

Malaysia

## The long goodbye

KUALA LUMPUR

**After 21 years, Mahathir Mohamad is stepping down—but not for 16 months. His successor is untested**

THE delegates to the annual conference of the United Malays National Organisation (UMNO) were expecting a surprise—but not the one they got. Many thought that Mahathir Mohamad, the party leader and Malaysia's prime minister of 21 years, was about to call snap elections. The events of September 11th had, after all, revived his flagging political fortunes by putting Malaysia's Islamist opposition on the defensive and distracting attention from the prime minister's autocratic excesses. Instead, in the conference's closing speech, Dr Mahathir dropped a much bigger bombshell: he was retiring, he said, from his party posts, and by extension as prime minister.

Chaos ensued: the party's top brass mobbed the podium in dismay; Dr Mahathir—who still had a page left of his speech to go—was dragged away from the microphone reiterating his determination to quit, and a woman minister lost a heel in the melee. Many Malaysians, watching the drama on television, dismissed it all as a political stunt. Their suspicions deepened when senior UMNO members announced an hour later that they had prevailed upon

the reluctant Dr Mahathir to change his mind and stay on. But on June 25th, in a press conference, Abdullah Badawi, Dr Mahathir's deputy, confirmed that the prime minister would indeed be stepping down—although not until October next year. With Dr Mahathir himself now on holiday in Italy, that statement seems likely to stand for the time being.

Of course, Dr Mahathir will have plenty of time to change his mind over the next 16 months. He has threatened to resign several times in the past, and thought better of it. But this time, the decision seems genuine: even senior party members appeared astonished at the announcement, and Dr Mahathir himself wept as he made it. Furthermore, given the lack of any clear challenge to his leadership, he had no need for such histrionics. Malaysians are gradually coming to believe that their prime minister—who is 76—really intends to quit while he is ahead.

Dr Mahathir has often said that he does not want his departure to leave Malaysia in crisis, unlike recent transitions in Indonesia and the Philippines. A long run-up should, in theory, pave the way for a

smooth transfer of power. Mr Badawi will gradually take over the prime minister's responsibilities over the next year, and stand in for him altogether during a two-month vacation next year.

But several uncertainties remain. Mr Badawi is seen as friendly rather than forceful. His chief achievement to date has been staying on good terms with Dr Mahathir—something that none of his three predecessors managed. But leading the faction-ridden UMNO, and the squabbling coalition that it heads, will take different skills. Mr Badawi's defenders insist that he will grow in stature once he escapes from his boss's shadow. If he does not, UMNO has three ambitious vice-presidents waiting in the wings, while two of Dr Mahathir's deposed deputies, including the imprisoned Anwar Ibrahim, still retain some following. Some of the rank and file are already complaining that they did not even elect Mr Badawi as deputy leader (he was appointed by Dr Mahathir), let alone select him to run the country.

Mr Badawi's chances of asserting control will depend in part on the timing of the elections, which the prime minister can call at any point until late 2004. Many UMNO members would like to hold them before the transfer of power, to take advantage of Dr Mahathir's stature and cash in on the party's current standing. But Mr Badawi's supporters want to wait until after the handover, to give the new leader a chance to prove himself.

Mr Badawi will also have to make some tricky decisions about policy. Until ▶

▶ Dr Mahathir's shock announcement, the party conference had focused on two of Malaysia's most enduring political debates: the rights of the indigenous Malay majority over the descendants of Chinese and Indian immigrants, and the role of Islam in government. Dr Mahathir made his political career by espousing affirmative action for Malays, and has presided over a mild Islamisation of both state and society. But he recently revised his views, calling on Malays to make do without special treatment, and declaring that the "greening" of Malaysia had gone far enough. At his behest, the party agreed to reduce the number of places reserved for Malays at universities, and rolled back the use of Malay in schools.

Such moves will anger many Malay voters, and perhaps spur their defection from UMNO to PAS, the main, Islamist, opposition party. But Mr Badawi's aides insist he will stick with the new agenda. His degree in Islamic studies, they say, will equip him to confront the Islamists, who have just acquired a new and more aggressive leader of their own.

And then there is the economy, which has sputtered since the Asian crisis in 1997, after years of breakneck growth. Mr Badawi, who has no economic experience, faces growing numbers of unemployed graduates, and the wreckage of the government's attempt to create a class of Malay entrepreneurs. It is a challenge that Dr Mahathir would once have relished. ■

April last year was her belief (though never stated publicly) that the proposed ministerial system would lead to the politicisation of the civil service. "The effect of the new ministerial system is that Mr Tung is even more powerful than before. But then even though he is a dictator, he is really a puppet of Beijing," says Martin Lee, leader of the Democratic Party, the largest in Hong Kong's legislature.

The new system could well make life easier for the central government in Beijing. Constitutionally, it has final say over the appointment of top officials in Hong Kong. After the handover in 1997, it accepted all of the officials who had been appointed under the British—not because it liked all of them, but because it wanted as smooth a transition as possible. But privately, officials in Beijing feel the Hong Kong civil service has been slow to swing round to their way of thinking.

In spite of these changes, few expect any big policy shifts—at least not imminently. But pro-democracy activists, who generally admit that the past five years of Chinese rule have been more benign than many had expected at the time of the handover, do fear that life may get tougher in the years ahead. During his first term, Mr Tung avoided taking action on a requirement in Hong Kong's constitution, drafted by China, that the territory pass laws prohibiting crimes such as secession and subversion, as well as political links with foreign organisations.

The government is clearly worried about the impact such legislation might have on Hong Kong's image abroad. But Donald Tsang, Hong Kong's chief secretary, says the government is likely to promulgate the required laws during Mr Tung's second term. "I do not think we should put this off forever. Sometime we have to face the music," he says.

Chinese officials will certainly be glad to hear him say so. They do not appear to want a sweeping crackdown against dissent in Hong Kong, but they would like legislation in place that would give them a freer hand. In an interview this week with a Hong Kong television station, China's deputy prime minister, Qian Qichen, suggested that the Falun Gong spiritual movement could be in breach of future anti-subversion legislation if it continued to contact "foreign forces".

In the next five years, Mr Tung will also have to examine possible political reforms to be introduced in 2007, the earliest date when Hong Kong's constitution allows for a fully directly-elected legislature and chief executive. But here, too, the prospects are bleak. In another interview this week, Mr Qian said he was against rapid moves toward full democracy. "One cannot have Hong Kong emulating the systems of other regions," he said. Mr Tung and his ministers would surely agree. ■