless whether it was done through the "front-door" or "back-door." This statement was scalding, especially for Mahathir, who was already well known as a fearsome opponent of nationalisation. In addition to this, foreign investors were sensitive even to the mere mention of nationalisation.

The LSE was forced to change their rules in order to prevent such financial "dawn raids." Governments and individuals were asked to make advance notices of company takeovers. Before this, Guthrie, which was in possession of some 200,000 acres of rubber plant fields, palm oil and coconut fields, was completely owned by the British. As of that morning it became a complete Malaysian ownership and hundreds of millions of the national currency ringgit did not flow into the hands of foreign stakeholders.

Malaysians, actually, made that historical surprise tackle had an effect on the previously untouchable British stock exchange system, by lobbying stakeholders with huge sums of money, using confidentiality clauses, and when they acquired

a sufficient percentage, they completed "a commercial transaction, pure and simple." The Finance Minister at that time, Tengku Razaleigh Hamzah, said: "We are playing by the rules taught us by the British in taking this action. In fact, our success should be applauded because we genuinely believe in an open market, including the right of individuals to buy and sell shares." Responding to accusations that Malay nationalism was in action again, Mahathir said: "It seems to me more as a British economic nationalism than a Malaysian economic nationalism" and even before this even he used to ask, "Must a British firm remain one forever?"

Mahathir made an effort to prevent the deterioration of relationship between the two countries. "We have not severed trade relations with Britain and we also have not launched a boycott of British goods. What we have simply said is that the government will not buy something from Britain if we have an alternative choice, but we will buy if we do not have a choice."³⁷ Even Lord Carrington called upon Mahathir, suggesting they "put Anglo-Malaysian relations back on an even keel."

The British papers created a personal issue out of the "Buy British Last" policy by reminding their readers of Mahathir's earlier criticism and distrust of the British. The closest to the truth was the observation by Philip Bowring: "Mahathir's antipathy to the British seems to be far more a consequence of his general philosophy than any personal prejudice. His campaign has an Ataturk-style symbolism about it. British technology is becoming outdated, Britain's social system shows signs of decay, the British are associated with the past."³⁸

³⁷ Berita Harian, October 27, 1981

³⁸ Philip Bowring, "Mahathir and the New Malay Dilemma," *Far Eastern Economic Review*, April 9, 1982, p. 80

Mahathir wanted to deal with another remnant of the past with the British. Lobbied by the youth and women's wings of UMNO, the British were requested to return Carcosa Hill, the highest hill which gives a wide view of Kuala Lumpur, to Malaysia. That hill, with a few old villas shadowed by tall tropical trees, was given to the British as a present after independence by the first Prime Minister Tunku Abdul Rahman, to keep there the residence of the High Commissioner. The request by UMNO offended the Tunku, who had handed over Carcosa on behalf of the government as a gesture of goodwill towards the British. When the official request was submitted to the British High Commissioner,³⁹ the Tunku understood this, as he wrote in his weekly column in *The Star*, as an attempt "to write him off." "At one time," he says, "I had been accused of selling this country to the Chinese, now Carcosa to the British, so what will remain of me after I am dead and gone, only Allah knows. I have a feeling that there will only be curses and plenty of them."

The British returned Carcosa Hill after a diplomatic procedure that lasted four years and they did not seek any compensation, but in return, as a gesture of goodwill, a piece of land was given as a present for the residence of the High Commissioner in Jalan Ampang, where most of the residences of ambassadors are located. Malays were sensitive about Carcosa because prior to independence there was "King's House," the official residence of the British High Commissioner in the Lake Gardens, there were some fifty local staff. The butlers, cooks and waiters were Chinese, the gardeners Indian, while Malays were peons and drivers. According to Abdullah Ahmad, "This was a typical pattern of

³⁹ The High Commissioner is the head of a diplomatic mission, a replacement for an Ambassador among the member countries of the Commonwealth.

employment: the British at the top followed by the Chinese, the Malays and the Indians. It was repeated at all levels in British Malaya and colonial society."

The Carcosa Hill case, as well as the short-term "Buy British Last" campaign, did not have any deteriorating effect on the relationship between Malaysia and Great Britain, but in the psychology of the Malay common man left a longer and deeper effect as symbolic acts of liberation from being a lenient subject to the former colonial rulers. Actually, many Malaysians only later realised the psychological effect of such a policy. "At that time," as Zainuddin Maidin recalls, "Mahathir's every move was a gamble. He faced objections not only from outside, but also from his own people who did not realise that they were still mentally bearing the yoke of colonial thinking. This included people involved in radical politics who could only express their anti-imperialistic and anti-colonialist feelings through slogans."

"Look East"

One view towards the West, a different view towards the East.

At the end of 1981, Mahathir came out with one of his original paroles and one of the most durable resolutions. This was the "Look East" policy, which was mostly concentrated at looking towards Japan.

For Mahathir, a convinced anti-Western, Japan was not a Western country, although Japan declares itself as such. For Mahathir, the "spokesman of the developing world", Japan is something more than that whole developing world, including its Muslim part.

What is it that has attracted him to the Japanese since his earliest years until his late years?

First of all, it was that working ethic which is very different to the Western one, the latter subscribing to the view

that "something can be had for nothing." "Nothing is free," Mahathir says, "neither in this world nor the next, and certainly not in the globalised economy. As a Malaysian Minister of Finance in the 1980s put it, 'If you want something for free, you must pay for it.' Such payment can only be in the form of hard work, the key factor behind increased productivity and improved competitiveness. In the early 1980s, we in Malaysia realised that only by instilling a work ethic that made our workers more ambitious and willing to strive harder, or even make a personal sacrifice, would we enable our products to compete in the cut-and-thrust, dog-eat-dog global economic game."

"The virtues of hard work are manifold, but of course, simply working hard was not enough. The Japanese work ethic we aimed to emulate also included a dedication to quality and to keeping deadlines for the delivery of products. Furthermore, the democracy inherent in the typical Japanese business organisation fascinated me."

Mahathir noticed that in most large Japanese corporations differences in status between executives and workers were rarely emphasised. They all wore the same uniform and the executives tend to spend more time on the production floor than in their offices. When decisions were made, almost everyone was consulted, and an atmosphere was thus created which strengthens personal commitment from each worker. It seems that conflict was rare between the workers' unions and the management, leading to stability and the building of trust in the organisation. Japanese corporations were paternal towards their employees, and the workers reciprocated this with loyalty towards the corporation.

Japan's miraculous economic accomplishments are attributed by some scholars and businesspeople to its unique culture, claiming that their singular cultural elements cannot

be duplicated by other nations. "But I have always disagreed with that view. Although the Japanese culture undeniably played a pivotal role, there is nothing which cannot be learnt, including elements of cultural mores. Just look at Japan's own history and you will find several periods when it absorbed numerous cultural elements, first from China in the 6th and 7th centuries, and later from the West in the latter half of the 19th century. I believe that the revered and supposedly unique 'Japanese work ethic' is not so much an ingrained traditional cultural element as it is a studiously cultivated value system. Old traditions and culture are definitely important and valuable, but a careful analysis of Japanese business practices in the past shows that 'the old ways' were quite different from the modern practices behind the country's economic success. Japanese products today are renowned for their remarkably high quality, but making 'quality' a point of honour is an attitude that did not exist prior to the Pacific War, when 'Made in Japan' was almost synonymous with shoddiness."⁴⁰

Mahathir's admiration of the Japanese working culture and economic successes went so far that he sometimes neglected, whether on purpose or not, some facts, that would, when applied to other countries, be the target of his criticism. For instance, much of the economic success of Japan and South Korea, which Mahathir often finds, is the input of the Japanese, is actually owed very much to the extensive financial assistance of the U.S., provided for strategic reasons. When Mahathir praises the relationship between the workers' unions and the executives, he ignores his usually negative attitude towards workers' unions.

Mahathir probably did this on purpose. Above all, in Japan, he saw all those values he wanted Malaysia, and in particular the Malays, to embrace. He wanted them to "stand

⁴⁰ Mahathir Mohamad, *A New Deal for Asia*, pp. 85-86

on their own feet." That is why he called upon his compatriots to emulate the example of the Japanese, Koreans and Taiwanese, starting with his own example. "I always measure myself against people who are better than me, greater than me."

Thus Mahathir formulated a policy of seeking and passing on to the land of Malaysia, those role models from the East. This is one of his most enduring orientations in the strategy of the development of his country, which he did not give up even in 1997 when the greatest temptations were high. "The Mahathiran style was also reflected in the way the 'Look East' campaign was introduced," as emphasised by Hng Hung Yong. "This, in fact, was no economic policy. It was shock therapy, with the shockwaves reverberating through the portals of London, Tokyo and Seoul. With one swift move, Mahathir had made his point: drop old habits and learn new ones."⁴¹

For me, a European, brought up in an anti-fascist and thus an anti-Japanese spirit, it was a special revelation to come across the other side of the complex period of the contemporary history of Japan, when Japan defied all the East Asian countries during World War II. Later on we got used to a completely different Japan. I began a discussion on this delicate issue with the Japanese Ambassador to Malaysia, Masaki Konishi. I was interested in the overall relationship of Malaysians and Mahathir towards his country.

"The Malays did not suffer much in the second world war, as Mahathir himself often emphasised," he answered. "The victims were the Malaysian Chinese, because of their communist guerrillas. This is the reason why the Chinese remember that period much longer. The relationship between

⁴¹ Hng Hung Yong, *CEO Malaysia: Strategy in Nation-Building*, Pelanduk Publications, Kuala Lumpur, 1998, p. 29

Japan and Malaysia were, of course, different after 1945. But the Malaysian Chinese continued to criticise Japan. This was further exacerbated by the occupation during the war, but the postwar policy of the 'mainland' Chinese towards Japan, a policy which had its followers among the Chinese here, too, who listened to it and sympathised with it. Even today in Malaysian Chinese schools textbooks are used that describe 'how the aggressors are entering Malaysia' what atrocities they committed and how the Japanese are the enemy."

"On the other hand," he continued, "many Malays accepted the Japanese as the liberators from British rule; there was even a legend how one day a yellow race will come and liberate the Malays from colonial rule. During discussions between Mahathir and Japanese Prime Minister Tomiichi Murayama in 1994, the question of war and occupation was raised. Mahathir said, 'Don't let us go back to past, let us look towards the future.' That is how he closed that topic. You know how well the relationship was developed between Japan and Malaysia during Mahathir's time. Let me just mention that until now officially 8,000 Malaysians and unofficially 13,000 studied in Japan."

"Very well, Ambassador, it seems that Mahathir finds Japan as a role model most of all because of the fact that in modern times you made the best and the most successful union, almost melding them together, of the Western industrial, scientific and technological achievements and your religious and spiritual traditions. Personally, I have believed for a long time now that it is the most successful model, so you can imagine how glad I was to start discovering a kind of a cast of this model here in Malaysia. How do you view this in Japan?"

Ambassador Konishi gave me a surprising response: "You are right, but that has another side to it. When we opened up

to the Westerners, they taught us something bad, which is to colonise other people, something we never did before, when we were isolated from the rest of the world. Thus in World War II we went into China, Korea, Southeast Asia, Malaysia ... You can see now how this was not a good experience. We regret this. The Chinese were more clever. They did not colonise the others. Their time is coming now."

Representing Malaysia as an already recognisable new political and economic existence in the Asian region, Mahathir turns towards the South, the so-called Third World. Through the Third World he very soon enters the global plan, as a very strident advocate of the Third World countries. Even in the 1960s, he warned his country and the region of the "the potentially damaging challenges and obstacles" issuing from the "global environment." In the late 1990s, he will almost with his analysis and criticism wipe out globalisation as the new means of exploitation of the developing world.

As Prime Minister, Mahathir quickly developed a plan for the further implementation of the NEP, Malaysian development programme, but very quickly also felt the difficulties which he will soon come across because of the situation of the world economy, which was not promising for small and poor developing countries. Recession already started in industrialised countries, which was quickly spreading across the world. Barriers to international trade had multiplied for the developing countries, and the hopes for a quick economic development deflated, while the sovereignty of many of the developing countries became questionable.

In 1992, speaking at the General Assembly of the U.N., Mahathir criticised the decisions of the developed industrial countries, which were the cause of such effects, saying that they were "mere decisions ... made in the powerful countries by short-sighted people." This unfortunate situation for the

poor countries, as emphasised by Mahathir at the Non-Aligned Movement (NAM) Summit in New Delhi in 1983 was not an "act of God", but of "mere decisions made by men, principally the powerful men in powerful countries." Stressing the "desperate need to prevent a total collapse of the world economy," he said: "It is better that we fall back on our own resources than to place our hopes on understanding and help from the unfeeling North" ... "Let us stop deluding ourselves," he warned the leaders of the states and governments in Delhi, "the North is not about to abdicate their role as the aristocrats of the world economies. For as long as the poor economies are incapable of striking back, we are not going to have one bit of concession from them."

This was the language Mahathir was using when he spoke about the North-South relationships, the developed-undeveloped. "It was a language of disillusionment, disenchantment, and indignation. But intemperate as the language sometimes sounded by diplomatic standards, it was not the anti-imperialist language of radical Asian, African, or Latin American nationalists."⁴²

The Feudal Culture

Mahathir faced one of the most difficult challenges in his country. It was the constitutional crisis which he "provoked" himself by trying to limit the privileges of the Malaysia's monarch and state rulers.

The government submitted as proposal of the amendment to Article 66 of the Constitution, which gives the right to the Yang di-Pertuan Agong, the constitutional monarch, to give his assent to all acts passed by Parliament. According to one of the Amendments, if for any reason whatsoever the bill is not

⁴² Khoo, *Paradoxes of Mahathirism*, p. 64

assented to within fifteen days of the bill being presented to the King, he shall be deemed to have assented to the bill and the bill shall accordingly become law. Similar practice would be applied to the State Assemblies of Malaysia states. The Amendment was approved by the Parliament in August 1983 and the King's approval was expected. It was assumed that his approval would be merely a formality, given that the suggestion was to introduce into the Law something that was never questioned in practice. However, the Amendment was politically significant as it could permit the Parliament to dispense with royal assent altogether.

Mahathir obtained the Yang di-Pertuan Agong's verbal agreement, but he unusually requested complete media discretion, apart from his address to the Parliament. The effect achieved was that the Amendment was not considered an issue, until, in October, one of the veterans of UMNO and former Minister in Tunku's government, Senu Abdul Rahman, appeared with an open letter. He accused Mahathir of undermining the position of the Malay rulers. The criticism of the Amendments from Tunku himself ensued in his regular column in *The Star*. Encouraged by that letter and supported by the local leaders, the Yang di-Pertuan Agong did not give official consent for the Amendment.

Thus a crisis was set off. In the few months to follow this will divide the administration, UMNO and the public into two sides—followers of the government or the supporters of the Istana Negara, the royal palace.

There were sufficient reasons to set the change of the Constitutional amendments, as well as for the delicate leadership of this process.

British rule facilitated in various ways the bloom of "the self-serving feudal political culture of the Malay royalty and aristocracy." Both in British Malaya and the Dutch East Indies, the conservative and traditionalist élite proved to be useful to

the colonial regimes. Not only were the Malay sultans and the Indonesian Priyahi royalty provide support to the colonial establishment, but this was true for the "the Islamists of the conservative-traditionalist camp." In both colonies the conservative-traditionalist powers supported the colonial rule "against the growing tide of anti-Colonial sentiment that was slowly developing among the radical vernacular intelligentsia."⁴³

The first Prime Minister, Tunku Abdul Rahman, although opposed to the amendments, himself was in conflict with the Sultan of Selangor exactly two decades before Mahathir's amendment. Sultan Abdul Aziz objected to the state government's imposition of conditions before granting him title to ten acres of land in the Jalan Duta area of Kuala Lumpur: houses built on that land should not be let out, and the property was not to be swapped or sold. Ever since 1949, as the head of the UMNO Kedah State branch, Tunku took offence at his older brother, the ruler of Kedah, Sultan Badlishah, who "looked upon UMNO as an illegal organisation." The Tunku wrote in *Utusan Melayu*, among other things: "World history has shown that the people can appoint or depose a King. The people can uphold or topple a government ... In my opinion, in times to come there will only be five kings in the world: the King of England, the King of Hearts, the King of Diamonds, the King of Spades, and the King of Clubs."

Mahathir himself is not particularly antiroyalist. He wrote earlier how monarchs could be useful, if they are good. He even considered heroes, those who supported or implemented modernisations, such as Peter the Great and Emperor Meiji. But he never admired Malay rulers. Even as a student, writing under the pseudonym Che Det, in a conflict between the

⁴³ Farish A. Noor, *The Other Malaysia*, p. 65.

leadership of UMNO and the royal family, actually a conflict between rulers and the *rakyat*⁴⁴ he supported UMNO. He foresaw the possibility that a "new force of a new Malayan democracy" wins over the Malay feudalism. In the *The Malay Dilemma*, he mentioned how "vast amounts of clothing and jewelry were amassed by the *rajas* and the members of the courts." However, he will utter his strongest criticism, at a time when it bore more significance, only a month before he was sworn in as Prime Minister. At the Pemuda and Wanita UMNO General Assembly in 1981, when he said in the old days "the rulers and aristocrats had no need to work" and stressed their inclination to renting, dependence on British pensions, and addiction to opium.

That is why, two years later, he thought it was the right time to "trim the royal prerogatives," as the legitimate part of the programme of transforming the Malaysian state and society.

In place of a compromise, the conflict intensified. The rulers publicly rejected the amendments at a meeting in Sabah, at the end of November. Their interpretation of the amendments was that if the Constitution Amendment Bill was to become law, the Parliament could theoretically transform Malaysia into a republic within fifteen days, without the assent of the rulers. The rulers were backed by the traditional emotional support of many Malays, in particular the royalists who found that the Yang di-Pertuan Agong was one of the most significant symbols of "the special position" of Malays in Malaysia.

Mahathir had no other choice but to accept the fight. A campaign was on its way in the media, especially those controlled by UMNO. The state TV showed films exposing

⁴⁴ Rakyat: the common or ordinary people, particularly the rural population.

the despotism and tyranny of earlier rules. Meetings were organised which hosted Mahathir as a speaker. He spoke reminding the rulers of their acceptance of the British plan of a Malayan Union, which would have done away with the Malay sovereignty and which would have turned the rulers into mere *kadi*, religious rulers. Mahathir said at a meeting in his hometown, Alor Setar: "It was the *rakyat* who had protested against the Malayan Union after World War II; it was the *rakyat* who wanted a democratic system that would enable them to choose their own leaders. It was always the people who had fought for their destiny." And in Melaka, "the seat of Malay feudal glory," he emphasised how "age of the feudal system had ended."

However, large gatherings were also organised to support the rulers. The crisis could have created a serious "destabilisation of the Malay society." In some of the non-Malay and more liberal circles, that remained neutral, it was warned that the adoption of one amendment that foresaw the passing of rights of proclaiming a state of emergency from the Yang di-Pertuan Agong to the Prime Minister, could result in "centralising all power with the Prime Minister during an emergency." This could lead to the danger of an authoritarian regime: "Parliament can't check the Prime Minister; the judiciary can't counsel him; even his own cabinet can't control him."⁴⁵

A compromise was finally reached at the end of December 1983. The Yang di-Pertuan Agong agreed to give his assent to the drafts of the Law. In return, Mahathir and UMNO accepted to remove the provisions which were offensive to the rulers. In the new year the law was adopted. It gave the Agong thirty days to study and assent to a bill passed by the Parliament. If he disagreed with the bill, he would return it

⁴⁵ Chandra Muzaffar, *Freedom in Fetters: An Analysis of the State of Democracy in Malaysia*, Aliran, Penang, 1979, p. 207

with comments and objections. The Parliament retained the right to pass the bill again, with or without incorporating those comments or objections, in which event the bill would become law within another thirty days, with or without royal assent. Mahathir achieved the most important aim: the future king cannot obstruct the legislative process. The bill was not followed up at the state assemblies. The Agong also retained the prerogative to proclaim a state of emergency.

The feudal culture, according to developments of this crisis, is deeply engraved in the Malay spirit. For the Malays, in addition to the other two pillars that form their identity and maintain the overall spiritual structure, Islam and *adat* (tradition), the Agong is the third pillar.

This was clear from this difficult fight by Mahathir to limit, no matter how symbolic, the prerogatives of the rulers. The first Prime Minister Tunku did not succeed to do it 20 years earlier. Mahathir will finally succeed in ten years' time.

Mahathir gained a skill of public addressing, which he had a modest knowledge of, throughout these direct confrontations with the public masses during the constitutional crisis. A year earlier he said: "I used to be very shy. I did not like crowds. I would not go the stadium to watch a game. I would not go to an exhibition. In the old days, I would not go ... But this is different. This is a crowd I can be with. When they wave, shout a greeting, it is very touching. And coming from total strangers—that is what is so heart-warming about the experience ... Initially, when I used to go with Tun Abdul Razak, I would not walk on the red carpet. I would walk off it. He would tell me, 'This is laid for you.' I learned then to go gingerly walk on it ... I don't deserve that much respect. I'm nobody. I'm just one of them."⁴⁰

⁴⁰ Supriya Singh, 'The Man Behind the Politician,' *The New Straits Times*, April 14, 1982

He thus started acquiring the characteristics of a populist. But not in the traditional or class sense. Mahathir never thought nor acted in categories of the rights or the position of the working class. His formula related to poverty and wealth. "So far from believing that the wealth of the one was the poverty of the other. ... Mahathir would have everyone believe that 'the rich best helped the poor by being rich.'⁴⁷

Although most of his ideas was addressed to the Malay majority, living in the *kampung*, Mahathir did not make an effort to become a rural populist. He was always closer to the urban population, because for him the city, "the locus of civilisation and progress ... should become the manifestation of the material wealth and spirituality of society."

Mahathir turned with his government towards the NEP once again, giving it a wider dimension which was supposed to fulfil its second ten-year period. Although the ideological and political warp of this programme is the rehabilitation of the Malays, Mahathir is extending it to other ethnic groups as a "social engineering" of the whole Malaysia. One of the conditions of the political stability of Malaysia, for him is that "the races must develop together, at par with each other." The aim of the NEP still is "a fair share of the nation's wealth for the Malays" but "if the achievement of the fair share involves certain unpopular measures, it cannot be helped." "Measures are apparently biased. This is interpreted by many people as being unfair to the non-Malays. But I don't think it is unfair because if you look around you the non-Malays have done even better since the New Economic Policy was implemented."⁴⁸

⁴⁷ Mahathir Mohamad, "The Poor are Poorer, the Rich, Richer!" in *The Challenge*, pp. 4-16

⁴⁸ Tan Chee Khoon, *Without Fear or Favour*, p. 61

Mahathir tried to distance the NEP from the "emphasis on race." Since "we can't remove the racial (vertical) divisions easily, so we must try to remove the social (horizontal) divisions: then there will be poor Malays and rich Malays and poor Chinese and rich Chinese." He was hoping that a non-ethnic division of wealth and labour would emerge one day that would be the basis of a new kind of multiethnic policy, although he was not sure whether the country would be prepared for that by 1990. He was hoping that "the day might come when the figures might balance" when "in a Chinese firm there will be as many Malays as there are Chinese employees" and "in the government there will be the same kind of distribution." And "then, and only then, will multiethnic politics become possible."

How to "Return the Blow"

The world economy and trade befell to difficulties. The resource-rich Malaysian economy was for a long time highly dependent on commodity exports to the industrialised countries. Agricultural and mineral commodities made up 88.3 per cent of Malaysian exports in 1960 and still a high 77.4 per cent in 1980.

Mahathir was bringing together economists and experts and seeking means to "return the blow" to the rubber and tin markets which started ravishing the Malaysian economy. On the top of the list of world suppliers of those commodities, the Malaysian economy was to a great extent founded on rubber and tin exports before independence. The post-independence programme of diversification added palm oil, timber, pepper and cocoa. The 1970s witnessed considerable increases in the export of petroleum and natural gas. Mahathir, in particular, emphasised the destiny of the primary commodity producers, who have to sell three to five times more of their commodities

in order to buy the same amount of manufactured produce from developed countries, as they used to 20 years ago.

He was, however, aware that using one's own resources "alone would be insufficient to achieve success without a role model". "In the early 1980s," Mahathir later wrote in *A New Deal for Asia*, "the Western nations appeared to have lost their drive. They were enmeshed in an oil crisis and seemingly unable to overcome economic stagnation at a time when vibrant new economic energy was virtually exploding in Japan, South Korea and Taiwan. For me, it was a natural conclusion that if we were to emulate the success of foreign nations, the most valuable role models were no longer in Europe or the U.S., but rather in our own backyard. We had to look East." After detailed preparations, the government embarked on the "Look East" policy, "aiming to learn and emulate useful elements from, mainly, the Japanese business culture. We never intended to simply 'ape' everything Japanese; indeed, we were well aware that outright copying would be quite impossible considering the quite different ethnic and historical backgrounds of our countries. Neither did 'Looking East' mean that we were going to completely reject positive elements from the West."

Malaysian experts soon realised that the future cannot rely on trading of commodities and goods. First of all, the rapidly advancing technology was the "single most important factor which has caused the downfall of the commodities", not only in Malaysia and the Association of Southeast Asian Nations (Asean), but also the whole world. Secondly, "new technology has also reduced the usage of various commodities". And the third reason was the materialisation of synthetic and other substitute materials, which caused a sudden drop in the demand for those traditional goods.

Thus Minister of Finance Daim Zainuddin and the Malaysian planners forecast that in 1985 the total export earnings will rise to RM63.1 billion and actual earnings were only RM37.6 billion. It was a time of a sudden drop in crude petroleum prices from US\$36.5 per barrel in 1980 to US\$14.7 in 1986, and at one time as low as US\$9. The value of tin exports barely exceeded 25 per cent of the 1980 figure. Daim, the moving power of Mahathir's economic policy at the time, admitted later that he did not anticipate the prolonged recession in the industrial countries to strike so hard at Malaysia. "Though it was mainly due to external factors, it came as quite a shock to me ... In the past, if tin prices came down, rubber would go up or vice versa. But this time ... all came down together."

That dependence on primary products and goods led Mahathir to urgently take up the building of "heavy industrialisation," modelled on the earlier Japanese and Korean experience. Although there were criticisms by a number of economists and politicians, he and Daim never gave up on industrialisation.

Heavy Industries Corporation of Malaysia (HICOM) was transferred from the Ministry of Trade and Industry into the Prime Minister's Department, because the criticism against industrialisation had its source in that very ministry. A team of experts was brought together to prepare projects for large industrial complexes. HICOM entered the joint venture with a number of Japanese and South Korean multinational corporations: National Automobile Industry (PROTON), a steel complex Perwaja Terengganu (PERWAJAYA), two cement plants in Perak and Pulau Langkawi and three motorcycle engine factories.

Sceptics went on to point out the difficult situation in the economy. In 1985, for the first time, the country had a current-account deficit. The government had to borrow in

order to pay salaries and pensions to civil servants. For the first time since its independence, Malaysia had a negative economic growth of 1 per cent.

After a long period of prosperity, as was concluded by Daim, Malaysians were faced with an extremely difficult economic situation. The country drowsed off secure in the considerable income from the import of primary goods. The country was so rich in commodities that Malaysians became "too relaxed." "Others who have no natural resources were forced to work hard and change their economic strategies. They did better and Malaysia was left behind."

Therefore, Mahathir's and Daim's strategy was that the country required investment and jobs. In order to acquire these, further industrialisation was required. Even earlier the National Bank and the Treasury expressed their pessimism at the further development of the economy. In order to attain an economic growth of 5 per cent, the country had to attract RM14 billion (the U.S. dollar and ringgit Malaysia ratio at that time was 1:2.5).

Extraordinary privileges, especially given such extraordinary times, had to be provided in order to attract foreign investments. Mahathir decided to make a breakthrough for investors, firstly, the Americans. At the end of September 1986, a seminar of investment opportunities in Malaysia was organised by the Malaysian Industrial Development Authority (MIDA) at the Waldorf-Astoria in New York. During a luncheon with American industrialists, businessmen, bankers and consultants, Mahathir announced changes to the structure of equity participation by foreign investors in Malaysia. He reminded his audience that Malaysia had long depended on the commodity goods as petroleum, rubber, timber, palm oil and tin, for achieving its 6 to 8 per cent yearly growth rate. "Now," he said, "that the

bottom has fallen out of the commodity market, Malaysia's diversification into manufacturing has taken on vital significance." He explained that the 20 per cent contribution of the manufacturing sector to the Malaysian economy must be rapidly enhanced to achieve growth. Namely, that was the GDP manufacturing contribution in Malaysia in the 1980s with an employment rate of only 15 per cent.

The rules announced by Malaysia were indeed a liberalisation of the previous ones. Foreigners would be allowed under certain conditions to have 100 per cent equity in their manufacturing concerns, while earlier they were allowed only 49 per cent. Under the NEP's "constructive protection" of the Malays, foreign participation had been fixed at 30 per cent under the equity structure formula of: 30 per cent for *Bumiputeras* (the Malays), 40 per cent for the Chinese and other non-*Bumiputeras* and 30 per cent for foreigners. Under the new rules, a foreign company would be allowed 100 per cent equity if it:

- Exports 50 per cent or more of its products;
- Sold 50 per cent or more of its products to companies in free trade zone or licensed manufacturing warehouse;
- Employed 350 or more full-time Malaysian workers; and
- Adopted an employment policy at all levels reflecting the racial composition of the country.

Mahathir added a significant piece of information: where foreign equity was less than 100 per cent, the balance to be taken up by Malaysians should conform to the NEP. The newly announced rules would be valid till the end of 1999.

I am not sufficiently familiar with these investment relationships and rules, but it is said how the Malaysian case is specific, so I want to share more details.

Thus the foreign companies would not be required to restructure its equity. They would also find it easier to bring in expatriate staff, and during the first ten years a foreign company with foreign paid-up capital of US\$2 million would automatically be allowed five expatriate posts at whatever level. The new conditions would apply to new foreign investments in industries whose product would not compete for the home market.

Emphasising that the Malaysian development of the next ten years would to a large extent focus on export-oriented industrialisation, more rapid growth in priority industries and the building-up of technological capability, Mahathir said at the New York gathering: "We do not want to be grounded in mediocrity of mere assembly operations. We want our Malaysian workforce to improve its skills."

The efforts of the government were then directed at privatisation. Mahathir also "drew some lessons" in comparative development from "the Japanese miracle and the amazing performances of the Asian Newly Industrialising Countries." These countries, according to Mahathir, succeeded because of their "adoption of a free enterprise system and the successful development of a dynamic and aggressive private sector."

Prior to that, however, debt had to be curbed. Daim endeavoured to impose his view "that one must live within one's means." "I do not understand why people must borrow just to live well. This philosophy applies to nations too. Look at Latin America, look at America. We must never commit our future generations to paying for our wrong policies today." There were Malaysians who argued that with the rate of

inflation, it was better to borrow now and spend and pay back later. However, he never believed in that approach. He thought that the country should not be accumulating reserves and continuing to have a huge debt burden. He suggested that the first step would be to pay off external borrowing. "In that way not only did we reduce the debt but we also saved on interest payments." At one stage, he reminds, Malaysia was paying RM7 billion on loans and interests per year, which was sometimes equivalent to a year's development expenditure. That is why he decided to suggest to Mahathir the following: to borrow locally and let the money stay in the country. "Why should foreigners benefit?" he asked. "We should show the world that we are the first in the developing world to repay our debts." Later on, this policy proved to be correct.

The next move was to cut down on the public sector. Recruitment was frozen. He did away with the pension scheme for government servants. When criticised, Daim would reply that Malaysia does not need a large administrative structure and if there are no pensions then people will not seek to be part of that structure. Daim used his own formula for this case too: "People do not become millionaires by joining the public sector unless they are corrupt. It is the private sector that produces millionaires. The dynamic private sector is vital for the development of the Malaysian economy."

He had the right to speak that way. No other Minister of Finance before him was familiar with the private sector as Daim was because long before becoming a Minister, he was already a multimillionaire.

Mahathir stood by his Minister and supported him by formulating a general economic policy. He had long been sceptical at the public sector, saying that "public-owned enterprises never seem to be profitable or efficient." He noted

that "with the exception of a few, most of the government enterprises have lost money." Mahathir criticised the monopoly of large government enterprises, such as the railways, which incurred millions of dollar losses every year. He published the "Privatisation Policy" in 1983 in order to resolve "the contradiction between the state's involvement in business and its inability to achieve profitability." For Mahathir, privatisation, or simply "the opposite of nationalisation", meant "the transfer of government services and enterprises to the private sector."

Malaysia Incorporated

Privatisation in Malaysia gained momentum in the recessionary years of 1985 and 1986, and continued in the following years. It had the support "among the captains of Malaysian industry and commerce" as it was opening new business opportunities. It was accepted by the public, with the reserves and fear of civil servants and those employed in the public sector due to the possible implications for their status and standard.

Privatisation was followed by the "Malaysia Incorporated," the next policy Mahathir was intending to use in order to realise "the concept of cooperation between the government and the private sector for the latter to succeed." He found this inspiration in Japan. "We thus focused on many of the different driving forces behind the Japanese success, constantly trying to see how these could be adapted to our own situation," he wrote later. "One overarching concept which emerged from this search—and which in many ways were to help galvanise our working population—was the idea of 'Japan Incorporated.' One of the accusations often made by Western companies is that Japanese companies seem to be so closely linked to the Japanese government that the two are

almost indistinguishable. Foreign companies feel they are up against the whole Japanese nation when competing with Japanese companies, Many foreign corporations have undoubtedly found it very difficult to penetrate Japanese markets in the face of complex government regulations, and thus, there is much that justifies the somewhat censorious term 'Japan Incorporated'."

When describing how this concept was applied to Malaysian conditions, Mahathir says: "To planners in Malaysia, however, the idea of 'Japan Incorporated' served more as an inspiration than as an economic anathema. The relationship between government and the private sector in Malaysia was not very favourable in the past. Historically, the government regarded itself as the opponent of the private sector, and conversely, the private sector saw government regulations as obstructions to business. A long-lasting antagonism has existed between the parties, and even when government officials understood the need of Malaysian industry and did give backing or protection, it was usually done with reluctance and a great deal of suspicion. Civil servants in the past failed to appreciate that the national interest would suffer if businesses were unduly obstructed by government red tape."

"Businessmen, on the other hand," Mahathir continues, "were friendly to a government official only when the immediate objective was to 'buy' that official's assistance. In most cases, the relationship between business and government was one of poorly concealed confrontation. Needless to say, this uneasy relationship between government and business, based on mutual distrust rather than the opposite, certainly did not contribute positively to the kind of economic growth Malaysia was aiming for. To lubricate and stimulate the economy, the idea of a nation 'incorporated' with

all parties, whether from the government or the private sector, cooperating to create wealth and prosperity appealed to us. I used to tell our bureaucrats over and over again: 'Your pay ultimately comes from the private sector, that is, from the taxes paid by corporations. So, when you help the private sector, you are helping yourselves.' Today, our civil servants have largely accepted this view, and business has prospered greatly from collaboration rather than confrontation with officialdom."⁴⁹

Malaysia managed to extricate itself out of its economic malaise as a result of external and internal factors, without major agitation. The short-term and long-term restructuring was followed by frequent measures of adjustment, reduction of administration, and relying on internal reserves. Foreign investment was flowing in, but not as much as anticipated. From 1982 to 1987, the allowances, salary and bonuses for civil servants and high-ranking politicians were cut. For instance, in the 1987 budget it was regulated that all politicians and civil servants who were receiving more than one pension from the government should pay a 100 per cent tax on such second and subsequent pensions. A reduction in the role of the public sector in the economy and a fast privatisation were encouraged.

It was only in 1988 that there was considerable improvement. The current account of the balance of payments was in surplus again. Malaysia's reserves had strengthened and the ringgit stabilised. Commodity prices rose and demand grew for Malaysia's agricultural and manufactured products. However, the basic problems remained: growth rates, unemployment and the government's financial position.

⁴⁹ Mahathir Mohamad, *A New Deal for Asia*, pp. 88-89

Next, the topic of corruption should not be overlooked as it would be unfair to the advocates of the argument that the economic growth as well as economic crisis, both in wealthy or poor countries, go hand in hand with corruption. Thus Malaysia is not left out from financial scandals in that period of economic restructuring, industrialisation and privatisation.

Two such scandals, which are now part of the corruption annals of Southeast Asia, erupted at the beginning of the 1980s. But it dragged on for years, at least because of evading serving the prison sentence and avoiding naming the protagonists. The first one is well known as the "BMF Affair." Bumiputra Malaysia Finance (BMF), a Hong Kong-based, wholly owned subsidiary company of Malaysia's Bank Bumiputra Malaysia Berhad (BBMB). BMF has extended large loans to three property-trade companies in Hong Kong. George Tan from the Carrion Group borrowed more than US\$700 million in two, three years. Kevin Hsu Group borrowed around US\$123 million, and Chung Ching Man US\$40 million. All three borrowers were already in 1983 insolvent and defaulted on their loans. When these companies were liquidated, BMF, and through it, its parent company Bank Bumiputra, had suffered an estimated loss of RM2.5 billion or more than twice the value of Bank Bumiputra's shareholders' capital of RM1.22 billion.

The Malaysian government, and Mahathir himself, who was not aware of this case in the beginning, tried to keep the scandal from the public, because of the reputation of Bank Bumiputra had among the people as "the national Malay bank," that was supposed to open to the Malays the road to banking and trade. However, the affair leaked into the media when Jalil Ibrahim, who was earlier sent to BMF as an assistant general manager, was found dead in the suburbs of Hong Kong, which was straightaway linked to the financial scandal.

Some of the protagonists of the affair served a number of years in British, Hong Kong and Malaysian prisons. The former BMF chairman, Lorrain Esme Osman, was released from prison in Hong Kong in 1993. The former BMF and Bumiputra Bank executive director Dato' Hashim Shamsuddin was sentenced to ten years' jail, but served only seven. He also admitted to accepting bribes totalling almost US\$2 million.

The second case, the so-called "Maminco Affair" was of a different nature. It was not about huge sums of money, but about a government's "price-support vehicle" for the tin market. Maminco Sdn. Bhd. was purchasing tin futures on the London Metal Exchange (LME) to counter the refusal of the major consumer members of the International Tin Council (ITC) to agree to the producers' proposal to raise the price of tin, this vital commodity for Malaysian exports. On the international market, where the price of tin suddenly increased, no one knew who was that "mystery buyer" that was literally devouring stocks and thus increasing their prices. Maminco's plan was working successfully for a period of time because the shortsellers were compelled to buy back tin at higher prices from the stock exchange. The Malaysian government earned an additional US\$100 million from increased exports and duties.

The job, however, did not continue, because the Americans decided to unload part of its strategic stockpile of tin on the international market. The new supplies, still keeping high prices, were a market anomaly since tin consumption began to fall because of the onset of recession in the leading consumer countries. Maminco changed their tactic and tried to corner the tin market. It caused large spot purchases of tin for cash, accumulating stocks, because Maminco hoped to sustain heavy buying operation for three months and resell about half of its stock at premium prices.

However, in February 1982, the LME changed its rules "to ensure market liquidity" and to try to avoid bankruptcy of its members. That practically doomed Maminco's operations. Tin prices collapsed, leaving Maminco with a huge stocks of unsold tin. The "mystery buyer" was kept unknown for a long time. Only five years later did Mahathir himself admit at the UMNO General Assembly in 1986 that it was Maminco's involvement that caused a loss of about RM660 million for Malaysia.

Conflict Within Own Ranks

At the end of the 1980s, Malaysia, or to be more precise, the Malays and their leading party UMNO, dealt with a political crisis, incomparable to the unexpected economic difficulties or unprecedented financial scandals.

The crisis, or rather the drama, had two acts, one was the introduction, a warning, and the other was almost devastating.

The main protagonists, alongside the director Mahathir Mohamad, were his deputy Musa Hitam, Tengku Razaleigh Hamzah and Ghafar Baba, while supporting roles were played by Daim Zainuddin, Abdullah Ahmad Badawi and Anwar Ibrahim. They were all members of the highest leadership circle of the country's leading political party, UMNO. The dynamics of the drama was contributed to by the protagonists of the opposition, outside the scene, who gave it its tone, sometimes disturbing and sometimes as powerful as the drums of the Borneo Ibo drummers.

In the beginning of 1986, Musa Hitam was on his way to Mecca to perform the *umrah*, the minor pilgrimage, leaving behind a letter for Mahathir, containing his resignation from both his positions of Deputy Prime Minister and UMNO Deputy President. Believing that he will be able to persuade his deputy to rethink his decision, Mahathir tried to calm

UMNO and the public, which had the impression that the "2M" tandems were in full harmony, as the two were friends and energetic leaders. When Musa battled against Tengku Razaleigh, the main rival for the post of UMNO Deputy President, Musa was supported by Mahathir. Musa was popular as he was more suave, more flexible and in public he was given the lead over Mahathir. He enjoyed credibility among the non-Malay community and many NGOs.

What surprised Mahathir further was a long letter by Musa Hitam, widely distributed, detailing his reasons for resigning. Among other things, he said he found that he could no longer remain Deputy Prime Minister because Mahathir had accused him of privately discrediting Mahathir by "questioning" his "policies and methods of policy implementation." He decided to resign since his loyalty to Mahathir had been "repaid with a lack of confidence and suspicion."

Mahathir's well-known reactions that in better circumstances the public could nuance those perceptions of Mahathir positively: that he was blunt, combative, irascible, uncompromising. However, now they were having an reflection on the financial scandals and political crisis, and with Musa Hitam's resignation his leadership was undermined.

After much discussion and persuasion Musa agreed to withdraw his resignation as UMNO Deputy President, but not his resignation from the Deputy Prime Minister's post. If he had managed to keep himself above the intra-party conflicts, Mahathir now could not evade that in UMNO he is not considered the sovereign leader, but that he was only one of three contenders for the party leadership, in addition to Musa Hitam and Razaleigh.

The 1986 elections were fast approaching when UMNO and the other National Front parties were weighing out their strengths with the opposition, in which PAS had the clear lead.

PAS was in a good position in the beginning of the 1980s. In the 1977 elections it had lost control of the Kelantan state government, in the north of the country and it performed poorly at the 1982 general election. At the end of that year there was a split in the party leadership. Its president, Muhamad Asri Muda had to hand over his reins to a set of younger, more radical leaders. However, in the mid-1980s, PAS was already on the road to recovery and was expanding among the Malay-Muslim community, especially in the rural areas. Haji Abdul Hadi Awang was the counterpart or replacement for Anwar Ibrahim, the most popular Islamist and youth leader until then, whom Mahathir had attracted to UMNO. Haji Hadi was a religious teacher, a graduate of Medina University and Cairo's Al-Azhar University. He had a nationwide following which was especially attained by his talks and Friday's sermons, extensively distributed in cassette form. The method used by Imam Homeini—when the tapes with his sermons and messages were distributed in secret across Iran just before the fall of the monarchy—had arrived in Malaysia.

In addition to this, the social foundation of this party was expanding from rural to urban areas and university camps, where, among the Malays students an awareness of Islam was on the rise. Perhaps the revival of the influence of the party was most contributed to by shedding the party's Malay nationalist image and turning to more combative religious slogans in their attacks on UMNO. Thus PAS presented itself as representing *mustadhafin* (the meek) against *mustakbirin* (the arrogant). They fought for the *ail* (the just) against the *sasaad* (the wicked). Because of the aggressive tone of their slogans, PAS was accused of breaking up the unity of the Muslim community (*ummah*) and even of scheming a violent overthrow of the government. UMNO accused PAS of

breaking up the Malay *ummah*. Propagating the *qua imam* (two imams), PAS was, according to UMNO accusations, exhorting its members and supporters not to join in the prayers led by an imam appointed by the state, but only those led by a "PAS imam." PAS was issuing its own *fatwa* (Islamic ruling) although it could only be issued by state religious authorities. It happened even that religious marriages underwent two ceremonies, once before a state-appointed *kadi* and then again before a PAS *kadi*. Now, more frequently than ever before, PAS was denouncing UMNO and government as *kafir* (infidel).

These polemics were greatly emphasised in state-controlled mass media, unlike the accusations from PAS of the government's discrimination against PAS members and supporters in matters of development funds and state subsidies. On the other hand, what could have damaged UMNO even more in the elections than the espousal of *assabiya* (ethnic chauvinism) was PAS's overtures to the non-Muslim Chinese community. The leaders of PAS advocated the idea that "the rights of both Muslims and non-Muslims would be better protected in a state governed by Islamic law." At a symposium on "Islam and National Unity" held in Kuala Lumpur on February 11, 1985, Haji Abdul Hadi Awang said that under Islam a Chinese could become the Prime Minister of Malaysia provided he was "a Muslim who was pious and had the qualities of being a Muslim leader."⁵⁰

The government and UMNO reacted very strongly against this statement. PAS was resented for deducing even "to eliminate Malay special rights." Mahathir instructed the Attorney-General to determine if Haji Hadi's statement was "seditious" under the Sedition Act of 1948. While Anwar Ibrahim, until then the most popular protagonist in PAS,

⁵⁰ *Utusan Malaysia*, February 12, 1986

called that statement "the biggest mistake ever committed by PAS leaders."

However, no steps were taken, but a bitter feeling remained in the public about political manipulations.

The division between the leading party in rule and the leading opposition party was exacerbated by the 'Memali incident' of September 1985 that became famous in the Islamic world.

An armed conflict took place between the police and Ibrahim Mahmood's followers during a police attempt to arrest Ibrahim, a local religious teacher and a former PAS electoral candidate in Kampung Memali, Kedah. Ibrahim was killed as well as another 17 persons, among them four policemen. Musa Hitam, who was Acting Prime Minister for the absent Mahathir, other UMNO leaders and the police accused Ibrahim and his followers of allegedly ambushing the police. According to the government's 'White Paper' on the 'Memali Incident,' Ibrahim, better known as 'Ibrahim Libya,' was a religious extremist who threatened Muslim unity, advocated violence and avoided police warrants. PAS and other Islamic groups, as well as the Kampung Memali farmers, saw the conflict as an unwarranted attack by excessive police force. PAS denounced the 'White Paper' and proclaimed Ibrahim and the farmers killed as *syahid* (martyrs). PAS officially disowned the Rulers' Fatwa Council, which denied that Ibrahim and his followers died a martyr's death (*mati syahid*).

Mahathir said in the following New Year's speech that this incident tarnished "the good name of the country" and added that, "it had its root cause in the accusations and counter-accusations of apostasy and the exploitation of Islam for political and personal ends."

Mahathir was faced with a delicate situation: on one hand, with the growing opposition among the Malays, inspired by the PAS leaders' lobbying for a complete Islamisation of the state system, and on the other hand, with the battle for positions in his own party, which was forming a rich élite. "The Prime Minister who had started office on anti-corruption crusade found himself bestriding the most sordid period in Malaysia's financial history. The politician who had decried 'money politics'⁵¹ as a threat to his party's soul hesitated to investigate the conspiracies linking money and politics which gnawed at the bowels of his administration."⁵²

The earlier unreserved support of the urban constituency was breaking up in particular, which was disappointed in Mahathir's helplessness in building a "clean, efficient and trustworthy administration," as was one of his leading slogans. There were growing doubts that the National Front will be able to secure two-thirds of the Parliamentary seats.

Mahathir defended himself as much as possible, calling upon the honourable motives and exceptional circumstances faced by his victimised administration, until he turned towards the rural masses who did not follow and did not understand the rural problems and scandals. Their simple political understanding was limited to their "quintessentially localised political world of UMNO-PAS rivalry," the discussion about the terms *kafir*, *dua imam* and separate burial grounds for UMNO and PAS supporters, family problems, flour and sugar supplies, and the rice grown on the padi fields. They were concerned about the most basic survival needs. Mahathir thus, as an already experienced populist, turned to his rural constituency. He visited *kampongs* and fairway provincial

⁵¹ Mahathir first attacked the growth of 'money politics' in 1984, at the 35th UMNO General Assembly.

⁵² Khoo, *Paradoxes of Mahathirism*, p. 233

places and called upon the people to support Barisan Nasional. At the August 1986 elections, the National Front won 148 out of 177 Parliamentary seats, thirty seats more than what was required to safeguard the two-thirds majority, contrary to expectations of the opposition and pessimists of their own party.

A Warning and a Lesson

Mahathir experienced a personal victory. The main battle, however, was still ahead of him, in the second act, which was taking place almost exclusively in the interior of UMNO.

In the summer of 1987, just before party elections, public and even more secret imputations and combinations who will be the next "number two" in the party, which means also in the country and which further means the next Prime Minister, or "number one" started. Mahathir chose Ghafar Baba as the candidate for the Vice-President of UMNO, thus putting aside Musa Hitam and in particular Tengku Razaleigh. The unchallenged position of President was questioned, given that Musa offered to support Razaleigh if the latter chose to challenge Mahathir. The two-member teams were created: Mahathir-Ghafar and Razaleigh-Musa. The party circles called this situation "four leaders and only two posts." The division into supporters of "Team A" or "Team B" grew deeper in UMNO, the government and the administration. Discussions often called upon economic arguments, and the reason for the division was blamed on Mahathir's diversion from the state-controlled NEP plan, which he did through his modernising vision and privatisation, bureaucratic reform and austerity programme. Mahathir, supported by UMNO in previous years, discovered how many enemies he had in his own ranks.

Mahathir's question was, how should he confront this new crisis? He tried to apply his tactics from earlier years, during the period of financial scandals, by denying the accusations that he had done anything wrong. He defended Finance Minister Daim Zainuddin, who was attacked by the followers of Team B, accusing him of being a personification of "corruption," "incompetence" and "cronyism," which was translated into Bosnian as "buddy capitalism." He denounced Musa Hitam's accusations that the economic climate was unfavourable because he had antagonised the Western countries with his diplomatic moves as "Buy British Last" and "Look East". Razaleigh said that Mahathir "If required," was prepared to "swear on the Quran in a mosque" that all the accusations of corruption and nepotism which had been flung against him "had no basis."⁵³

Mahathir was for the first time mentioning the possibility of a resignation, but his determination not to allow the situation to get out of hand prevailed. When it was clear that Razaleigh will attempt to go for the leadership position of the party, Mahathir said: "If party members want me, I will continue to serve. If party members do not want me, tell me so, do not push me down."

After May 13, 1969, the "princely Tunku" had lost power, but Tun Abdul Razak and others safeguarded the Tunku's honour by putting down a party rebellion, expelling his "most vocal detractor," Mahathir Mohamad. Tunku was allowed to retire as an older statesman, leaving behind a nation grateful for his deeds. On the eve of April 24, 1987, it was believed that Mahathir's chances were bleaker. A Malay who has no royal blood and preference "could hardly expect to salvage an

⁵³ Tengku Razaleigh Hamzah, *Mengapa Saya Tentang Mahathir*, Petaling Jaya, AZ Distributors, 1989

honourable retirement out of a retreat from an acrimonious battle." He would simply be "sunk in oblivion."

Grappling with the opponents paid back: at the UMNO elections Mahathir beat Razaleigh with 761 votes against 718 which makes a 1.5 per cent difference among the total votes. Ghafar beat Musa Hitam with 739 votes against 699. Thus Team B was defeated, but it was a close call.

Mahathir turned a new page and became more cautious. He built more authoritative determination in his leadership authority. He soon realised that he needs more than precepts and directions for mass guidance and presenting ideas and values for mass learning. He needed "the people themselves to undergo radical changes in outlook and attitude."⁵⁴ Mahathir was in even more need for the advantages he had over the others: a "populist aura," which meant that all things belong to all people and that there are things can be said to all layers of Malaysian society. This was a trait that had brought so main people to join his flag, so many different dissidents and opponents, such as ABIM's Anwar Ibrahim, PSRM's Kassim Ahmad, Dongjiaozong's Kerk Choo Ting, and Syed Hussein Alattas's Gerakan. He realised that the former "ultra" needed to "rise above ethnicity" in order to be an example of a multiethnic nation. "His nationalism ... had evolved into a more Malaysian, and less Malay, variety. His reformism targeted the Malay community and the Malay-dominated bureaucracy for criticism without attaching attendant blame on the non-Malays. His 'Privatisation' and 'Malaysia Incorporated' called for closer relations between the 'Malay' public sector and the 'Chinese' private sector. He was eager to

⁵⁴ Philip Bowring, "Mahathir and the New Malay Dilemma," *Far Eastern Economic Review*, April 9, 1982

promote his Islam but careful to point out that its universalism made it compatible with non-Muslim values.⁵⁵

Mahathir, however, regarding the legal system and independent judiciary did not announce that he will take down "the existing battery of repressive legislation" and to repeal the Internal Security Act (ISA), although the year the Prime Minister's cabinet was established it released 21 prisoners according to that act and in the next year it released another 146 prisoners. The remaining 540 prisoners accused in 1991 of communist or pro-communist, subversive or other anti-government activity, was offered to leave to other countries. One could conclude that, contrary to this, ISA was actually enforced continuously, as well as some other measures.

In the meantime, interethnic tensions were felt once again. The Chinese were dissatisfied because a pledge during regular school assembly in Melaka contained Islamic overtones or because the first-year elective courses should be taught in Malay for both Chinese and Indians. They also protested against the use of the *songkok* and the *tudung* as headgear for all, including non-Malay and non-Muslim, graduates at Universiti Teknologi Malaysia's convocation. Christians or 'Muslim apostates' among illegal Indonesian immigrants were accused of arson against mosques in Pahang.

"Team B" in UMNO party did not rest. Its 12 members filed a suit in the Kuala Lumpur High Court requesting to nullify the April 24 election claiming there were irregularities in the election of delegates to the General Assembly. They also claimed that out of the 1,479 delegates, 78 were legally not entitled to attend. The aim was to nullify the elections and to make all the positions prior to the elections valid again until new elections take place.

⁵⁵ Khoo, *Paradoxes of Mahathirism*, pp. 273-274

UMNO was preparing the annual celebration of the party in Kuala Lumpur on November 1, 1987. The Merdeka stadium and the whole district expected to receive some 300,000 members and an additional 200,000 UMNO sympathisers. Although the party leaders and the police guaranteed security and order, the citizens feared violent clashes between Malays and Chinese, but possibly between Team A and Team B supporters of UMNO.

Mahathir, arriving from the Commonwealth Heads of Government Meeting in Montreal prior to the celebration, having in mind what had happened in 1969, went past all the persuasions and democratic procedure and forbid the UMNO celebration. The police, almost at the same time, launched "Operation Lalang," arresting 55 persons in one day, in accordance with the ISA. Most of them were Members of Parliament who were elected from the pro-leftist Chinese party DAP and lower officials of the MCA, as well as professors and well-known NGO activists. Three papers, *The Star* in English, *Watan* in Malay and *Sin Chew Jit Poh* in Chinese were suspended indefinitely. The following days arrests of protagonists from UMNO, PAS and PRSM took place, as well as of local Muslim teachers, members of some Christian groups and NGOs. A total of 119 arrests were made.

Mahathir explained to the Parliament that the arrests, initiated by the police, were necessary to prevent a repeat of the ethnic violence of May 13, 1969.

Less Liberalism

According to Mahathir, all these events questioned his liberalism. "I wanted to be liberal because I thought the people would be responsible I would not misuse their rights," he said at that time for the *Asabi Shimbun*. "Unfortunately, after six years, I found out people are misusing their rights and again

trying to aggravate the bad relations between the various races. Because of that I think I need to be less liberal. I am disappointed because I have had to change my mind."

Mahathir often thought that, after that brisk prevention of unrest, using the ISA mechanism, he could confront the dissidents of UMNO gathered around "team B." However, it was not that easy. They continued to insist that the party elections be nullified. The procedure intensified the conflict between Mahathir and the justice, on the issue of a justice that is more or less dependent on the administration. The Prime Minister was accusing the judges "for meddling" in politics and taking over the functions of the executive government.

Thus on February 4, 1988, a unique situation took place in the history of Malaysia. After the High Court's hearing on the UMNO-11 suit—named after 11 members of the Team B who filed the suit—UMNO ceased to be a political party. Justice accepted UMNO-11's argument that illegal UMNO branches had taken part in the process leading to the party election and that the presence of illegal UMNO branches made UMNO an illegal party under the Societies Act. But the Justice refused the plea to nullify only the election.

Despite the astonishment at the possibility of a country being ruled by a non-existing party, Mahathir was not perplexed. He was prepared for this solution and he soon had his response ready. As if he was writing it in his Maha Clinic. The government was formed as per the election results and the election was not nullified. Although Mahathir was ready to rule without a party, he prepared a second solution: to establish the same party, with the same name and call it UMNO Baru, the New UMNO. The party was registered in that name without delay. The urgency was necessary because the group of the defeated dissidents, protagonists and leaders of UMNO, gathered around the elderly Tunku Abdul

Rahman, was at the same time preparing to register a party 'UMNO Malaysia.' The 'team B' followers were not allowed into Mahathir's party, as well as those who were preparing to establish a party under the sponsorship of Tunku.

Mahathir overcame the challenges that were awaiting him after his slim victory in UMNO's election. The deregistration of UMNO had technically transformed the party's elected representatives into 'independents' who, had they wanted to, could have dismissed their obedience to the Prime Minister. However, a majority of the legally defunct UMNO's parliamentarians and the Barisan Nasional's component parties supported Mahathir. His premiership was not questioned. Razaleigh and the UMNO dissidents founded a new party, Semangat 46 (Spirit of '46), claiming the old UMNO's 1946 Malayan Union legacy. However, UMNO was partitioned, and Semangat 46 became an opposition party.

Mahathir thus won the political battle. But he was close to losing everything. In January 1989 he had a heart attack.

Everyone was surprised at the news. He looked very fit for his 63 years. Hardly anyone around him could follow his working tempo. He came to the office exactly at eight, and never left before six. Before that he had a programme at home that started with the *subuh* prayer. He was following all events in the country and abroad. He was interested in everything, and had something to say about everything, from planting of trees, shrubs in the parks and streetlights to dirty drains and public toilets. He went everywhere. He would see at least ten people in his office every day.

Daim, who was probably Mahathir's closest co-worker at the time, visited Mahathir after his leave abroad. He thought the boss looked slightly tired, according to his later recollections. Mahathir asked him how things were at home and whether he knew that there was a move to topple him. He had heard about it when he was abroad. Daim told him which

people were involved, that the operation was already called the "grand design." It was even raised in Parliament. Mahathir, according to Daim, was shocked, but convinced by details presented by the Minister of Finance. When Daim asked him whether any action needs to be taken against those people, Mahathir told him to wait.

When Daim came to work the next day, he first went to Mahathir. But he was told that the Prime Minister felt chest pain and that he had been admitted to the hospital. There, in the hospital, the doctors told him that Mahathir would have to undergo open-heart surgery, a multiple coronary bypass. Mahathir asked the doctors at the General Hospital whether they can carry out the bypass surgery. He insisted that they perform the surgery. Daim asked whether he should not be seeking a second opinion. The Sultan of Pahang suggested flying in a specialist from the U.S. Mahathir was not open to that suggestion, but he was convinced it would be good to seek the advice of other specialists. They found an American specialist who was unexpectedly somewhere in Asia and asked him to take a plane immediately to Kuala Lumpur. After examining him and consulting with local doctors, he expressed his approval of the hospital staff and equipment and advised that the operation be done immediately.

The night prior to the surgery, Singapore Prime Minister Lee Kuan Yew called Daim to inform him that he was already aware of Mahathir's condition and suggested that Dr Victor Chang from Australia be contacted, claimed to be among the best of heart surgeons in the world. When Daim called the hospital, the preparation for surgery had already begun. He called Lee to say it was too late, but the Prime Minister of Singapore offered to fly Chang, who had performed over a thousand heart surgeries, to Kuala Lumpur and that his government will cover all costs. Daim passed this on to Dr Siti

Hasmah, who later on replied that the family was going along with his wish to have Malaysian surgeons carry out the operation. Lee told Daim in the end that nothing can be done given that this was the decision of the family and that all that is left to him is to pray. Lee was worried and he said that he "didn't want to lose a friend."

That afternoon after the surgery, Daim, Anwar Ibrahim and the others were informed that the Prime Minister was again in his room and that five arteries were affected instead of the three originally shown by the angiogram. The public was relieved the surgery was successful. People in Malaysia had been praying for him.

Mahathir was recovering very quickly after his surgery at home, and then he went to Daim's house in the nearby Genting, some 1,800 feet above sea level. One evening, however, he had to be taken immediately to hospital because of a small complication. He later went off to recuperate in London. When Daim visited him in London he asked that he return to work as soon as possible. He went back to work two months after the surgery.

The details of Mahathir's surgery and the contacts with Lee Kuan Yew is borrowed from a book about Daim, who had his comment on the whole event: "All the fighting within the party had taken its toll. Mahathir had managed to take the pressure for a long time but in the end, the body could only take so much. The price was heavy."

To what extent has what Daim is talking about contributed to Mahathir's heart problems? It must have been significant, because he had been working with the Prime Minister for six years and knew very well what he was going through.

His heart could have been affected by things that were happening beyond the party in Malaysia in that decade. He

had to live through the economic crisis that came in the midst of a high-flying ambitious development plan. He had to swallow the bitter pills of discovering financial scandals which drained away millions of dollars meant for the funds for the improvement of the living standard of the people, scandals that involved Malays whom Mahathir provided with "constructive protection." His heart must have begun to break over the personal dissatisfaction with the slow or zero development of the Malays relinquishing of a "blind loyalty to the traditions in a most radical way"; the dissatisfaction with the fatalist attitude of the Malays who did not want to gain wealth, because they cannot take it with them when they go to the *akhirah*, the other world; the dissatisfaction with the ability of the Malay masses to trust those who are convincing them in such fatalistic attitudes, more than they trust him. At the 1989 UMNO General Assembly, he pleaded to Muslims not to judge a person's commitment to religion by his or her clothing, "not to make claims that women who cover their heads are more virtuous and more Islamic than those who do not."

Some say that the next day thousands of newly covered women appeared in Kuala Lumpur and other places in Malaysia.

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Dr Mahathir and Dr Siti Hasmah on their wedding day



Dr Mahathir and Dr Siti Hasmah with their firstborn child,
daughter Marina



Dr Mahathir and Dr Siti Hasmah



Dr Mahathir with the first Prime Minister of Malaysia, Tunku Abdul Rahman, on September 26, 1985



Dr Mahathir receiving the Dragon of Bosnia Award from Bosnian President Alija Izetbegovic in Sarajevo on April 19, 1996, in recognition of his untiring and significant support towards the Bosnian cause



Dr Mahathir with Dr Siti Hasmah pouring scented water and sprinkling flower petals on the grave of Mohamad Iskandar, Mahathir's father, in Alor Setar, during *Hari Raya Aidilfitri* in 2002



Dr Mahathir and Dr Siti Hasmah and their daughter Marina on a visit to the Great Wall of China on November 23, 1985



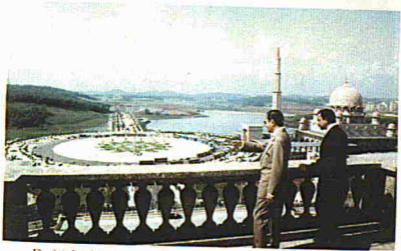
Dr Mahathir with the ideological leader of PAS and Chief Minister of Kelantan, Datuk Nik Aziz Nik Mat, in 1991



Dr Siti Hasmah launching the book, *For The Sake of Peace: An Illustrative Account of Malaysia's Efforts towards Peace in Bosnia*, written by Mohd Najib Tun Razak, Minister of Defence, on October 14, 1996



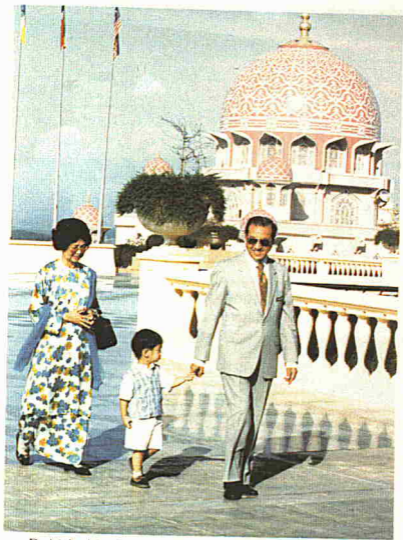
Dr Mahathir and Deputy Prime Minister Abdullah Ahmad Badawi with the late King, Sultan Salahuddin Abdul Aziz Shah, on April 26, 1999



Dr Mahathir viewing Putrajaya with the Sultan of Brunei



Dr Mahathir and Dr Siti Hasmah against the backdrop of the Petronas Twin Towers in 2001



Dr Mahathir taking a stroll with Dr Siti Hasmah and their grandson in the new government administrative centre of Putrajaya on December 23, 2000



Dr Mahathir after announcing his decision to resign at the UMNO
General Assembly on June 22, 2002



Dr Mahathir with Abdullah Ahmad Badawi

Chapter 5

1990s

MAHATHIR stepped into the 1990s with his heart—and the Malaysian economy—recovered. It was a mutual satisfaction.

The events bringing new challenges and new crises would show how they would cope with them.

The political situation in Malaysia could have been different if by the end of the 1980s the Malaysian economy had not surprised sceptics and critics of Mahathir's and Daim's "bad management", or total "mismanagement of economy".

Three years after 1987, a crucial year for Mahathir, the Malaysian economy experienced a very strong recovery from the recession of 1985-1986. From a negative growth rate of one per cent in 1985, the economy grew over 2 per cent in 1986, and about 5.2 per cent in 1987. In the following three years it grew by an average annual growth rate of 9.1 per cent. According to the Government's *Budget Report*, unemployment decreased from 8.3 to 6 per cent. An increase in the price of some major Malaysian commodities, combined with a substantially higher production and export raised budget income from RM23.93 billion in 1985 to RM28.97 billion in 1990. From the beginning of the recession in 1985 to 1990 the value of manufacturing exports rose nearly fourfold and reached RM48.05 billion, with an annual increase of 31 per cent. In the industrial sector the annual employment rate rose by 12 per cent. Private investments experienced dramatic changes as well. In the manufacturing sector, capital

investments into all approved industrial projects rose to RM28.17 billion compared to RM5.69 billion in 1985. Foreign investments into approved projects in 1990 amounted to RM17.63 billion compared to only RM959 million five years earlier.

With such results, Daim Zainuddin, with a bitter heart, remembered the years when his capabilities were doubted, especially in the leadership of UMNO, in which he was brought into as an alien.

The management of Malaysia's external debt was considered one of the biggest achievements of Malaysian financial management. Strict financial control and discipline were unpopular in the business and administrative circles. The value of the national debt by the end of 1989 amounted to around RM44 billion, but three years earlier it was RM50 billion. Decrease in national debt was due to the prepayments undertaken by both the public and private sectors. A fall in the level of debt would have been larger were it not for the revaluation of the debt due to changes in the value of currencies, especially the yen.

According to the Malaysian Institute of Economic Research (MIER), Malaysian economic growth in 1990 reached the rate of 10 per cent, the highest in Southeast Asia. These figures may be boring, but for Malaysia and its Prime Minister they were very precious.

Commenting on the Asian growth rates, Dr J. Colin Dodds from Canada's St. Mary's University said: "These growth rates, of which Malaysia's is probably one of the best, are unparalleled in history. Even the U.S., even the U.K., during their so-called Industrial Revolution, did not achieve growth rates anywhere near these." Answering the question: what is it that makes these countries specific, he said, "They are not homogeneous but there are some common elements.

Some of these are linked to privatisation and changes in the financial system."

Mahathir could use this, as well as other assessments, to justify his economic policy and economic management. Strict austerity measures, curbs on administration expenditure, and reliance on the private sector had brought the budget deficit under control. At the same time the increased values of exports had helped to overturn the balance of payments deficit. Mahathir's decision to hold the NEP in abeyance, helped by the foreign exchange factor of a depreciating Malaysian ringgit, among other things, encouraged a massive inflow of foreign investment from Taiwan, Japan and Singapore.

With satisfaction that his seven-year effort and struggle, together with Mahathir, to drag the Malaysian economy out of the recession were not without meaningful results and success, Daim decided to resign from the government. Mahathir wanted him to stay longer, but he did not oppose his decision because of an earlier promise not to force him to stay once he fulfils his task of reorganising and improving the country's financial position. "He had fulfilled this task and it is time I let him go." As a special reward, Mahathir recommended Daim for a "Tunship", the highest honor in the country. The King conferred on Daim the *Seri Setia Mahkota* award that carries the title "Tun", similar to the British "Lord", the highest in the Malaysian hierarchy, which even Mahathir still does not have. Most probably, he will get it after leaving the post of Prime Minister.

With such advantageous capital, Mahathir asked for the general elections to be held in October 1990, instead of a year later prescribed by election procedures. He wanted to regain the shaky trust of UMNO and the National Front coalition during the most favourable moment when the country

experienced an economic boom, as it is common in politics. Forced to undertake some authoritarian measures in the previous years of the crisis, Mahathir was now attempting to widen the political spectrum and to introduce a more liberal atmosphere into the political life of Malaysia. He offered the UMNO dissidents led by Razaleigh a chance for bringing back to the new UMNO. He also accepted the proposal of non-Malay components from Barisan Nasional to form a multiethnic "consultative forum" at the level of Malaysia. After 1969 there was a similar body, the National Consultative Council that prepared the "national ideology", the *Rukunegara* and laid the foundation for the NEP. In 1989 Mahathir established the National Economic Consultative Committee (NECC), to reach a multiethnic consensus "that would lay down parameters of a post-1990, post-NEP economic policy".

The 1990 elections regained trust in the Barisan Nasional, but the coalition did not have a two-thirds majority in the Parliament. The opposition was also hoping for better election results, especially after the break away of PBS, the leading party in Sabah. The Party Semangat 46, founded as a consequence of divisions in UMNO, failed to gain even one-third of the votes, let alone push Barisan Nasional from the political scene. However, UMNO experienced complete fiasco in Kelantan, where PAS regained power after thirteen years of absence. On the other side of the multiethnic spectrum, the leading Chinese Party, the MCA suffered a total defeat in the Chinese-majority urban constituencies of Kuala Lumpur and Penang.

After all, these elections once more confirmed the dominant position of UMNO as a party and Mahathir as the Prime Minister.

The political terrain was ready to come up with a new wider and long-term programme for further development of Malaysia.

For us, people who live in other parts of the world, where struggle for survival requires long term planning, although targets of the planning could only reach the next dry season or severe winter, it is interesting to hear the way of thinking of a man who lives in a tropical environment. What is even more interesting is to hear a man who is able to turn his small space of padi rice field from the Malay peninsula into a global picture and cite his words: "Many East Asians in the tropical region used to live a comfortable life almost entirely focused on the here and the now. Nature and the climate made it possible not to worry too much about the future. We were able to harvest several times a year and did not have to accumulate food to survive bitterly cold winters. Buildings were wooden and not very durable—it sufficed if they served immediate needs, why build something that would last a hundred years? Although this was, by modern yardsticks, a poor life, most people knew nothing else and were quite satisfied. Poverty is always relative and often it is only when the money economy arrives that people suddenly awake to the fact that they are 'poor'. This life 'in the present' was suitable for a rural nation with only insignificant relations with the surrounding world. But today, with nations participating in a fiercely competitive global economic game, living merely in the present will no longer do. There has to be long-term visions and planning, a goal to move towards to give people a sense of direction."

That is why Mahathir launched Vision 2020 (*Wawasan 2020*), in 1990.

The country was coming close to the end of the 20-year period of the New Economic Policy (NEP). It seemed

indicative to develop a concept of long-term overwhelming vision for the further development of the country. That vision foresees Malaysia as a "fully developed country" by the year 2020 in all aspects, not only economically. "Although the year 'two thousand and twenty' is the target year," says Mahathir, "the vision is usually referred to as 'twenty-twenty', because it suggests associations with perfect vision: 20/20. Thirty years appeared to be a good span for Malaysia to achieve the status of an industrialised nation. Also, when asked to talk about the Vision, I usually joke that it is far enough into the future that I will not be around to be blamed should we fail to meet the goals."

A Vision of the Future

The pillars of Vision 2020⁵⁶ are, first, that we must modernise and become a developed country in our own mould, and second, that the nation must develop in all dimensions: economically, politically, socially, spiritually, psychologically and culturally. We set out nine strategic challenges to overcome on our way towards the year 2020:

- The first challenge is to establish a united Malaysian nation with a sense of common and shared destiny. This must be a nation in peace with itself, territorially and ethnically integrated, living in harmony and full and fair partnership, made up of one Malaysian race with political loyalty and dedication towards the nation.
- The second is the challenge of creating a psychologically liberated, secure and developed Malaysian society with faith and confidence in itself,

⁵⁶ Mahathir Mohamad, *A New Deal for Asia*, pp. 42-44

justifiably proud of what it is, of what it has accomplished, and robust enough to face all manner of adversity. This Malaysian society must be distinguished by the pursuit of excellence, fully aware of all its potentials, psychologically subservient to none, and respected by the people of other nations.

- The third challenge is that of fostering a mature, democratic society, practising a form of consensual, community-oriented Malaysian democracy that can be a model for many developing countries.
- The fourth challenge is to establish a fully moral and ethical society, whose citizens are strong in religious and spiritual values and imbued with the highest of ethical standards.
- The fifth challenge is the challenge of establishing a mature, liberal and tolerant society in which Malaysians of all colours and creeds are free to practise and profess their customs, cultures and religious beliefs, and yet feel a sense of belonging to the nation.
- The sixth challenge is the establishment of a scientific and progressive society, a society that is innovative and forward-looking, one that is not only a consumer of technology but also a contributor to the scientific and technological civilisation of the future.
- The seventh challenge is that of nurturing a fully caring society and a caring culture, a social system in which society will come before self, in which the welfare of the people will revolve not around the state or the individual but around a strong and resilient family system.
- The eighth is the challenge of ensuring an economically just society in which there is a full

partnership in economic progress. Such a society cannot be in place so long as there is the identification of economic backwardness with race.

- The ninth challenge is the challenge of establishing a prosperous society, with an economy that is fully competitive, dynamic, robust and resilient.

When Vision 2020 was launched, the primary emphasis was economic. In order for Malaysia to become a fully developed country, or eventually the last in the club of the twenty most developed countries, as Mahathir saw from his perspective, the economic growth of 7 per cent annually was needed for the whole period. It basically meant that GDP should be doubled every ten years. Soon it was clear that it would be a very difficult task and great efforts were made to ensure a good start. This is exactly what happened. In the first six years, until 1996, the Malaysian economy grew by 8.5 per cent annually, resulting in full employment. The prosperity expanded to all segments of society, poverty was almost eradicated, and all citizens increased their income.

Representing Vision 2020 in a seemingly modest form of a 'working paper', Mahathir went on to comment: "The great bulk of the work that must be done to ensure a fully developed country called Malaysia a generation from now will obviously be done by the leaders who follow us, by our children and grandchildren. But we should make sure that we have done our duty in guiding them with regard to what we should work to become. And let us lay secure foundations that they must build upon."⁵⁷

⁵⁷ Mahathir Mohamad, "Malaysia: The Way Forward," the Working Paper presented at the Inaugural Meeting of the Malaysian Business Council, Kuala Lumpur, February 28, 1991.

"Vision 2020's greatest success, however, does not lie only in the growth figures," says Mahathir eight years later. "The real success is that this vision of the future galvanised the entire nation to work towards a common goal. The word twenty-twenty—in Malay, *dua puluh-dua puluh*, in Chinese *ehrling-ehrling*—has become a date everyone remembers and which caught the imagination and fuelled the dreams of our people."

"The nine challenges faced by all Malaysians" were met with almost mutual praise by all analysts, even those who were sceptical of Mahathir's other "challenges". For Hilley, "Vision 2020 is Mahathir's strategy—economic, political, social and ideological—and with it he measures everything that happens in its direction or against it." It represents more than "a millennial symbol of growth, wealth creation and nation-building on an unprecedented scale." The Vision, he says, "represents not only the challenge of economic development, but also the very idealisation of national-popular unity: a concept captured in the Vision ideal of *Bangsa* (one nation) Malaysia".⁵⁸ For Khoo, "Mahathirism culminates in Vision 2020 because its deepest ambition of transforming Malaysia into a 'developed country' represents the maturation of Mahathir's nationalism."⁵⁹

Although the Vision sublimates all previous Mahathir's programmes and ideas, probably its most important feature is that Mahathir injected in it the ideal, which he himself could not achieve: permeating Malay and Malaysian nationalism. That is an ideal that should be achieved by future generations. The second feature of his vision is that he expanded his vision of Malaysia in the fields neglected in his previous, mainly

⁵⁸ John Hilley, *Malaysia: Mahathirism, Hegemony and the New Opposition*, Zed Books, London, 2001, p. 4

⁵⁹ Khoo, *Paradoxes of Mahathirism*, p. 329

political and ideological settings: scientific and technological development and culture that should be practised in a liberal and tolerant society. The Vision has also a wider Asian dimension. Consciously or not, in content and style, it leans on mantras or "codes of national identity" raised by prominent leaders of the de-colonisation process, such as Nehru, Sukarno, Iqbal, and even Tunku Abdul Rahman represented in the form of *pancasilas* or *rukunegaras*. However, Mahathir enriched his Vision by new phenomena, such as technological revolution, and inserted in it some Western ideas and experiences applicable to Asian conditions. Vision 2020 could be summarised as a combination of Asian nationalism and Western capitalism.

Mahathir, therefore, found ideas in Adam Smith's famous treatise, *The Wealth of Nations*, published in 1776, which he tries applying to Asian conditions at the beginning of the third millennium. "Nor did Smith believe that wealth was all that mattered. Quite the opposite, in fact," writes Mahathir in 1999. "He worked at creating an ideal society that would be more stable and more civil, and one in which 'people's worst passions' for greed and gain would be tempered. Greater wealth, by relieving suffering, enabled people to be more 'benevolent'. Clearly, Smith's emphasis on the positive role of government in *The Wealth of Nations* has often been downplayed.

"The spirit of Adam Smith, embedded in his lofty vision of a decent society combined with an efficient economy, is not dissimilar to Malaysia's own long-term goals," continues Mahathir. "The market mechanism is but one means to civility and stable growth, government is the other. Not unlike the world Smith envisions, we need to constantly probe for the best mix of government and market, a balance where one does not get the better of the other. I believe that markets, so long

as they are not run to benefit only a few ultra-rich capitalists in a developed country, when regulated well and prudently supervised, can be an enormous force for social good, whether domestically or globally. Much of Malaysia's Vision 2020 is dependent upon the exertions and creative energies of individuals and enterprises and the dynamic forces of the market. Governments are definitely more than just a necessary evil. As I see it, governments create and maintain the framework, without which tolerably free markets cannot survive. In addition, governments deal with the market's unwanted excesses to ensure that society's interests are protected always, and to ensure that the impact of what academic economists call 'externalities' (most often arising from the blind pursuit of individual self-interest) does not collectively lead to the exploitation of the weak. The happiness of the greatest number should always prevail, and this goal cannot be achieved without some measure of government supervision.⁶⁰

Mahathir's vision is not an abstract one. In order to achieve the status of a developed country, Malaysia should in 2020 have a GDP eight times higher than that in 1990. It means that from RM115 billion in 1990, it should reach RM920 billion in 2020. The goal is based on a realistic projection: at an annual average of 6.9 per cent for twenty years, there is only additional 0.1 per cent growth. In a real circumstances, Malaysia should, by 2020, be four times wealthier than it was in 1990. Anyway, those projections are the most important to Mahathir. "Philosophically, Mahathir has always been something of an idealist who believes that attitudes, value systems and ethics are what makes and shapes races and nations," says Khoo. "In practice, he has been a determined economist, almost an economic determinist, for

⁶⁰ Mahathir Mohamad, *A New Deal for Asia*, pp. 114-115

whom politics or psychology or ideology led nowhere without economics."⁶¹

Malaysian conditions, however, did not allow Mahathir to devote himself to the economic development and modernisation of the state only. When he was supposed to concentrate all efforts on implementation of Vision 2020, the forces that belong to a "feudal culture", and those retrograde ones, that were turning back the "wheel of history" backward—emerged on the political scene.

Curbing the Power of the Sultans

In order to regulate the legal status of the nine sultans and *rajahs* that are on a rotation basis crowned as King of all Malaysia in Istana Negara in Kuala Lumpur, one more battle had to be won. The first battle was won during the constitutional crisis of 1983. But it would not have been complete without the second one, ten years later, in which the wings of the feudal élite, with hands stained by numerous affairs, were supposed to be clipped a bit more.

During a gathering of intellectuals, just before he underwent heart surgery, Mahathir started to talk about the history of Malay Rulers. Besides other issues, he tried to track down the rule why yellow was chosen as the royal colour. According to Mahathir, yellow is supposed to represent honor and purity, and it could be linked to Buddhism. He reminded them of Malay's Hindu forebears who belong to the Buddhist religion, and yellow is still the revered colour of their monks.

It was maybe just the introduction to his intention to start discussion on what could be done to put an end to the very frequent complaints on the behaviour of some sultans and

⁶¹ Khoo, *Paradoxes of Mahathirism*, p. 329-330

their *tengkus* and *tunkus*, as well as their involvement in business and trade.

One incident from the end of 1992 and beginning of 1993 helped those issues to be raised in the Parliament, as well as in the public. A Johor prince, hit a goalkeeper of a hockey team. Not long after that, the Sultan of Johor himself had an incident with the hockey coach from the Sultan Abu Bakar College, when he was summoned to the Bukit Serene Palace of Johor. This case was revealed in the *New Straits Times*, despite a habit that no Royal family should be disturbed by negative reports in newspapers.

The public was even more surprised when then Deputy Prime Minister Ghafar Baba asked the Parliament to discuss incidents in Johor, so they wouldn't repeat in the future. This is how public debate was opened, and it helped Mahathir to solve the problem of immunity for the sultans. The member of Parliament Shahidan Kassim quoted 23 cases of ill treatment of the Johor royal family towards their subjects. Opposition delegate, Karpal Singh, told the Parliament that two Johor state assemblymen had been slapped in the face by the Sultan.

For the first time in their modern history, the Malays started to publicly condemn and criticise their rulers. Every assault of the rulers could be charged under the Sedition Act of 1948, when Malaysia was still ruled by the British. During a break of the very heated debate in Parliament, some members expressed their anxieties about the possibility of legal action taken against MPs participating in the debate on the Sultan of Johor, Mahathir noticed: "You are not the only ones concerned about your safety. I myself am in the same position."⁶²

⁶² Zainuddin Maidin, *The Other Side of Mahathir*, p. 86

The same day the issue was raised in the Parliament, Mahathir announced that the government would amend the Constitution to limit the legal immunity of the Rulers.

Motives to start the process of limiting immunity of the Rulers were not only incidents from the Johor Royal House or similar incidents from other sultanates. The more serious reason was growing dissatisfaction among people because of the involvement of rulers and princes in business and acquisition of wealth. Tun Daim said that he used to receive letters from the rulers, who were asking for government contracts. He answered mainly with silence, so he became unpopular with royalty. He thought that the Rulers are constitutional heads of their states, so they should not participate in politics and business. They should be above all these. They received special privileges, and they were supposed to live peacefully.

In the National Front, especially in UMNO, they were more and more rumours about it, and legal action was required. Some of the UMNO people tried to hide the problem, because there were those who made use of the Rulers to climb to the political ladder. Some of the Menteri Besar or state Chief Ministers, "were too tolerant towards the Sultans, because they needed their support, so it was not in their interest to warn the Sultans about the consequences of their involvement in business."⁶³

The Atmosphere of dissatisfaction and distrust in the Rulers, which was growing after some of their activities were unveiled, Mahathir used to speed up the procedure in regard to Constitutional amendments. However, the Rulers tried to postpone it or at least to slow it down. Finance Minister Anwar Ibrahim warned them that the government would

⁶³ Cheong Mei Sui and Adibah Amin, *Daim. The Man Behind the Enigma*, Pelanduk Publications, 1995, p. 129

consider holding a referendum if the Malay rulers failed to accept the amendment. In a dramatic atmosphere that was closely monitored by the public, the Sultans met in the King's palace in Istana Negara in Kuala Lumpur and asked for one more round of consultations, instead of giving their consent to the amendment. However, Mahathir ignored their request and tabled the constitutional amendment in the Parliament with a reminder to the delegates "to accede to national political demands because the people's voice was supreme."

The amendment foresaw to stop the rulers from doing anything that might expose them to legal action; to limit their legal immunity; and to allow for open debate in the Parliament on issues touching the rulers provided members do not call for the abolition of the monarchy. While explaining his proposal, Mahathir reminded MPs that there had been many cases where the rulers inflicted harm on the people, flouted the law and squandered the wealth of the government and the country. But as not many people were aware of such things, so a great number went on believing that the system of constitutional monarchy was working smoothly, with the rulers abiding with all the provisions of the Constitution. "All three Prime Ministers before me", Mahathir said, "in their capacity as advisers to the rulers, had criticised them time and time again, but these advice merely fell on deaf ears."

The Bill was passed next day, by a two-third majority, even though it did not receive the Ruler's approval. When they realised that nothing could be changed anymore, the rulers decided to give royal assent to the Constitutional amendment with some modifications. They had to accept the main thrust of the amendment, in which the rulers are liable to prosecution under the law, but before a Special Court. The Agong, or any other Malay ruler shall be suspended from their royal functions during the duration of the proceedings. If they

were found guilty and sentenced to imprisonment for more than one day, they shall be required to step down, unless pardoned. However, no action could be taken against the rulers without the approval the Attorney-General.

This is how Mahathir finished his story about Malay rulers, started before his heart attack. Yellow stayed as the colour of the Royal House. Even today, local and foreign ladies invited to a reception in Istana Negara are requested not to dress up in anything yellow.

The powers and influence of the Malay rulers became symbolic, but Mahathir and his government achieved a great victory. That victory would not have been regarded as anything special in any other country with a similar system, but in Malaysia it was different: Malay *rajas* and sultans were for centuries subjects of numerous mysteries and myths. They were the only link to nationhood that survived, even in the most difficult times of colonial power of the Portuguese, Dutch and British.

The victory was even greater if looked at from the wider perspective of Malaysia's belonging to countries and peoples who, with more or less difficulties and troubles, won its independence from colonial masters. I have not found anyone than Malaysians who were dealing—in such a manner of patience, consistence and relative democracy—with this phenomenon of correction and deduction of the royal prerogatives and behaviour of the royalty to its strict constitutional framework. This lasted for thirty years. But, how many kings and rulers across Asia and Africa were during the same period ousted from power, jailed, exiled or executed in just one day!

What Kind of Islamisation?

The way Mahathir looks at his religion—Islam, to which he has been devoted from his early childhood, is maybe too politicised and simplified because of sharp divisions between Malay Muslims, again on a political line of "using religion".

Mahathir himself formulated a motto of his active approach to Islam, and relationship between Islam and its followers: "The Quran promised the eternal survival of Islam; this promise does not extend to Muslims."⁶⁴

Although his views on various aspects of Islam are present and well noted in different occasions, conferences and books, especially in *The Challenge*, it might be useful to try to summarise them in one place, in particular conditions of Malaysia in the 1980s and 1990s.

The resurgence of the Islamic thought and practice, especially moved by the Iranian Islamic revolution in 1979, had its impact on Malaysia. Different ideas and tendencies were represented through different organisations, parties and gatherings. The common moving motive for all of them was *dakwah*, or Islamic missionary movement. Comparing with the Middle East, the *dakwah* has been understood differently, and it sounds even differently in the Asian Southeast, where Islam was brought mainly by peaceful Sufis on board of Arab merchant ships. In the Mediterranean the term *dakwah* means simply a call to religion, and the name of some conservative organisations, but less movement or orientation. In Malaysia, *dakwah* has taken "the meaning of a return to strict, puritan Islam."⁶⁵

⁶⁴ Mahathir Mohamad, Speech at the 3rd International Seminar on Islamic Thoughts, Kuala Lumpur, July 26, 1984, *Foreign Affairs Malaysia*, September 1984, pp. 226-231

⁶⁵ Zainuddin Maidin, *The Other Side of Mahathir*, p. 116

In Malaysia there were a few organisations that included missionary resurgence in their activities. Perkim (Malaysian Muslim Welfare Organisation) was known for proselytising activities, especially for its welfare work among converts, mainly the Chinese. Tabligh (Jamaat Tabligh), a typical missionary movement, for a long time was active among the Indian Muslim communities that later on extended into the Malay rural areas. Darul Arkam (House of Arkam) came out as a missionary movement against the ruling establishment and it formed its exclusive settlement in Sungei Pechala, Selangor. The male members of the organisation wear Arab-style green robes and turbans, and females *purdab*. They ate the Arab way, and used horses for transportation and boycotted all Western products. Their "fundamental idea that the creation of an Islamic society had to be part of the struggle to create an Islamic state."

ABIM was the most massive non-party-based Islamic organisation, which advocated activist reformist Islam. For them Islam as *ad-din*, is the "way of life", the answer to all Malaysian social problems. The activists of ABIM were strongly critical of corruption and social injustice among UMNO members and the administration. However, the impact of ABIM swiftly deteriorated and its activities were cut down after 1992, when its popular leader Anwar Ibrahim joined UMNO and Mahathir.

PAS also can be considered an important component of the Islamic resurgence and always portray itself as "the Islamic party in opposition."

A small number of clandestine Islamic groups and followers of *dakwah* resorted to extreme activities and violence, and often were prosecuted under the Internal Security Act (ISA).

What was common to the whole movement is the demand for Islam to get a bigger role in everyday life of the Malays, as well as in official public life. The way in which Islam was supposed to achieve that role was subject to different opinions. For some formal presence of Islam was sufficient. Others requested the government to include more Islamic principles into the legal system. Third, the most radical ones insisted on changing the political system from secular, defined by the Malaysian Constitution, to an Islamic state based on *syariah* or Islamic law.

UMNO was trying to follow the resurgent movement, initiating and undertaking some measures and activities, such as publishing of Islamic literature, the establishment of an Islamic Research Centre and an Islamic Missionary Foundation, organising and proclaiming a "*dakwah* month". UMNO's opponents tended to describe those activities as symbolic, with an aim to control and manipulate the true resurgence movements led by the opposition. However, those government-sponsored programmes added scope to the wider Islamic resurgence.

Mahathir was not actively involved in debates about religious resurgences until his book, *The Challenge*, in which he explained his views on Islam and its role in Malaysia and in the world, although he claimed not to be a theologian or an expert in Islamic Jurisprudence.

By the 1980s, Mahathir already had a programme of his version of Islamisation of Malaysia, which he aimed to implement in the next twenty years, alongside with the NEP policy.

Analysing the unfavourable situation faced by the Islamic World that was exposed to wars, poverty and pressures, and internally divided along all lines, Mahathir aspired to pass his message to his fellow Malays that they should not "talk of the

past glories of Islam", because, as he says, it "really is an admission that Islam is not glorious now". He also emphasised that they should not waste their time discussing different concepts of Islamic resurgence, but to start working and improving those Islamic values that can contribute to the betterment of everyday life and development of the country.

In his own missionary role, Mahathir dealt with the issues of everyday life, but not theoretical discussions. Improvement of quality of life depends on man, the believer himself, as well as on his knowledge. He used to say: "Many Muslims have adopted a strangely false sense of security: reading the Quran will bring them *thawab* or blessing even if they do not understand or practice it, going out on *tabligh* or propagation will secure a piece of paradise, writing pamphlets and propaganda sheets will win support for Islam."⁶⁶

Taking into account the undeveloped reading habit of the Malays which was confirmed by surveys showing that they read only half a page a year, Syed Hussein Alattas wondered: "Let us ask how many Malays have read the translation of the Quran either in Malay or in English in their homes? And how can they call themselves *Ablil-Kitab*, when they have never read the Quran?"⁶⁷

These two observations reminded me of a habit in the whole non-Arab Islamic world where the Quran is read by many, but understood by few, even among the *ulamas*. I have witnessed mispronunciation of Quranic verses in mosques in Indonesia, India, even Bosnia, which completely changes the meaning of those *ayats*. Except of a spiritually calming effect,

⁶⁶ Mahathir Mohamad, Speech at the 3rd International Seminar on Islamic Thoughts, Kuala Lumpur, July 26, 1984, *Foreign Affairs Malaysia*, September 1984, pp. 226-231

⁶⁷ S.H. Alattas, *The Ugly Malaysians*, p. 145. *Ablil-Kitab* means followers of monotheistic religions.

what is the benefit of *batma*, or "completing" the whole Quran reading, when you do not understand even one single word?

The term *batma* has been widely in use in Turkey and Balkans during the Ottoman Empire, and in some areas even till today. It connotes the same effects Mahathir and Alattas are speaking about. In those regions the Arabic script was also thought mainly to enable Muslims to read Quran, but not to understand it. Parents were speaking proudly how their children "completed" two, three or more *batmas*. That was often, particularly among female children, the only education they were getting.

As much as he talks about the acquisition of knowledge, Mahathir underlines thrift and hard work, that should be developed by every Muslim as his contribution to Islamic Resurgence.

As part of the frame of his view on Islamisation, he initiated and controlled the realisation of some concrete projects in Malaysia.

The Malaysian government in 1983 formed and opened the Islamic University, later on transformed into the International Islamic University Malaysia (IIUM). The administrative organisation of IIUM is similar to American universities. This university is located on a huge campus in Gombak, on the northern entrance to Kuala Lumpur. The university accepts students from numerous Islamic countries and it is universal because of its concept and character. English language is the medium of instruction and apart from Islamic studies, students can study modern sciences such as engineering, economics, management and political science. The Organisation of Islamic Conference (OIC) later co-sponsored the university, the first of that type in Islamic countries.

The first Islamic financial institution, Bank Islam Malaysia Berhad (BIMB), also started its activities in Kuala Lumpur in

1983. The bank activities are based on two successful principles. First, the bank would not offer any interest on deposits that receives. Instead, it would share the profits earned from investing the deposits with the bank's customers. At investment accounts the bank-to-customer profit-sharing ratio was set at 7:3. The bank, also, was not charging interest on credit that is extended. Second, the bank would "only sanction *halal* (non-prohibited by the Islamic rules). The bank, however, was not barred from making business with non-Muslims. Mahathir said: "The Islam-ness of Bank Islam is based on the method of self-management and not because Muslims are its owners, customers or managers."

Bank Islam became very successful domestically and abroad, and popular among all Malaysian ethnic communities. One of the managers of the rival bank, an Indian, told me that many Chinese and Indians are using the services of Bank Islam because of its favourable conditions, especially on housing loans.

The third element of Mahathir's specific engagement in Islamisation could be called a set of Islamic values. It is basically called *penyerapan nilai-nilai Islam* (the "assimilation of Islamic values"), and the aim of that programme is the "spiritual well-being" of Malays. Those values were mentioned on different occasions and most important among them are the trust, discipline, loyalty, industriousness, persistence, close bonds between Muslims, boldness arising from honesty, tolerance and consideration, justice, repentance and gratefulness, and other honored values. According to Mahathir those values can assist Malay in "seeking wealth in a moral and legal way", or to "obtain prosperity in this world and in the hereafter."⁶⁸

⁶⁸ Mahathir Mohamad, a speech delivered at the 36th UMNO General Assembly, Kuala Lumpur, September 27, 1985

Mahathir inserted into his Vision 2020 religious and spiritual values in a universal way, by following his own evaluative path from a simple Malayan to the complex multireligious Malaysian society. One of the challenges is "to establish a fully moral and ethical society, whose citizens are strong in religious and spiritual values and imbued with the highest ethical standards."

Commenting on Vision 2020, Professor Dr Chandra Muzaffar emphasises the importance of its moral and spiritual values "as the nation seeks to achieve more rapid economic growth and greater prosperity"... "For it is when nations become wealthy, that they often forget those moral and spiritual values which might have to serve to guide them at some earlier stage of their development. Indeed, the illustration of the 14th-century scholar, Abdul Rahman Ibn Khaldun—perhaps the first sociologist in history—even argued that when societies attain affluence, there is, invariably, a weakening of their moral fibre."⁶⁹

However, five to six years after the proclamation of Vision 2020, he notes that "we are not moving in the direction of a moral and ethical society."... "Though Vision does not spell out the moral and ethical standards that Malaysia as a nation should aspire to, it is logical to assume that these standards would derive by and large from religion. "As far as the forms and rituals of religion go, Malaysia appears to be a moral society. Places of worship attract huge numbers of devotees while religious festivals draw large crowds. Rituals such as the prayer, the fast and the pilgrimage are faithfully observed by both the young and the old. This is proof that religion remains as significant more as ever in the life of the nation. But

⁶⁹ Chandra Muzaffar, *Rights, Religion and Reform: Enhancing Human Dignity through Spiritual and Moral Transformation*, RoutledgeCurzon, London, 2002, pp. 289-295

does it also mean that Malaysians uphold the moral and ethical values and principles enshrined in the different religions that they practice?" wonders Dr Chandra. When it comes to the institutions in which those values should get more important status, he notices that "the family is under some stress and strain", Malaysian urban and even rural communities "are becoming less and less cohesive and more and more fragmented", divorce rates are escalating, the abandonment of babies by young unwed mothers is not an uncommon occurrence, even the government "has started to take into account the increase in teenage prostitution, and that drugs and gangsterism has paved its way even into high schools."

Even in common values and behaviour, as a third dimension of religion, negative characteristics are growing. The hospitality and generosity of the Malays remain the same, and are praised by foreigners. Besides the efforts and investments by the government, the ordinary Malay does not strive for the maintenance of public amenities, roads, river banks, toilets and telephone booths, nor he lines up at the bus station, and he is an impolite driver who has little consideration for other road users. "Lurking in the dark recesses of the Malaysian psyche," Dr Chandra says, "is perhaps a *kiasu* mentality—a mentality which seeks to maximise self-interest whatever the cost and consequences for the other—which is the antithesis of ethical and moral behaviour."

Honesty and respectability, the values of higher ethical standards, and at the same time are religious standards as well, have deteriorated in Malaysian society in the last few decades—decades of sudden economic and development growth. That challenge of Vision 2020 would be an important task for many years to come, because the lack of honesty has

become more apparent in different spheres of society, and the rise of corruption is the most visible one.

It is difficult to search for, or even more, to find reasons behind the spread of corruption in Malaysia. One of the undoubted reasons is the rise of "a culture obsessed with the acquisition and accumulation of wealth", as an essence of human existence. Although it is characteristic of the élite, it has spread to all levels of society. It is even more difficult to fight this evil, which attacks all societies, whether they are in the developing phase, transition, or whether they are highly industrially or technologically developed. As far as Malaysia is concerned, even the harshest critics of the social system do not give up. They see hope, because the government remains deeply concerned about the spread of corruption, and it has started prosecuting some of the most serious affairs, following activities of the Anti-Corruption Agency (ACA). The public also has not ceased to express its alarm over the increasing number of corruption scandals.

No society can destroy the phenomenon of corruption, but when it is put under reasonable frame, Mahathir's leading parole—*Malaysia Boleh!*—Malaysia Can! could be propagated with a peaceful mind.

Ossification of the Mind

There is one more problem in which Mahathir's Vision 2020 would meet challenges of "establishing a mature, liberal and tolerant society".

That is one of the dilemmas of a young generation of Malaysians, engaged in different sectors of social, humanitarian, non-governmental or cultural activities. I will take an example of two people of similar social engagements.

The first of them is Farish A. Noor, a popular young publicist, interested in many things, especially in the sensitive

and controversial complexity of Islam as a religion. A year, two earlier he publicly supported the concert of a famous Indian singer Shah Rukh Khan. A number of student organisations, especially from the so-called "Islamist camp" were against it, considering that the concert would corrupt the morals of the Malaysian society. The concert was held, alongside with protests of those opposing it. Everyday Farish was exposed to many criticisms and insults by e-mail. He was disappointed with the "tide of hate" expressed in those messages.

There were three categories of protests. The first send him a message: "You are secular in orientation and because you do not come from the traditional Islamist educational background you should not speak or write about Islam." Others were more malicious in insults, and gave a more sinister tone to it: "You are condemning the Islamist position, and so you are in league with the enemies of Islam." They placed him on the same level with the "camp of evil", "the satanic government of Malaysia", "Western secular forces", "debauched media moguls of Bollywood". Third, the biggest category, were of the opinion that he was "offending their Islamist values", and as such he was "bound to go to hell forever". There were even some messages that were describing of the torments that awaited him in *Neraka*—Hell.

Those messages actuated Farish to think in his own way: "That after fifteen centuries of Islamic civilisation development, we Muslims still seems unable to think of a benevolent God that is forgiving and merciful. We cannot help but imagine our God to be a violent, almost malevolent entity that routinely throws his subjects into the boiling pits of hell so that they can be tortured for infinity. How ironic that is, when we consider that practically every important thing they do in their daily lives begins with the formula: 'In

the name of Allah, the Compassionate, the Merciful'. Has Islam always been like this? The answer, thankfully, is simply no!"

Examples can be found, even in the Malay archipelago, that there were times in History of Islam when the religious understanding of Muslims about God were totally different than today.

"Lest it be forgotten", reminds Farish Noor, the spread of Islam in Malay archipelago was one of the biggest civilisation events of Islamic World.

In distinction from the spread of proselytising religions in other parts of the world "Islam's entry into the Malay world was passive and gentle". "Yet this penetration pacifique brought with it sociocultural, political and ideological changes that were monumental in their consequence. Islam effectively broke down the monopoly of the ancient regime of the *Kerajaan*, ruled as it was by the *Rajas* and *Dewarajas* who were literally Gods on earth. In time, Islam introduced notions and values of individualism, humanism and rational agency to a society that was stultified and static."⁷⁰

The secret of the successful spread of Islam mainly depended on the way it was spread among the people, as well as the "agents who were responsible for its dissemination." Those were the Sufi mystics who had come from the Indian subcontinent, as well as local Sufi scholars and preachers who at an earlier stage accepted Islam. They understood that the Malay peoples who had lived long "under the paralysing tyrannical yoke of their *Rajas* and *Dewarajas*, were ready and yearning for changes."

In the 13th and 14th century, Islam for Malays was a "personal creed of love, humanism and individualism." The Sufi mystics like Sheikh Hamzah al-Fansuri, Sheikh Abdul

⁷⁰ Farish A. Noor, *The Other Malaysia*, pp. 255-261

Rauf al-Fansuri and Sheikh Symsuddin as-Sumatrani were leading the spread of that new religion that "radically challenged the political and social status quo, but gradually". The option of "preaching by sword" was never used, their God was the One "who the ordinary Muslim could relate to in an intimate way". They preached that love is the way towards the God. There was no room for discussion about the world's powers, domination or conquests, or about the destruction of enemies.

"How different is the situation for us today in Malaysia!" asks Farish. "The rise of sacred intelligentsia known as the *ulama* has led not only to the emergence of a social hierarchy within Islam, but also the inexorable ossification of the Muslim mind. Today, he says, the *ulama* stand before (or rather above) us as the defenders of the faith whose authority cannot be denied or questioned. And even when it has become patently clear that some of these esteemed and venerable 'men of learning' are mere mortals with very human failings and tendencies—ranging from their thirst for power to their inability to control their sexual urges—we still cling on to every word they say as if these were pearls of wisdom from heaven itself."

"Yet this need not be the way for Islam to thrive and prosper in Malaysia", concludes the young author. "The forgotten legacy of the Sufis and early missionaries, who spoke of the need for a different form of Islam that was open, tolerant and premised on the salvation of the individual can still be made to work in this society if it is allowed to come out into the open. The task of reviving this other tradition of Islamic learning falls on the shoulders of those progressive Muslim liberals and lay intellectuals who remain outside the constricting walls of officialdom and religious dogma. They can help to remind us that there is another way of looking at

Islam, and another way of understanding our role in society vis-à-vis non-Muslims as well as ourselves. And we can still believe in a God of love and mercy—Ya Rahman! Ya Raheem!”

My special interest caught another young Malaysian, in his forties, same as Farish A. Noor. I hope the older generation would forgive me but I am of the opinion that this generation should be given the responsibility to carry the biggest burden—economic, cultural and spiritual—of one society, in order to gain experience and strength to lead it in the near future.

On the cover of the book, *In Liberal Doses*,⁷¹ was the name Marina Mahathir, with a photo of the author, which stood out from the settled Western perspective about Malaysian women. I bought it from one of the hundreds bookshelves of Kinokuniya bookshop, under the famous Kuala Lumpur's Twin Towers. It is probably one of the biggest bookshops in the world, in which book lovers, Malays, Chinese, Indians and foreigners, drop in, choose the book and get carried away reading for hours on comfortable wooden benches.

That is how I choose this book, intrigued before all by the surname of the author. Then on the bench I read the introduction signed by Dr Mahathir Mohamad. How is it possible, one's first name is another's surname? At first glance I thought if it was accidentally, or perhaps a sign of nepotism. Later on I came to know that Mahathir Mohamad is the father of the author, although is not explicitly mentioned in the book.

I was especially interested in the relationship between parents and children in Mahathir's family. The book clearly reviles that it is a relationship of understanding, wide spectrum of opinion, openness and liberalism in “high doses”, which did not prevent them from staying together and being

⁷¹ Marina Mahathir, *In Liberal Doses*, Archipelago Press, Singapore, 1997

in love in the family nest, which Mahathir so often mentions as main pillar of the society.

The book is actually the collection of columns that Marina wrote in the 1990s for a popular English daily, *The Star*, in which Tunku Abdul Rahman, the first Malaysian Prime Minister had a column almost until his death. In addition, she was especially active in the fight against AIDS, and assisting those affected by it. At the beginning, Marina's writing was solely limited to observations and opinions of one young Malaysian mother about everyday life, but later on it became more and more open and a courageous commentary on many issues of the Malaysian society.

While trying to define herself as a member of society, Marina Mahathir attempted to answer the question what it actually means to be a Malaysian. The questions which implies many other sensitive issues and dilemmas of the relationships of Malays and other ethnic communities; the Malay nationalism and resistance to the Malay dominance in politics and Chinese in business; transformation of the Malayan into the Malaysian; merging and joining under a common Malaysian flag, which is one of the long term goals of Mahathir's Vision 2020.

Being the same age as the Malaysian independence, Marina believes that the future of Malaysia lays in it being multicultural, and that is why she has "little patience for the chauvinists". Being aware that some people "play the race card", she was delighted by one conference about Vision 2020 where many participants of different races said "that ethnicity should be made less relevant as times go on." She is of the opinion that "our economic prosperity perhaps has a great role to play in the increasing liberalism about race." At the same time she is worried about different interpretations of some liberal postulates of Vision 2020. Thus, some think that

establishing a "psychologically liberated society, subservient to none" means rejection of everything that comes from the West, regardless of being good or bad. Others define a Malaysian society in "our own mould", not allowing any space for constructive discussion about real meaning of that mould. They brook neither alternative views nor criticism, and "anyone who opposes their vision of things is supposedly shackled to Western ideologies." "I encounter this sort of thinking all the time, particularly when talking to those who govern or make policy". Then she concludes by saying: "It is worrying that people with such limited intellects can decide on the course our country will take."

After this small approach, Marina dealt with politics on a smaller scale, but more about simple life situations and phenomena, that she follows with sparking observations, spirit as well as irony.

There were many reactions on the statement given by the Deputy Minister of Health, who advocated showing more affection towards "our loved ones" by hugging and kissing them. He considered it as a way of preventing the ills besetting our society, including drug and child abuse. It was immediately followed by a spate of protests by various parties saying that this was not the Malaysian way and in fact someone deemed such acts as obscene and warranting arrest!

Marina also supported the deputy minister by saying: "I always thought it was normal for people who love one another to show affection for each other." She also said that her daughter and herself constantly hug each other and that she still does not "understand why showing affection is un-Malaysian." She continues by asking, "Is the father who likes to hold his teenage daughter's hand in public a deviant of some sort? If that's case, my dad should have been thrown in jail long ago."

Marina says that she "grew up possibly unusually aware about injustice", because she "has very special parents." They did not allow her to have, at the time popular, pen-friends from either South Africa or Israel. "When you learn at age ten that apartheid and Zionism is wrong, it stays with you all your life."

She had same feelings for any form of nascent racism. Racism can be met even in people that you never expect to be racist, referring to her best friend in England who complained that she was becoming more and more Malaysian after returning to Kuala Lumpur from Britain. "I am Malaysian and what is so bad about that?" she replied frostily.

In Malaysia, where different races live together, there should not be any prejudices based on skin colour. However, "we have always preferred the fair-skinned," Marina writes. "Dark women are termed *bitam manis*, more brownish than others." Reverse racism also exists, thus, "local women who go out with European men are often assumed to be of dubious nature. This is because white men are supposedly only after one thing and these women must be supplying the same. This is insulting to just about everybody." Underlying her personal experience, she states: "I cannot count the number of times I have been asked why I married a white man by a local man. I usually answer it's because white men don't ask me this question."

Marina thinks that racism must be recognised and identified everywhere, and then we should fight against it. "But we need to be vigilant," she reminds. "When you read about Serbs raping the daughters of the Bosnian neighbours they have known all their lives, you realise that racism is a monster that is capable of hibernating deep inside until something simple wakes it up. The monster within ourselves

should be killed in its infancy and to do that, we must recognise it."

Here are more observations from *In Liberal Doses*:

On Malaysian youth: "More than 50 per cent of our population is under the age of 21, yet young people have so little say in anything. Lately they have been disproportionately blamed for every social evil going. (Remember that one of the worst, corruption, is something they are not involved in.)"

On leadership: "We like having leaders because we don't want to have to worry about everything. We want them to show us what to do, what is possible, what will make our lives better. We refuse to make decisions without referring to upstairs because we want to always play safe. We don't want to take any responsibility. We willingly turn ourselves into sheep. This is fine if our leadership is completely trustworthy and infallible. But we don't always question the quality of the Head Sheep. Who was it who said that we get leaders we deserve? That's all very well if we always think about who we are choosing but we don't. Sometimes we wake up and find that we've got the wolf leading us sheep."

On democracy: "We live in a relatively democratic country in a world where there is no such thing as a complete democracy. Our relativity sometimes seems a bit like the fuel gauge in my car: it doesn't stay in the same spot all the time, according to how much fuel actually I have in my tank. Sometimes we're a bit more and sometimes we're a bit less. Travelling around the region in the past few months I've observed that we don't have it too bad, primarily we usually can yell and shout as much as we want about something we don't like. In some countries the very idea of dissent is alien."

On rights of Malaysian women: "One of my great disappointments about women in Malaysia is their generally

lackadaisical attitude towards their own rights. Perhaps this is the fault of their leadership. ... Too many seem to think that to fight loudly for their rights is too 'unfeminine' which simply buys into men's ideas of women's roles. So we have a long way to go yet."

While closing Marina's book, I found that many of her readers, even high-ranking ones, could be stung by her columns. At the same time, allusion on any kind of nepotism was disappearing. Mahathir himself once said: "Another metaphor for the role and possible misuse of authority is the relationship between parents and child."

On the Map of the World

Mahathir always strived to keep Malaysia's relations with the foreign world in his own hands, defining, monitoring, controlling, directing and redirecting them. Among all of these, redirecting was rarely used because Mahathir stuck to his basic ideas in relation to his family, his people and his country, as well as towards the world. Or as Malaysian academic Dr Johan Saravanamuttu from Universiti Sains Malaysia (USM), Penang, formulating the Malaysian foreign policy, uses "idiosyncratic" to refer to the influence of individual actors on certain policy.⁷²

Maybe that is why Malaysia did not have influential Foreign Ministers, those who are remembered. Even today's head of diplomacy Syed Hamid Albar waits to hear an idea or instruction from "the boss" and only then he can start a diplomatic initiative. If this reaches him, let him forgive me. Sometimes he jumps out in his tone and harshness, especially

⁷² Johan Saravanamuttu, *The Dilemma of Independence: Two Decades of Malaysia's Foreign Policy, 1957-1977*, Universiti Sains Malaysia for School of Social Sciences, Penang, 1983

when he talks about disputes with Singapore inherited from the time when they were one family. Actually, his ministry, or Wisma Putra, got two major tasks from Mahathir: "to safeguard good relations with Malaysian major partners in the security and trade issues, and yet, on no less worthy plane—allow Malaysia to champion Third World issues."

Not much has changed in the priorities, which Mahathir set when taking over the government, respecting already established practices of international relations to put good relations with neighbours in the first place.

Those relations are institutionalised in Asean, established with an aim for cooperation in areas of national and regional security, so they could be expanded in other areas later on.

In the mid-1990s Asean extended many proofs for justification of its existence. Or as Mahathir says: "In many ways, we were on the verge of an Asian renaissance in the 1990s. No a renaissance that would mean Asian domination over the rest of the world, but which was allowing this great region to take the place it deserved in world affairs and world history. The winds of democracy, of democracy with an Asian rather than a Dutch or French or Belgian or American flavour, have been blowing in every country. Some countries, including Malaysia, inherited a colonial political system and rather than 'reinventing the wheel', I believe we have made good use of these systems. Since 1955, when we held the first elections in Malaysia, we have had ten indisputably free elections in which the opposition not only won seats but on some occasions were able to take over state governments. This is quite a record, I believe, for a new, developing democracy."

He continues by saying: "We are a democracy, giggles and cynical smiles notwithstanding. A multiethnic and multireligious country like ours, with all the challenges and

difficulties this gives rise to, could not survive and prospered without healthy and sustainable democracy. Only God knows what would have happened had we adopted the Swedish or the Italian, or, for that matter, the Japanese form of democracy. I say this without meaning to imply that something is necessarily wrong with these systems, but even a democracy must be adapted and adjusted to each country and culture. That there is today a Japanese (or a Malaysian, Korean, Singaporean) form of democracy should not surprise anyone. That is the way it should be. Despite the Western media's insistence on Asian governments being autocratic and sometimes even anti-democratic, the fact is that there is more democracy in Asia today than ever before in history. In Europe or America, there may well be much greater pluralism and so-called freedom of press, but in Asia it has been, and will continue to be, the good of the many rather than the selfishness of the few or the individual that is treasured. That is the way democracy has developed in many Asian countries and I believe it is going to be the Asian form of democracy for the future as well.⁷³

Mahathir attributed particular significance to Asean for its formulation of a regional security and later on economic cooperation. This association was breaking into two streams, on one hand the efforts of most of its member states of the region to break away from U.S. pressure and meddling, and on the other hand the behaviour of some Asean member states that were openly following American instructions. Malaysian diplomacy advocated for the inclusion of Cambodia and Myanmar (Burma) in the Asean membership, hoping this would soften down the radical isolation and dictatorial regime in Rangoon, while the U.S. and Europe were against this.

⁷³ Mahathir Mohamad, *A New Deal for Asia*, pp. 43-44

The Non-Aligned Movement (NAM) and the Organisation of Islamic Conference (OIC) were Malaysia's the next platforms for action on the international front, although the former was losing its impetus with the end of the Cold War, and the latter gaining weight, but not influence in international affairs. "Since it is an Islamic country, it is logical for Malaysia to accord a special place in its relations with countries of similar character," some authors find Mahathir's attaching importance to the cooperation with Islamic countries as "the diplomatic dimension" of a further Islamisation policy of the country.

There is some kind of a persistent resistance which Mahathir has had towards most of the Arab systems and regimes. This resistance can be recognised even today in his critical analysis of the status of the Islamic world, when he accuses, although not directly naming them, some wealthy Arab countries. Even back in the 1960s, as member of Malaysia's delegation to the U.N. Committee on Decolonisation, he raised "a diplomatic huff" by calling Arabs' Sultans and Sheiks "petty despots." In Parliament, Lim Chong Eu asked if Prime Minister Tunku "was aware that considerable sections of our citizens are greatly concerned" by Mahathir's statement, because "to have the term "petty despots"—which can be misinterpreted locally interposed so closely with the term Sultan." Prime Minister Tunku indirectly criticised Mahathir saying how "when one makes speeches at the U.N., one feels that one gets plenty of support and hand clapping, and one can really overstate the fact."⁷⁴

Commonwealth, the organisation of the countries that were under total or partial colonial rule of the British, should be one of the priorities of the Malaysian international affairs,

⁷⁴ Malaysia, Dewan Rakyat, Parliamentary debates, II, 13, 12 November 1965

and this is the case, especially in some more formal rather than substantial signs and activities, which pleases the British. The Commonwealth Games are a regular event, the meetings of the heads of states, various joint manifestations, even a mutual diplomatic procedure of nominating High Commissioners and High Commissions in place of Ambassadors and Embassies.

Even in the Commonwealth, Mahathir had extraordinary appearances, quite beyond the norms of that association. He would warn its "senior members" that it was "no longer a club for nations founded by migrants from Europe." He refused to participate at the Commonwealth Heads of Government Meetings on two occasions, once in Melbourne and the other time in New Delhi, and on the third one, Nassau, he gave a critical speech, admitting later that he did go there only to make the speech.

The U.N. is perhaps the only international forum which Mahathir had a special respect for. Although he was aware of the limits set by the permanent members of the Security Council, he found the U.N. an inevitable global organisation working in the service of world peace. As the Prime Minister of Malaysia, he said at one General Assembly meeting that: "for the majority of us, the small, developing nations, a world without the U.N. is unthinkable," because "many nations here owe their independence to the work of the Decolonisation Committee of the U.N." But if U.N. "falls short of expectations, it was because the powerful nations ... expect the U.N. to be perhaps a creature in their own image, serving only perceived ends, for certain perceived interests."⁷⁵

There were no issues that could not be treated as perceived ends and interests. Antarctica was one example,

⁷⁵ Mahathir Mohamad, a speech delivered at the 41st Session of the U.N. General Assembly, New York, September 29, 1986

which could have been a faraway land covered in ice on the South Pole, with no political significance for many people. But this was not the case for Mahathir. During his speech at the 37th Session of the United Nations General Assembly, 1982, he referred to the issue of "certain areas in the world, without natives or settlers, which are not covered by any international agreement. It is now time that the U.N. focus its attention on these areas, the largest of which is the continent of Antarctica ... These uninhabited lands do not legally belong to the discoverers in as much as colonial territories do not belong to the colonial powers. Like the seas and the sea-beds, these uninhabited lands belong to the international community."

Mahathir refused to accept the potential carving up of Antarctica by the group of signatories to the 1959 Treaty of Antarctica (ATCP) such that its resources, "the common heritage of all the nations of this planet", would be beyond the equitable reach of small and unimportant countries. "While there is some merit in this Treaty", he said, "it is nevertheless an agreement between a select group of countries and does not reflect the true feelings of members of the U.N. or their just claims." He called for a review of that Treaty and required for a new international agreement on Antarctica.

Following Mahathir's speech and lobbying efforts among the Non-Aligned countries and the U.N., the "Question of Antarctica" was included for the first time in the agenda of the 38th Session of the U.N. General Assembly, 1982.⁷⁶

Although this issue has been discussed for over two decades in the General Assembly of the U.N., due to the resistance of some of the members states of the Security

⁷⁶ S. Thanarajasingam, *Antarctica, Journal of Diplomacy and Foreign Relations*, Institute of Diplomacy and Foreign Relations, Malaysia, Vol. 4, June 2002, pp. 105-110

Council and the signatories of the Antarctic Treaty, no alternative to this agreement has been reached. The Malaysian initiative contributed to the international awareness raising about the significance of the Antarctic for the world climate, environment and security. The signatories of the ATCP accepted the 50-year moratorium for the exploitation of minerals of that icy continent.

Two decades after that speech at the General Assembly of the U.N., in February 2002, Mahathir, went on an expedition on a Russian icebreaker ship "Kapitan Dranitsyin," from Argentina, towards the Antarctica. The unusual passengers included Mahathir's wife, Dr Siti Hasmah, one granddaughter, Ministers of Foreign Affairs, Defence, Science, Technology and Environment, a number of scientists and a business tycoon T. Ananda Krishnan, the wealthiest Malaysian.

Mahathir thus fulfilled his desire to personally visit that polar space for which he fought to make sure it belongs to the whole humankind. Antarctic is given more space here than other events, in order to indicate Mahathir's interest and involvement in all issues, regardless whether they are considered to be the exclusive issue of large and powerful countries, the North or the South.

The Prime Minister of Malaysia succeeded in building into his relationship with big powers, a specific "equidistant" stance, albeit mostly by the negative method of continually criticising the hypocrisy and self-serving policies and actions of superpowers⁷⁷. Criticising the large powers and at the same time acknowledging their influence in international affairs, Mahathir, however, visited one after another Washington, Moscow and Beijing.

The relationship with the U.S. had already become a leading strategic issue, similar to the relationship they had

⁷⁷ Khoo, *Paradoxes of Mahathirism*, p. 75

with Great Britain. Among particular countries, the relationship with the U.S. is beyond doubt the most significant, in particular as for many years now the U.S. is Malaysia's number one economic partner.

"Malaysia does not wish to be a member of any camp or bloc," Mahathir used to say back in 1986. "We are aligned with no one. We are not even aligned with the non-aligned. We will criticise and condemn the Non-Aligned Movement or any of its members or groups as much as we would criticise the countries of the Eastern or Western blocs." Or he was saying that while he was "no apologist for the Third World" and "no admirer of the Second World", he would not be intimidated by "the First World" meaning the developed countries of the West. He in particular criticised the "information imbalance between the developed and developing countries." He was not complaining about the insufficient space given to us by the Western newspapers as against what our media give them", but of "constant ill-treatment" by the "Western-controlled international media which have subverted the governments of many developing countries until some are overthrown."

"Mahathir succeeded in fashioning an odd yet refreshing diplomacy that suited his temperament," Khoo wrote. "His performances at international forums were articulate and courageous, intelligent and polished. He had a quick wit and a sharp tongue. He had a ready opinion on anything and held a strong position on everything. He was seldom slow to castigate the powerful or to shame the hypocritical." Mahathir never failed to answer, yet he was glad to be said to have a "truly independent look." There was one issue, however, he never tried to have a neutral or impartial attitude. This was his relationship with the poor, with the developing world. He strived to identify Malaysia with other developing countries.

He became a true friend of the South, as he usually divided the world into the North and the South, a friend who supported the oppressed and brought the poor together. He shared their feelings and understood their spirit of isolation and aspiration for a better world. That is why each of his presentations was transversed by the request to restructure the economic and financial system on the global plan, which will be in particular emphasised during the financial blow of the Southeast Asian region at the end of the 1990s and in his globalisation analysis.

Mahathir was, thus, moving across the world self-confidently, not missing a single chance to express his blunt criticism of the behaviour of the big towards the small, the rich towards the poor, the developed towards the undeveloped. As much as it seemed insufficiently diplomatic and tactless, he had put Malaysia "on the world map" as the "spokesman of the Third World." Disproportionate to its size, history, wealth and role in regional politics and cultural achievements, Malaysia was on its way to the third millennium as a country that had become politically respected, attractive for investments and tourists on the global plan, despite being often criticised by the Western media. The Malaysian factor was considered to be "surprising" both for the critics and for the analysis of the events taking place in Asian and in developing countries.

The "surprising" factor could have been contributed to by Mahathir's feeling for reality, his capacity not to push his country where it has no place, or enough strength, or where too much of an exposure could do more harm than good. As Mahathir used to say that Vietnam was "far too big for us to put our fingers in" very much like when asked by India in 2002 to mediate in its conflict with Pakistan over Kashmir he said "Malaysia is too small a country to mediate in disputes for

which even big powers cannot find solution." The source of that realism was his philosophy of the possible and ideological resistance to the riots and revolutions. He was against nationalisation and he tried to attract foreign investments. Taking the side of the oppressed, or the support and assistance to Palestine and Bosnia, was not threatening to anyone. But it carried forward a long-term ethical power.

Mahathir and Bosnia

What it was that in September 1993 provoked Dr Mahathir, as the host at the dinner to the British Prime Minister John Major in Kuala Lumpur, to fire at his guest a series of accusations for the approach of Great Britain and other Western states towards the tragedy in Bosnia and Herzegovina?

The entire lengthy quote is presented, as his message extends beyond the time and the actual cause: "... Let me turn to an urgent issue that weighs heavily on our minds. I refer to the ethnic cleansing in Bosnia and Herzegovina. Bosnia and Herzegovina is at Europe's very own doorstep. This brutal conflict and crisis in the post-Cold War period expose the limitations of European political cooperation as well as shame the vaunted Western advocacy of democracy, justice and human rights. I sometimes wonder if I can ever adequately express the extent of Malaysia's anguish and distress at the continued genocide and ethnic cleansing conducted by the Serbs against the Bosnian Muslims. One story is worth recounting. It is the story that caused a staff member of the U.S. State Department to resign in protest over the passivity of U.S. policy in Bosnia. It is the story of how a six years old child was repeatedly raped by Serbs in front of her mother, and the mother was not allowed to help her child for two days until she died. What kind of people are we to accept this kind

of behaviour without raising a finger to prevent its recurrence. Yet this is not the sole instance. This is being repeated hundreds of times as Serbs, and now Croats, expand their territories by force of arms.

While Malaysia can understand Britain's concern that recourse to large-scale air strikes might jeopardise the U.N. humanitarian efforts and could escalate the fighting in Bosnia as well as precipitate retaliation upon British and other U.N. soldiers, our heart cries out to the tragedy of an entire race being wiped out in total disregard for even elementary decency. Malaysians may be once again overreacting. But we cannot accept that it is right and just and democratic to sit by and watch while such brutish acts are committed.

May I take this opportunity to appeal to you, Mr Prime Minister, to reconsider Britain's position before the situation in Bosnia and Herzegovina is forever cemented in history as the blackest catastrophe of the modern world and a dark page in the annals of Europe and European civilisation. Given the British tradition of upholding respect for the rule of law and principles of international relations as well as its decisiveness, we hope and trust that your leadership in Britain and among the E.C. would bring influence to bear in meeting the challenge and putting an end to this ongoing holocaust. Eloquent speeches, noble declarations and appeals are not enough. There must be political will translated into resolute and credible action.

Already there have been several threats made against the Serbs, but when they arrogantly ignored the threats, the Europeans backed down. Only action now will correct this loss of credibility. You are sending the wrong signals to certain countries east of Yugoslavia, countries with a past history of violent acquisition of other peoples' territories."

Ten years later, at the U.S.-Asian Business Council dinner in Washington, Mahathir said: "In Bosnia and Herzegovina, more than 100,000 Muslims were massacred in full sight of TV viewers and for a long time nothing was done. Elsewhere, Muslim countries are subjected to attacks and economic sanctions resulting in many deaths from deprivations of all kinds. Because of all this there is a great deal of bitterness and anger among Muslims."

In the meantime, he never missed any opportunity, regardless of whether it was a conference of Islamic countries, seminars, international conferences, meetings with different statesmen, to rise up to that obvious example of abandonment of a people to be exterminated.

Speaking at the Oxford Centre for Islamic Studies in Oxford in 1996, Mahathir emphasised, "the misunderstanding of Islam and Muslims is such that the West naturally assumes that terrorism is a Muslim creed and is confined to Muslims". He mentioned Bosnia as the obvious evidence of such a wrong perception. Massacres and terrorism by the Christian Serbs, or any other Christians, have never been described as Christian terrorism. "Supposing", Mahathir said, "just supposing, it was the Muslim Bosnian Slaves who had the weapons and the numbers, and they were supported by Muslim countries and they had committed the atrocities. The world would be screaming 'Muslim terrorism' from the top of mountains. And Nato would have moved in and ended the independence of Bosnia and Herzegovina in no time."⁷⁸

Injustice, primeval human injustice has moved Mahathir to raise his protests from far Asia. Many times during the war when talking about Bosnia, tears followed his words. He did

⁷⁸ Mahathir Mohamad, "Islam: the Misunderstood Religion," in Hashim Makaruddin (ed.), *Islam and the Muslim Ummah*, Pelanduk Publications, 2001, p. 197

not hide, nor was it something that should be hidden, that Muslims were in danger, the followers of his faith from the far western part of the hemisphere where Islam had reached. That mutual relationship became more apparent after September 11, 2001.

In fact, Mahathir is the only Islamic or non-Islamic leader or person of global importance that has never stopped using Bosnia and Herzegovina as metaphor for crime and genocide. In the meantime events such as those in Afghanistan, September 11, and Israeli raids to eliminate the Palestinian movement, if not the whole nation, occurred. It is natural that the cause of Bosnia was forgotten by some, and others intentionally committed it to the margins of history of our time due to their involvement in its tragedy. Mahathir is among the few, still striving for the Bosnian cause. He places her in the context of new events and phenomena, as a constant for injustice implemented by the powerful over the weak.

What did this enormous support of Mahathir Mohamad meant to Bosnia and Herzegovina?

It is hard to measure statistically all the support that Malaysia extended to Bosnia. Was not the signing of the Economic and Trade Cooperation of Malaysia and Turkey with Bosnia a specific kind of support to Bosnian statehood, in particular when her statehood and sovereignty were being ripped apart? Or—wasn't a diplomatic-consular step by the Malaysian government, that is not well-known neither in Bosnia nor Malaysia, a clear sign of support? When most Islamic countries were reluctant to do anything against the former Yugoslavia whose troops entered the territory of Bosnia and Herzegovina; when Arkan's hordes started slaughtering Muslims on the banks of the River Drina; when some Arab countries from the Gulf kept representatives of the

Yugoslav military industry, and some even continued military cooperation with Belgrade; when Bosnians were kept at the Cairo Airport for hours while citizens of Serbia freely moved and entered Egypt without any problems—the Malaysian government ordered all bearers of Yugoslav passports to leave Malaysia, with the exception of those who could prove that they were from Bosnia and Herzegovina.

Malaysia broke off all relations with Yugoslavia, and in addition to Israel it is the only country with which Malaysia still does not have diplomatic relations. When the Minister of Foreign Affairs told me in 2003 that they were planning to establish diplomatic relations with the new Yugoslavia, actually Serbia and Montenegro, because of changes that had occurred there, I told him that I was sure that my country had nothing against it. Anyway, Malaysia has proved its friendship towards Bosnia in the past ten years.

Classifying the most prominent friends, statesmen, and leaders who helped Bosnia the most during the war, former President of Bosnia and Herzegovina Alija Izetbegovic stated that there were five of them: American President Clinton, Saudi Royal House, Iranian leaders, Turkish president Demirel and Malaysian Prime Minister Mahathir Mohamad. Without their help and assistance Bosnian survival would have been questionable, says Izetbegovic.

Out of those mentioned leaders, we have to give special attention to Mahathir Mohamad because he was the only one that did not have any strategic or national interest in helping Bosnia.

Mahathir and Izetbegovic developed a personal friendship and understanding, and among the Islamic intellectuals and scholars their harsh criticism of the Islamic World, delivered spontaneously and at the same OIC Summit in Tehran 1997, drew great attention.

On different occasions Mahathir has visited Bosnia and Herzegovina. For the first time it was in the 1980s, when beside an official visit he had some time to see the country. The then Malaysian Ambassador in Belgrade, Datin Zaibeida Haji Ahmad says that they immediately fell in love with Sarajevo. Prior to the end of hostilities he had the opportunity partly to experienced winds of war. I was told by Ku Jaafar Ku Shaari, now Under Secretary in the Ministry of Foreign Affairs, how Mahathir was disappointed not being able to enter the besieged city of Sarajevo. He had to stay in Zagreb, Croatia, waiting to meet the Bosnian leaders. During his last visit to Bosnia in October 2000, he had a lecture to deliver at Sarajevo University. I still remember his clear picture of injustice of today's world and a special message to the attending professors and intellectuals: "We have many things in common, Malaysia has a lot to learn from Bosnia, as well as Bosnia from Malaysia."

In a lecture on ethnic relations given at Universiti Sains Malaysia in Penang, I recalled that Mahathir's sentence from Sarajevo and tried to compare two multiethnic and multireligious countries. I found out many figurative and amazing similarities. However, I stopped on spot where Malaysia overcame tensions of differences and utilised them as capital for economic betterment, while Bosnia and Herzegovina became the victim of wider ethnic tensions and ambitions. I am not aware how Mahathir perceived the difference between the plan of the Malayan Union, which the British attempted to impose on the Malays, and the Dayton Peace Agreement imposed on Bosnia and Herzegovina. We in Bosnia were aware of the dangers of Dayton for Bosnia's future, but that awareness was not sufficient to resist it, while the Malays had better circumstances and unity, by which they forced the British to abandon the idea of a Malayan Union.

One young paediatrician who previously lived with her family in Malaysia remembers Mahathir's last visit to Sarajevo by one special detail. In a Dobrinja School, Mahathir and his wife Dr Siti Hasmah sat in the first row, while the children on the stage sang a song whose title was "Let war not happen again". "We all know, she said, "how much he helped Bosnia"

Although it is very difficult to find exact figures in official documents about Malaysian assistance to Bosnia and Herzegovina, it was revealed that it could amount to around RM1 billion, which, taking into account currency exchange fluctuations, could be US\$400 million.

Malaysia and its Prime Minister are very much present and very popular in Bosnia. An illustration that I often use in Malaysia is a fragment from the interview with a famous cultural enthusiast from Tesanj and Bosnian poet Amir Brka. Responding to the question which book he would recommend to Bosnian politicians, he said, "Mahathir Mohamad's *A New Deal for Asia*."

I like also to mention to my Malaysian friends the Malaysian Ambassador Zakariah Sulong, who is well known even to the children in Bosnian schools which he opened after they were reconstructed by Malaysian donations.

Many witnessed that the Bosnian war was experienced in Malaysia as a their own tragedy. Only the tragedy of Palestine, which has lasted for decades, could be compared to Bosnia. All layers of society ranging from Prime Minister Mahathir and then Foreign Minister Abdullah Ahmad Badawi to Chinese parliamentarians and intellectuals were included in wide circles of support and campaigns for help and assistance to Bosnia.

When the Malaysian government decided to find a more appropriate place for the Bosnian embassy than it was with the one in Damansara, Abdullah recommended the house "next to

his residence" on Bukit Petaling, the hill with deep shadows of hundred-year-old trees, above the King's palace Istana Negara. It is a building of modest interior, but with a huge garden surrounded by high cocoa palms, some tropical locust trees, mangoes and bananas. It was built during the British times for a big family. When the Japanese occupied Malaysia they found some high-ranking British military officers, which were executed at once. Later on Syed Albar Jaffar, a veteran of the Malaysian independence and father of Syed Hamid Albar, current Malaysian Foreign Minister, lived in that house. The latter often asks me about the house of "his childhood".

There are many written records of Malaysian assistance to Bosnia and Herzegovina.

Malaysian social scientist Professor Dr Chandra Muzaffar wrote in June 1992 that Bosnia is "a challenge to the conscience of Europe" and he connects relations between ambition for the development of "a greater Israel" and a "greater Serbia", or "Serbian chauvinism" with its "champion Slobodan Milosevic". He offers seven reasons why Europe should intervene in Bosnia and Herzegovina, since Europe itself experienced ethnic cleansing. In his essays, he criticises Cyrus Vance-Lord Owen's Plan, whose goal was to organise Bosnia, "seized throughout one of the most brutal pogroms in recent history", according to the wishes of Serbia and Croatia. He was of the opinion that Europe possessed the means by which it could have prevented the Bosnian tragedy, but he doubted their intentions to do it. "Europe does not want a Muslim majority state or even a state with a huge Muslim minority right in its midst."⁷⁹

In Kuala Lumpur, many books devoted to Bosnia and Herzegovina, such as *Testament to War Crimes* and *Malaysian*

⁷⁹ Chandra Muzaffar, *Human Rights and the New World Order*, Just World Trust, Kuala Lumpur, 1993, pp. 119-130

*Tigers in Bosnia*⁸⁰ about Malaysian soldiers who were part of the U.N. peace forces, were published. Even today, when some of the former Malaysian soldiers who served in Bosnia are very anxious to see some Bosnians in Malaysia. For instance, Ahmad, a taxi driver from Langkawi still carries his best memories from Konjic, although he was there during difficult war times. Or Dato' Beh Heng Seong, the Chinese from Alor Setar who praised his involvement in advocating Bosnian interests in the U.N. Or one tall Malaysian-Indian police officer, when hearing Bosnian language, greeted us in the middle of Seremban by loudly saying "Dobro vecer" ("Good evening" in Bosnian). Rohd Zahnda bint Ramlia, daughter of one of two Malaysian soldiers who were killed while serving in Bosnia under the U.N. flag, came to Bosnia during an international event "Children, pillars of the World", as a guest of the NGO "Fatma".

Prayers for the Bosnian Muslims were recited in mosques all over Malaysia, especially during Friday prayers. In the Petronas Art Gallery an exhibition "ISU Bosnia" was held. Sculptures and paintings about Bosnia were exhibited. Prior to his appointment as Reis ul-Ulema (Head of the Islamic Community of Bosnia and Herzegovina) Dr Mustafa Ceric represented Bosnia and Herzegovina in Malaysia, and during that time, many activities in support of Bosnia were initiated. As a lecturer at the International Islamic University, he assisted in awarding scholarships for the first groups of Bosnian students at the faculties of economics, engineering, political science. Dr Fikret Karcic, currently professor at the Law Faculty of the Sarajevo University, and the Faculty of Islamic Sciences gained great respect at the International

⁸⁰ Alija Gordon, *Bosnia: Testament to War Crimes*, Malaysian Sociological Research JUST, Kuala Lumpur, 1993, and Hashim Hussein, *Malaysian Tigers in Bosnia*, Berita Publishing, Kuala Lumpur, 1996

Islamic University in Kuala Lumpur as an expert on Islamic Jurisprudence.

Discussing with Marina Mahathir, president of the Malaysian Council for AIDS for ten years already, I was especially interested in finding out what intrigued her that she mentioned Bosnia eight times in her book, *In Liberal Doses*. She said: "Before the war, nobody in Malaysia, including myself knew nothing about Bosnia, especially about existence of Muslims there. I was also unaware of Muslims existence in Russia, which even inhabit entire states. And then, we started to follow up the events in Bosnia. I felt that one nation was attacked just because it wanted to become something different, to live. Therefore, I was not inspired by religion, but by the issues of the freedom and choice. I continued to follow, support... Later on, I met some Bosnian refugees, and I noticed that they are somehow different Muslims than we are. I found out that our rules and dress codes were being imposed on them. They asked Bosnian ladies to abide by Islamic dress code. I wondered how is it possible to impose on them our customs".

I noticed, "You wrote how Bosnian events had an impact on you to 'put in perspective' many things".

"Yes, it happened when I met Dr Mustafa Ceric, the Bosnian representative in Malaysia and he made me realise how small most of my problems are." In one column I asked myself: "How I can worry about a fridge when the people of Sarajevo are worrying about whether they will be hit by a next Serbian missile? What meaning is there in worrying about my daughter's piano lessons when Bosnian people have had their wives, sisters and daughters kidnapped, raped and murdered? How can I get depressed about my gray hair when people in Bosnia are so despairing that some of them just wish they could die? We watched a video that, although I think, it

spared us the most graphic details still managed to shock. It stunned us into silence in fact. Here we are in our safe sunny land and on the other side of this very small world, people live in indescribable terror."

In 1996, Mohd Najib Tun Razak, the current Minister of Defence, wrote *For the Sake of Peace: An Illustrative Account of Malaysia's Efforts towards Peace in Bosnia*. The book was launched by Datin Seri Dr Siti Hasmah. Reputable Chinese intellectual and businessman, Lim Kok Wing, owner and president of Limkokwing University College, has been showing that the special understanding towards the Bosnian tragedy was not the exclusivity of Malays. In 1995, he published a book about the Bosnian tragedy, titled *Bosnia: Beyond Words, Beyond Tears*.⁸¹ Together with the book, a videocassette was also issued under the same title.

Malaysia was ready to accept large number of refugees from Bosnia and Herzegovina during the war, but due to the far distance between Malaysia and Bosnia, just around 300 arrived. For ten years, they enjoyed special benefits that the Malaysian government offered for them. Currently, they are just fifty of them working mainly in restaurants or Malaysian firms.

During my visit to Sarawak, I found out the consequences of the scope of Bosnian exile, and what kind of unusual beneficence and hospitality they received. There, on the north of the Borneo, under a tropical sun, close to the Indonesian mountains and jungle in which still indigenous people (*orang asli*) live, fifty Bosnians found a refuge and a warm place of living. Laila Abdul Taib received and placed them on the premises of the Foundation for Assistance to Children. She also found appropriate jobs for them, and their

⁸¹ Lim Kok Wing, *Bosnia: Beyond Words, Beyond Tears*, Limkokwing Institute, Kuala Lumpur, 1995

children were enrolled in Malay schools. I asked her husband Tan Sri Dr Haji Abdul Taib, a powerful longstanding Menteri Besar, Chief Minister of Sarawak, how did it happen that his family asked to take care of Bosnian refugees? He answered: "Apart from general support to Bosnia that Malaysia took over after seeing the first pictures of the Bosnian tragedy, we were also influenced by a private family motive." During his studies in Australia, 40 years ago, he met his future wife Laila, an immigrant from Poland, who was of Turkish ancestry. When they decided to get married, Bosnian Imam Skaka led the wedding ceremony. Later on, they became friends, and from then "date our special ties with Bosnia."

Out of around hundred of Bosnians that live and work in Malaysia, Zicrija Catovic-Zek is one that cannot be ignored. Mahathir used to go to his restaurant in Bukit Bintang, the most crowded shopping area and promenade in Kuala Lumpur. Zek managed to open ten restaurants, with colourful names, such as "Piccolo Mondo" or "Deutsche House". But there is no name or any sign of Bosnia. Many Bosnian refugees tried to copy him by opening small "pizzerias", although they have never been to Italy. The newly opened "Turkish" restaurant "Saray", next to the Sheraton Imperial became very popular after a Bosnian, Edhem Foco & CO opened it. Mahathir had already a popular Bosnian coffee there.

Even today Bosnia is present in Malaysia in a special way. When Bosnia is mentioned, the hearts and eyes of many Malaysians become filled with special feelings. They remember Bosnia as a symbol of tragedy and struggle. When I stopped in nearby Ipoh to buy some *rambutan*, a hairy tropical fruit, a young boy asked me where I come from. I told him that I was from Bosnia and asked him whether he knew where Bosnia is? He answered, clearly pronouncing every letter: "Of

course, I know Bosnia and Herzegovina is in Europe. There was a huge war against Muslims."

The answer is characteristic of the current understanding of Bosnia in Malaysia. Little is known about Bosnia today. On one side it is a natural consequence of the destruction of Bosnia's economy, which was not able to get contracts in Malaysia and other South Asian states, as it used to happen before. Only Energoinvest, which has been present in Malaysia over 30 years, managed to survive by constructing electric substations. Hidrogradnja also participated in building a bridge in Sarawak. That is almost the complete engagement of Bosnian companies in Malaysia, beside some minor trade activities. Many agreements were signed, and numerous delegations paid visits in both directions. Mahathir encouraged Malaysian businessmen to award contracts to Bosnia Herzegovina. He was especially interested in cooperation in the field of energy and military industry. He uses to say: "If Bosnians can do it, give it to them." He used to send to Bosnia and Herzegovina his special envoy Tengku Adnan Tengku Mansor, Minister in Prime Ministers Department, who closely follows "the Bosnian file".

The Malaysian company, Bumi-HIWAY and the Mayor of Ilidza Municipality, Husein Mahmutovic have been, for four years, trying to start the construction of a huge residential and recreational complex "Riverina". The project, similar to many resorts in Malaysia, should contribute to the economic prosperity of the region, and the Southern entrance to Sarajevo.

Another modest Malaysian Chinese businessman, Foo Say Kuan, is setting an example to attract bigger Malaysian investors in Bosnia. He started by building a small mineral water factory near Tuzla. Unfortunately, attempt by the Malaysian banking sector have failed to successfully penetrate

into the Bosnian financial market. Since they failed to get any profit in four years, shareholders of the International Commercial Bank, including ex-Finance Minister Tun Daim Zainuddin, decided to close its branch in Sarajevo.

Despite Mahathir's advice, there is no significant enthusiasm in Malaysia for the business in Bosnia. It is expected for a year the Federation of the Malaysian Trade and Industry chambers to reply to a proposal by the Bosnian Foreign Trade Chamber for signing a cooperation agreement. In the meantime, Dato' Esa Mohamed, a well-known Malaysian architect and one of the designers of the Kuala Lumpur International Airport (KLIA), organised a small presentation of the Bosnian business opportunities. But he was moved by a sentimental, as much as by business motives. Namely, his family is half Bosnian. While studying in Australia, he married a blond student, Seniya, from the old Bosnian diaspora family Suljic.

Perhaps Bosmal, currently constructing the tallest business-residential centre in Southeast Europe, in the part of Sarajevo called Hrasno, is the best formula, which would encourage future business cooperation between Bosnia and Malaysia. Bosmal is more than a traditional joint venture established thanks to the loan from Bank Islam Malaysia. It is a sort of pilot programme, aimed to attract more Malaysian and other investors to Bosnia and Herzegovina. It is also engaged in efforts to start building the US\$2.5 billion highway through Bosnia and Herzegovina, Corridor C5, to connect the central Europe with the Adriatic Sea. The project had the initial support of the Malaysian government. If successful, it would also contribute to the transfer of a dynamic and practical Malaysian business spirit on Bosnian soil.

In Alor Setar, the capital of Kedah, where together with Menteri Besar Syed Razak I met members of the state government and assembly, businessmen, party representatives and political veterans. I said to them: "I know two persons from Kedah who are in a special way connected to Bosnia. You all know the first one, and that is your beloved fellow citizen, Prime Minister Mahathir Mohamad. The second one is Haji Hassan Jamaluddin, who some of you remember from Sultan Abdul Hamid College. He is involved in the first Malaysian investments in Bosnia. I hope that other business people from Kedah and Malaysia would follow his example."

An Attack on the Asian Dream

It is best to hear from an Asian leader who tackled a brutal attack on "the Asian dream" a kind of sudden change Malaysia and most of Asia experienced in 1997. Mahathir Mohamad, in *A New Deal for Asia*, says: "But in the early 1990s, Asia had witnessed a fundamental cultural shift. We still know that there are many fine things in 'the West' and that the process of learning from 'the West' would not come to an end soon. But we had also discovered many invaluable things in our own values and traditions and in the values and traditions of Asia. In East Asia, we have discovered a great deal from the centuries of Western dominance. The much-needed sense of self-worth had to a large extent been restored to whole peoples who had lost their self-respect. For the first time in centuries, all of East Asia was confident, with a sense of empowerment, aware of its own potentials and possibilities. This *was* a new Asia. The End of an Era?"

And then he continues: "Had this book been written before July 1997, its tone, and particularly many of the conclusions, would have sounded very different. The present chapter describing the Asian rise from economic

backwardness to relative prosperity would have ended on an upbeat note with visions for the future and an optimistic, even triumphant, outlook. Now, writing about the mechanisms behind Asia's road to prosperity, it is almost as if a ghost were haunting each paragraph and page, whispering quietly '... until the summer of 1997'. Looking back at what we did achieve in Asia over the last three decades, my heart naturally aches to see how swiftly and brutally this could be destroyed. The end of an era of Asian pride and newly won self-esteem came abruptly. We cannot move on without knowing why this happened. We cannot regain our faith in the future or return to the vision for a new millennium unless we discover how to defend ourselves against the forces of sudden economic ambush.⁸²

Everybody had thought that "the 1990s had been a period of relative political and economic stability throughout Southeast Asia"⁸³ But suddenly the situation had changed. What happened?

In the summer of 1997, under the pressure of currency traders, the Thai government abandoned the peg of the country's currency, the bath to the U.S. dollar, and on July 2, the baht already collapsed. It triggered serious depreciations in neighbouring countries. The Thai government was simply powerless and unable to "to stem the tide" which was to spread through the entire region in the following months. The Malaysian government lent Thailand a considerable sum of money to help stabilise their economy and support the bath. "We were helping a neighbour in need", Mahathir says, "but we also realised that this would be in our own interest as well, since a devaluated bath would make their products more competitive on the international markets. As it turned out,

⁸² Mahathir Mohamad, *A New Deal for Asia*, pp. 45-64

⁸³ Ian Stewart, *The Mahathir Legacy*, Allen & Unwin, Australia, 2003, p. 3

neither our help nor the assistance of other governments had any discernible effect on the value of their currency." The devaluation of the Thai currency continued, and the billions of dollars, including Malaysian's, spent intervening were "virtually wasted."

Malaysians felt that their country would soon become one of the "next targets for currency sell-offs." According to the "contagion theory"—as a part of what Mahathir calls the "theology of currency trading"—if one economy is adversely affected, this will naturally spill over and damage the surrounding countries. It was expected that the devaluated Thai currency would make Thailand more competitive than Malaysia and this would erode Malaysia's trade. The same would happen to Indonesia and Philippines. It was even suggested that factories in these three countries would close down because the Thais would render them, uncompetitive and redundant, unless the other Asian countries also devaluated.

In the economic circles it was said that a "loss of confidence" in the East Asian economies "fuelled the wildfire". The term "investors confidence" Mahathir also included in the "currency theology". It already scattered seeds of doubt in the real intentions of currency traders and the international financial institutions. However, until June 1997, most of the world seemed to be quite confident in the Asian economies and their ability to continue along a sound growth path. Only few months before the crisis, the annual *World Competitiveness Yearbook*, issued by the American International Institute for Management Development (IMD) wrote that Malaysia had some economic problems, some even serious. But on the basis of the "overall evaluation of the strength of the domestic economy at the macro level", Malaysia was the second most competitive country in the world. At first place was the U.S.,

at third was Singapore, and at number four was Luxembourg. And only two weeks before the collapse of the Thai bath, Michel Camdessus, Managing Director of the IMF [International Monetary Fund], praised Malaysia for its "sound economic management."

Malaysia has already undertaken some measures to overcome those "serious problems". Responding to complaints that it was growing too fast, Malaysia brought its rate down substantially. The current-account deficit was halved. Everything was done with the satisfaction of the IMF, which even was recommending Malaysia to investors as an economy that "justifies the confidence of the markets."

After such remarks, very few people, if any, could imagine that what started as a currency crisis, "would trigger such a profound economic crisis across the region."

The IMF came in with a US\$17 billion "rescue package", in which the U.S. did not participate actively. But that did not stop the crisis. The Malaysian ringgit lost about 40 per cent of its value in six months. In other countries situation was even worse. The Thai baht lost 55 per cent, while the Indonesian rupiah lost over 80 per cent. Purchasing power in the region of US\$700 to 800 billion has been lost. Income per-capita was cut to 50 per cent. The Indonesian GDP reduced to a one-sixth of what it was before the crisis.

Since all these calculations were in U.S. dollars, the man in the street could ask—what Mahathir says—"is his or her living standard really affected" by currency fluctuations? Actually, when a currency is depreciated, its purchasing power is reduced, and since all countries have to import goods, foods and services they will not be able to sustain the standards of living they had reached. In the case of Malaysia's devaluation of the ringgit by 40 per cent is equal to a reduction of per-capita income from US\$5,000 to US\$3,000. In total GDP

terms this amount to about US\$40 billion yearly. At the same time more than US\$100 billion were wiped out from the Malaysian stock market. Altogether, Malaysia lost US\$140 billion in one year. Other regional countries had less money to buy goods and raw materials within the global market, and at the same time they had to pay much more to their international creditors. Thus, "a double blow" had been dealt to stability of these economies.

Stock markets in the region also started to go downward spirals, while investors had huge losses. The Kuala Lumpur Stock Exchange (KLSE), the largest bourse in Southeast Asia lost 63 per cent of its value in just a year. The government and the various funds were trying to stop declining stock prices. But it gave no results. Foreign exchange deals that were not directly linked to trade were limited to US\$2 million. For a short time, currency manipulators were stopped, but then, they started to offer shares with no value in order to get ringgit. In this case, they sold shares that they actually did not possess, with the intention to depress prices, so that they can buy real shares and resell them again.

"A spree of shortselling began", writes Mahathir, "as major market players smelt blood. They had to go for profits mercilessly, no matter the overall effect. Of course, the stock index continued to plunge. In all of 1997, it seemed to know only one direction: down."

The currency and stock market traders earned enormous amounts of money from their impoverishment of those Southeast Asian countries. But it was still a fraction of the total loss suffered by the countries attacked. At the same time, the rest of the world lost a good size of the potential market for their product, so they were also affected by the crisis.

Contrary to previous positive reports, the governments of East Asia, which until then had been praised for performing

economic miracles, were now blamed for the depreciation in the value of their currencies and the consequences. They were accused of losing investors' confidence, because they had engineered unsustainable levels of growth, their external payment deficits were too high, and they allowed their banking sector to be overexposed too much to property and land speculation.

Mahathir admits that Malaysia and other countries of the Southeast Asia were guilty of some of those things, but not all. Malaysia had a substantial deficit in the balance of payment, but it had already improved when the crisis set in. Some projects of infrastructure and development of Malaysia, by critics called "mega projects", were indeed huge, but the experience showed that they could be solved. He does not deny that there has not been no cronyism or corruption in Asia, as they exist in many Western countries. What Mahathir cannot comprehend is "how you can one day praise the East Asian economies for their sound economic fundamentals and sensible government policies, and then the next day condemn the very same systems as rotten to the core?"

There were some people in Asia, including Mahathir, who believed that the West actually engineered the currency crisis, as a new form of "economic gunboat diplomacy". Some were even talking about a conspiracy aimed at weakening the "Asian dragons and tigers". Western powers were frequently using "gunboat diplomacy" in Asia. During the Opium War of 1842, the British defeated the Chinese and forced them to hand over Hong Kong.

Motives behind attempts by Western powers and investors to "conspire to topple Asia" could be found in the spread at which Asia was growing, so that the region appeared to be on its way to dominate the world economically. Asia was perceived as a potential threat to Western hegemony. A major

geo-economic and, with the emergence of China as a world power, also "geopolitical shift were changing the status quo."

Mahathir himself alluded few times that the West would not want to see a whole array of "Little Japans" across the region to endanger its economic superiority in the world. He came out with that term first time in 1984 in New York, when he said: "Having seen Japan's economic miracle, fear was expressed that the developing countries would become Little Japans, flooding the world markets with competitive products and displacing traditional suppliers of manufactured goods." That is way the Western media portrayed Mahathir as one of the main proponents of the "conspiracy theory", and some have even tried to describe him as "a leader whose vision is clouded by paranoia and xenophobia."

In the summer and autumn of 1997 Mahathir's verbal counterattacks at currency traders were "played up" by the media and they said, "Every time Mahathir speaks, the market falls." And he replied: "The right of an elected leader of a sovereign nation to defend his country with words, and not with weapons, was ignored."

One well known personae from the financial business was mainly involved in those attacks and counterattacks that Mahathir refers to. Since it is about George Soros, I would recommend to all those who have special sympathies for this man, to skip the following few paragraphs.

Soros is very popular in the East European countries of transition, including Bosnia and Herzegovina, because of his Open Society. Many have had, and are still having a lot of benefits from his philanthropic investments in different projects through the Open Society. Perhaps beneficiaries of those projects would not like to be reminded about his role in the Asian currency crisis of 1997. They might think that he

was trying to bail himself out with his cultural mission in Eastern Europe for the activities in Eastern Asia.

With a reason to resent currency traders, the Prime Minister of Malaysia attacked just the most involved among them, Soros. He named that American businessman of Hungarian ancestry "moron" and described him as "the mastermind of a vast conspiracy of speculators determined to make billions at the expense of the countries and peoples of Southeast Asia."⁸⁴

Soros had gained fame with his billion-dollar profit from speculating against the sterling. Later on he would publicly opposed Burma's admission to Asean because the ruling military junta was a "totalitarian and repressive regime." Mahathir accused him, that by driving down their currencies, he is taking revenge against Malaysia and Thailand, because of their support for Burma's admission to Asean. Soros replied in the *New Straits Times*, Malaysia's leading English-language newspaper, "that he would not dream of engaging in currency speculations for political purposes, and in that summer of 1997 he sold only ten million Thai baht.

It is interesting to mention that two prominent scholars, Jeffrey D. Sachs, Director of the Harvard Institute for International Development (HIID) and Paul Krugman, Professor of Economics at the Massachusetts Institute of Technology (MIT), were also included in the debate on the Asian "economic miracle". Sachs praised the impressive economic development of Southeast Asian countries, while Krugman was more pessimistic. He thought it "incredible that neither governments nor investors in Asia had taken a leaf from the Latin American crisis that engulfed the region in late 1994". But when the crises occurred he offered them advice: "Objectively, there is no reason why the ongoing crisis should

⁸⁴ Stewart, *The Mahathir Legacy*, p. 38

be deep or long lasting. If the region's leaders are modest and realistic, they should be able to regain investor confidence fairly soon, though growth rates will be relatively smaller." But he warn them "if modesty and realism do not prevail—in particular if hurt pride leads Asian leaders into a hysterical search for scapegoats like Soros—full recovery may be a long time coming."⁸⁵

Krugman expressed these remarks just a few days after a dramatic meeting of the IMF and World Bank in Hong Kong in mid-September 1997. During this meeting Mahathir and Soros had a very heated discussion. Calling for a ban on currency trading—to the consternation of the élite audience of bankers and analysts—Mahathir then added: "I am saying that currency trading is unnecessary, unproductive and immoral. ... You have nothing to fear from the prosperity and well-being of Asians. You have everything to gain, for our prosperity will contribute to your prosperity and the prosperity of the rest of the world."

Soros replayed by saying that Mahathir was a "menace" to his own country, and that his suggestion of a ban on currency trading was "unworthy of serious consideration." However, he agreed with Mahathir that "that we live in a global economy" but he warned that "such globalisation is not limited to the free movement of goods and services, but above all, the free movement of capital and ideas." Following his old habit, Soros also gave them a lecture on democracy in the style that "autocratic regimes which restrict free speech and foster corruption cannot last forever." At the end he also accused Mahathir of making him a scapegoat to cover up the Malaysian government's shortcomings.

⁸⁵ Ranjit Gill, *Black September: Nationalistic Ego, Indifference, and Greed Throw Southeast Asia's Equity and Financial Markets into Turmoil, Epic Management*, Singapore, 1997, p. 110

By understanding that his appeal "to regulate the activities of currency speculators to protect developing countries", was "merely a voice in the wilderness". Becoming aware that those speaking in favour of "globalisation, deregulation and liberalisation" are not taking his remarks seriously, Mahathir returned to Kuala Lumpur very disappointed. He said later, "My government and I decided to take the bull by the horns and work out a solution of our own."

What was that solution consisted of?

One year after the beginning of the crisis Malaysia decided to regain control of the flows of finance, mainly through two measures: pegging the ringgit to the U.S. dollar and calling back ringgit deposits from abroad. In that way the internalising of our country's total assets was done.

Some new regulations were imposed on the KLSE, in order to avoid the damaging effect of shortselling and to enforce a larger degree of transparency in the dealing stock brokers. According to those decisions, stock purchases made in Malaysia must have been held in Malaysia for at least a year before they could be sold again.

Although not often publicly mentioned Daim Zainuddin, now "only" an adviser to the government, was again the one who assisted Mahathir in preparing a defense strategy. One of the first attributes of a good leader is to choose the right associate at the right time. Tun Daim "was there" when Mahathir needed him most, in two of the most critical periods of the Malaysian economy.

The Malaysian government's measures created ripples, both in financial circles and in the media, since they "flew in the face of conventional procedures. It is interesting to note that previously very critical, professor Krugman now argued that "extreme measures might be needed for extreme times".

Malaysia's returning to fixed exchange rates and protection from fluctuation were actually those "extreme measures".

And what was outside prescriptions of the IMF for dealing with exchange-rate volatility, not workable for Malaysia: increasing interest rates, stifling credit, balancing the budget, imposing higher taxes? What Malaysia needed was to develop a way of using a fixed exchange rate for just one country, irrespective of whether other countries would follow suit or not. And the only viable answer was in internalising the ringgit and rendering it worthless outside the country. It meant only people operating business within Malaysia needed to accept the exchange rate fixed by the Malaysian government. Solution was not imposed on the other parties. Outside of Malaysia other currencies would be used and foreign trade would be conducted completely in other currencies.

In order to keep the ringgit in the country, the Malaysian government first offered higher interest rates. But it was not effective. Massive failures loomed, threatening to leave successful firms ripe for the plucking by foreigners. With rock-bottom share prices and a devalued ringgit, foreigners "could literally snap up Malaysian companies for a song." The government insisted that foreign shares in local companies be limited to a certain percentage only. The pressure against the and the share prices was kept up in order to force Malaysia to seek IMF help and be subjected to the market-opening conditions imposed by it.

By making the ringgit legal tender only within Malaysia, the government regained control of the exchange rate. The exchange rate against the U.S. dollar was fixed at 3.80 ringgit, while the rate against other currencies depend on their cross rates against the U.S. dollar. At the stock market action was taken to make trading in shares more transparent. The

operation of illegal share markets was stopped and the shares started to return to the KLSE.

With the ringgit rendered valueless outside Malaysia, offshore ringgit has been forced to return and circulate within the country. Much of the liquidity problem has been resolved as billions of offshore ringgit returned to the country.

That was the "magic formula" with which Mahathir and his government brought back confidence in domestic currency. It gave first results very soon: the economy was recovering, currency reserves increased, and balance of payments was positive.

Many riddles of that "magic formula" will remain unknown for years. Tun Daim Zainuddin in 2003 spend most time at Cambridge, preparing his thesis on the 1997 Asian Crisis. During one of his short visits to Kuala Lumpur I met him and got a clear picture of how Malaysia resisted currency attacks. I was especially interested in the role of Mahathir, and the role of the "individual" in the modern Malaysian history.

"Yes, it is important role. However, that individual must be strong and must have a vision. He must know what he wants and then must have the team, which will implement that vision. Those are condition for success."

Answering the question whether Mahathir Mohamad possessed those attributes, which had to be expressed under the Malaysian inherited conditions, Tun Daim says: "Yes, and there lays his power. He was continuously finding new ways to achieve his vision."

Commenting on my remark that they two complemented each other, working along the same line and programme, he said: "Yes, but there is one very clear difference: Mahathir had a vision, and I was the one executing it."

Summing up the events in that brave and risky battle with currency crisis, Mahathir wrote: "I do not believe there was a

conspiracy against East Asian nations, at least not in the conventional sense of the word. But obviously their troubles have afforded an opportunity to force upon their economies and allow domination by more powerful nations. Currency traders did not work in concert, nor did they put their heads together to consciously impoverish countries. But they did, and do, behave like herds. When one of the more influential members of this herd swings in one direction, the rest will follow. The effect is not unlike acting in concert."

And summing up his relation with Soros, After finding a successful solution of the crisis, and not having his back to the wall as it happened in Hong Kong, Mahathir was also calmly summing up his relation towards Soros: "I have criticised American financier George Soros on several occasions for his role in the currency devaluations. This was never meant as an attack on the person as such, but Soros was one of most outspoken currency traders and probably the world's most influential. Traders like him have an enormous responsibility since their very words can influence the livelihood of millions of people. Unfortunately, this responsibility is never acknowledged, and people who dare speak up and question the influence of currency traders are held up as heretics."

Mahathir did not change his view on Soros, even after five years. When he heard that Soros was convicted in Paris, at the end of 2002, for using privileged information to speculate in shares, he said: "I can never forgive him, though he now says that what I did was right. I can never forgive him because he created misery for 40 million people. They were already poor and he made them poorer. He made money, gave a few cents for charity and he was called a great philanthropist. Robin Hood stole money from the rich to give to the poor. That's fine. Soros stole money from the poor, took it all for himself

and then gave a few cents to poor people. That's not a philanthropist. That's not even a Robin Hood."

Mahathir, therefore, thinks that there was no open conspiracy, but from the Malaysian experience he understood that "a system has been created in which greed rules and where the value of money ranks higher than the value of human lives and human welfare."

The Rise and Fall of the "Crown Prince"

On Monday evening, September 21, 1998, at Merdeka Stadium where the Malaysian independence was proclaimed, the 16th Commonwealth Games were closing by marching sportsmen from forty countries, fluttering dances of Perlis girls, fanfares and drums from Borneo. Together with the Malaysian monarch Yang di-Pertuan Agong Tuanku Ja'afar, Queen Elizabeth II, her son Prince Edward as the Commonwealth Games Federation president, Prime Minister Mahathir Mohamad and Dr Siti Hasmah was standing there, in the VIP lounge.

What Mahathir Mohamad was thinking about at that moment? A year or two earlier, when the Games were being prepared, and the very same scenario of this event was already known, Malaysia was in the state of prosperity and peace, and it was one of the most successful "Asian tigers". However, during the past few months, a blaze of the economic crisis caused by currency attack was still on. During the past ten days, the police chased demonstrators, who were demanding a change of government and shouting slogans against the Prime Minister in the streets and parks of Kuala Lumpur. And just the day before, Anwar Ibrahim, the official successor of the Prime Minister was arrested in spectacular way in front of TV cameras.

What possibly could Mahathir have been thinking about? It was good that the games ended, and that the closing ceremony was going smoothly, as nothing was happening. However, there must have been some heavy tension in the air over *Merdeka* during that tropical and humid night.

Mahathir at the same time had fought two more harsh battles of his political career. Even if he was satisfied by Malaysia's recovery from economic collapse, the end of conflict with his deputy must have been full of bitterness that he will carry for the rest of his life.

The battle on two fronts, with foreign financial forces and inner struggle for power, which even passed on to the streets and masses, made Mahathir's position even more complicated.

One of the best analysts of those difficult one-two years, Ian Stewart, summarises the relationship between the Prime Minister of Malaysia and its "second man": "It appeared to be a perfect union, before the explosive rupture and extraordinary events that put one of the partners behind bars. The nation's leader, a pragmatic and respected visionary, had taken under his wing a charismatic younger man with an outstanding intellect and new-generation approach which, it was believed, would enable him to meet challenges of the future while building on the gains of the past, when the time came for him to succeed his mentor. Throughout Asia and the world, the partnership of the Malaysian Prime Minister, Dr Mahathir Mohamad, and the Deputy Prime Minister, Anwar Ibrahim, was acclaimed as an example for less well led countries in the region. It marked Malaysia as a politically stable nation with a settled line of succession. Then, suddenly, in the middle of 1998, the situation changed dramatically."⁸⁶

What made Mahathir and Anwar look similar in their youth was that both were rebellious against the leading

⁸⁶ Stewart, *The Mahathir Legacy*, p. 11

establishment of the state and UMNO. Besides the age difference of 22 years, they had many other differences as well. Anwar was an "impatient leader-in-waiting", a "scheming prince who coveted the crown of the ruler while constantly proclaiming his loyalty". He used to say that he did not have any problems with Mahathir, and that he looked at him as "a leader and father".

Anwar was raised in the intellectual surroundings of his family in Penang. He was educated in English and he 'fell in love' with the English language and world literature. At the University of Malaya, he became popular as an advocate of Malay nationalism and Islamic fundamentalism. He established the Islamic Youth Movement of Malaysia, known as ABIM, through which Islam has been promoted as way of living, and extended spiritual and material support to Malays of modest abilities. From the beginning, *dakwah*, a missionary role of ABIM was part of a politically led programme of activities against the ruling establishment, which was inspired by Anwar himself. In 1974 he was arrested under the Internal Security Act (ISA), because of organising demonstrations of farmers. After coming out of jail, two years later, he tied himself with PAS, and supported its division with Barisan Nasional and departure to opposition. Surprising his friends, in 1982, he accepts the invitation of the then Prime Minister Mahathir to join UMNO. During elections of that year he won a seat in Parliament.

That move showed Mahathir's skills in political maneuvering, because he succeeded in attracting a radical rebel into his camp, and weakened ABIM. Anwar was not accepted with sympathies in circles of the government and coalition, Barisan Nasional. Many Chinese had regarded his Malay Muslim radicalism as a threat to racial harmony, viewed the "new Anwar" with suspicion. Intellectuals and

businessmen viewed the "new Anwar" with suspicion. They were not satisfied because they remembered when Anwar smashed English signs at the University of Malaya and established friendship ties with leaders of the most conservative Islamic countries.

Anwar, however, quickly tried to correct his image of a militant radical nationalist and Islamist. Using his oratory skills, his addresses were filled with multiethnic themes, and full of quoting Confucius, Indian scholars and Philippine revolutionary heroes. He succeeded in gaining control of a few newspapers and TV stations. One journalist then wrote that Anwar had joined UMNO to change the system from within, but instead the system had changed Anwar.

However, time has showed that Anwar stayed true to his ideas from youth, and that he continued to use religion as a mean for political aims. While presenting himself to the friends in the West as moderate politician and intellectual who respects Western values, he used his old fame of Islamic radical to gain sympathies of conservative circles with an aim to kick Mahathir out of the saddle. His followers perceived him as a traditionalist, who wanted to make Malaysia more Islamic. Even after his arrest, to such young Muslims, he became what Che Guevara was to left-wing revolutionaries. He was also portrayed not only as a martyr, but also as the "epitome of Islamic piety". His wife Datin Sri Dr Wan Azizah Wan Ismail took over his leadership in the National Justice Party, and she actively engaged herself in opposition, together with the PAS party.

As a difference to Mahathir, who was struggling to correct discrimination against women in Syariah Court rulings, Anwar had the support of religious authorities. Mahathir was berated by *ulamas* in mosques as an apostate, especially in

states Terengganu and Kelantan, controlled by PAS, while at the same time, they prayed for Anwar's release from jail.

Anwar showed his stand towards female rights while he was acting Prime Minister, during Mahathir's 1997 absence from the country. Selangor state religious authorities arrested three Malay Muslim beauty pageant contestants for dressing indecently. Newspapers published pictures of the *syariah* police taking the girls into the custody at the moment when results were pronounced. They were subsequently convicted under *syariah* law. Incident provoked protests of women organisations, which defended the right of everybody to choose clothes they wish. Four organisations publicly accused Selangor State religious authorities for subjecting the arrested three girls to "public humiliation."

Anwar did not react, and after Mahathir's intervention from abroad he avoided a public reproach, but he asked religious authorities to apply a moderate approach in implementing the Islamic law. A Selangor religious official warned women to cover up or face prosecution, meaning they are prohibited from wearing swimsuits, low-cut blouses, high-slit skirts or body-hugging apparel. The Selangor *mufti*, Ishak Baharom, announced that three girls were taken into custody in accordance with *syariah* law. He said that such measures are needed to "combat social ills plaguing society."

On his return, Mahathir immediately criticised the actions of the Selangor religious authorities and called on all states to freeze the enforcement of religious rules that "reflected negatively" on Islam. He asked religious authorities to direct their attention on "pressing problems", such as spreading of drugs and AIDS. After that, various campaigns against Mahathir started.

Anwar's support for the *tudung*, the head-covering that leaves only a woman's face exposed, as an act of true faith,

separated him clearly from Mahathir and his circle. Dr Siti Hasmah and Mahathir's daughters seldom wear a headscarf but never the dour *tudung*. On the other hand, Anwar's wife Wan Azizah, an ophthalmologist, a Member of Parliament and an accomplished woman, as well as her two teenage daughters, never appeared in public with their heads bared.

Five to six years prior to his arrest Anwar started to show two features—ambition and quickness to climb to the top. Firstly he took Ghafar Baba's posts as vice-president of the government and UMNO. Then he formed a wide spectrum of followers leaning on his old bases in ABIM and universities. Mahathir had been warned many times about Anwar's impatience, but he clung to his principles, not to do anything until he is convinced of the truth of those allegations. However, addressing the UMNO General Assembly, in November 1994, skillfully recalling the treachery of Brutus against Julius Caesar, Mahathir gave a clear signal to Anwar that he was under his sleepless eye.

When currency crises started in 1997 Mahathir still did not seriously believe in warnings of his associates and friends that Anwar was undermining his position behind scenes, in order to succeed him as soon as possible. While leaving Malaysia for holiday in 1997 he named Anwar as deputy in charge as Acting Prime Minister. While answering the question of the journalist "whether this were to test whether Anwar was capable of succeeding him", he answered that Anwar enjoyed his "full trust."

The collapse of regional currencies, which shook the basis of the Malaysian economy when its growth was at its peak, was another chance for Anwar's ambitions. The government was under criticism of the public. The media inclined to Anwar accused the government—which meant the Prime Minister as well—of cronyism, nepotism and corruption. The

message was clear—there is no end to crisis until Mahathir “bowed out and gave the reins to his deputy”. Mahathir did not take these messages seriously, and continued to work with Daim to find a remedy for recession, faced by the Malaysian economy. In his 1988 New Year message Mahathir made it clear to his citizens that they would have to make “sacrifices to defend the country’s independence and dignity.”

Only then we could see serious political divisions between two leading politicians. Mahathir past message to the people that in order to overcome the crisis, the government shall not borrow money from international financial institutions, because it would force government to increase taxes on an already impoverished people and close down most of banks and financial companies. “Foreign conglomerates” would overtake Malaysian Banks and business and Malaysian citizens would “no longer be free.” While Mahathir was fighting with IMF, his deputy through media clearly propagated his doctrine of relying on international financial institution. Anwar, as Finance Minister, made a lot of friends in those institutions, and gained their trust. He developed personal friendship with Michel Camdessus, IMF managing director, who already convinced Indonesian President Suharto to accept usual “package of measures”, which were considered by Mahathir as “neo-colonialist” pressure on developing countries. Anwar warmly welcomed Camdessus in Kuala Lumpur, and two of them exchanged compliments about joint intentions for recovery of the Malaysian economy, contrary to Mahathir’s plans.

In order to reduce Anwar’s influence in the beginning of 1998 Mahathir formed the National Economic Action Council (NEAC) as a consultative government body “in its efforts to deal with economic problems”. The Council consisted of 22 members, Mahathir was the chairman, Anwar

the deputy chairman, but the role of Daim as executive director was to actually run it.

Interestingly, during the polemic between Dr Mahathir and Soros, Anwar defended his Dr Mahathir, while trying to ease the conflict. "What cannot be denied is we are facing a major problem from unscrupulous speculators in the currency and stock exchange", while answering repeated Soros's critics of Mahathir. "Nobody could deny that it was Soros who caused the collapse of the Thai baht which had a domino effect on other regional currencies."⁸⁷

Dr Mahathir and his deputy tried to leave an impression in the public that there were no clashes between them, although it was clear that they lost confidence in each other. How deep was the division between two leading politicians of Malaysia could not be enough visible from Anwar's support to the calls of IMF, World Bank and foreign media to start serious fight against corruption and nepotism in Southeast Asia for the sake of strengthening democracy and "the spirit of a free civil society".

The beginning of September 1998 showed the real face of their disagreements.

Eleven Critical Days

That was the beginning of eleven critical days, which resulted in dramatic changes.

On September 2, the public was informed that Anwar Ibrahim was no longer Deputy Prime Minister, Finance Minister and UMNO deputy president. No reasons were given for his sacking, but *New Straits Times* assumed that it was because of allegations of sexual misconduct. The next day he was kicked out of UMNO. The same paper gave a clear

⁸⁷ Gill, *Black September*, p. 133

picture that Anwar for a year had been "battling allegations of sexual improprieties", including "sodomy with a man, illicit sex and seducing a businessman's wife". At a press conference, Mahathir announced that Anwar was sacked because he was "unsuitable" for the posts he was performing.

During a press conference that was organised in his house, Anwar told journalists that Mahathir gave him an ultimatum to resign or be sacked from the posts. He also said that his loyalty to Mahathir had been feigned. He did not agree with official media headlines that reported Anwar "had become a threat to the country, a foreign agent, the most corrupt person." He also announced his intention to make a "nationwide tour" to counter such charges against him. He attended Friday prayers at Masjid Negara, the National Mosque, dressed in a plain white tunic, *sarong* and sandals. This clothing was identical to the one he used to wear during the times of his Islamic activism.

After a meeting of the UMNO leadership, on September 8, Mahathir said that Anwar had been sacked for "moral misconduct". He added that he made a personal inquiry "into sexual allegations" against Anwar and he was "convinced they were true". He underlined that it was not about any differences in political and economic issues, but about Anwar's character that "did not qualify him to be a leader of a country like Malaysia." Mahathir also said that he did not believe in accusations against Anwar, which he heard a year earlier, and that the decision to sack him was "the most unpleasant experience in his 17 years as Prime Minister". He was thinking of resigning in 1998, and that is why he even gave Anwar a chance to lead the country while he took a vacation abroad. If it had not been for the economic problems, he would have stepped down. Now he was disappointed with the fact that Anwar had not only indulged in immoral activities, but at the

same time, he was portraying himself as a very religious person and one who held strongly to the teachings of Islam.

In the next few days, some of Anwar's close associates were arrested under the ISA, while Anwar himself was attacking Mahathir more and more during public gatherings, and was asking him to resign. He was depicting Mahathir as another President Suharto, who stepped down a few months earlier, after 30 years in power. Thousands of people were coming to see and hear Anwar. They wanted to know whether the accusations against him were true. A big meeting in Alor Setar was organised by the Kedah Ulama Association.

However, no one from UMNO or the government was on his side. The authorities did not forbid his rallies, although he was breaking the law by talking publicly without approval. At a press conference, he even said that Mahathir was "now orchestrating the entire mission" against him, using Gestapo-like tactics. In Kuala Lumpur he declared that he was the leader of the people, adding: "I will fight and ensure their struggles are not in vain."

On Sunday, September 20, thousands of people gathered at the backyard of Masjid Negara to hear Anwar. He addressed them from the balcony accompanied by his wife Azizah. He rejected all allegations against his behaviour, and continued to criticise Mahathir. He even made jokes about him. He tried to leave the impression that he was still "a pillar of Islam and a man of the people". In his speech, he reminded them of his radical youth, when he was using mosques as shelters. Around the mosque, young people were wearing badges with a picture of Anwar and the word "*Reformasi*". People chanted: "Long live Anwar" and "Mahathir resign".

When Anwar finished his speech, the mass went to Dataran Merdeka, or Freedom Square, where Malaysian independence was proclaimed. Later on, he went home

mounting on the backseat of a motorcycle, while his wife stayed to announce a declaration of 24 points, which consisted of calls for reforms and Mahathir's resignation. After the crowd dispersed, a group of Anwar supporters forcefully entered UMNO's headquarters, while a few thousand people marched towards the Prime Minister's residence. Riot police stopped them and dispersed them with tear gas and water cannon.

While this was happening, not far from the National Mosque and Merdeka Square, Queen Elizabeth II was visiting St. Mary's Anglican Church, "waving gracefully" to a small group of onlookers. What a Shakespearean dramatics of reality it was!

Perhaps a similar event could have happened again the next day, but the Special Police Action Unit, a section trained for anti-terrorist operations, entered Anwar's house that evening, broke up a press conference and took him in front of TV cameras to jail.

Next day, Mahathir said: "I do not enjoy this. I wish he had not done this and succeeded me and everything would have been fine. But here I have this thing thrown into my face. I have economic problems to deal with. The Commonwealth Games"

That evening, he was at the closing ceremony of the Commonwealth Games together with the Queen.

That was a conflict of two different personae, whether we look at it from the layman's point of view, or from the people who witnessed those events.

The target of Anwar's ambitions was on the other side, and it was Mahathir Mohamad, who was not trying to get under anybody's skin. On the contrary, he was unmercifully open, while constantly identifying mistakes of his own people and the entire world, like some kind of doctor who openly says to

his patient he has carcinogenic illness. He was respected, not much loved, because he asked for almost impossible efforts from his own people to overcome inherited or acquired weaknesses.

Those personal differences could hardly conceal different concepts, on the basis of which we can just assume, but not to assert what would have happened if Anwar's followers had overthrown the Malaysian government. Instead of a highly desired Western democracy, most of the analysts of those events say that Malaysia could be "transformed from a multicultural nation with a moderate Muslim majority into a hardline Islamic state intolerant of non-Malays and other religions."⁸⁸

There was an alternative, wished by Mahathir: to get Malaysia out of economic crisis, step down, and let Anwar Ibrahim continue to follow his steps, as it belonged to him according to the Constitution. Mahathir tolerated Anwar's games with his patience for a long time, because he chose him for his successor, while he often behaved "as a crown prince". Anwar naively believed that he could easily defeat Mahathir, of who was said: "During his tenure of power he has defeated every threat to his rule in a masterful fashion. However, in doing so, he has eliminated from the political scene just about any possible successor approaching the caliber of the best he has eliminated."⁸⁹

The way it happened, both sides had to pay a very high price. Anwar was convicted of crimes and sodomy and to spend 15 years in prison, six for corruption and nine for sodomy. Mahathir faced the worst results of his party during elections in thirty years.

⁸⁸ Stewart, *The Mahathir Legacy*, p. 182

⁸⁹ R.S. Milne and Diane K. Mauzy, *Malaysian Politics Under Mahathir*, Routledge, London, 1999, p. 186

The next year, 1999, when Malaysia started to come out of an economic crisis and recession, Mahathir called for elections in November. He was convinced that UMNO and the National Front would be able to keep a two-thirds majority in the Parliament. That is what actually happened, but with lots of disappointment. Results were worse than ever since Mahathir became Prime Minister. The opposition doubled its position in the Parliament. PAS, besides winning Terengganu, also regained control of Kelantan. If there were no non-Malay parties, like the Chinese MCA and Indian MIC, UMNO would not have kept a leading position. The total number of non-UMNO seats in the National Front was the same as UMNO.

The disappointment and dissatisfaction in UMNO was becoming deeper and deeper. According to some analysts of Malaysian events, the economic crisis and political conflict with Anwar resulted in the division in relations of Mahathir and his ideological welt of Malaysian development, popularly called "Mahathirism". The basic principles and values of that ideology were constructed by Mahathir's ideas and experience. They are progress, development and material advancement. These principles were later entrenched in: "economic progress, rationalism and certain 'Asian values' which invariably included feudalism." Mahathir succeeded in uniting the aspirations of many Malaysians, especially Malays, by forming a common "chain of equivalences between progress, development, modernisation, economic advancement, self-determination, national sovereignty and modernist Islam." On the other side "Mahathirism possessed certain elements" that needed to be eliminated or confronted", such as: the West, Communism, traditionalism, obscurantism, religious fundamentalism, Western liberalism and militancy"

As time was passed Mahathir became "the living embodiment of his own set of beliefs."⁹⁰

The economic crisis of 1997-98 put into question the "fundamental premises of Mahathirism itself". Since Malaysia successfully defended itself from currency attacks, and was coming out of a crisis, internal political fights inside UMNO, and failed putsch to overthrow Mahathir's government, deepened those "questions" even more. The most active putschists were arrested, security measures were tightened, and many of Anwar's followers, mostly from ABIM and other Islamist organisations were targeted. Some of them were arrested even in the mosques. All this by itself—not mentioning tensions and the fear of spreading riots—further eroded the government's Islamist image. "Mahathirism" experienced a radical challenge from the outside and started to go away from its weft bearer, although it was against his will.

This is how Mahathir bore on his shoulders in the 1990s, filled with unexpected attacks on Malaysia from within and without.

⁹⁰ Farish A. Noor, *The Other Malaysia*, pp. 137-138

Chapter 6

2003

HOW did Mahathir Mohamad step into the new century, the new millennium, together with his Malaysia? Did and to what extent Mahathir and his set of ideas and principles he built and implemented in his country's development programme (often called "Mahathirism") started drifting away from each other after the great rift created after the economic crisis and the break-up with Anwar Ibrahim? The answer was noticeable in Mahathir's dramatic resignation and the lively criticism of Malays at the UMNO Assembly in June 2002.

Although the Malaysian economy recuperated very quickly, unlike the economies of other countries in the region, Mahathir did not hide his dissatisfaction because the economic development was not forming the "new Malay" he had dreamt of since his youth, and because he did not bring together the ethnic communities that make up Malaysia. Perhaps also because the substantial economic and technological growth created even wider ideological gaps between the Malays. Speaking in simple terms, while some found that "Mahathirism" was embodied in Mahathir's Vision 2020, others found all of this "an apostate from faith."

Even if there were those who found his dissatisfaction expressed at the UMNO Assembly a passing episode, Mahathir himself, dissuaded them very soon with another even sharper tirade during a dinner organised by the Harvard Club of Malaysia at the Sunway Lagoon Resort Hotel.

Developing further the theory that race and ethnicity do not determine the success (or lack thereof) of a particular nation, but that "it is the culture," he once again snapped at his own people.

"When I wrote *The Malay Dilemma* in the late 1960s, I had assumed that all the Malays lacked the opportunities to develop and become successful," he reminded the élite guests, among them most being Malays with Harvard degrees. They later through the NEP programme and "positive discrimination" got the opportunities to get an education at renowned universities all over the world, opportunities to develop their businesses by receiving projects from the government with favourable conditions. Malays took the opportunities for quick success, but in time they changed their attitude towards the opportunities offered to them as well as towards those who were offering them. They did not appreciate them and in place of dedicating their time to work and science, they went into politics. "In business, the vast majority regarded the opportunities given them as something to be exploited for the quickest return." According to Mahathir, they sold off their opportunities and became "sleeping partners in an arrangement cynically known as 'Ali Baba,' in which Ali merely obtains the licences, permits, shares or contracts and immediately sells these off to non-Malays, mainly the Chinese. They learn nothing about business and become even less capable at doing businesses." They then go back to the government and seek new licences, permits

Mahathir says that some Malays managed to break away from this behaviour and become successful. However, "the majority contributed nothing to the NEP target." Had the Malays used the privileges to achieve the NEP goals, "the NEP quota of 30 per cent would have been achieved long ago."

When asked why did this happen, Mahathir finds the answer in "the culture of the Malays," meaning the entire

culture of human action and behaviour. They are simply "laidback and prone to take the easy way out." While "working hard, taking risk and being patient is not a part of their culture." He also reminds us that even in the past, "the Malays were not prepared to take up jobs created by the colonial powers in their effort to exploit the country. Because the Malays were not prepared to work in rubber estates and the mines, the Indians and Chinese were brought in. At one time the migrants outnumbered the Malays. Had they continued to outnumber the Malays, independent Malaya would have been like an independent Singapore," populated by a vast majority of Chinese.

What then do Malays expecting in their future? For a certain period of time "their political dominance will protect them," Mahathir says, "but that dominance is fading very fast as they quarrel among themselves and break up into small ineffective groups. Their numerical superiority mean less today than at the time of independence" and "their *tidak-apa* attitude lulls them into a feeling of security that is not justified."

"Although the Malays together with the other *Bumiputeras* make up 60 per cent of the country's population," their share in the economy "is still less than half the 30 per cent share that has been allocated to them." Mahathir says "If we discount the non-Malay contribution to the nation's economy, Malaysia would be not much better off than some of the developing African countries."

In order to succeed, therefore, "the Malays must change their culture. They must look towards work as a reward in itself." The financial reward "must not outweigh the satisfaction obtained from the result of their work. They must have proper work ethics which involve taking pride in the result of their work rather than the monetary reward alone."

Mahathir says that "changing culture is far more difficult than changing the policies of government." That is why he wanted to point out once again "the dangers faced by the Malays," who are "still not out of the woods yet." They still "lean on the crutches of Malay privileges" in order to protect themselves. Mahathir goes on to say that the Malays consider those crutches as "symbols of their superior status in the country. The sad thing is that they are not even using the crutches properly."

He still finds that there is still time for them to "throw away the crutches" if they "change their wrong perceptions" and "change their culture. If they do this, in stages perhaps, then they would be able to straighten up and to stand tall like the others."

Hence, Mahathir asks himself "what is the 'New Malay Dilemma?'" as he has called his critical plea to the Harvard Club. The dilemma "is whether they should or should not do away with the crutches that they have gotten used to, which in fact they have become proud of."

There is a minority, a very small minority, of Malays "who are confident enough to think of doing away with the crutches." Mahathir does not see that their numbers are "going to increase any time soon." To make things even worse, they are "regarded as traitors to the Malay race."

Developing the theory of crutches further, Mahathir says: "Perhaps because I am trained as a medical doctor I look at crutches differently. There was a time when doctors expected crutches to be used for life. But today doctors get their patients on their feet as soon as possible. Physiotherapy has been developed into a science with the aim of rehabilitating the incapacitated. Prostheses have been perfected so that even those without legs can walk normally and those without hands can handle things like their fortunate colleagues."

Mahathir also points out "the sense of pity" as a very strong Malay characteristic. This leads Malays not to wish for "a handicapped person to overcome his handicap" but only to "sympathise with him."

Mahathir admits that "there will be a host of protests over this generalisation about Malay attitude," but he has witnessed how handicaps become more dependent and even more handicapped. He warns of the dangerous effect of such a situation which he recognises in a dilemma faced by a few Malays "who want to build a strong, resilient and independent Malay race without crutches" and who will "most likely end up becoming unpopular and losing the ability to influence the changes in the culture and the value system."

However, this is "not the only dilemma faced by the Malays now" that he wanted to speak about. Mahathir turns to a new, if not a harder and more dangerous, in any case a more politically sensitive, issue.

"The Malays are deeply religious," he says, "but they are not knowledgeable enough about Islam to distinguish between what is Islamic and what is not. Religious piety is highly valued by the Malays but they equate piety with outward appearance and not the true teachings of the Quran and the true tradition or *Hadith* of the Prophet. This simple perception of their religion opens opportunities for the unscrupulous to exploit religion for their own purpose."

"Religion is not a matter of common sense. It is a matter of belief, of faith," Mahathir says. "But if it is the true teachings of religion, it does not matter if it is logical or not." He goes on to say that "the fundamentals of Islam can help build a successful and healthy civilisation," which is what happened to the Arabs who embraced Islam and "developed a Muslim civilisation which lasted 1,300 years. It collapsed only after the Muslims deviated from the true teachings and returned to their

pre-Islamic ignorant *Jabilliah* ways." While in today's Malaysia, Mahathir says "we are seeing the abuse of the teachings of Islam. Using Islam as its name and shamelessly misinterpreting it, the politicians of the so-called Islamic Party have cashed in on the deep faith of the Malay Muslims to trap them and close their minds to anything else other than what they have been taught by these politicians."

"Seeing this, the religiously trained teachers in the Islamic Party," he gives one example, "actually taught their captive followers, including children in the kindergarten, not to be thankful to the people who gave them anything. They are taught that in Islam there is no need to thank the government which helps them. They are taught that this is the duty of the government and that any government would do this. They have only to be thankful to Allah." On the other hand, "any obvious misdeeds by these so-called Muslim politicians is justified or forgiven or overlooked. Thus their leaders can commit *khalwat*, or surreptitiously marry outside the country, or curse and swear or claim that Allah also curses and swear."

"In Malaysia," Mahathir goes on to say, "many Malays have had their minds controlled through the abuse of religious teachings." Many Malays are misled by "the seemingly pious turban and Arabic dress of the Islamic Party leaders." "They fanatically follow the dictates of this party even when this leads to the country becoming misgoverned, to practices and values against the teachings of Islam. It is not far-fetched to say that for many Malays, their Malay and Islamic values have been destroyed. Such is the deviation from Malay and Islamic culture that many Malays are willing to vote and support a Party which advocates and practises violence, which curse and swear and lead by immoral leaders. The end result of the deviation must be the election of a bad government."

"Malaysia is committed to democracy. We are not liberal democrats but we certainly uphold the most important

element of democracy, the right to elect our governments through voting into power the party we think will best serve us," Mahathir says. "But because of what I have mentioned regarding the brainwashing by the so-called Islamic Party, there is every danger of the wrong party being elected and forming the government. We have seen this happening in many countries where populist parties which promise all kinds of impossible things have been elected by a gullible electorate. It is possible for this to happen in Malaysia. It is entirely possible for all the prosperity, the stability and the racial harmony to be destroyed."

Thus, the dilemma that the Malays and the peoples of Malaysia face is "whether we should, in the name of democracy, allow the country to be destroyed or ensure that people are not subjected to manipulations to the point where they will use democracy to destroy democracy."

"Can we take a leaf from their book and risk condemnation for not being democratic?" Mahathir asks, setting thus the second dilemma that belongs to Malaysia and in particular to the Malays. "You have asked me to talk about the 'New Malay Dilemma'. As you can see, I have identified not one but two 'New Malay Dilemmas'. I leave it to you to digest this view and I hope by diagnosing the diseases we can help prescribe the remedies. I wish you all the best."⁹¹

Achieved, and Not Achieved

When we take away traditional political motives, warning voters what would happen to them if they do not vote for the current ruling establishment in the next general elections—expected to be held during 2004, from Mahathir's harsh

⁹¹ Mahathir Mohamad, a speech on "The New Malay Dilemma" delivered at the Harvard Club of Malaysia dinner, July 27, 2002

criticism of the state of his own race, many stains are left on the picture of today's Malaysia painted by the man who led it for almost a quarter of a century.

Is that his own disappointment for not succeeding in making changes in the mindset and behaviour of Malays, or actually not being able to make a "big remake" of Malays in thirty years, that he advocated in *The Malay Dilemma*? Is his disappointment caused by the speed of progression of his Vision 2020?

It seems that Mahathir perceives Malaysia according to his own perceptions, a Vision that outgrew the frames of a modest civilisation's abilities from a peaceful and rich in national resources Malaysian archipelago, but not according to historically inherited abilities of his people and Malaysia (Once, comparing Malaysian and Chinese habits, Mahathir said: "We have not behind us four thousand years.") When he complains, Mahathir reminds me of an old painter from a story by Balzac, "Masterpiece", that for years trying and trying unsatisfactorily by putting and mixing colours over colours, to paint a picture never seen before. At the end it resulted in just one corner of his imagined masterpiece lightened.

Taking into account today's Malaysia and how far it succeeded in development, compared to the situation a few decades ago, and its neighbours, Mahathir could put his signature on this masterpiece, regardless of some of its shortcomings.

Using his methods of looking at things firstly from a negative and then only from a positive angle, I will try to make a list of the things that Mahathir failed and succeeded to achieve, or helped, to a great extent, his country achieve in the last two or three decades. "It is a miracle," says Abdullah Ahmad, "that we have achieved so much in so little time despite being ourselves, and suffering from malaise."

Ethnic or racial harmony was not achieved, especially not ethnic integration to the extent in which Malaysian identity would overcome ethnic exclusivity of each community. There is coexistence, solidarity and the feeling of belonging to one country, but Malay nationalism still did not give place to Malaysian nationalism. We have to remind ourselves that it would be very difficult to achieve that goal, since we are talking about totally different racial origins, languages, scripts, religions and customs.

According to the Malaysian Constitution and Mahathir's understanding, Malaysia before all is based on the principle of ethnicity, although Mahathir directed his Vision in a different direction. Mahathir's nationalisms have its roots in a "deep Malayan nationalistic impulse", to catch on with others, non-Malays. But he sees that accomplishment in mutual devotion to the "Malaysian national target" so that Malaysia could compete with other developed countries. Or as how K. Das noted a long time ago: "Mahathir thinks in terms of decades into the future, and in terms of a Malaysian society in which the races stop looking inwards with prejudice but rather outwards with pride."⁹²

Mahathir did not stop divisions among the Muslims of Malaysia. Utilisation of religion for political purposes mostly contributes to it. The divisions started when two political streams, later parties, UMNO and PAS were developed. The differences are fundamental, probably unsolvable until they stop identifying religion with politics. Mahathir delivered one of the most pessimistic speeches about the situation in the Islamic world and among Muslims in his country, at Al-Azhar, in January 2003. He said: "Disunited, confused about Islam, fighting each other for power, lacking in essential knowledge

⁹² K. Das, "Mahathir's Restoration," *Far Eastern Economic Review*, June 11, 1982, p. 38

and skills, misapplying their God-given wealth, the Muslims of today have reached the lowest point in their development." He continued by explaining the situation in his country: "There is now a deep split among the Muslims of Malaysia, caused by Muslim politicians abusing the teachings of Islam." There is one political party, continues Mahathir referring to PAS, which "has convinced its followers that anyone not joining or supporting it is not a Muslim, and tens of thousands of Malay Muslims believe this, and they believe even that voting for this party will gain them a place in heaven." He also thinks that Muslims, "because of the thousands of different interpretations of Islam and very many different sects and adherents, each claiming to be the true followers of Islam, Muslims are thoroughly confused." Muslims are getting even more confused "because they are told that the door of *ijtihad* or interpretation of Islam is closed and they must accept anything that had been interpreted long ago."

Most of the Malays did not accept Mahathir's working ethics, hard work. They were carried away by their privileges, although some overstate this fact. Whenever we discuss this issue, a Canadian-Bosnian expert in petrochemical management, Namik Kosaric, my schoolmate from Sarajevo, whom I met for the first time after almost four decades at Bukit Bintang in Kuala Lumpur, reacts: "I do not understand why Mahathir always says that Malays are not a hardworking nation! My experience in Petronas is different, where I work with a few thousand people, mostly Malays. Most of them are young people, educated in Malaysian, English or American universities. They do their jobs well. They are full of ideas, and many stay at work after official working hours. They are trying to gain knowledge of modern technologies as much as possible." My neighbour, John from Canada, who was the project manager of the recycling company for three years,

somewhere on the way to Kelantan, said that he had very qualified associates among Malaysians. When he visited the factory again, he noticed that Malaysians, mainly Malays, had taken full control and management of the factory, which produces very successful results, contrary to doubts put forward by German investors during construction.

President of the Senate Tan Sri Chen told me: "I know that Mahathir complains a lot about Malay attitude towards work, which cannot be gained in such a short period of time. A longer period is needed for that achievement. Although Malays are working well even now, Mahathir demands a lot from his people. Maybe he is asking too much to encourage them."

From the other side, Mahathir's argument can be supported by a recently published list of the ten richest Malaysians, among which only two are Malays. The first one is T. Ananda Krishnan, still considered by the public as the owner and man behind the famous Petronas Twin Towers in Kuala Lumpur, where Petronas, the biggest Malaysian state-owned company has its premises, although he has sold his 49 per cent stake. Ananda has businesses spread all over the globe, including oil, power, shipping, property, telecommunications and gambling. Besides other things, he also owns the Malaysian satellite "Measat". The seventh and tenth places on the list belong to Malays, Syed Mokhtar Al-bukhary, major owner of Malaysian ports, electric power plants, and the director of the Museum of Islamic Art, and Mustapha Kamal Abu Bakar, the owner of one of the biggest real-estate companies in Malaysia. The rest are Chinese, among whom the most famous are Robert Kuok Hock Nien, the "Sugar King" and owner of the Shangri-La hotel chain, as well as Lim Goh Tong, who, even at 85, is still building Genting, the biggest gambling complex in the world, and his

son Lim Kok Thay, his father's partner in Genting, and owner of the cruiseship company, Star Cruises.

When I asked a humble Chinese businessmen, Foo, how is it possible that there are no more Malays among the richest Malaysians, despite all the stories about their privileges, he said something that supports Mahathir's view: Malays quickly spend whatever they earn, they do not think about the future, they do not invest in new projects and they buy the most luxurious houses and cars, while Chinese are more patient and thrifty.

Mahathir tried hard to develop a feeling of thriftiness among the Malays, one of the religious principles that he brought from his childhood. He even set a personal example. On his daughter Melinda's wedding cards, he politely asked guests not to bring any gifts. That's why he took with a bitter heart the phenomenon of financial scandals, but many condemned him for failing to completely reveal the actors of those scandals from within the ruling party.

"Dr Mahathir was rather kind when he said that the voters would not respect the *nouveau riche* and their wives who jaunt and junket around, displaying their wealth," writes Abdullah Ahmad, who himself is very familiar with the "new rich" circles. He is right saying that "money politics" mostly applies to democracies, and that it is hard uprooting it. However, he warns that now, even more than before the previous elections, "the display of wealth by party leaders are even more egregious." His warning is going further against possible results: "The limit has been reached, and unless contained—then ideally pushed back—voters will become disillusioned and exhausted long before we realise it. We are already seeing some of the consequences."⁹³

⁹³ Abdullah Ahmad, "A Soul-Destroying Power," *New Straits Times*, July 28, 2002

He also did not succeed in removing some of the bad Malay habits "from cultural values", which as a consequence for the country's industrialisation and economic problems became more apparent. Criminal, murders, drugs, rape, incest, robbery, problems constantly mentioned by Mahathir at UMNO's assembly, became regular news in local newspapers.

What could be seen on the other side—the brighter side—of the coin?

Mahathir put Malaysia on the "world map", a place where it never previously was. Prior to his era, Malaysia, by people from other continents was put in the same basket as other Southeast Asian states such as Laos, Thailand and Myanmar. In international political circles, Malaysia became respected, if not enough loved. The Malaysian image would have been even brighter in leading western media, if it were not for Mahathir's accusations towards the Western world for the many problems of developing countries.

In the Islamic word, Malaysia is the first country, after Turkey, that got away from lethargy and poverty in which countries with Muslim majorities fell into with colonisation.

Malaysia has no reasons to worry if we take into account all things regarded as total economy of one country, even with consequences caused by external factors, such as the war in Iraq, changes in oil markets, lesser number of tourists due to deadly pneumonia, SARS. Malaysia will be able to survive such shocks without any internal difficulties when it was able to resist the currency attacks of 1997. Mahathir told the Pacific Basin Economic Council (PBEC), in June 2002, that Malaysia lost almost US\$300 billion in 1997-98 by devaluing the ringgit and pulling out short-term capital.

With over US\$30 billion in reserves, from which it could survive for a period of six months without producing anything; with foreign debt reduced from US\$45 billion to

US\$43 billion; an unemployment rate of four per cent; its own petrol and petrochemical industry, that buys refineries even in the Persian Gulf and South Africa; with 30 million tourists in 2002, the first in the world after September 11; with 350,000 students per 23.3 million inhabitants; with 50,000 students abroad and 26,000 foreign students in Malaysian universities; with US\$10 billion of investment despite the world economic crises; with a state administration of one million, out of which 300,000 are school teachers—Malaysia can be considered an economically stable state.

Malaysia can be proud of the fact that it is the 18th world-trading nation. However, it can easily find itself in a very dangerous situation due to its dependence on trade. The scope of Malaysian trade is two times higher than its GDP, while in Japan it is just 30 per cent of GDP.

The Malaysian currency, the ringgit, is stable and still pegged to the U.S. dollar, which was one of the measures for overcoming the economic downturn of 1997-98. Mahathir does not think it is time to review the ringgit peg because it is not yet clear what will happen to the ringgit due to the unfavourable world economic situation. As long as Malaysian products are competitive and productivity is at a satisfactory level, a stable currency and exchange rate could be maintained. The only problem is that the ringgit is now stable only against the U.S. dollar, but not against the euro and other currencies. That is why Mahathir started to agitate for the "gold dinar." He often says that the gold dinar had "an intrinsic value". It is not a piece of paper, so it cannot fluctuate too much.

Entering the 13th year of realisation of Vision 2020, Malaysia can with certainty count that her challenges, at least those related to economics and development, will be achieved. "The word 'vision' will always be associated with

Mahathir, because of his blueprint for the attainment of a developed-nation status by 2020, and the replacement of ethnicity with a truly national feeling."⁹⁴

Privatisation showed its advantages over the public sector in all covered segments. During discussions in the government whether water supply systems should be privatised Mahathir gave two successful privatisation examples. While Telecom was a publicly owned company, the government used to subsidise it with RM200 million annually, and since it has been privatised, Telecom earns RM200 billion annually. The government and public have now more benefit from it. The old Telecom building in Kuala Lumpur and the new building, one of the tallest buildings in the world, built next to it represent not only architectural attraction but also a global example of privatisation advantages. If government owned companies had continued constructing the highway from Thailand in the North to Singapore in the South, it would have been completed in 7 years. Since it was given to private companies, it has already being used by millions of vehicles for three years. Of course, the pay toll charges are higher than the price of consumed petrol.

Mahathir was often criticised because of his investment in "mega projects". Some of them could have been built in better times, that was even admitted by Mahathir during the currency crisis. One of those projects is the Petronas Twin Towers, silver towers that beautify the Kuala Lumpur skyline. Currently they are considered the tallest buildings in the world. It is said that a Japanese steel foundry worked six months just to supply the materials for the construction of this tower.

Mahathir was right to say that all of them would be economically feasible in the near future. There were doubts

⁹⁴ Milne and Mauzy, *Malaysian Politics Under Mahathir*, p. 160.

about the benefits of the MSC, aimed to build an advance knowledge-based society and attain Vision 2020, as a Malaysian version of America's famed Silicon Valley. It has already significant role in that regard, and there are 900 MSC-status companies. The MSC is also a catalyst for innovations and push to new technological frontiers.

Talking about Putrajaya, the new administrative centre Mahathir said that it was been built for generations to come, but only for his era. It cannot be said that Putrajaya is the new capital, as Brasilia is, because it almost leans on Kuala Lumpur. Ministry buildings, hotels, schools, restaurants and residential buildings, which will accommodate 300,000 people within three years, are built around an artificial lake. There are already 40, 000 people there because half of the government institutions have moved there. A mosque of harmonious dimensions rises above the lake on one side of the central plateau. The government headquarters are on the other side of the lake. With its architecture, Putrajaya reminds me of Isfahan, the most beautiful town, which Mahathir keeps in good memory. He even called Iranian architects to participate in the designing and building of it.

During a dinner hosted by Mahathir in the luxurious Dr Perdana, the Prime Minister's residence, skillfully built into a hilly green ambient, so it does not look so big from the outside, ambassadors started to talk about Putrajaya. Since I was a rookie in Malaysia, one of them asked me: "Is this not too big for one Prime Minister"? The other one was showing expensive equipment and ornaments, while the third one, looking through the window lightened contours of the central government building, added: "How much money has been spent on this"!

Thinking of how to give a polite answer in which I can show that I don't agree with them, I said something like this:

"Probably, the ambassadors from the times when Versailles near Paris was being built, dressed in baroque clothes, at a gala reception, had the similar conversation. It was the same when Roman, London or Madrid's royal and governmental palaces were being built. And those palaces last for centuries. Even today no one is intrigued by them." Due to diplomatic codes of behaviour, I did not go further, but now I wanted to ask: "Whose money was used when Versailles and other palaces in European colonial capitals were built? Maybe they were built from money and precious materials made in colonies, including Malaysia?"

"Open Houses"

Malaysia has a very unusual and nice way of celebrating the end of the month of Ramadan or *Hari Raya Aidilfitri*. The celebration lasts almost a month, and not just three days. The old *kampung* custom is to have "open houses" for family, and for everyone regardless of his religion. This custom, in time, spilled into cities, and in the last decade it has become one of the still rare manifestations of multiethnic gatherings. Different organisations, ministries, sultans, and rich and famous people often organise "Open Houses". The schedule is given in the newspapers, while important people get invitation cards. However, every Malaysian citizen of Malaysia is welcome to join in the celebration with his family.

To the great surprise of Middle Eastern and Bosnian Muslims, Malay Muslims almost do not celebrate *Hari Raya Aidiladba* (the Holiday of Sacrifice), except by visiting the graves of their parents. They neither send cards nor organise any celebrations. The real *Hari Raya Aidiladba* is for those who can experience it in Mecca, during the *haj*, I was told by some Malaysians.

When I observed how Mahathir and his wife Siti Hasmah with their granddaughter, during his "open house", greeted each of the few thousand guests with a few polite words, I really wanted to go to Alor Setar and see the house of his father Mohamad Iskandar that was wide open for his family and guests.

I went to the state capital of Kedah, where according to my old habit visited Sultan Tuanku Al Haj Abdul Halim Mu'adzam and Chief Minister Dato' Seri Syed Razak bin Syed Zain, who prepared a really great programme because I was from Bosnia and my wish was to learn everything about Mahathir.

The sultan looks quite old, although he is two years younger than Mahathir and they attended the same college, but they did not get along since Mahathir was "two classes higher" than him. I asked him about the roots of the word Kedah, which I saw written in Arabic on the picture from the day of proclamation of Malaysian independence. His father had been sitting besides a British lord. He says that he heard that it means glass or cup, so we concluded that most probably Arab traders had been bringing glasses and that is how the oldest Malaysian sultanate got its name. He knew little about Bosnia, except Muslims live there. He asked: "Does 'your Islam' allow you to drink or to pat cats and dogs?" He also asked me whether I visited Kelantan and Terengganu, where the political situation is different from Kedah. However, we soon skipped this topic since it is not the custom of Malay sultans to talk about politics.

Syed Razak is one of the most popular *menteri besar* in Malaysia because of his dynamic and courageous actions related to industrialisation based on information technology and biotechnology. Langkawi Island, one of the most popular

destinations of Australian and European tourists, also belongs to Kedah.

Alor Setar, a peaceful low-lying town, with its 200,000 inhabitants and low houses, is located in the middle of numerous padi rice fields, which are followed by a number of hills towards the Thai border, while in the west they go on until the seashore. The green rice crop is made in a water field in just a few minutes of heavy rain. And it happens every day for hundreds of years. These are the padi fields of which Mahathir often talked about.

In a small street, Lorong Kilang Ais Tapu, where you can enter from Jalan Pegawai, number 18, there is a typical wooden house of the Malay peninsula. It is two metres above ground because of the heavy rains, with big windows and shutters. This is the house in which Mohamad Iskandar, teacher and headmaster of Sultan Abdul Hamid College, raised ten children, among which his youngest son, Mahathir Mohamad, who was born on December 20, 1925.

There are two big mango trees visible above the house. On the right side are Chinese and on the left Malay neighbours. Although it belonged to a noble teacher, their house was not different from the other houses in that street, inhabited mainly by middle-class families. There are few connected rooms inside, as well as a few little sleeping rooms. These rooms are the only ones with doors. One of those sleeping rooms is a 'bridal room', dedicated to newlyweds. There were quite a number of those in the family. Most of the kids, even Mahathir, lived in that house. Soon after marrying Siti Hasmah, his colleague at the Singapore Medical College, Mahathir moved from his father's house.

In a huge living room we could see a wicker table and chairs and the father's stick. In the kitchen without a roof, wooden shelves, an *avan*, tool for pounding chilies, a stony

plate for making curry, wooden pots, cracked plates made from Chinese ceramics, fire-place built of stones, an old iron with a wooden handle on the shelf. It seems that these irons were the same in the whole world.

On the walls, framed photos of his father Mohamad, photos from Mahathir's childhood, from school, from his engagement ceremony (*bertunang*), and from his wedding ceremony (*bersanding*), coloured by Indian tradition. But, there is also a picture of his mother, an old lady with gray hair sitting in a wicker chair. It seems that she was a tall woman with clear facial lines. I see her name for the first time—Dutuk Temengu Kulut of Bukit Lada. "Finally, I found it!" I said loudly, surprising a sympathetic local woman who was showing me the house. They say she liked cooking, but not fish. She gave her son Mahathir the nickname Che Det, which he later used while writing for the Singapore papers.

On the other side of the *lorong*, two-three wooden houses were built, in which Mahathir's life is being showed, with some modest medical equipment from the 1950s that was taken from his Maha Clinic. There is a pharmacy now at the place of his former Maha Clinic. There are shelves made from glass, with a descriptive show of some periods from his life on video film. That part somehow differentiates from a modest, original ambient of the warm family house across the road, where Mahathir inherited the working ethics of his father, and devotion to Islam from his mother. This part was probably built during his shaken faith into UMNO, after 1997-98, when the informative and propaganda mechanism built certain cult of the person around Mahathir. It was probably against his will, because these 'cult manifestations' were becoming lesser and lesser in number.

At that place I was again thinking about the synthesis between Mahathir and "Mahathirism", as a set of ideas, almost

an ideology. How that synthesis has been combined and how, and when its essential part started to be less harmonious? If "Mahathirism", as a complex process, started to move on different tracks, not depending merely on its creator?

I saw again Mahathir's personal modesty in a nearby graveyard, where recently the *kubur* (graves) of his parents, next to each other, in the shadow of an old mango tree, were modestly "renewed". During their last *Hari Raya Aidiladha*, Mahathir poured scented water and Siti Hasmah sprinkled flower petals over their graves.

While having lunch with Syed Razak and a few veterans of the political and public life of Alor Setar, mostly from Mahathir's generation, among which were two of his old Chinese friends, I asked them how did they accept his decision to step down from power in October 2003. Everybody showed, some by words, and some by nodding of the head, that they agreed with their most famous citizen. Apart from Tan Sri Khalid Abdullah, the old retired journalist and chief editor of *Utusan Melayu*, the leading Malaysian newspaper, whispered to me: "All right, it's his decision, but our people, according to old traditions, do not like when the ruler takes off the crown from his head by himself."

What is Awaiting Abdullah?

What issues and what problems is Mahathir leaving to his successor, Abdullah Ahmad Badawi, to face after he becomes Prime Minister? For the time being, nobody thinks that there will be any big problems. Abdullah was continuously a member of the government during Mahathir's tenure as Prime Minister, and he has been his deputy since 1998. The year between Mahathir's decision to step down and his last day at work also helps in a smoother transition of power. Although he rejected any possibility to be linked to the government

through any function, as it has been done by former Singapore Prime Minister Lee Kuan Yew, who is still the Senior Minister, Mahathir will be 'somewhere around' to give advice or help if someone asks for it. He is still healthy and vital, his working hours start after morning prayers, and he rarely misses riding.

As Acting Prime Minister, after Mahathir went on a two-month holiday, at the beginning of March 2003, Abdullah Ahmad Badawi presented his future programme, entitled "Competing for Tomorrow". Addressing the Oxford and Cambridge Society of Malaysia at the luxurious Sunway Pyramid Convention Centre, he pointed to some examples indicating that Malaysia was a case of a country "having a First World infrastructure and a Third World mentality."⁹⁵

Abdullah listed three key concerns that must be addressed in order not to let Vision 2020 remain an "elusive dream". "The first that comes to my mind is corruption and the abuse of trust," he said. "This happens both in the public and private sectors and is perpetrated by Malaysians of all races. Malaysia has among the most stringent anti-corruption laws and codes for corporate governance, but creating a tough framework is not sufficient if we are unable to empower legislation with enforcement."

His other key concerns were respecting property and a need to abandon the notion that the government owed the people a living. "There is no doubt that socioeconomic policy must continue to focus on correcting historical economic imbalances along racial lines. However, as we endeavour to create a competitive economy, we must reassess the manner in which redistributive justice is carried out," he said.

Stressing that there was no need to "dream another dream", Abdullah also pledged to continue realising

⁹⁵ *New Strait Times*, March 7, 2003

Mahathir's vision. He said his answer was directed at all those interested in the future of Malaysia: "My vision for Malaysia is Vision 2020 that was articulated by the Prime Minister in 1991." He also emphasised the need to make new efforts in changing the Malaysian mindset, attitude and mentality, which, he said, if allowed to be afflicted with the malaise, could jeopardise the country's future.

It happened a few months later, both of them, Mahathir and his successor Abdullah, openly demonstrated their unhappiness with the slow progress, if any, in agriculture.

Launching the Vision and Empowerment Movement (*Gerakan Daya Wawasan*) at Putra Stadium in Kuala Lumpur, and citing the farmers in the U.S. as an example, Mahathir said even though only 5 per cent of America's population worked in agriculture, they were able to produce enough food to feed the rest of the country and for exports.

"Why can't we do this?" he asked around ten thousand rural folk who were present. He said Malaysian farmers could achieve the same success if they were willing to use modern technology, more efficient methods and if they worked harder. "If you work in a factory, you work according to a timetable. Eight-hour shifts daily for six days a week, for the whole year. If you compare this with planting rice, padi, do you work as hard and as long? I don't think so. You plant according to seasons and on certain days only."

"*Macam mana nak dapat duit?* (How to earn money?)" Mahathir asked. His answer was to use the time in between planting and harvesting to develop cottage industries, as the one-village-one-product programme intended. However, failure in that concept—a similar one was very successful in neighbouring Thailand—was due to the people's reluctance.

"If the Thais can be successful, then why can't we?" Mahathir asked. "Why are our farmers always so poor and dependent on government assistance?"

Only few days later, Deputy Prime Minister Abdullah, during a gathering with officers and farmers at MADA headquarters in Ampang Jajar, Kedah,⁹⁶ said: "I get *geram* (annoyed) over how padi farmers in Sekinchan, who coincidentally are Chinese, can obtain yields of between 10 and 11 tones per hectare, while the Malay farmers in Mada areas, on whom we spend much more, can only obtain an average of five tons of rice per hectare." He said the government's allocation of RM1.87 billion to help MADA's operational, maintenance and development costs from the time it was set up in 1970 was more than the cost of any of the country's mega-projects. In addition, the government had, over the same period, allocated RM5.28 billion in subsidies for padi farmers.

While I was connecting these coincidental objections and complains by both Mahathir and his successor, it seemed as I was again reading *The Malay Dilemma*, which Mahathir had written 34 years ago.

These are some of Abdullah's long-term aims for achieving a First World-status for Malaysia.

Preparations for the 2004 elections are Abdullah's first major short-term challenge. Those preparations consist of complex issues, challenges and dangers. Barisan Nasional's two-thirds majority in the Parliament, led by UMNO, depends on the successful resolution of those issues. Whether they will stay in power at all, after holding it since Malaysian independence, also depends on how Abdullah faces and solves these issues.

The current balance in relations among ethnic communities will probably not be changed, because it is based on mutual interest of economic development. Chinese and

⁹⁶ Padi farmers in MADA areas, which cover 97,000 hectares in Kedah and partly in Perlis, provide half the national production of rice.

Indians say—until there are jobs, there will be no problems. Leading Chinese and Indian parties will support UMNO.

The Malaysian economy is not showing any signs of turbulences thanks to internal reserves and natural resources. But it is hard to predict the final results of possible world economic problems. As Mirzan Mahathir, director of the Asian Strategy and Leadership Institute (ASLI), says there are many competing elements which further complicate the picture of future consequences to the world economy, from international terrorism, the war in Iraq, common fear, "fear even of the air". Many of these elements direct us to long-term pessimism. The most important is the American factor, because the Americans wish to reimburse their war expenses from Iraq and its world politics from the rest of the world. They will be increasing interest rates, guarantees and debts, but they will be no buyers for those large amounts of products.

Malaysia will lean on regional cooperation within Asean, which signed separated agreements with China and Japan on making a joint free-trade zone, the biggest in the world. Malaysia is trying to engage in good arrangements and multilateral efforts with China, whose economic reforms and huge amounts of high-quality products and low prices have become a serious competition for the whole region. Abdullah, as Foreign Minister, supported the strengthening of regional cooperation through Asean, supported Burma's joining, and developed friendly relationships with many regional officials.

Abdullah is already well-known and respected in Asian circles, which is a Malaysian political and economic priority. He stays committed to Mahathir's "Look East" policy, while taking into account modifications and adaptations to new economic events, and the emergence of China as a new global economy. He has already visited Japan as Acting Prime Minister. Japan's economy is still recovering, but Japan

remains the second trade partner of Malaysia after the U.S., as well as the source of future investments.

When they asked Mahathir in the middle of 2003, whether he still looks at Japan as an example, because of its economic problems, he said: "Why not? There is always something to be learned from Japan. Then, we learned from their successes, now we can learn from their mistakes."

Talking about Malaysian neighbours, the relationship with Singapore will hardly be based on full trust, relations without incidents caused by leftovers of a long-lasting marriage, as it happens with ordinary people. The last incident was about sovereignty over a small island, on which Singapore built a lighthouse a long time ago, but both countries have rights to that island based on an agreement from colonial times. Since an agreement has not been reached, the case has been forwarded to the International Court of Justice (ICJ). Malaysia had a similar dispute with Indonesia about some small islands, close to the eastern seashore of Borneo, known only to world divers. After a long process, international judges passed judgment that gave the islands to Malaysia.

The longstanding dispute with Singapore over water, escalated in 2003 by new accusations from both sides. Malaysia insists on revising the agreement from the 1960s. According to that agreement Singapore pays a symbolic 3 cents for 1,000 gallons of Malaysian drinking water. Singapore constantly rejects revision. Mahathir thinks that a new fair agreement must be reached in accordance with today's economic circumstances, although he passed a message to his neighbours not to worry too much about it, because Malaysia will continue to supply Singapore with drinking water until "the Day of Judgment".

It is natural in Malaysia-Singapore relations to pull a problem out of the shadows whenever one of the sides feels it is needed. If there are no problems, politicians will create them. That is what happens in similar cases around the world, such as Turkey and Greece, Spain and Northern Africa, Iraq and Kuwait, or even the Balkans.

Malaysia and Singapore have more in common than conflicting issues. The city-state cannot leave without Malaysian water, while 50,000 Malaysians from Johor go to work in Singapore. From the other side, thousands of tourists and relatives go to Malaysia on a daily basis.

There is something special that shapes the understanding of westerners, especially the media, about these two countries. With its present politics inaugurated by Mahathir, whatever Malaysia does it does not fit into the western measures of democracy, is harshly criticised by those circles and media. On the other side, whatever Singapore does is been taken for granted. Mahathir says that Malaysia is being accused because it uses cane strokes for punishment, but no one mentions that it is also being used even more in Singapore. Many people learn about rigid Singaporean discipline only when they arrive there.

Perhaps it is the best proof of the special relationship between Malaysia and Singapore, in spite of all misunderstandings, to quote Lee Kuan Yew, who "knew Malay and Malaysian politics more than most of us", as it was said by Alattas. In his book, *From Third World to First*, published in 2000, he wrote: "Despite my differences with him, I made more progress solving bilateral problems with Mahathir in the nine years he was Prime Minister from 1981 to 1990, when I stepped down, than in the previous 12 years He had the decisiveness and political support to override grassroots prejudices to advance his country's interest. He had the

courage to say in public that a female doctor using (only) a pencil to examine a male patient (which the Muslim religious leaders wanted) was not the way to treat patients. He had educated the younger Malays, opened up their minds with the vision of a future based on science and technology, especially computers and the Internet, which his MSC symbolised. The majority of all the Malays and all the Chinese and Indians in Malaysia want this future, not a return to fundamentalist Muslim practise based on *syariah* law."

It is quite understandable that Indonesia, besides Singapore, keeps priority position in the Malaysian relations with its neighbours. In the last few years, Thailand and Malaysia find more and more common points and interests, and Thai Prime Minister Thaksin Shinawatra looks to Malaysia, as Mahathir was looking to Japan. It was probably a unique case when at the beginning of 2003 the Thai government came to Jitra, near to Alor Setar, Malaysia, to celebrate *Hari Raya* with the government of Malaysia.

Regarding Indonesia, there are so many common things, that they suppose by themselves friendly and close relations: common history, language, race, religion, customs. Sometimes so many joint features could create even problems, as it is the case with the resistance to the radical and often terrorist activities of the Jemaah Islamiah (J.I.). Its activists and leaders mainly have lived in both countries, and it is difficult to locate them.

Malaysia's relations with the U.S., its main economic partner (Malaysia is the number 11th American trade partner) were disrupted during the Clinton administration, which accused Mahathir of human-rights violations, especially after Anwar's case. The U.S. Secretary of State Madeleine Albright called Mahathir "a case of his own", while praising Senior Minister Lee Kuan Yew, Singapore's former prime minister, for

having the "most modern and most strategic vision." Relations were normalised, paradoxically, after September 11, when Americans began to praise Malaysians because they arrested militant Islamists and terrorists. Just a few years earlier they were accusing Malaysia of human-rights violations of the same people. Mahathir visited Washington, D.C., in 2002. After his harsh criticism of the U.S. because of their politics towards Iraq at the Non-Alignment Movement (NAM) Summit in Kuala Lumpur in February 2003, relations cooled down for a while.

Malaysia and the U.S. also differ when it comes to the roots of international terrorism which is linked to Islamic groups—where Malaysians see Palestine as the main cause, and Israel as the champion of state terrorism. They agree when it comes to the fight against terrorism, which endangers their national interests and sovereignty. As Deputy Prime Minister and Home Minister, Abdullah accepted America's suggestion to open a regional centre in the fight against terrorism in Kuala Lumpur.

Mahathir often said that Malaysia "has no tolerance for terrorism", which was demonstrated on its ground. Malaysia strongly opposed attempts by some members of different terrorist groups to hide in its territory. At the U.S.-Asian Business Council, in Washington, in June 2002, Mahathir said: "Recently, Malaysia has had to deal with another source of terrorism, extremist Muslim groups who claim that our government is not Islamic and want to replace it with a Taliban-style state spanning Malaysia, Indonesia and the southern Philippines." The biggest of those organisations are the Kumpulan Militan Malaysia (KMM) and Jemaah Islamiah, whose fifty members are in prisons across Malaysia. A month earlier, speaking to the OIC ministers of endowments and Islamic affairs, Abdullah said: "If we Muslims are to change the

negative perception towards our religion, we must not allow Islam to be hijacked by those who have a flawed understanding of our faith and rally under the banner of militancy."

Two Concepts of Islam

The biggest challenge for Abdullah will be to do things that even Mahathir did not succeed in doing. Mahathir claims that he did not succeed in stopping disunity and divisions among Malays, who are divided across ideological lines, and not because of wealth or poverty.

It is about two concepts of Islam, religion to which most of the Malays are devoted, but they are divided in understanding Islam's role and practice in everyday life, society and state. Mahathir's positions regarding this issue are well known, but here are some of Abdullah's statements: "We Muslims remain unable to capitalise on our strengths We must work harder to achieve a united voice, because divisiveness and discord will ultimately destroy the *ummah* A sound and thriving economy is key to efforts to develop a progressive and successful *ummah* The Prophet has reminded us that 'poverty can lead to *kufur*, infidelity Absence of innovation should be a cause for concern to us Resistance to creative thought is inconsistent with Islamic heritage It is my belief that the *ummah* must embrace modernity in order to survive We must be prepared to learn from the discoveries of others and participate in scientific debate to improve ourselves For those who refuse and reject changes that are happening around them, they do not understand that Islam is a living religion that cannot be fossilised in time."

The Chief Minister of Terengganu and Chief Minister of Kelantan Nik Aziz Nik Mat (also known as the ideological

PAS leader) led the second bloc. In their discussions about the practice of Islam and its values, they put emphasis on the formal side, and the world hereafter. They want to make things normal 1,000 years ago to look normal today, or what was regarded as just 1,000 years ago, they want to make it just today, without taking into account all developments of humanity in the field of human rights, gender equality and knowledge.

Let us consider one of the issues over which Malays have been divided for years. It is the issue of *budud* and *qisas*, Law on Criminal Punishment, popularly called just *budud* law. To PAS, its leaders and followers, this law is more important than issues of economy, technology, industry and development projects which has marked Malaysia in the past few decades.

The Terengganu State Legislative Assembly, where PAS is in majority passed that law, but its implementation is late due to some federal procedural reasons. According to this law, later on slightly weakened by some amendments, if woman accuses a man of rape, she has to bring four witnesses to the court and all of them must be just men, Muslims and older than 18. They have to be unanimous and united in their testimony that there was penetration. If the victim does not prove its allegations, she can be convicted. Apart from imprisonment, *budud* also contains punishments such as stoning to death, caning, and amputation of arms and legs. According to that law, which is being used in Nigeria, Pakistan and Saudi Arabia, and which is faced by many opposing opinions in the Islamic world, someone can also be charged for *irtihad*, apostasy.

In seeking to illustrate the injustice of *budud*, Mahathir often mentioned just the case of raping, as he did in his speech at the UMNO General Assembly in 2002: "A women who has been raped, and is unable to produce four witnesses, would

not be able to have the rapist punished even if she knows who he is On the other hand, if she were to have a child as a result, she would be guilty of *zina* (adultery) and could be punished by stoning to death. By no stretch of the imagination can this be considered justice."

The law faced many criticisms from various NGOs and women associations, as well as officials and the public, except from Kelantan and Terengganu, which are controlled by PAS. I quote two opinions, one scientific and one from 'public'.

Dr Chandra Muzaffar says: "*Hudud*, understood today as modes of punishment associated with criminal law cannot claim to have helped preserve the quintessence of Islamic civilisation. Even the decline of Islamic civilisation had no link to *budud*. Muslim thinkers such as Shah Waliullah have pointed out that élite corruption and oppression were largely responsible for the downfall of Muslim empires. Most of these empires faithfully observed *budud* ordinances. There are examples of Muslim regimes today which adhere strictly to *budud*, yet their people remain trapped in poverty, ignorance and ill health."⁹⁷

A reader of the *New Straits Times*, Muhamad Latif Jantan from Melaka says: I am now in my mid-70s and consider myself a good Muslim. Yet I dare not say that I am without sin. In my opinion, everyone on this earth is a sinner. We can only know how grave our sin would be on the Day of Judgment when we appear before the Almighty.

"It would be ridiculous if rape victims had to seek out four good male Muslims to be witnesses. Why not four good female Muslims? Why the discrimination? Also, how could anyone be witness to a crime when he was not at the scene in

⁹⁷ Chandra Muzaffar, *Rights, Religion and Reform: Enhancing Human Dignity through Spiritual and Moral Transformation*, RoutledgeCurzon, London, 2002, p. 234 (the essay was first published in 1992 in *Aliran Monthly*).

the first place? And how can anyone stand up and say, 'I am a good Muslim and so I can become a witness because I am without sin? Must we go to the Dark Ages? Wake up; we are now living in the 21st century.'

There are other issues which deeply split representatives from the two concepts, two perceptions of Malaysia today and in the future, ranging from secondary issues such as polygamy to the essential ones, such as forms of statehood, as well as the road to the future development of multiracial and multireligious Malaysia. Talking about Malay relations towards other ethnic groups and religions in an imagined Islamic Malaysia based exclusively on *syariah*, Haji Abdul Hadi Awang says: "If non-Muslims can see that Islam is not just about *hudud* but about the economy, about land and other laws, I believe that they will accept Islam as a national policy while they remain believers of other faiths. They are not forced to embrace Islam." Regarding different approach of PAS and most of other parties, which request the government to stop funding religious schools (*sekolah agama rakyat*), Haji Abdul Hadi Awang said at a recent interview: "It is not *wajib* or compulsory for every person to be a doctor or engineer. But it is compulsory for everyone to learn religion."

Those two poles that divide Malaysia, not only along political but also along social, cultural and ideological coordinates, are unfortunately moving away from each other further and further. "It is incredible," writes Munir Majid, a leading Malaysian columnist, "when the world is on fast forward, PAS is talking about whether any kind of dancing should be allowed in public. That political party wants the Malays to get worked up about the 'don'ts' in society that are allowed by a government which PAS wants spurned by the Malays as un-Islamic. Now, if the Malays want to stare at their belly-buttons, while the rest of the world moves ahead, this is

something they should do. PAS will lead them to a dark and backward age, if they want it. At a critical time for Muslims in this world, this is precisely what we don't need if we do not want to become completely marginalised."

Quo Vadis Malaysia?⁹⁸

I visited Dr Chandra Muzaffar, one of the leading Malaysian intellectuals of the last decades and author of numerous books on Islam and human rights, quoted by all those trying to understand modern Malaysia, at his International Movement for a Just World (or popularly known as JUST). I was eager to know what can save a peaceful, multicultural and regional economic power, Malaysia, from spiritual and ideological militarisation.

"I agree that militarisation of Islam is a danger, but there are many elements that can prevent it. The first one is the Malaysian middle class that is growing; educated, with good jobs, secure, moderate, and open towards modern achievements. That class is already depending on a modernised country.

"The second is Malaysian women; they are more active; their position is improving; they demand their rights through various NGOs; even PAS is changing its stand on those issues, so they will include women candidates in the next elections for the first time.

"The third is intellectuals, the cycle of writers and intellectuals who are advocating the interpretation of Islam without 'coming back', is becoming bigger. It was not so fifteen years ago; there were no such human-rights movements then.

⁹⁸ The title of this chapter, "Quo Vadis Malaysia?" is borrowed from Mahathir Mohamad's *The Challenge*; its last essay has the same title.

"The fourth is economic development already achieved in Malaysia, which will continue and that is important condition for development of a more open and free society, against retrograding course. Modernisation is always followed by a more open society."

"I like that approach," I said. "It seems to contradict Mahathir's constructive criticism. Are there enough 'critical intellectuals', because some foreign analysts claim that 'space for critical intellectuals is limited' in Malaysia."

"Yes," he answered, "that space is still limited, but there is free opinion, discussion, writings, especially when compared to many other countries."

I reminded Dr Chandra that he was a big supporter of Anwar Ibrahim, but now, five years later, he is thinking differently about the most mentioned and controversial Mahathir's deputy.

"Yes, I was much closer to him than to Mahathir," he answers. "We have known each other for a long time, we have socialised, and we have been in the same party, group ... I was the first one who supported his wife Wan Azizah Wan Ismail after his arrest. But now I can say: God save us from him! Anwar's Islam was something formal. He cited a lot of Quranic verses, he had a characteristic beard, he was close to the masses, he was a youth leader, he led ABIM in the 1970s during the Iranian Revolution ..."

Responding to my comment: "It reminds me of youth leaders from socialist systems, who became national leaders and they assumed that they are predestined to lead their people," he says. "Anwar had such an image, which he built alone and many liked it."

"I know," I noted, "even some important Bosnians liked him, and devoted more attention to him rather than Mahathir, especially because of that Islamic image."

Dr Chandra added: "One of his influential bases was the International Islamic University Malaysia (IIUM). Some people there still dream about Anwar."

Anwar also built a good position around the world, and that is why his arrest was seen as Mahathir's attack on democracy and a violation of human rights. Commenting on this Dr Chandra says, "Anwar built up his connections and bases even abroad. He had his own people in the U.S., amongst the right-wing which is very influential at the moment. During the 1997-98 crisis he supported the interests of the West, while Mahathir was against the dictates of the IMF. It is good that Mahathir reviled his intentions at the right time. Maybe Mahathir's answer was not adequate, maybe they exaggerated with prison torture. But now I can say: 'God, where would we be now if Anwar had become Prime Minister.'"

By the end of June 2002, immediately after Mahathir's resignation, Dr Chandra had a clear picture of what was going on. He identified the cynics behind the scene who rushed to call Mahathir's move a *sandiwara* (shadow play) in order to show that people still love him. Dr Chandra then said: "There may be another reason why Mahathir decided to resign. When long-serving leaders who have exercised tremendous power die in office or are forced out of the job, they are often discredited, denigrated and disgraced. Their achievements are minimised while their wrongdoings are magnified. This was the fate of Suharto who ruled Indonesia with an iron fist for 32 years and of President Ferdinand Marcos of the Philippines who was a dictator for 14 out of 18 years he was in power. Mahathir knows that one's image is better protected and one's legacy better preserved through an orderly transfer of power."

Commenting on my observation that a one-year transition period for the transfer of power will enable

Abdullah to take over Mahathir's duties easily, and that in that period he can also build his authority with Mahathir's help, Dr Chandra says: "It is important for political stability in the country. Do not forget that Malaysia is one of the rare developing countries that has always had a peaceful transition of power since gaining its independence in 1957. Although those changes used to come in different times, there was no power vacuum. Western media finds it hard to accept this fact, because they like to report on chaos and riots that take place during changes of governments in developing countries."

Finally, I asked him: "Does it mean that Malaysian political institutions developed a system of 'good governance'?"

And he replied: "There are, of course, many important institutions of formal and informal governance in Malaysia which have yet to mature. This is why how we handle the present transition of power will be decisive. It will show whether the processes and institutions of governance have acquired greater significance than the individuals who preside over them or not. For, in the ultimate analysis, it is these processes and institutions—and not the individual—which will determine our destiny as a nation."

As I was closing my file on Mahathir and his "country of miracles", I felt I had missed to mention an issue that is significant and that is the unavoidable institution of every nation—the army. It would do injustice to neglect the proud and well-armed Malaysian defenders of the national borders. However, my unintentional neglect was spontaneous. Malaysia is a rare developing country where a visitor does not notice that there is an army. Military interventions in politics or attempts to overthrow the government have not been recorded in Malaysian history, in stark comparison to the dozens of developing and Islamic countries that are ruled by generals and colonels, who were not elected but rose to power riding on army tanks.

* * *

Malaysia's two main actors on its political stage—Dr Mahathir Mohamad and Abdullah Ahmad Badawi—are ready to make a peaceful transition of power after October 2003. Abdullah, who is taking over the reins from Mahathir, gave clear indications of continuity, and had this to say about Mahathir: "The modern Malaysia is a testament to his leadership."

Mahathir is perhaps passing on his view on leadership to Abdullah by saying: "You have to lead. You should be sensitive to what your followers think. But if you do exactly as they wish, you are not a leader."

Glossary

Definition of Islamic terms as they are used in Malaysia and some Malay words and expressions:

Adat plural of *adet*, custom, tradition. The Malays consider *adat*, together with Islam, a major element of their ethnic identity.

Ad-deen, or only din generally refers to the religion of Islam, and as a Quranic technical term, it refers to the way of life, a whole system of thought and action based on recognising God as one's sovereign. The core meaning of *din* is obedience.

Adl social justice

Abl-al Kitab, in Melayu Ablil-Kitab literally "People of the Book", referring to the followers of Divine Revelation before the advent of the Prophet Muhammad

Aiduladba, or Eid al-Adba a four-day festival that completes the rites of pilgrimage, or *haj*. Literally means "the feast of the sacrifice" and commemorates Prophet Ibrahim's (Abraham) obedience to Allah by being prepared to sacrifice his only son Ismael. In Malaysia this feast is not widely marked.

Aidilfitri the Malays use together with *Hari Raya Aidilfitri*, a three-day festival marking the end of Ramadan, but in Malaysia it is celebrated the whole month by organising social gatherings, or "open houses". In other Islamic areas, it is *Eid al-Fitr, Aid ul-Fitr, or even Id al-Fitr*.

Akhirah, or Al-Akhirah Dr Mahathir uses *akhirah*, meaning afterlife, hereafter, next world. Refers to a "belief in the afterlife", which is one of the fundamental creeds of Islam. It incorporates the notion that Man is accountable to God for his actions, and life on Earth is a test. Ultimately, all will be called upon to render an account of one's acts on the Day of Judgment, which in Malaysia is considered part of the *akhirah*.

Alim religious learned or scholar; theologian

Assabiyah the giving of loyalty to one's faction at the expense of loyalty towards other Muslims and the worldwide community of Muslims as a whole

Ayah, ayat pl. *ayat* means a sign (or 'token') which directs one to something important. In the Quran the word has been used in four different senses: (1) sign or indication; (2) the phenomena of the universe (called *ayat* of God for the reality to which the phenomena point is hidden behind the veil of appearances); (3) miracles preformed by the Prophets; and (4) individual units (verses) of the Book of God.

Bahasa 'language' in Malay. However, wrongly used by many Malays and non-Malays to refer to the Malay language, instead of *Bahasa Melayu*.

Bukit 'hill' in Malay, often used in the names of city quarters (for e.g. Bukit Bintang) built on hills, especially in Kuala Lumpur

Bumiputera It became common, particularly after 1969, to refer to the Malaysian population as consisting of *Bumiputeras* (or *Bumiputras*) ('sons of the soil') and non-*Bumiputeras*. The *Bumiputeras* comprise the Malays, Malay-related and indigenous or aboriginal groups. Non-*Bumiputeras* consist of Malaysians of Chinese and Indian ethnic origin and members of other small non-Malay groups.

Dakwah in Arabic, *dawah*, a missionary propagation of Islam through word and action calling the people to follow the commandments of Allah and Prophet Muhammad. Modern *dakwah* movements and organisations work primarily amongst Muslims, instead of reaching out to members of other faiths.

Dunia world, earth, 'this world', the opposite of the hereafter

Fatwa a legal verdict given on a religious basis, and the sources should be the Quran and *Hadith*. Issued by Islamic scholars (*ulama*).

Firaun pharaoh; in many Islamic communities, including among the Malays, it is used by conservative, backward people as an insult or a derogatory term for liberal Muslims

Fi sabil Allah 'in the way of Allah' is a frequently used expression in the Quran which emphasises that good acts should be done exclusively to please God. Generally, the expression has been used in the Quran in connection with striving or spending for charitable purposes. In Malaysia, in the 1970s, *Fi Sabilillah* was one of most active Islamist organisations.

Hadith the word *hadith* in Arabic literally means communication or narration. In the Islamic context it has come to denote the record of what the Prophet said, did, or tacitly approved, as transmitted by his companions and others from the first generation of Muslims. These recorded traditions were subsequently compiled and codified by scholars. *Hadith* is an accepted source of Islamic law (*syariah*). It also helps Muslims to interpret the Quran by giving meaning to obscure verses and words, and by recounting incidents in which the Quranic verses were applied to situations in life.

Haj also *bajj*, one of five pillars of Islam, a duty every Muslim must perform during one's lifetime if one has the financial

resources for it. It must be performed during specific days of *Dbu al-Hijjah*, the twelfth month of the Islamic lunar calendar. The focus of the *haj* is the Ka'aba, a cube-shaped House of God in which a sacred Black Stone is embedded. Muslim tradition teaches that the Ka'aba was originally built by the prophet Ibrahim (Abraham) and his son Ismail. The Black Stone was given to Abraham by the angel Jibra'il (Gabriel) and thus is a symbol of God's covenant with Ismail and, by extension, the Muslim community.

Halal legitimate or lawful as defined by Allah; permissible according to Islamic law and covering all aspects of life, usually pertaining to food

Haram prohibited by Allah, forbidden by Muslim law. In Malaysian shops, "non-*halal*", rather than *haram* is used for food

Hassanah bounty, generous act

Hudud the mandatory punishments in Islamic criminal law for crimes against morality (adultery, fornication and false allegations of adultery), property (theft and robbery on road), apostasy and drunkenness. Though severe, *hudud* punishments are tempered by the strict rules of evidence. For e.g., the first offence of theft, on the proof of two witnesses or a confession, results in amputation of the hand at the wrist, and the second, further amputations. For fornication, on the proof of four male witnesses or a confession, a married person is sentenced to stoning to death, and others to a hundred lashes.

Ijtihad independent reasoning, or exercising personal judgment based on the Quran and Hadith

Imam signifies the leaders and founders of the different systems of theology and law in Islam; a person who leads the prayer in a congregation

Irtidab apostasy

Jabiliyah literally 'ignorance', pre-Islamic civilisation, a concise expression for the pagan practice and way of life before the advent of the Prophet Muhammad

Kafir non-believer of Islam; infidel; pagan: signifies one who denies or rejects the truth, who disbelieves in the message of the Prophet. Since the advent of Muhammad, anyone who rejects his message is a *kafir*

Kampung also spelt as *kampung*, village, generally referring to the peasantry

Khalwat close proximity, punishable by the *syariah* courts if committed by unmarried Malay Muslims

Menteri besar chief minister of the Malaysian states

Murtad apostate, derived from *irtidab* (apostasy)

Negara nation, national in Malay: for e.g. Masjid Negara, the National Mosque

Quran also Qur'an, the Holy Book of Islam; in Bosnia and Turkey, Kur'an (pronunciation is more appropriate with an apostrophe)

Qisas law of equal relation when punishing a person for injuries intentionally inflicted on someone else

Rahim, Rahman in the Quran attribute of God Rahim has been used side by side with Rahman (both are from the same Arabic root *rahm*, which denotes mercy). As such Rahim signifies God's mercy. Rahman, as one of personal names of God, denotes the One who is exceedingly merciful

Rakyat 'people' in Malay

Sandiwara shadow play, a form of theatre popular in Asia (in Ottoman Turkey and Balkans known as *karajoz*), also signifies political games behind the scene

Syabid martyr, in Arabic *shabeed*, pl. *shubada*

Syaitan devil, satan, in Arabic *shaytan*, *shaitan*. Al-Shaytan is also the name of Iblis, the jinn who refused the command of Allah to prostrate before Adam out of vanity.

- Syed* Muslims who claim they are descendants of the Prophet Muhammad; in Iran, *seyed*. In Malaysia, a sign of special nobility.
- Syariah* also spelt as *shariab*, *shari'ab*, signifies the entire Islamic way of life, especially the law of Islam
- Ulama* plural of *alim*, which means 'learned' or 'scholar': Islamic scholars; seekers of knowledge; theologians. Traditionally, the *ulama* have claimed the right to interpret Islam; however, the modern period has seen an erosion of their traditional powers and authority.
- Ummah* the worldwide community comprising all adherents of the Islamic religion. The *ummah* is a supranational notion that extends beyond national boundaries to encompass all Muslims.
- Umrah* or *umra*, minor pilgrimage to the Ka'aba. It is called also 'minor *haj*', since it need not be performed at a particular time of the year and its performance requires fewer ceremonies than the *haj* proper.
- Zina* illegal sexual intercourse, embracing both fornication and adulterying

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