

YOU FACE REALITY'

At 75, Mahathir Mohamad sounds worn down by unprecedented criticism of his rule



Malaysians either love or hate Prime Minister Mahathir Mohamad, but few have doubted his fighting spirit. At least until now. At 75, Mahathir's legendary combativeness has faded. When Editor Dorinda Elliott, Managing Editor Salman Wayne Morrison and Correspondent Arjuna Ranawana interviewed him in his office at the new administrative capital Putrajaya, Mahathir slumped in his chair and appeared tired and worn down by the unprecedented criticism of his rule. He acknowledged that his party has lost its way and that he is no longer master of his country's fate. Excerpts (a longer version appears on www.asiaweek.com):

Race is in the headlines again. Ethnic Chinese groups are demanding meritocracy. Thirty years after the NEP began, racial tensions persist. Has the NEP failed?

Some Chinese are extremists. They make unreasonable demands, which negate the social contract we entered into at the time of independence. The vast majority of the Chinese are very tolerant. They understand the reasons behind the policy of positive discrimination. They have seen what has happened in other countries where there is no attempt to equalize the development of the different communities, and how people take it out on the Chinese community. But there is a perception that Malays are divid-

ed and this is the time to make demands.

Aren't the Malays divided because UMNO and the whole Malaysia Inc. system have been tainted by cronyism?

The idea of cronyism is not a local idea. It appeared first in foreign magazines, including *Asiaweek*. The NEP has benefited some 7 million Malays. Not just one or two — 7 million Malays. We promised that there would be equality between the Chinese and the indigenous peoples at all levels. At the highest level, at the big business level, there have been hardly any Malays. They had to be brought up, so that there is equitable sharing of the growth of this country. Otherwise, people will say that we share only the poverty, not the wealth. So when companies allocate shares, we use the opportunity to give the shares to a few Malays if they show the capability. But anybody who is given shares, whether he is known or not known by government leaders, or prominent or not, is immediately labeled a crony. We become open to the accusation that we have cronies, but then to whom do we give?

But if you keep protecting bumiputras through affirmative action, won't Malaysia be left behind in a globalized economy?

We have to protect them because it is in the interest of the country's stability. There is a feeling among international experts, among

economists, that affirmative action is bad. That people who are poor should remain poor, people who are lacking in skill should not be helped. Do you want to see a Malaysia where the Malays, the majority, are thrown to the side?

Many young Malaysians are frustrated by the system.

I was young once also. When you grow old you face reality. You have to accept there are certain things that you cannot do.

Is the delayed restructuring of top companies slowing the economy's recovery?

No. We have made better progress than most other countries. When you halve the value of a currency, and then you reduce the share prices by 90%, any company, no matter how strong, no matter how well-managed, will fail. The American government came up in support of Chrysler or GM or Ford — I forget which — with almost a gift of \$2 billion. That's how they recovered. They would have gone under without help. That to me is real bailing out. I'm not saying there is no corruption in Malaysia. But cronyism, that I will refute. I don't help people because they are my cronies. I help people who have ability.

Foreign direct investment in Malaysia is falling. Yet you keep criticizing the West, the source of the funds coming in.



Muhsin Ahmed for Asiaweek

We have been criticizing other countries a long time, yet the investments keep coming in. People are still investing in this country because they like the stability, they like our currency management.

Yet investment has been declining.

It has been declining throughout the whole area. A lot of money is going to Europe, to America, and little is coming to this region. The Japanese economy is in bad shape and they are not investing either. It is not Malaysia's internal policy or aggressive foreign policy which is affecting investment. At least not much.

Are you reviewing the peg on the ringgit?

I don't know why everybody keeps on asking me this question. Up until now it has done us a lot of good. Until the international financial system is changed, so that people cannot destroy whole economies simply because they want to make money for themselves, I will not review the peg.

UMNO lost support in the 1999 general elections and is still losing support. Why?

There are many reasons. The clever use of the Anwar issue played a very big role, especially that picture with the black eye. [It's] almost as if I went and beat him up. The opposition never tried to explain that it was not I but somebody else. I don't have control over some spontaneous reaction by

people, even if they serve under me. But I got the blame and the party got the blame and we lost support because of that. Then the Islamic party Pas threatened people not well versed in religion, that if they voted for UMNO, they would go to hell. We had UMNO ladies, who had consistently voted for UMNO, saying, I am old now, I am going to die soon, I will vote for Pas to make sure that I will not go to hell. They frightened people. They have built up hatred toward the government. For the first time we find people who are well-educated, professionals, hating the government. They say the government is corrupt, the government is not transparent and practices cronyism. Yet they are the beneficiaries of our policies.

The hatefulness stems from Malaysian politics. You dismissed your deputy Anwar, who was caught in a judicial process that many Malaysians found cruel. That's what brought people into the streets.

This man who had been brought up by me,

Maybe I regret going into politics. I should have stayed a doctor. When I was practicing, I was popular. People loved me

pushed up until he became my deputy, was all along working for himself. His inclination would have been to join Pas. But he joined UMNO because he foresaw no future for Pas. There was no way Pas could ever make him prime minister. He came into UMNO because he thought he would be able to turn it his own way. All along he was plotting. I underestimated his capacity for creating trouble.

But you were both playing a game. You brought Anwar into UMNO because you needed to give UMNO an Islamic face.

I brought him into UMNO to keep him from joining Pas and creating mischief. Once you are in UMNO you must accept UMNO's struggle, and not make use of UMNO for your own personal purpose. He built up cells in every organization, in the police, in the armed forces, in the civil service, among the students, among the university teachers, abroad. He was building

up personal loyalty to himself, using his power. Once he became deputy prime minister his next step was to overthrow me. I could not imagine that a person I helped would do that.

Aside from the Anwar factor, the opposition has capitalized on the perception that UMNO is elitist and moneyed.

I have told UMNO you have to behave yourself. Over the years, because of the success of the country, these people have become materialistic. I admit that. It is a very tough battle to fight.

Are you winning?

Some grassroots people say, well, we only get a few dollars. The people we elect make so much money for themselves — why do you grudge us these few dollars? If we don't take [the money] then somebody else will. How do you argue against that? But this mentality is wrong. I've got my frustrations with my own party. UMNO is weak because there is no dedication [like] before. The purpose of getting into UMNO is not to become ministers and make money. The purpose is to serve.

Many people who have admired you in the past say that you are ending your career on a low note: as an authoritarian figure who destroyed his deputy, tolerated cronyism and unreasonably fought globalization. Does this sadden you?

I just don't care. I do what I think I should do, and I am satisfied with the results. I know what they say about me is not true, but I cannot make them believe otherwise. I don't care if people say I am a dictator, because I know I am not. If they say I practice cronyism, I know I don't. In the life of any politician there will be people who want to tell everyone this is the greatest guy in the world, and there will be people who want to kill me. You know, in UMNO meetings they keep on saying, the beloved prime minister, etcetera, etcetera. I said, please don't praise me. I know one day you are going to hate me. What is important is what we do together, and we have done it. If you make a comparison between what is done in this country and what is done in other developing countries, you will have a fair idea about whether there has been success or not.

As you look back over your career, what are your regrets?

Maybe I regret going into politics. I should have stayed a doctor. When I was practicing, I was very popular. People loved me.

What do you think you will be remembered for?

I don't care.