

Malaysia

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# Power struggle in Malaysia

## The Anwar Crisis

When Anwar Ibrahim was sacked from the government and the ruling party at the beginning of September 1998, the reason given by Prime Minister Dr Mahathir Mohamad for his drastic action was Anwar's 'low morals'. Anwar was allegedly guilty of sexual misconduct, including sodomy. Mahathir and his lieutenants were convinced that as soon as the former Deputy Prime Minister and Deputy UMNO President was put on trial, the truth would become obvious to everyone and his massive support among the Malaysian people would decline rapidly.

Now, it appears that the court proceedings are having the opposite effect: many Malaysians are persuaded that the sex charges against Anwar are utterly ludicrous. The contradictory stances of prosecution witnesses; the way in which preposterous bits of evidence have been introduced into the trial; the strenuous attempts by the prosecution to exclude certain other pieces of evidence; and most of all, the decision of the court to amend the charges and to expunge a great deal of the evidence at the close of the prosecution's case, have given the impression to the public that the State is determined to convict Anwar at all costs – however flimsy the evidence may be, and however farcical the trial has become.

The decision to expunge all references to sexual misconduct from the court records has particularly incensed the people. They now realize that the sex charges were introduced in the first instance to humiliate Anwar via the trial, even though the State knew all along that it could not sustain those allegations. It is the shaming of Anwar in such a crude and vulgar manner which has brought Mahathir into odium. It has eroded his support base and has weakened his political position to such an extent that he is now regarded in some quarters as a liability to the ruling party in the coming general election.

The government's failure to identify the police personnel who had assaulted Anwar while he was in police custody and to take action against the culprit or culprits, has created serious doubts in the public mind about the government's integrity. Though an independent Commission of Inquiry has now been established – four months after Anwar's black eye became public knowledge – the damage done to Mahathir's reputation is irreparable.

Anwar's trial and the harsh treatment meted out to him in police custody have helped to convince a substantial segment of Malaysian society that there are ulterior political motives behind his dismissal. Indeed, there are more people today than at the outset of the crisis who believe that Anwar is in fact a victim of a high-level conspiracy to destroy his political career. Anwar has argued all along that Mahathir and some of his cohorts in politics and business are determined to eliminate him because he is an obstacle to their interests.

### Relationship

It was Mahathir who brought Anwar into government, in 1982. It was Mahathir who groomed Anwar, accelerated his ascendancy within UMNO, and exposed him to a variety of governmental roles until he assumed the mantle of Deputy UMNO President and Deputy Prime Minister. Anwar was indisputably Mahathir's heir apparent. Though the older man was instrumental in the younger man's meteoric rise, Anwar himself was undoubtedly an astute politician with a knack for mass mobilization and for the intrigues of intra-party manoeuvres. Besides, he was also a gifted orator who enjoyed tremendous rapport with his followers.

Anwar reciprocated Mahathir's patronage by giving unstinted support to the latter whenever he was confronted by a political crisis. This relationship between the two men created

quite a bit of resentment within UMNO especially among party stalwarts who had joined the organization long before Anwar was co-opted into government. In fact, from 1982, there were groups who sought to drive a wedge between Mahathir and Anwar through poison-pen letters and whispering campaigns.

Then in May 1997, Mahathir sent the clearest signal yet to UMNO, the government, and the people that Anwar would be his successor. This was by appointing him Acting UMNO President and Acting Prime Minister when he went off on two months' leave. Anwar's adversaries in the party, some corporate figures who regarded his ascendancy as a threat to their interests and a few individuals in certain public institutions viewed his appointment as a sign of danger. In July 1997, they circulated a signed document alleging that Anwar had an adulterous relationship with the wife of his Confidential Secretary, on the one hand, and a homosexual relationship with his wife's former driver, on the other. The Prime Minister, according to the local media, had the police investigate the allegations and in late August 1997, he announced publicly that investigations had revealed that there was no basis to the allegations.

### Differences

The sex allegations would have ended there, except for a series of developments since August 1997 which brought them into the limelight again and which had an adverse impact on the Mahathir-Anwar relationship. In the wake of the East Asian financial crisis, with the ringgit and the stock market declining, businesses collapsing, and people losing their jobs, the general public became more and more critical of the leadership of Dr Mahathir. Though the crisis was largely due to an external factor – volatile equity capital suddenly exiting East Asian markets – the popular perception was that Dr Mahathir had not managed the economy well.

The foreign media, on the other hand, portrayed Anwar, who was also Finance Minister, as a sober and sensible person who understood global financial markets. Their praise for him created the impression that he was 'their man'. Some of them even suggested that Anwar and not Mahathir should be running the country. In fact, in June 1998 a number of regional and international newspapers and magazines openly called for Mahathir's resignation. The media, in a sense, brought to the surface certain differences in approach between Mahathir and Anwar in their handling of the economic crisis. Right from the outset, Mahathir preferred a credit expansionary policy aimed at stimulating the economy and preventing it from sinking into recession. Anwar took the more conventional route and sought to cut back on expenditure and impose a credit squeeze.

These differences which generated some uneasiness in the market did not, however, cause the split between the Prime Minister and his Deputy-cum-Finance Minister. What exacerbated their relationship was Anwar's initial reluctance to endorse some of the rescue operations of big local corporations hit by the financial crisis. One of these corporations which had accumulated huge debts was Konsortium Perkapalan – a shipping firm associated with Mirzan Mahathir, the Prime Minister's

son. There were a couple of other bailouts too, allegedly linked to corporate figures close to the Prime Minister which Anwar was not enthusiastic about.

### Demonstrations

As the rift between Mahathir and Anwar widened, yet another factor began to have an impact on their relationship. This was the explosive situation in Indonesia which came to a head in May 1998. Suharto was becoming the principal target of massive street demonstrations that zeroed in upon his long tenure – 32 years in power – and the enormous wealth that his family had accumulated during his rule. In the end, popular fury over his 'nepotism, cronyism and collusion' forced Suharto to quit. Opposition political parties, NGOs, and youth and student groups in Malaysia, already critical of the growing involvement of Mahathir's sons in big business and somewhat unhappy about the Prime Minister's own long stay in power (18 years by July 1999), began to draw parallels between Suharto and Mahathir. Some of them felt that the time had come for Mahathir to retire.<sup>1</sup>

The question of corruption was raised by some UMNO Youth leaders close to Anwar at the party's annual assembly in June 1998. Mahathir saw it as a blatant attack upon his leadership. Though he managed to blunt the attack by revealing that others, including Anwar's family and friends, had also benefited from the allocation of shares and the government's privatization programme, the raising of the 'corruption' issue at the assembly, worsened the deteriorating ties between Mahathir and his heir apparent.

Mahathir was now convinced that the UMNO Youth criticisms, seen against the backdrop of attempts to draw parallels between him and Suharto; Anwar's lukewarm attitude towards certain bailouts; differences in approach towards the economic crisis between him and Anwar; the foreign media's antagonism toward him in contrast to the accolades showered upon Anwar; and the general erosion of support for his leadership, were clear indications that there was an organized, systematic endeavour to force him out of office. The man behind this endeavour, Mahathir reasoned, was Anwar Ibrahim. He therefore decided to move against his protégé.

### Allegations

It is revealing that it was around this time, in June 1998, that the sex allegations that Mahathir had dismissed in August 1997, resurfaced through a thick book entitled *50 Reasons why Anwar cannot become Prime Minister*, which included a whole host of other slanderous charges against him. The book, *inter alia*, alleged that Anwar was not only a womanizer and sodomist but also a murderer, who was corrupt, had abused power and was, at the same time, a CIA agent and a traitor to the nation. At the UMNO General Assembly, the book was distributed to party delegates. In spite of a court injunction restraining the distributor from circulating the book or its contents, *50 Reasons* is easily available and has appeared in different forms.

That this poison-pen book designed to smear Anwar should appear almost simultaneously to Mahathir's loss in confidence in him is

no coincidence. The book, it is obvious, was written at the behest of Anwar's adversaries in order to character assassinate him. It appears that Mahathir, who was angered and incensed by what he regarded as his heir apparent's betrayal and disloyalty, was not averse to the production and distribution of the book. He knew it would serve his purpose of slandering and shaming someone who had the audacity to go against him. Thus, Anwar's enemies succeeded finally in merging their goal with Mahathir's motive.

### Loyalty

Mahathir's insistence on loyalty is not in itself an unusual feature of politics. In most political systems, ancient or modern, a deputy or the number-two man is expected to be loyal to his chief. Within UMNO – given its feudal history and culture – unquestioning loyalty to the paramount leader is one of the most cherished traits of membership. It is because Mahathir was absolutely certain that Anwar had betrayed him that he has marshalled all his resources to annihilate him. The virulence of the annihilation can perhaps be best explained by the fact that Anwar was, all said and done, Mahathir's protégé.

What made the protégé's sin of disloyalty an unpardonable crime was Anwar's reluctance to protect the business interests of Mahathir's family and friends. By questioning the bailout for Mahathir's son, Anwar was telling his boss that he was not prepared to salvage the Mahathir family. For an ageing leader who witnessed what happened in South Korea and what is now happening in Indonesia, Anwar's attitude was the antithesis of the ironclad guarantee he was looking for in a post-Mahathir era.

At the root of the expulsion of Anwar from the government and the party is the question of power. Mahathir sensed an attempt to ease him out of power. He responded to the perceived challenge with vigour and without scruples. Anwar felt that Mahathir's power base was weakening. He sought to send a message – and was repulsed. Though Mahathir has been able to ward off the Anwar challenge for the time being, the question is whether he will be able to perpetuate his power for much longer. ♦

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### Note

1. There are significant differences between the Suharto and Mahathir leaderships and between Indonesia and Malaysia which some of Mahathir's critics fail to appreciate. Unlike Suharto, Mahathir is a popularly elected leader who derives his mandate from a democratically constituted electoral process. Unlike the Suharto family, Mahathir's children have not established monopolies over entire sectors of the economy. Neither corruption, nor poverty nor authoritarianism in Malaysia today bears any semblance to the situation in Indonesia under Suharto.