

# Gloves come off in Mahathir's spat with his successor

The rift between Malaysia's past and present premiers threatens to hamper political and economic reforms in the country, writes John Burton

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Those who know Mahathir Mohamad say the pre-occupation of the former Malaysian prime minister is to preserve the legacy created in the 22 years he ruled before stepping down in 2003.

But Dr Mahathir has made it increasingly clear in recent months that his achievements are under threat from his chosen successor, Abdullah Badawi. Claiming to have been "stabbed in the back", he said that something had gone very wrong (in government policy), "and I hope Abdullah will do something about it".

What has angered Dr Mahathir are the actions Mr Abdullah's supporters say were needed to correct problems left unresolved by the previous government, including a large budget deficit, an inefficient state industrial sector and deteriorating relations with neighbouring Singapore.

The open rift between the two men threatens to damage Dr Mahathir's reputation, while hampering political and economic reforms by Mr Abdullah. Dr Mahathir's

open censure is viewed as crossing a psychological threshold that could encourage other critics if Mr Abdullah's popular support weakens because of economic problems.

"Dr Mahathir has become a rallying point for those opposing Abdullah. The government will have to contend with the fact that Dr Mahathir will continue to take potshots," says Razak Baginda, head of the Malaysian Strategic Research Centre.

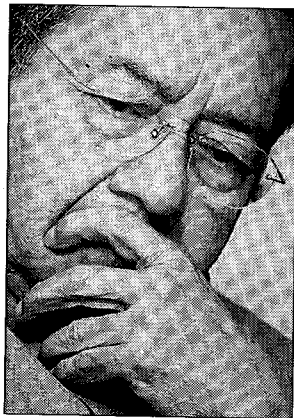
Dr Mahathir's criticism has focused on changes at Proton, the national carmaker he helped set up in the early 1980s as part of an ambitious industrial strategy, and a decision to abandon a new bridge he had favoured linking Malaysia with Singapore.

Proton has been struggling for years against increased foreign competition, in spite of protectionist tariff barriers. Last year, it reported losses and the automaker's chief executive, a protégé of Dr Mahathir, was sacked. The former premier has accused the government of

undermining Proton's future.

The decision to scrap the bridge to Singapore led to a blistering attack by Dr Mahathir, who said the government lacked "guts" in defending Malaysia's rights against the city-state. The government said the project was abandoned to avoid a protracted diplomatic dispute.

In an effort to undermine Mr Abdullah's authority, Dr Mahathir claimed his cabinet had preferred Najib Razak, current deputy prime minister, as his successor.



Mahathir: 'stabbed in the back'

Although Dr Mahathir says he is not himself trying to replace Mr Abdullah, he has issued a veiled warning that the ruling United Malays National Organisation might consider such a move.

However, at a meeting this month, Umno leaders gave full support to Mr Abdullah. Mr Najib and the rest of the cabinet, many of them holdovers from the Mahathir administration, have also declared their loyalty.

Musa Hitam, a former deputy prime minister, said Dr Mahathir was suffering from "post prime-ministerial syndrome, a view echoed by readers' comments in the state-run press that once praised the former leader.

But a sustained campaign by Dr Mahathir against his successor could cause Mr Abdullah's reforms to be derailed as they are unpopular within Umno, where Dr Mahathir still wields considerable influence.

Although Mr Abdullah led Umno to its biggest-ever victory in the 2004 general election, his power base in the party has always been weak.

The prime minister's policy of curbing big infrastructure projects to reduce a large budget deficit has been a blow to the system of patronage that has kept Umno and its party chiefs in power.

Moreover, there is growing public criticism of the Abdullah administration sparked by recent cuts in fuel subsidies and increases in electricity rates. A slowdown in exports due to weaker US demand could increase economic problems. Business leaders warn that continued political infighting may hurt investor confidence and damage the economy.

"This is all very distressing for business, and it must be hoped it does not develop into a destabilised political environment," says Munir Majid, chairman of Malaysia Airlines. "Political stability is one of Malaysia's strongest cards, and it should not be undermined."

Increased resistance to the prime minister could endanger a proposed trade pact with the US, since Washington is demanding measures

that could weaken the government's long-standing policy of affirmative action for ethnic Malays, which Umno represents.

A possible showdown could happen next year at the Umno party convention, when Khairy Jamaluddin, Mr Abdullah's son-in-law, is expected to campaign against Dr Mahathir's son for leadership of the group's influential youth wing.

Analysts say the mild-mannered Mr Abdullah should present a tougher stance against his predecessor to avoid looking weak. It is suggested that his public support could be strengthened if he acted on promises to crack down on corruption, including reform of the national police force.

The prime minister's supporters say the current dispute should not obscure Mr Abdullah's achievements, which include cutting the budget deficit, containing the Islamic opposition, increasing spending on social programmes, promoting judicial independence and improving ties with western countries.

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