

IT HAS TAKEN a long time to dispel the disbelief that greeted Prime Minister Mahathir Mohamad's decision to retire. Now that he has given a date, October 31, the reality is sinking in. It's the end of an era, and for a country led by one of Asia's more controversial leaders, it's a time to reflect on his accomplishments and paradoxes, and the ways in which they have rubbed off onto Malaysia.

Mahathir drove Malaysians towards modernity and prosperity with the determination of a visionary, yet he preached wariness and suspicion of the outside world. He railed against ignorance and parochialism at home, yet when he demonized the West, he sounded little better than those he castigated for religious intolerance. Under his rule, Malaysia grew out of colonial reliance on tin and rubber into a producer of hi-tech goods. But the increase of patronage in the business world spawned instances of corruption and a lack of transparency.

His approach to the leadership of Malaysia over the past 20 years has been to browbeat, cajole and on occasion persecute those who don't share his vision of progress. There have been spectacular results: Witness the rapidly changing Kuala Lumpur skyline, its modern infrastructure and the boom of the 1990s. Some economists consider that he saved Malaysia from experiencing the worst of the 1997 economic crisis by fixing the exchange rate and temporarily imposing capital controls—though in the longer term he may have damaged Malaysia's free-market credentials.

There have also been darker moments. Mahathir's duels with the judiciary and the sultans weakened the rule of law and Malaysia's federal system, important checks on executive power. His disdain for untrammelled freedom of the press has cowed the country's media. His anti-Western rhetoric has painted him and his country as reluctant to join the global community. His 1998 falling-out with his deputy, Anwar Ibrahim, divided the country, undermined support for his party and drew anger from abroad. He leaves to his successor, Abdullah Ahmad Badawi, the rising political challenge of conservative Islam.

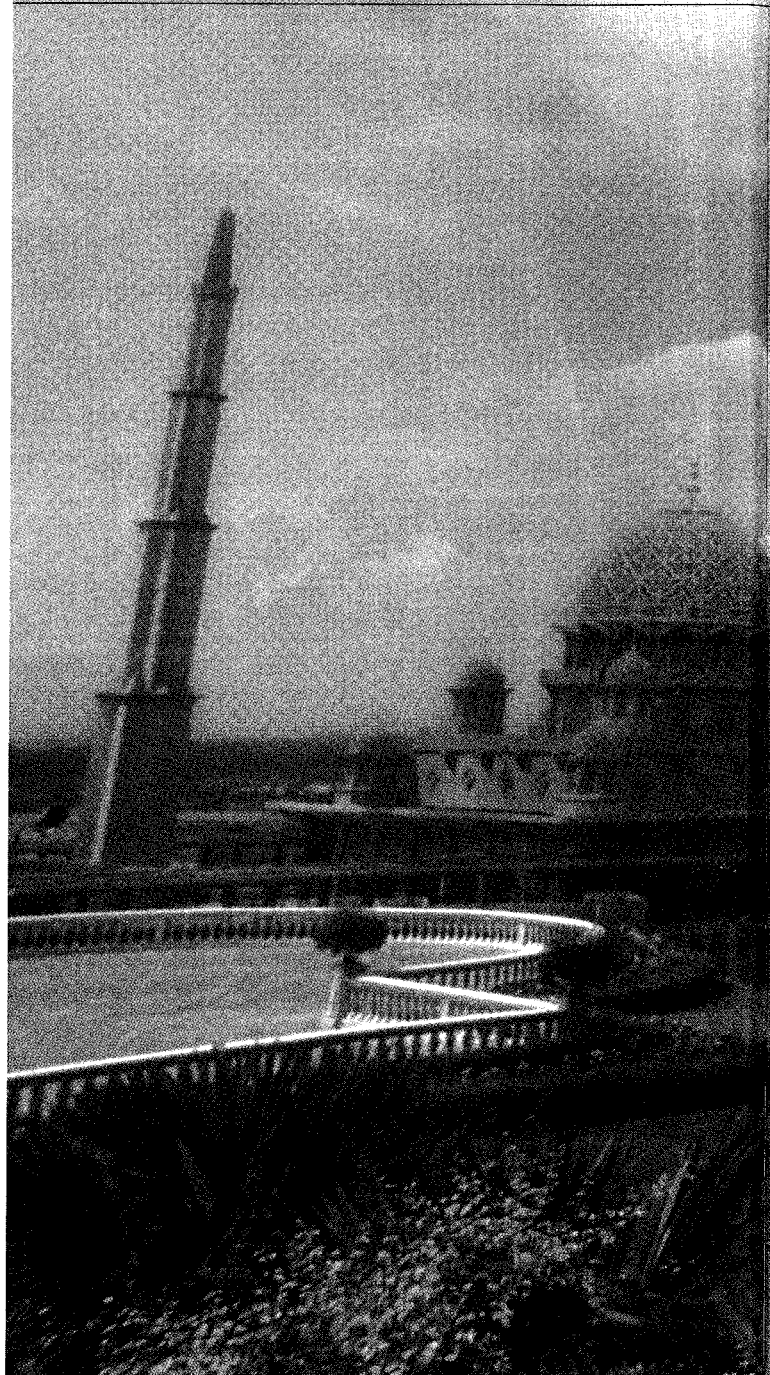
In the end, Mahathir will be judged as a great Asian leader. But his legacy will be coloured by his uncompromising political views and the way he recast Malaysia's democratic institutions in a more authoritarian mould. Many Malaysians, when asked about Mahathir's successor, say they are happy that the next prime minister will be quieter and less controversial.

Though it sometimes appears otherwise, Mahathir has not been Malaysia's only prime minister. The country was tolerably well led by three predecessors who established the political framework that has maintained harmony in a multiracial society. Mahathir inherited a country that was settling down, and his key challenges were economic. Perhaps his principal achievement was to meet them.

He may be retiring, but Mahathir is not leaving the stage. He has said he will not emulate the role of senior minister carved out by Lee Kuan Yew in Singapore. Close associates say that, like Lee, he plans to write his memoirs. The Mahathir story isn't over.

Michael Vatikiotis

The End An Era





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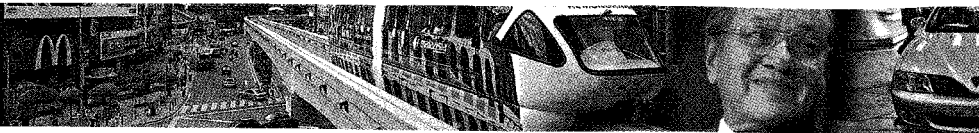
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Pride and Despair: Nine Views of Dr. M

Mahathir Mohamad's resignation as prime minister of Malaysia will end a significant era of strong Asian leadership. To mark the occasion, the REVIEW has asked prominent Malaysians and figures from the region and beyond to reflect on Mahathir and his 22 years in power. Drawing on personal recollections and long experience of the man, the composite portrait that emerges is a study in contrasts: Mahathir's stridency at the podium at odds with his charm and shy demeanour in person; his vision of a unified society encompassing Malaysians of all races coupled with his view of a world divided unequally and unfairly under the domination of "Europeans." In the following pages, his colleagues and critics speak out on what one contributor calls the pride and despair of Malaysia under Mahathir.



MALAYSIA'S CHOICE: Mahathir and Musa Hitam (*left*) celebrate victory in the 1982 general election

Musa Hitam *Former Deputy Prime Minister*

We Were Followers

When Malaysia's third premier, Hussein Onn, pondering his choice of successor, asked me to write an analysis of the merits of every potential deputy premier, I strongly recommended Dr. Mahathir. But little did I realize that he would go on to be Malaysia's most illustrious leader ever, even in the years to come.

All things considered, friends and foes alike cannot deny that it was under Mahathir's firm leadership that Malaysia is what it is now: stable, modern and internationally respected. Malaysians of all racial and religious groups are now proud of their nationality, something that wasn't apparent before.

If I had to pick an outstanding characteristic—among many—I'd say Mahathir single-handedly led Malaysia. The rest of us were mere followers. The story of Malaysia has been cast as a one-man show. But have Malaysians been dictatorially forced into submission? Certainly not: The political system is democratized enough to allow the electorate to assert themselves if they so wish.

His ideas, his thinking, were always ahead of the times to the extent that they sometimes confused those who had to

implement them. And his hands-on style, his attention to detail—from how to gift-wrap items to how to design a Muslim toilet—was remarkable.

He was a technology buff, telling us very early on that information technology would revolutionize our lives and the way we did business. In cabinets of the early 1980s, all ministers were given computers, though few knew how to use them.

In that sense, he could spot trends better than anyone I know. Way back in the 1970s, when he was in Umno's supreme council before he became deputy premier, he tabled a paper warning of a growing Islamization among Malays, characterized by the increasing practice of women covering their heads. I supported him, but the senior Umno people dismissed him, as he wasn't considered a religious expert.

What he's got is this: supreme self-confidence that is both his biggest strength and his greatest weakness. So in policy matters that he holds dear, he can be very stubborn. ■

Musa Hitam was deputy premier from 1981 to 1986, resigning over what he called "irreconcilable differences" with Mahathir

“Only the soft-brained amongst us will maintain that we are free countries in charge of our destinies. We have de-facto become the colonies of the European nations again. We have come full circle”

Mahathir Mohamad, 2001

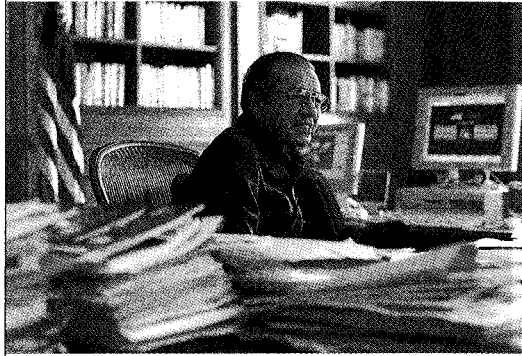
K.S. Jomo *Economist*

Do the Right Thing

While I object strenuously to Mahathir's misplaced reliance on cronies and tolerance of abuses, many of his policy initiatives were honest attempts—if misguided and flawed—to deal with economic development problems as he perceived them. I admit that I will miss Mahathir.

People tend to focus on his rhetoric, which often obscures realities. He is clearly more pragmatic. His policies were quite different in three different periods (1981-85, 1986-97 and 1998-2003); i.e., there was no single Mahathir economic-policy package. This, in itself, ►►

Munshi Ahmed



AT WORK: In his Putrajaya office

HIS LIFE AND TIMES

[1925] Born in Kedah state to lower-middle-class parents. His father was headmaster of an English-language school and a stern disciplinarian

[1947] Given a partial scholarship by the British colonial government to study medicine in Singapore. While a medical student, he wrote extensive anti-colonial commentaries in Malay newspapers under a pen-name

[1953-57] Graduates from medical school and returns to Malaya. Goes on to become the first Malay to open up a private medical practice, and the Malay with the biggest car in the city of Alor Star—a Pontiac

[1957] Britain grants independence to Malaya

[1963] Malaysia is formed, taking in Sabah, Sarawak and Singapore. (Singapore pulls out in 1965)

[1964] Mahathir wins his first parliamentary seat, representing Alor Star, capital of Kedah

[1969] Saying he does not need Chinese votes to win his seat again, Mahathir loses in an election. In an inflammatory letter he tells Premier Tunku Abdul Rahman he is too soft on Malaysia's Chinese, which gets Mahathir expelled from the ruling United Malays National Organization (Umno)

[1970] From the political wilderness he writes *The Malay Dilemma*, in



is no criticism, as it implies a pragmatic willingness to face problems, rather than a dogmatic adherence to past policies.

And while he may condemn Washington's policies, he readily embraces American captains of industry and finance, except when they cross his path, as in George Soros' case.

But the quality of Malaysian economic policymaking would have been considerably enhanced by genuine popular consultation in the national interest, rather than presuming to know what was best for the nation. There are few instances when greater consultation, transparency and accountability would not have helped.

I hope we proactively take steps to overcome the many problems which have not yet been adequately addressed.

Unfortunately, Mahathir has also missed opportunities for political reform which would have lasting beneficial consequences. With the indigenous bumipu-



DEVELOPMENT: The Kuala Lumpur monorail

tra demographic majority growing and the ruling coalition's electoral base more ethnically diverse than ever, he could have ridden the wave of the 1997-98 political reforms in neighbouring Thailand and Indonesia to create a more equitable, representative and legitimate electoral system based on proportional representation.

After over two decades of essentially presidential-type power, Mahathir could also have appointed much more compe-

tent and accountable cabinets, instead of relying on the seemingly irremovable chieftains of the ruling coalition's component parties.

The power and privileges associated with such cabinet ministers have served to deepen and consolidate the oligarchic capitalism associated with "money politics" and "crony business" that have compromised and undermined public policy and economic development in Mahathir's Malaysia.

Finally, it will be unfortunate if he leaves without bringing satisfactory closure to the Anwar affair. Failing to do so will continue to haunt him and permanently scar his reputation. With the benefit of hindsight and the magnanimity of a senior statesman, Mahathir can still do the right thing before he goes. ■

K.S. Jomo, author of more than 50 books, is professor of applied economics at University Malaya in Kuala Lumpur

Param Coomaswamy *Lawyer*

Injustice for All

Mahathir took office in July, 1981 with the slogan for his administration: "Clean, Efficient and Trustworthy." Soon after taking his oath of office he directed the release of 22 detainees held under the Internal Security Act (ISA). At a meeting with me in his office soon afterwards I commended him for his decision. He told me how he had feared the ISA when he was out of politics after being sacked from Umno.

"I must be the only dictator in history to have to win an election before I can start dictating"

Mahathir Mohamad, 1999

Within five years he set out to consolidate power under the veil of democracy, which he often asserted was being fulfilled as long as periodic elections are conducted.

The amendments to the Official Secrets Act in 1986 eroded accountability and transparency in public administration and curtailed investigative journalism. The 1987 arrests and detentions under the ISA of 106 people, includ-

ing leaders of the opposition, created and left a culture of fear in the country. At the same time the ban on three newspapers undermined press freedom, which has never recovered since.

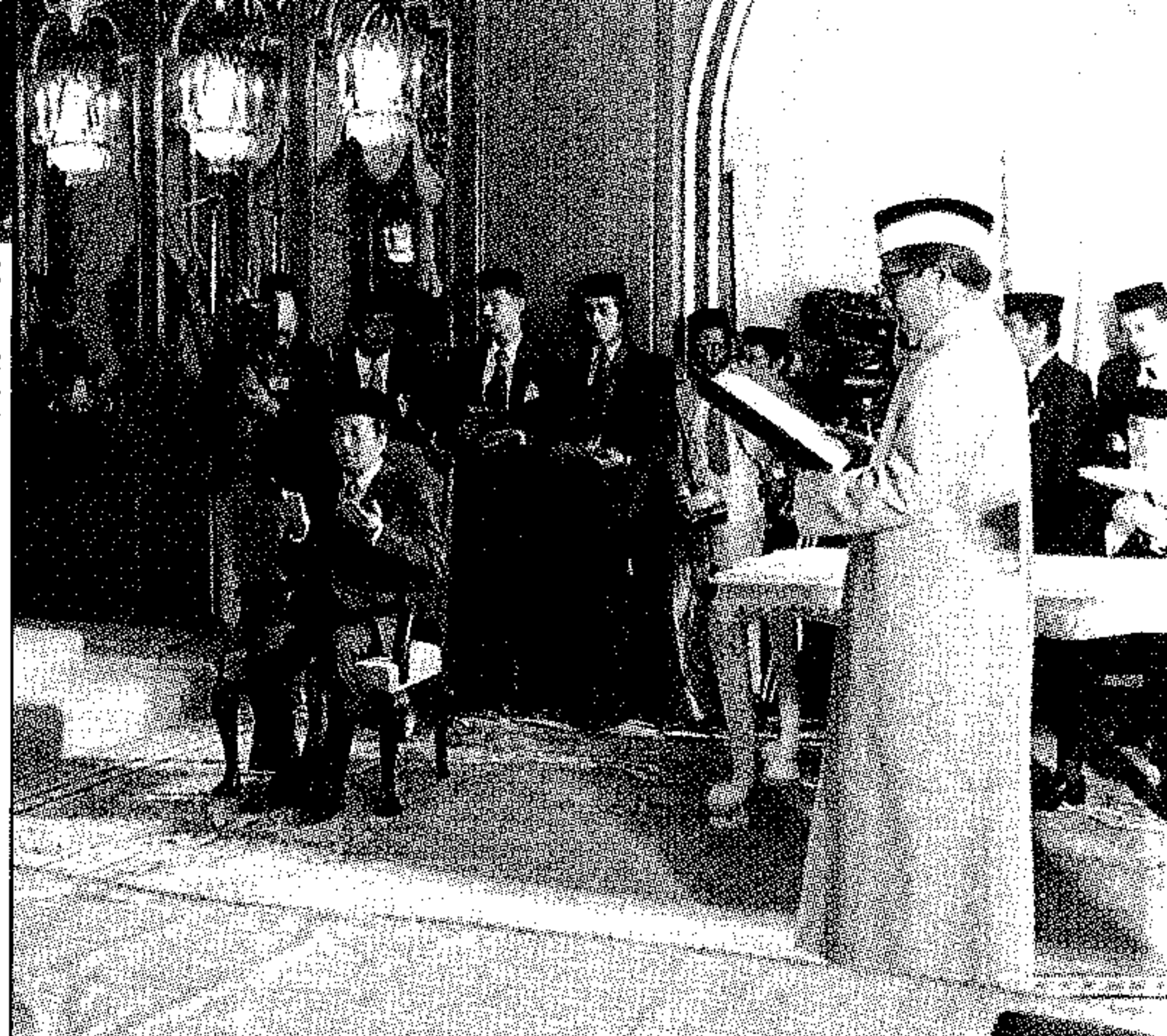
Thereafter the constitution was amended in preparation for the assault on two key constitutional institutions, the judiciary and the monarchy.

In 1988 the suspension of six independent Supreme Court judges and the following tribunal hearings and the resultant removal of three judges, including the then lord president, left a chilling effect on judicial independence and jeopardized the rule of law. The judiciary has never recovered its independence.

The worst indictment against Mahathir Mohamad will remain the continued injustice perpetrated on his former deputy, Anwar Ibrahim, by the use of the prosecutorial and judicial processes. In the first trial Anwar was charged for an offence of corruption—not for any financial improprieties, but for alleged abuse of power in interfering with police investigations. He was convicted and sentenced to six years' imprisonment.

The present economic development of the nation is quite rightly attributed to Mahathir. Yet history, if not the next administration, will take stock and count its cost to the nation's core human values, justice, and its constitution. ■

Param Coomaswamy practises law in Kuala Lumpur. He recently stepped down as United Nations special rapporteur on the independence of judges and lawyers



New Straits Times

Tunku Abdul Aziz *Watchdog*

Confusion, Turmoil

From my vantage point as president of Transparency International Malaysia, I have watched Mahathir's brand of governance with a mixture of alarm, disbelief, despair, pride and joy, my senses and emotions continually thrown into a state of confusion and turmoil. His gamble with his personal integrity in outrageously questionable ventures—putting at risk the Employees' Provident Fund and the national reserves, no less, in his forays into the international tin market and the world of currency speculation—so glibly described as being undertaken in the “national interest”—must rank as the most bizarre aspect of his premiership.

It would be churlish to deny him the accolade he so richly deserves (his many inconsistencies and contradictions notwith-

standing) for his brilliant stewardship of this difficult, dynamic, multiethnic, and potentially volatile nation in search of national greatness. Even Mahathir's worst detractors will readily admit that no one has done as much as he to instil a sense of national pride and confidence in his countrymen and women based on solid social, economic and political achievements.

There can be no denying that this man of destiny has wrought changes that will ensure that Malaysia will never be the same again. I will miss him. ■

Tunku Abdul Aziz is president of the Malaysian chapter of Transparency International, an organization working at the national and international level to curb corruption

NEW LEADER: Swearing-in ceremony

which he criticizes the Malays for failing to advance themselves. The book is promptly banned in Malaysia, and Mahathir's application to rejoin Umno is rejected

[1972] After Tunku's resignation, Mahathir rejoins Umno

[1974] Elected an MP again. Prime Minister Abdul Razak appoints him minister of education

[1976] After Razak's death, the

Syed Azman *Opposition MP*

Prosperity? Not Quite

Without doubt this longest-serving prime minister has taken Malaysia through it all; highs and lows, good and bad. It would not be fair to deny Mahathir some legitimate claims of success. He has defined a place for Malaysia in this globalized world, changed the structure of the economy and even the social fabric of the society. Malaysia bristles with some of the most advanced infrastructure of the world; Malaysian society is prosperous and harmonious.

Well, not quite. Look deeper. Herein is Mahathir's true legacy, a complex, paradoxical and sometimes jingoistic Malaysian society.

Mahathir's vision from 1991 for Malaysia to be a developed nation by 2020 required 7% GDP growth annually. But critics argued that this growth rate was unrealistic and unsustainable. Today, you can kiss it goodbye. Since the Asian Crisis, fiscal prudence has been put aside, and after seven years

of fiscal deficit the economy is sputtering along at an average of 4% growth.

Sure, there are some successes, but nothing beyond what huge infrastructure



MEET THE PUBLIC: Greeting students in 2002

subsidies and tax breaks can achieve. Much has been said about transforming Malaysia into a knowledge economy. But at the end of the day, the media and press are controlled by the ruling party and sup-

pressive legal provisions drawn out transparency. The universities are controlled by the University and Colleges Act, restraining freedom of expression and political association.

The epitome of Malaysian spirit, *Malaysia Boleh*, is the belief that everything is possible for Malaysians. Everest has been scaled and the globe circumnavigated. There is a \$5 billion new administrative capital and soon a 1 billion ringgit (\$263 million) endeavour to put a Malaysian in space. What Mahathir seems oblivious of is the steadily rising income inequality in Malaysian society today.

Mahathir is a true pragmatist and equally a true Machiavellian. Every instrument of power and wealth is used to prop up his rule, and yet he plays the populist tune with catchphrases that are advertised endlessly in government-controlled media. Which is why if Mahathir is not the Statesman of the Century, he certainly is the PR

Man of the Century. ■

Syed Azman Syed Ahmad is a member of parliament for the opposition Islamic party, Parti Islam Se Malaysia, or Pas

Narayana N. R. Murthy *Hi-tech businessman*

A Hands-On Leader

I have known Mahathir for over three years now. I am amazed at his mental and physical energy levels. Every year, he chairs the meeting of the International Advisory Panel (on Malaysia's Multimedia Super Corridor), of which I am a member. The meeting starts with his receiving all of us personally at 8 a.m. He conducts the meetings in a hands-on fashion. He notes down any important point raised by a member, asks insightful questions, and answers every question raised by the members with data and objectivity. He is alert throughout the meeting, which runs to 6 p.m. Then, he is ready with his wife to receive us at his house at 8 p.m. He sees us off personally at 11 p.m. That is a clear 15 hours. I am not sure there are many 78-year-old people who can exhibit that kind of mental and physical energy.

Last year, when I sat at his table for dinner, he ensured I had my vegetarian food and asked about my family. He asked about my music preference, and immediately instructed the crooner to switch to Malaysian music, which was my choice. This year, when he saw me standing at the fringe when photographs were being taken with him, he was so kind as to

“Leadership is all about decisiveness. Right or wrong, you decide; don't dither” Mahathir Mohamad, 1997

invite me to join him for a photo. These are all small gestures, but this is where most of us fail.

His ability to get into details and ask systemic questions about any topic is rarely seen among heads of state. Last year, at the IAP meeting, we had sessions on proprietary systems vs. open systems, the digital divide and security. He asked deep and insightful questions on each of these topics. He summarized the entire day, bringing out kernel ideas clearly. This again is a rare attribute. It has been a pleasure to interact with him all these years. I wish him a happy, productive and prosperous life. ■

Narayana N. R. Murthy is chairman of Infosys Technologies

Clyde Prestowitz *Author*

Dr. M, the American

I first met Prime Minister Mahathir at a small private breakfast in Washington in 1993. He had a reputation for anti-Americanism, and I expected the standard shopworn complaints about the United States. But what I actually heard and continued to hear in a number of private meetings and interviews over the next 10 years was something else altogether. On the one hand, it was a forthright refusal to buy into the latest policy fads

deferential and called things the way he saw them, letting the chips fall where they might. But, in fact, he was not being anti-American so much as anti-ideological. The pragmatist in him said there was something wrong with the application of a theory that proved itself successful only by impoverishing millions of people. And so, in the classic style of a rugged American individualist, he defied world opinion, applied a pragmatic solution and lived to see himself vindicated. One reason Americans have had difficulty with him is that he is so American.

On the other hand, Mahathir also consistently and persistently asked world leaders, and especially American leaders, to put themselves in the shoes of others and to try to see themselves as others saw them. Thus, he asked why America could pursue a North American Free Trade Agreement that excluded Asians while at the same time opposing an East Asian Economic Caucus that excluded the Americans.

Because of his eye for double standards and hypocrisy and his frank American-style rhetoric, there was a tendency in some places to want to shoot the messenger. Yet the message had more than a kernel of truth, and Mahathir's support of the U.S. when the chips were down on things like defence, terrorism and secular government was the proof of his essentially sound thinking. Because of his devotion to his people and to the mission that fate had allotted him, he will go down as one of history's great men. ■

Founder of the Economic Strategy Institute, a think-tank on international trade policy, Clyde Prestowitz served in the Commerce Department in the Reagan administration

GLOBAL IMAGE: At a Davos forum, 2003

perpetrated by purveyors of the conventional wisdom. Thus, Mahathir refused to knuckle under to the demands of the International Monetary Fund that he float the ringgit and refrain from imposing capital controls in the face of the Asian financial crisis of 1997-98. This was taken as anti-free trade and anti-American because it flew in the face of the then conventional wisdom as maintained in Washington.

This was all the more true because Mahathir had a way of speaking like an American. That is to say that he was not

“If we discount the non-Malay contribution to the nation's economy, Malaysia would not be much better than some African developing countries”

Mahathir Mohamad, 2002



1981: Hussein Onn and his successor

new premier, Hussein Onn, appoints Mahathir as his deputy

[1978] Chosen as deputy president of Umno; he is now premier-in-waiting

[1981] Mahathir takes over as prime minister from Hussein Onn. He lifts the ban on *The Malay Dilemma*

[1985] Mahathir's vision of creating a Malaysian national car comes to fruition as the first Proton Saga rolls off the production line



VISION: Malaysia's Proton Waja

Bazuki Muhammad/Reuters

[1985] In Mahathir's first major challenge as premier, Malaysia is hit by recession, with double-digit unemployment. He responds with fiscal austerity measures and by relaxing affirmative-action laws

[1986] A period of political struggle begins as Deputy Premier Musa Hitam resigns, citing "irreconcilable differences" with Mahathir

[1987] Confronted at the Umno assembly, Mahathir narrowly staves off a challenge for the Umno presidency. He responds with a crackdown on the opposition, arresting over 100 people and suspending three newspapers. After the courts affirm a petition by the opposition that dissolves Umno, Mahathir begins a crackdown on the judiciary

[1988-1997] Malaysia booms at average growth rates of over 8.5%



Beretik: Mohammed Reuters

BLACK EYE: Anwar and supporters

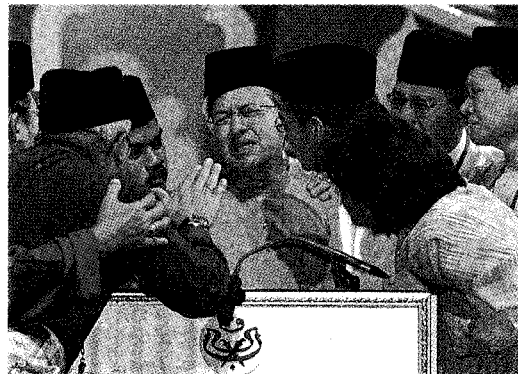
[1991] Mahathir outlines the path for making Malaysia a developed country by 2020

[1995] He introduces the concept of a Malaysian Silicon Valley—the Multimedia Super Corridor

[1998] Malaysia is hit by the Asian Crisis; he imposes capital controls and pegs the ringgit to the U.S. dollar

[1998] He sacks his deputy of five years, Anwar Ibrahim, for “moral misconduct”

[1998-2000] Anwar is tried and sentenced to a total of 15 years in prison on charges of abuse of power and sodomy. He claims innocence, describing a “high-level conspiracy”



Reuters

THE WORD: Mahathir says he'll go

[June, 2002] In an emotional presentation to Umno at the party's annual assembly, Mahathir says he'll retire. He makes plans to step down by October 2003 and says he will hand over power to Deputy Premier Abdullah Ahmad Badawi

Jeyakumar Devaraj *Activist*

The Malay Capitalist

The apparent contradictions and paradoxes of Mahathirism are explained if we understand where Mahathir is coming from. In *The Malay Dilemma*, the doctor diagnoses the backwardness of Malay society as due to culture and biology. His prescription was and is affirmative action, to create a Malay entrepreneurial class that will modernize and uplift the Malay community. “We must have as many Malay businessmen and millionaires as there are Chinese,” he wrote. This is the essence of Mahathirism—the creation of a self-confident Malay capitalist class.

Mahathir is no sycophantic capitalist

stooge. He has been an important force in the creation, nurturing and, ultimately, the defence of the Malay capitalist class.

What pains many thinking Malaysians is that some of the means employed by Mahathir in the pursuit of this goal have seriously undermined vital institutions such as the Malaysian judiciary and the police, cultivated money politics and launched Malaysian society down the slippery slope of privatization. ■

Jeyakumar Devaraj is a specialist in internal medicine and a member of the central committee of the Malaysian Socialist Party

“The kind of globalization promoted by the rich Western countries has not convinced Asia that this is the answer to economic ills” Mahathir Mohamad, 2002

Rodolfo C. Severino *Diplomat*

Mahathir's Paradoxes

Through more than two decades, most Malaysians regarded Mahathir as indispensable; even his strongest critics within and outside Malaysia could hardly imagine Malaysia without him. And he clearly believed that himself; who else could have held Malaysia together while moving the economy so rapidly forward and expanding the Malay share of that economy?

In my encounters with him, I found him to be self-effacing, almost shy; I was equally struck by how much he revelled in rallying crowds of his countrymen.

And then, there are the paradoxes. Muslim Malays make up a bare majority of Malaysians. A faithful adherent of Islam, Mahathir proclaimed himself as the true fundamentalist, condemning the leaders of the Islamist party as dangerous extremists who departed from the authentic tenets of Islam.

Mahathir strongly attacked U.S. policies, particularly America's unilateralist tendencies, but allowed the U.S. Navy the

use of Malaysian port facilities.

He railed against hedge funds and currency speculators as exploiters of emerging economies, yet kept Malaysia's trading regime open to the world, throwing the country open to foreign investment, which was happy to stay there.

He pushed hard for Malay participation in the economy, but recognized the economic indispensability of the Chinese community and often castigated his fellow Malays for their tendency to depend on government protection and support.

These seeming contradictions arise from profound sophistication and clear-minded pragmatism, the passion to speak what to him was the truth and the ability to discern and carry out what was necessary, useful and workable—qualities that made Mahathir such an effective and successful leader. ■

Severino, a former ambassador to Malaysia, was Asean secretary-general until late 2002