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Title	Mahathir-Abdullah rift : what's really at stake?
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Citation	Liow, J. C. Y. (2006). Mahathir-Abdullah rift : what's really at stake?. (RSIS Commentaries, No. 94). RSIS Commentaries. Singapore: Nanyang Technological University.
Date	2006
URL	<a href="http://hdl.handle.net/10220/4220">http://hdl.handle.net/10220/4220</a>
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## IDSS COMMENTARIES (94/2006)

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### **The Mahathir-Abdullah Rift: What's really at stake?**

*Joseph C.Y. Liow\**

8 September 2006

The UMNO annual general assembly is scheduled to take place in November 2006. Barring any major developments, all attention will be focused on the ongoing rift between Prime Minister Abdullah Badawi and his predecessor Tun Dr. Mahathir Mohamad, which shows no signs of abating. Of special interest will be how the rift will play out at the meeting. To be sure, events have long since moved beyond the Abdullah administration's decision to scuttle Mahathir's "scenic bridge" project with Singapore, a move which provoked a caustic response from the former prime minister and led to the alarming deterioration in relations between the two leaders. While few are speculating that this rift will culminate in the formal return of Mahathir to the Malaysian political scene, it should nevertheless be evident by now that he is out to discredit Abdullah, whom he handpicked as his successor. The stakes then, are immensely high, not only for the two main protagonists, but also for UMNO and Malaysia.

#### **Defending the "Legacy" of Mahathir**

There is a growing body of opinion suggesting that Mahathir believes it is his legacy that is at stake. But what exactly is this legacy, and how is it being threatened and undermined by Abdullah?

In 1991, when he was at the apex of his power, Mahathir announced his grand plan for Malaysia to attain "developed nation" status by the year 2020. While Vision 2020, as the plan has come to be known, was certainly not short of detractors, it won accolades for Mahathir the title of Malaysia's "Father of Modernisation". At the heart of Vision 2020 lay a blueprint for economic development which was essentially premised on Keynesian growth strategies. To drive his modernisation agenda, Mahathir relied on investment and economic policies centred on the distribution of state largesse in the form of contracts to create a pool of wealth which Malaysians, and in particular the indigenous bumiputras, could tap. This modernisation strategy dovetailed conveniently with a patronage system that reinforced the relationship between political and business interests under Mahathir. Herein lies the problem.

Abdullah's subsequent move to cut back on Mahathir-era "mega projects" and rein in spending as part of a much-lauded economic reform agenda threatened to undermine and challenge these very tenets of Mahathir's model. What this essentially amounted to was a replay of Anwar Ibrahim's failed attempt in 1997 to reverse Mahathir's investment and fiscal policies, a failure that ultimately proved costly for the former deputy prime minister. This brings us to another grievance harboured by Mahathir – Anwar Ibrahim's release. What is

pertinent is that Abdullah had allowed Anwar to go free under his watch. Even more galling for Mahathir is the fact that Anwar has since threatened to sue him for defamation. While Mahathir has stood by his accusations about his former deputy's alleged sexual improprieties – a persistence that prompted Anwar's libel suit against him - it is not inconceivable that Mahathir might have been upset at Abdullah's executive handling of the Anwar issue.

### **Undermining Abdullah's Legitimacy?**

Abdullah contested and won the March 2004 general elections on the platform of reform. The price of reform however, is beginning to show. To set his administration apart from his predecessor's, Abdullah sold the idea of reform of the bureaucracy, police, and business sector as priorities. His drive to reform the bureaucracy has given rise to rumblings of discontent across the civil service; his attempt to restructure the police has driven some of them to support the opposition Islamic PAS party (PAS gatherings are no longer monitored closely by the police the way they were during the Mahathir administration); and his economic sector reforms have antagonised major players in the business community. In short, over a span of a little more than two years, Abdullah has effectively alienated three major constituencies. Against this backdrop, Abdullah's inability to deal swiftly and decisively with the current crisis will serve only to further fan the flames of discontent towards him.

For Abdullah, the question of legitimacy has been further complicated by the Khairy Jamaluddin factor. Khairy's meteoric rise within UMNO did not sit well with many in the party. The fact that he is Abdullah's son-in-law certainly did not help matters. Likewise, rumours abound that he has acted as the chief gate-keeper in the Abdullah administration, controlling access to the Prime Minister and UMNO president, and monopolising policy initiatives. His resignation as "Special Advisor to the Prime Minister" has done little to douse the flames of suspicion, particularly since he moved from there to the powerful, albeit elected, post of deputy head of UMNO Youth. Indeed, Khairy is already proving to be a major chink in Abdullah's armour, one which Mahathir has set his sights on. In fact, rumours abound that Mahathir has already identified a potential challenger for Khairy's position in the party. If this is true, despite the fact that this is not a party election year, the UMNO Youth assembly, which takes place a day before the party assembly proper, could well prove a telling litmus test for the mood of the party towards Abdullah.

### **UMNO Party Unity**

Some analysts and observers have noted that in UMNO, internal politics is cyclical in nature. Previous upheavals within the party occurred in 1975-77, 1987-88, and 1997-98. Going purely by structural analysis then, UMNO is "due" for another crisis, and one indeed appears to be brewing at the moment.

While rumblings are apparent, there is however still little that indicates a major party split taking shape. Indeed, most UMNO leaders are cautious to avoid being drawn into the Abdullah-Mahathir rift. To the extent that opinions are articulated, they have been limited to declarations of open support for the party president. While younger UMNO leaders have been more strident, even senior UMNO leaders have been critical of Mahathir. Whether this stance should be read as genuine support for Abdullah, only time can tell. One thing is for sure though; beneath the veneer of elite unity, alignments are being re-calibrated, and this is likely to be the case until the general assembly opens in November.

## The Stakes for Malaysia

In a recent speech, Khairy Jamaluddin had apparently played the race card by warning that the Chinese community will take advantage of problems within UMNO, presumably resulting from the Abdullah-Mahathir rift. This warning would resonate with UMNO members who recalled that immediately after the 1999 general election, the Chinese component parties of the *Barisan Nasional* (National Front) coalition sought to enhance their political clout by agitating for more ministerial level positions as a reward for “delivering” the Chinese vote. This tactic is not a new one. Historically, UMNO has also been known to play the race card in times of crisis, if only to distract attention from the disorder in its own house. Already, there are signs of UMNO leaders responding to Khairy’s remarks and turning their attention to the non-Malay community. Moreover, with the nation waiting with bated breath for the federal court’s ruling on the highly-controversial Lina Joy apostasy case, the race card could not have been played at a more inopportune time. All this indicates that while the stakes are clearly high for the individuals involved as well as for the UMNO party, at the end of the day it might well be that the biggest loser in this unfolding saga is Malaysia’s multi-racial social fabric.

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