

His Master's Voice

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The New Straits Times has seen its position as Malaysia's premier newspaper compromised by its close political connections

By S. Jayasankaran/KUALA LUMPUR

THE FIRSTTHING Abdullah Ahmad, 64, did after his appointment in September was to summon senior editors to his office. The new group editor-in-chief of the New Straits Times Press, or NSTP, had a plan: Just report the news and confine pro-government opinions to the op-ed pages.

That's radical, given the group's historical baggage. NSTP is a listed media and banking concern and, at 156 years old, is Malaysia's oldest publisher. But the once-prestigious blue chip that publishes five daily papers has been reduced to a losing, indebted and less-than credible concern. Abdullah was roped in by Premier Mahathir Mohamad to turn the tide.

He will have his work cut out for him. NSTP epitomizes the politico-business nexus in Malaysia and vividly illustrates its flipside: that political connections, however strong, can become a liability. It's also a story about the problems that beset any long-established, successful company—a failure to adapt to change, of complacency, even hubris.

First, the politics. In 1972, NSTP was taken over from commercial interests by the business arm of the dominant United Malays National Organization, which is now presided over by Mahathir. From that time, the group's papers, especially its flagship New Straits Times, were expected to do the bidding of whoever was in control at that point in time, something that would come back to haunt the paper in 1998. Then control shifted to Umno-linked companies whose owners were allied to key party leaders. In 1990, for instance, the group was taken over by the Renong conglomerate, which had links to former Finance Minister Daim Zainuddin.

In 1993, control shifted to Malaysian Resources Corp., or MRCB, a concern owned by allies of Anwar Ibrahim, then No. 2 in the party and government. After Anwar's ouster in 1998, control of MRCB shifted

SOLAR ECLIPSE

After losing over 200 million ringgit in eight years, The Sun is being radically made over.

From March, the national daily will be distributed free and concentrate on the Klang Valley. The change follows the December entry of businessman Tong Kooi Ong, who owns The Edge business weekly, into the newspaper group as part owner. Vincent Tan launched The Sun in 1994 and still holds a controlling interest.

John Ishir/RTVIEW

back to a Daim associate, only to go back squarely to a Mahathir ally after Daim fell out with the premier in June.

The constant shifts in control mirrored bursts of party instability. "Umno's control of the media is inversely proportional to its own strength," says a former editor of a rival newspaper, pointedly noting that since Mahathir took office in 1981, NSTP changed major shareholders four times and chief editors five times. Given that background, the paper's reportage frequently reflected a better-safe-than-sorry tack amid growing self-censorship among reporters. "You can come in an idealist," says a former senior editor. "And then you learn that you are brought up to reflect, mimic and promote Umno and the government."

For all that, the paper wasn't seriously hurt because control was, well, expected. The reason being that in Malaysia, the mainstream media is tightly regulated and is either owned by political parties in government or pro-establishment tycoons. But things began changing in 1987, a period of great instability in Umno. That spilled over to national politics and culminated in the preventive detention of more than 130 people. As part of the crackdown, Mahathir closed three newspapers including The Star tabloid. (The Malaysian Chinese Association, a political party in the ruling coalition, owns the paper.) The Star had long lagged the New Straits Times but had begun boosting circulation in 1982-87, the result of pushing political reporting to the limits.

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**“EVERYBODY IS MAKING USE OF
[the war on terror] for their own
political benefit”**

JUSUF WANANDI, INDONESIA

suggest the Malaysian government is taking advantage of the climate of fear over terrorism to discredit its legitimate opponents. For one thing, police and government officials say most of the dozens of detainees belong to a single outfit, split into two sections. They first identified it as the Malaysian Mujahideen Organization, but later switched—without explanation—to Malaysian Militant Organization, keeping the group’s Malay initials, KMM.

“I find it difficult to imagine an organization calling itself such a name,” says John Funston, an Australian political scientist who specializes in Malaysia. And the various “crimes” attributed to the KMM, he says, “don’t seem to me like the work of one group.”

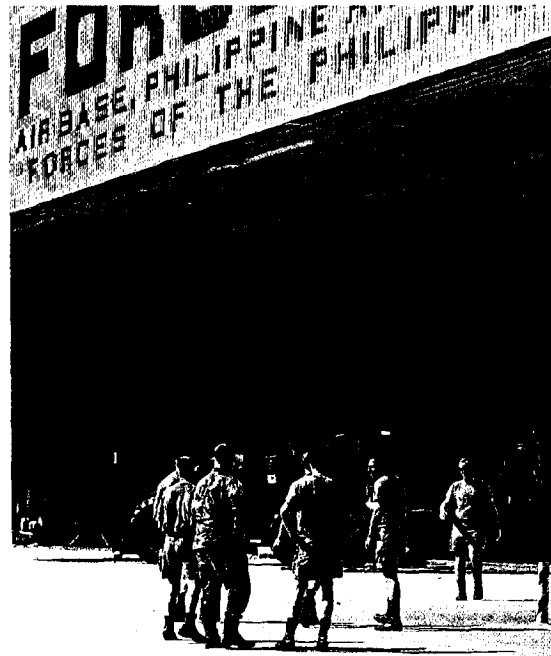
Into this arena step the Americans, viewing Southeast Asia much as they did in the 1950s and 1960s in the lead-up to their involvement in Vietnam—as a problem. Today, the U.S. again has military advisory groups in the region—one based in Thailand to combat drugs, another preparing to train Filipinos and help them hunt down the Al Qaeda-linked Abu Sayyaf kidnap gang.

Indonesia is under strong U.S. pressure to follow the example of Singapore and Malaysia and act decisively against Islamic militants, but President Megawati Sukarno-

putri worries that a crackdown would be seen as an attack on Islam. Her dilemma showed up early, when she travelled to the White House in September to condemn terrorism forcefully, only to return to Jakarta and do little, as local sentiment opposed the U. S. bombing of Afghanistan.

When the Bush administration took office early last year, Southeast Asia fretted about being ignored. Now, front-line governments in the fight against terrorism, with the exception of the Philippines, are concerned to keep their distance from the U.S., or risk losing legitimacy. They have all made it clear that they don’t want American combat forces on their soil. Any trampling on sovereignty, even in the Philippines, would likely provoke a nationalistic backlash.

The challenge for the U.S., say Southeast Asian officials, is to structure an approach that goes beyond military action and takes into account the complexity of dealing with terrorism, including its root causes. Particularly in Indonesia and the Philippines, it must mean sticking around to ensure economic development and institution-building, says one official. ■



BACK AT CLARK: U.S. troops at the former American base

Joel Niro/APP

ject of sharp debate, if only because investigations are far from complete. Not everyone agrees with the dire threat seen by President George W. Bush’s administration. In fact, Mohamed Jawhar Hassan, director-general of the Institute of Strategic and International Studies in Malaysia, says terrorist activity has “declined dramatically” in the region over the past few decades.

Since September 11, Singapore has uncovered what it says is an international Al Qaeda-linked organization, jailing 13 men who allegedly plotted for years to blow up U.S. and allied targets there. Singaporean authorities say the clandestine Jemaah Islamiah has cells in Malaysia and Indonesia, but both countries deny it.

Beyond that, radical Islamic groups in neighbouring countries have members who trained in Al Qaeda camps in Afghanistan and received funds, and these groups are developing closer contacts with each other. “All these others are essentially homegrown—a domestic phenomenon—with external links,” says Jawhar. They tend to be poorly armed, unclear about their strategy and pursuing unrealistic objectives, such as establishing an Islamic state by force, he says.

Sceptics demand evidence that movements such as Indonesia’s Christian-fighting Laskar Jihad are allied with Osama bin Laden and represent a clear and present danger to international order. “It’s like communists under the bed,” says Harold Crouch, who heads the International Crisis Group in Indonesia. “You’re ignorant about them and you find them everywhere.”

It is also hard to gauge the seriousness of the terrorist presence because of the blatant manipulation of the issue for political ends. Take Malaysia, the most egregious offender. Prime Minister Mahathir Mohamad early last year began jailing alleged Islamic militants supposedly planning to overthrow the government by force, most of them members of the main opposition party, Pas, which advocates the introduction of an Islamic state.

The government’s continuing attempts to associate Pas with extremism appear to have succeeded. Significant numbers of ethnic Chinese and Indians, as well as some urban Malays, have deserted Pas for the government, according to a senior official of the Democratic Action Party, another opposition party. In addition, Mahathir has won high praise from Bush for contributing to the war on terrorism, without having to endure constant U.S. carping about the frequent use of the Internal Security Act, which provides for indefinite detention without trial.

Yet independent authorities point to inconsistencies that