

COVER STORY

POWER PLAY

By Roger Mitton KUALA LUMPUR

When Malaysian Prime Minister Mahathir Mohamad returned from New York to Kuala Lumpur on Sept. 30, he was an unhappy man. The day before, he had addressed the 50th session of the United Nations General Assembly, an honor for any leader. It was a speech the whole world was waiting to hear, said Malaysian newspapers and TV. And it was a very good speech on one of Mahathir's favorite themes: that the U.N. must be reformed to serve all nations, not just the interests of the rich.

But few Malaysians noticed. The prime minister's hour in the international spotlight was almost totally eclipsed by the defeat that same day of a Mahathir loyalist in a party divisional election. An added sting: the election was in Kedah, the prime minister's home state. The electoral setback — one of many in recent weeks — sparked rumors that Mahathir, 69, was losing his grip on UMNO, the dominant party in the ruling coalition, and might soon have to relinquish control to his deputy, the dynamic finance minister Anwar Ibrahim, 48.

The PM deftly jested about it, although his face betrayed his irritation. When later asked how he would deal with the electoral rebuffs, he smiled, clenched his fist and quipped: "I will not elaborate, because now I am losing my grip." He may joke, but a growing number of serious observers and partymen are beginning to wonder if indeed that is not the case. So much so that on Oct. 2, the Kuala Lumpur Stock Exchange fell 1.6% to a five-month low and remained down throughout the week. Brokers attributed the drop to political uncertainties.

What — or more to the point, who — is behind Mahathir's troubles? Most of Malaysia's political junkies — and that includes almost everyone from taxi drivers to tycoons to technocrats — think they know. The talk around town is that Anwar, Mahathir's chosen successor and UMNO's brightest star, used proxies to battle — and defeat — his boss's candidates in the party's internal polls. The question now on

everyone's lips is whether Anwar may be positioning himself to claim the top prize — the party presidency, and with it, the premiership — at the November 1996 party elections.

The real story, though, is more complex. To put it in perspective requires a review of past leadership battles, current generational conflicts, money politics and grassroots UMNO electioneering. It helps to get a few things straight from the start. 1) True, Anwar has effectively taken charge of UMNO at almost all levels. 2) Despite that, he is unlikely to challenge Mahathir for the party presidency next year. 3) Although he may not openly challenge Mahathir, that does not mean that he will not take over as leader in the near future.

HOW DID HE DO IT?

How did Anwar seemingly outmaneuver the man who has dominated Malaysian politics and national life as premier for 14 years, and who led his National Front government to a stunning general election victory just six months ago? Simply by concentrating on UMNO party affairs. As one of his close business associates told Asiaweek: "Forget the general election. For Anwar it's always the party, party, party." The focus has paid off. In the party's recent internal elections for the top posts in the 165 divisions around the country, Anwar's men tightened their hold, while many of the

PM's top loyalists were ousted. To a man, the losers believe their downfall was engineered by Anwar's supporters.

The list of casualties reads like a Who's Who of Mahathir backers: the PM's close friend and former finance minister Daim Zainuddin, former agriculture minister Sanusi Junid, the ex-deputy premier

Ghfar Baba, former chief minister of Malacca Rahim Tamby Chik, current deputy ministers Khalid Yunus and Railey Jeffrey, and the party's veteran information chief Hussein Ahmad. Said a Kuala Lumpur-based diplomat: "It looks to me like Mahathir is in trouble. What shocks me most is that UMNO men have ignored his explicit

instructions to support these people."

The PM had bluntly dismissed the challenge to his friend Daim as "nonsensical," and publicly backed Sanusi, who has been one of his staunch loyalists for almost two decades. Yet both were sidelined. Daim was so humiliated by the challenge that he withdrew before the election; heavyweight

Sanusi lost to his former deputy. Says political analyst Rustam Sani: "If only a few years ago the PM had said: 'I don't want you to challenge Daim,' they would all have obeyed. No question about it. Now they quite openly didn't."

That was enough to start the talk of Mahathir's demise. But what really kicked the coffeshop talk into high gear were the vehement denials by Mahathir and Anwar that there was a split between them. In the labyrinthine world of Malaysian politics, smoke in the kitchen means there is something cooking. As Penang-based University of Science academic Ariffin Omar says: "You don't have to have the front pages of all the papers deny that there's going to be a challenge unless that is precisely what everyone thinks is going to happen." Adds Ariffin: "It is shaping up to be a real dogfight. I don't think either Mahathir or Anwar really wants it, but it is now being thrust upon them by events beyond their control."

To many, it is beginning to look like an eerie reprise of the events of 1993. At the start of that year, Anwar said that he had no intention of running for UMNO's No. 2

now doing must be followed by Anwar." Maybe, but some say the balance is tilting too much Anwar's way. The root of Mahathir's problems goes back to 1993, when Anwar chose to make his move against Ghafar Baba. Says Ariffin: "Mahathir's troubles actually began when he let Ghafar go. Ghafar was totally loyal and no threat, and he looked after the party for him. Now Anwar has taken it over."

It is no secret that Anwar is in line to become premier some day. Activist and intellectual Chandra Muzaffar agrees: "Mahathir has groomed him for this role." That has been clear ever since he brought the former firebrand student leader turned social activist into government in 1982. At an UMNO Supreme Council meeting last month, Mahathir told the members "I give the party to Anwar." It was a repeat of what he told party leaders after the April general election victory: "Anwar is my heir apparent. He will take over from me." So top partymen know the score. But no one knows the timetable for the changeover, or whether Anwar and his backers accept it. Hence the worry that if the PM stays on too long, his hand may have to be forced by a contest.

UMNO is one of the most democratic parties in the world. "Too democratic," quips Youth head Nazri Aziz. Members elect divisional delegations, who every three years elect a president, deputy president and three vice-presidents. When talk of a challenge flared again last month, Mahathir repeated there would be no contest for the presidency. It provoked a backlash. Said a diplomat: "Some young Turks expressed loyalty to the PM, but said: 'How dare he say there won't be a contest. It's not up to him to say that. UMNO is a democratic party. If someone wants to contest for any post and gets nominated, then they can run. You can't stop them.'"

This view was aired publicly by a senior UMNO man. Said parliamentary secretary Fauzi Rahman on Oct. 3: "The view that the top two posts should not be contested must come from the divisions and not from top party leadership." In other words, if the members decide to nominate Anwar against Mahathir, there is little, technically, either man can do about it.

WHY MAHATHIR MIGHT STEP DOWN

The rapport between Mahathir and Anwar is based on trust and admiration — in spite of ideological differences. As

LEADERSHIP

Subtler Touch, Same Iron Grip

A nation that is concerned as much about easing poverty as creating wealth, with examining its own flaws as pointing out others' — that appears to be the destiny for Malaysia when Anwar eventually takes charge. Though the country's development-minded policies are unlikely to change, the character of government will. Mahathir gave the nation an "economic blueprint," says Shaharil Talib, a University of Malaya academic. But now, "Anwar is articulating social, economic and cultural concerns." And those will shape the country he leads.

The deputy premier often urges listeners not to let development distract from Islam and Malay culture. And he restrains his admiration for grand projects such as Kuala Lumpur's 88-story Petronas Towers and Sarawak's \$6 billion Bakun dam. The needs of ordinary people, he stresses, are equally important. Low-income housing is a favorite issue. Recently he said he would double allocations for rural areas in next year's budget. "With Anwar, it is always the fight against poverty," says an UMNO Youth leader, Saifuddin Nasution.

But Anwar does not want a nativist, Islamist welfare state. Though he was a devout student activist, he has always shown an appreciation for accommodation and balance. Muhammad Nor Manuty, president of the Muslim Youth

Movement of Malaysia, which Anwar once led, says, "He has to be realistic because this is a multiracial, multi-religious society." Though the deputy premier recognizes the Malays' difficulties, adds his former political secretary Ibrahim Saad, "he is not going to stop the Chinese from achieving."

He is expected to modulate the anti-Western rhetoric Mahathir favors. Anwar once told Asiaweek that while Malaysians are critical of the West, "we are also very critical of ourselves, of some of the traditions, some of the excesses of the past." That tempered tone may sound friendlier not only to Western leaders, but to neighboring ones too. "In Jakarta, I think he'll be quite welcome," says oppositionist Syed Husin Ali, who has known Anwar for years. Mahathir and President Suharto reportedly do not get along.

Anwar's openness emerges in part from his erudition. He can discuss Plato as easily as he can Spanish philosopher José Ortega y Gasset. Speaking at a recent conference in Kuala Lumpur on Filipino nationalist José Rizal, he quoted *Hamlet*. Sometimes the cultural sophistication has a downside. His speeches can puzzle audiences, whereas Mahathir uses direct language. Yet Anwar believes intellectual pursuits "can only take place in the context of economic prosperity and political stability."

By Chanthan

That is one precept he and the prime minister share.

They also have in common a masterful, sometimes abrasive, political style. "Anwar is capable of doing avaricious and expeditious things to serve his own interests," says one longtime associate. "He's a very cunning politician." Although in public he is rarely ruffled, in private Anwar can — and does — vent his fury. "If he is angry with you, he will scold you," says close friend Kamaruddin Mat Nor. His cool forcefulness will ensure a tight grip on power.

Anwar is likely to induct younger leaders when he takes over, instead of relying on party veterans as Mahathir does. Nonetheless, says academic Shaharil, he "will bring continuity to what Mahathir has achieved." And put his own stamp on Malaysia. ■

REVISING HISTORY

AFTER SUFFERING embarrassing setbacks in internal party elections last month, Prime Minister Mahathir Mohamad told the UMNO Supreme Council that there would be no contest for his post — or that of his ambitious deputy Anwar Ibrahim — in next year's party polls. Said the PM: "We follow tradition. The deputy will take over when the time comes."

IN FACT, more often than not, the party's top posts have been contested. Of the six UMNO triennial voting assemblies since 1978, all but one has seen a contest for the deputy president (though one was aborted before the vote). The presidency has been contested twice, in 1978 and 1987.

IN 1987, Mahathir's former deputy premier Musa Hitam, exasperated at the restrictions imposed on him by his boss, teamed up with his ex-foe Tengku Razaleigh Hamzah and challenged Mahathir and his running mate Ghafar Baba. Mahathir won by only 43 votes out of 1,479 cast. Ghafar also hung on by a narrow margin. After Anwar defeated Ghafar for the deputy presidency in 1993, he was asked by Asiaweek whether he would accept a challenge against himself in 1996. Said Anwar of party practices: "Yes. I was sure it was going to change. They say tradition. What tradition?"

Anwar's closest adviser Kamarudin Jaffar says: "There is mutual respect." Yet each holds undeniably divergent views of how Malaysia should develop: Mahathir, the can-do, pro-rapid development leader who has grabbed Malaysia by the neck and thrust it into the modern world; Anwar, the social libertarian who voices concern that the welfare and social values of the people are being subverted in the rush to modernize — the man of the common folk.

But partymen say what has caused most of the recent complaints about Mahathir, and has fueled the current crisis, is the growing perception that he is not open to renewal in cabinet and other government and party posts, that he does not

promote from within the ranks but sticks with the same old guard. Said one partymen: "Every division voiced criticism, not of the PM himself, but of his style of keeping the same people. The ones who have been sitting in subordinate positions waiting for the chance to get promoted are just fed up. They see the advent of Anwar as a chance for their much delayed promotion."

Similar complaints are heard regarding the corporate sector. Politicians have long lamented that there are not enough bumis — indigenous Malays — in top business positions, and that the PM keeps rewarding the same coterie of trusted tycoons with government contracts. Anwar has promised to spread the wealth more widely.

Following the blatant vote-buying in the 1993 UMNO party elections, the party held a special assembly last year to clean up its act. But little changed. Says an UMNO divisional chief: "The politics of patronage is now ingrained in Malaysia." Anwar has vowed to fight this. But few believe he can do it — and some even question his resolve, largely because his 1993 Vision Team included some of the worst perpetrators of patronage.

WHEN WILL ANWAR BECOME PM?

Some say Mahathir will resign in the next six months, that is, before party nominations come in, so as to avoid the prospect of defeat. This is possible, but extremely unlikely. Says a party strategist: "Mahathir will not step down in the next year. If he did, there would be a bloodbath for the No. 2 spot under Anwar. That will not happen."

Alternatively, nominations for Anwar may flood in, forcing him to reluctantly accept them in a replay of the Ghafar defeat in 1993. Thus he replaces Mahathir — either after the PM resigns or is defeated at the polls. Nothing is impossible in politics, but this comes close to it. Another scenario sees partymen obeying the call not to nominate Anwar, so both top posts go uncontested and the status quo remains. However, after the events of the past weeks, no one thinks things can remain the same.

The savviest analysts believe the most likely scenario is that a deliberate signal has been sent to Mahathir showing Anwar's power in the party. The senders have also indicated that they do not want Mahathir to stay on indefinitely. They would like him to go, not immediately, and not without dignity, but relatively soon. The talk that he might stay on into the 21st century is simply not tenable anymore.

These analysts say that privately a commitment is likely to have been given and that both sides will honor it. There will be nominations for Anwar, but he will cut them off to show his power, and will unflinchingly support Mahathir for the top spot. After his re-election, Mahathir, in return, is likely to say that he has been in power 15 years and it is nearing the time to pass the baton to a new man. Says the party insider: "So no challenge, no fight, no embarrassing parallel of '93, whereby the PM has to resign to avoid losing a contest. He retains his dignity, stays on — but only for the short term. He must go between '96 and '99, and it will be sooner rather than later."

If that is the case, then all sides will be relieved. Talk of a rift will die. The succession will be handled with such sureness and lack of rancor that political stability will be ensured and the economy and stock market will be unaffected. Such a smooth transition would show the unity and political maturity of the Malaysian polity at its best. ■