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Henry Kissinger

The Rearming of Japan—and the Rest of Asia

While Washington has been preoccupied with the Iran-contra affair, an event has occurred in Asia that will have a far more profound effect on the future: Japan's decision to breach the budgetary ceiling of 1 percent of its gross national product on its defense expenditures. The removal of the tacit budgetary barrier coupled with the increase in defense spending produced by the growing Japanese GNP makes it inevitable that Japan will emerge as a major military power in the not-too-distant future. At the same time Chinese economic modernization is proceeding, if in fits and starts. All this imposes on the United States the need to undertake a long overdue reassessment of its security interests in Asia.

For more than a generation, the United States has sought to match Soviet power in Europe, but at the same time has accepted a steadily deteriorating regional balance in Asia. Soviet deployments in Asia are spreading along the coasts of Indochina and into the South Pacific, while American forces have been withdrawn from Southeast Asia and thinned out even in Korea and Japan. That America must not be militarily involved on the mainland of Asia has become an axiom of American foreign policy since the war in Vietnam.

It is a strange concept. By any rational calculation, the United States has as vital an interest in the equilibrium of Asia as in Europe. Hostile hegemony over Asia would have at least as grave consequences for America as the occupation of Western Europe. To be sure, Asian realities differ from those of Europe. In Europe, security begins with two opposing alliance systems. The Soviet Union is perceived as the potential aggressor. A large American military presence, an integrated military command and a NATO council of ambassadors underline America's determination to support its allies.

By contrast, the nations of Asia do not acknowledge a common threat. Some countries—for example, Japan and China—fear the Soviet Union; others—like Indonesia or Malaysia—worry about China; still others—like Korea or China—are concerned about a resurgent Japan. Some nations of Southeast Asia consider Vietnam the principal threat. India and Pakistan are obsessed with each other.

The alliances that exist are quite different from NATO. The U.S. alliance with Japan, not buttressed by formal machinery, is in the nature of a unilateral guarantee. The American military bases in the Philippines have not precluded that country from membership in the nonaligned group. Only in South Korea are the lines drawn as in Europe, though with a much greater reliance on indigenous conventional forces.

From a security point of view, the nations of Asia live in two different worlds. With respect to the global balance of power, they are in the nuclear age, and in the name of nonalignment they rely on an equilibrium maintained by the United States and the Soviet Union.

On regional issues, however, they are

more ready to use force than the nations of Europe, which have been chastened by two world wars. Therefore, any increase in strength by one country produces almost automatic adjustments by all other nations in a position to see to their own security. In that regard, the conduct of international relations among Asian nations is analogous to the conduct of the European balance of power in the 18th and 19th centuries.

As for Japan, American leaders seem to believe that growing military strength will ease America's defense burdens. They hold, too, that a larger Japanese defense effort will dull Japan's commercial competitive edge.

But enthusiasm for quick fixes is a dangerous guide for foreign policy. Japan, with a history of self-government nearly as long as China's, will rearm for its own purposes. Major rearmament would set in motion developments and temptations not deducible from contemporary pronouncements, and, far from leading to an economic slowdown, it could, on the contrary, spur new technologies and encourage pressures for protected markets on the basis of national security. At a minimum it could lead to destabilizing compensations by other Asian nations. To be sure, the United States cannot stop a major ally from pursuing its national objectives, but it must be careful about forcing the pace.

Japan's increased military contribution is largely unnecessary to maintaining global equilibrium. Modest self-defense forces alone can make a Soviet attack on the Japanese homeland extremely costly, and such an attack would bring the American alliance into play. Japan could make a more significant contribution to global peace by increasing aid to developing nations than with a large military program. Japanese rearmament will therefore inevitably be driven by considerations of Japan's role in Asia. When Chinese and Indian modernizations are well advanced, Japan will properly insist on playing at least a regional role with its own military forces.

It will make a huge difference whether Japan increases its defense effort gradually or suddenly, whether it stresses defense as an outpouring of a new nationalism—political and mercantilistic—or as a contribution to a cooperative world order. Thus a key objective of American foreign policy should be to draw Japan into larger political relationships *before* its military might develops its own momentum.

The evolution of Japanese power will be watched nowhere more intensely than in China. For the greatest part of its history, that country was the Asian equilibrium. It would be reckless to forget that in an important sense, World War II started with the Japanese invasion of Manchuria in 1932. Today, once again, the subjugation of China or even its humiliation would have consequences for the global balance difficult to distinguish from the collapse of Europe.

The proud Chinese leaders often proclaim that no such danger exists. But long-range planning must consider possibilities, not certainties. And one contingency is surely the Soviet reaction when China's modernization becomes self-sustaining and irreversible.

The Kremlin may then conclude that it cannot allow the emergence of a major power along a disputed frontier where a billion Chinese face 40 million Soviets. It may seek to destroy China's industrialization and create a buffer along its Asian borders on the model of Outer Mongolia or the satellites of Eastern Europe.

Whether this is more or less likely than an attack on Europe is a matter of judgment. But in Europe the risk, however slight, of a Soviet attack has evoked the deployment of substantial armies. Is it too much for Western policy makers to reflect on their attitude in case of threats to China's territorial integrity and political freedom of action? American planners must understand that in such an event the United States cannot possibly remain aloof.

To be sure, the United States can have no interest in increasing Chinese perils by provocative acts or pronouncements. It is neither necessary nor desirable for either Washington or Beijing to agree on day-to-day policies. But in the end the policies of both Washington and Beijing must be constrained by the knowledge that they have a common interest to resist "hegemonial" designs in the Asia-Pacific region. Hence they must be careful not to push disagreements to a point where the other feels the purpose is deliberately and consistently to weaken it.

A wise U.S. policy will understand that China achieved the longest uninterrupted history of self-government of any nation above all because of a sophisticated understanding of its national interest. China's leaders need no instruction on the proposition that a change in atmosphere or even limited agreements with Moscow will not shorten the common frontier with the Soviet Union. They will not lightly risk their American safety net by staking China's survival entirely on continued Soviet goodwill. So long as both Beijing and Washington understand the objective limits of each of their relations with Moscow they can both benefit from a relaxation of tensions. If either side permits itself to be lured into a race for Moscow's favor, all restraints by the other will be eroded; the security of both the United States and of China will be impaired.

Should China navigate the passage to modernization without Soviet aggression or domestic turmoil, a new situation will arise. Such a basic change in the balance of power is likely to bring about a substantial reassessment of Soviet policy. It will also transform the security problem of Southeast Asia. Vietnam would need such large forces on its Chinese border that it would be obliged to modify expansionist ambitions. Nations such as Indonesia, suspicious of Chinese designs, would look for additional reassurances. A triangular competition among Japan, India and China could well develop in Asia.

For by that time India, too, is likely to have made major progress toward modernization. It will then be tempted to pursue the old British

MILITARY MEDICINE

Breaking a promise?

Shortsighted and faithless are two of the adjectives that U.S. military personnel may find appropriate for a proposal buried in the Reagan administration's fiscal 1988 budget to charge military dependents and retirees "nominal" user fees for some health-care services. Unless the administration can provide a more convincing rationale for the idea than it has to date, Congress should be prepared to kill it.

The administration's plan, described in a brief paragraph in its budget proposal, is "to collect, on a test basis, nominal fees for outpatient medical care provided to non-active-duty patients to determine whether such fees can reduce costs and improve the quality of care in military medical facilities." That sounds reasonable.

But its reasonableness depends upon

what constitutes "nominal." If the nominal fee is similar to a deductible fee that private insurers charge their customers, which is designed to discourage unnecessary use of medical services, then it's worth a try.

But if "nominal fees" turn out to be major expenses, the plan could well be counterproductive. Active-duty service members volunteered for the armed forces with the explicit understanding that benefits such as free health-care for their families and for themselves when they retire would be a part of their bargain with Uncle Sam. Morale is likely to plummet if the user-fee plan is applied across the board. Moreover, if implemented, the user-fee plan could make retention of senior, skilled service members a tough task. How many civilian workers would want to work for a boss who reneges on a promise to

provide certain benefits? Given the normal hardships of military life, personnel who see their benefits eroding would be less likely to stay in the military. And reductions in re-enlistments would compound the problems the Pentagon faces by the end of this decade, when a declining demographic pool from which to draw volunteers begins to drain.

To sway the critics, the administration will need to define "nominal" as merely a token fee and to show that the test will not harm retention of active-duty troops. To date, the administration has not presented a detailed defense of its proposal, and the Pentagon says that the reason is that no defense has been prepared by the Office of Management and Budget, which came up with the plan.

Cutting defense budgets by reducing unnecessary medical costs is a sensible move. If the administration can show that its user-fee idea could serve that goal without endangering the ability of the military to attract volunteers, then the plan is worth a trial. Meanwhile, the administration has a lot of explaining to do.

DES MOINES REGISTER 16 JAN 87 (29)

Hidden military spending

When the Department of Energy was set up 10 years ago, its mandate was to coordinate a comprehensive energy plan for the nation. But today, the department is becoming a mask for military spending, as its budget is turned over to nuclear-weapons projects at the expense of conservation and renewable-energy programs.

The White House budget proposal for 1988 includes a request for more than \$8 billion in military programs for the Department of Energy. Approval would mean that 65 percent of the total DOE budget will go to weapons programs, such as developing nuclear warheads

and Star Wars nuclear-powered X-ray laser devices. In 1981, only 38 percent of the DOE budget went for such programs.

The increase in DOE military spending will be offset by a 36-percent decline in spending on solar and renewable-energy projects and an 18-percent reduction in the budget for fossil-fuel research.

This is nothing but a poorly veiled attempt to hide actual military spending in civilian programs. If the White House budget is approved, total Department of Energy and Pentagon military spending for 1988 will be \$320 billion —

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ROCKETS

Boost for a Space Racer

Since President Reagan closed the space-shuttle program to most commercial cargo last summer, several U.S. aerospace firms have taken aim at the satellite-launching business. Last week McDonnell Douglas got a big boost in that race by snaring a \$734 million Air Force contract for a fleet of

up to 20 rockets to lift military satellites into orbit.

The contract means that the firm will not have to spend its own money to develop a rocket that can compete with Western Europe's Ariane program, which has a virtual monopoly on private satellite launches. McDonnell Douglas will also be able to go nose-to-nose with Martin Marietta, the maker of Titan-class rockets, which has signed an agreement to send up a Federal Express satellite in 1989.

about \$1,300 for every man, woman and child in the nation. In contrast, only \$17 per person will be spent on working for secure sources of energy for the future.

JAPAN...fm Pg. 17

policy east of Suez. Its major theme of preventing Russian domination over Iran and great-power hegemony over Southeast Asia is likely to be no different now that policy is made in New Delhi since it was always driven by the geopolitics of Indian, not British, security. This evolution is likely to improve India's relations with the United States. For it is not natural for India to treat the most remote superpower as the most immediate threat to the independence of South and Southeast Asia. In the long run Washington is more likely to appear as a counterweight to the expansionist tendencies of more nearby states.

- Two conclusions follow:
- With respect to aggres-

sion that threatens the global equilibrium, most Asian nations count on American support. They assume, however, that American assistance will flow from an assessment of common interests, not formal commitments or troop deployments. Therefore, continuity and bipartisanship in the elaboration of American foreign policy are essential. Constant changes of position are dangerous enough in the Atlantic area, where there is the safety net of institutions elaborated over decades. They are even more demoralizing in Asia, where few formal commitments exist and nations must gear their policy to America's capacity to define its permanent interests.

- The United States in pursuit of the global

equilibrium must be extremely sensitive to how individual Asian nations perceive the local balance of forces and their own role within it. It cannot be in America's interest to have one Asian power or group of powers so strong that it can dominate the rest. The U.S. weight should be on the weaker side, especially with respect to matters that can over time affect the global balance.

A great deal depends, therefore, on America's understanding of intangibles. No one has expressed this better than Japanese Prime Minister Yasuhiro Nakasone when, in a conversation a few months ago, he contrasted European and Asian notions of security: "In a European painting every detail is filled in and very little is left to the imagination. In a Japanese painting the empty spaces define the design; perception is therefore decisive."

At bay

Cosgrove



A survey of Malaysia

The
Economist



MALAYSIA

IT SEEMS WE HAVE THE OLDEST AND LARGEST CONVENTION CENTRE IN THE WORLD




It's by the happiest circumstance that Malaysia is situated where the tides meet. For along with them came the different peoples of the world, even as long ago as 40,000 B.C., as ancient writings in the Niah Caves confirmed. And where speleologists are continually making new discoveries about our Mulu Caves, the world's largest underground caves and the most stupendous caverns ever visited by man.

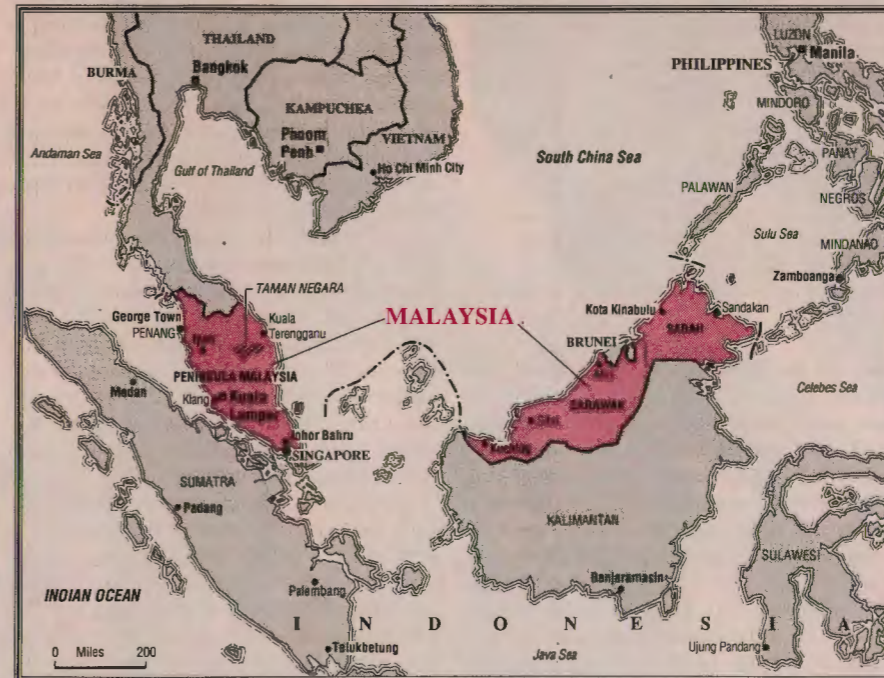
People are still meeting in Malaysia today, for so many reasons. We have some of the finest meeting venues in some of the most exotic settings. Our tourist attractions are indeed rich and colourful. And the gentle charm of our country never fails to weave its special magic around our visitors.

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MALAYSIA



The struggle for survival

Malaysia is a shop stocked with things that nobody much wants. Its once incomparable range of products—rubber, tin, oil, palm oil—are having to be sold at give-away prices. Yet not long ago Malaysia was a wonder of the developing world. Can the Malaysians, asks Keith Colquhoun, find new ways to earn a living? And what will be the social consequences for a racially divided society if they can't?

The Europeans who first sailed to the East generally had little difficulty establishing their trading settlements. Any local opposition was soon put down with astonishing ease. Dr Mahathir Mohamad, the prime minister of Malaysia, sometimes ponders why the Europeans were able to succeed so easily. They were few in number. The countries they invaded in Asia were populous and civilised, unlike the African territories also conquered by Europeans, yet the Asians were unable to defend themselves any more effectively than the Africans did.

Consider Malacca, now a pleasant tourist town in southern Malaysia but once the most important commercial cen-

tre in South-East Asia, where traders from India, China, Indonesia and the Arab world met to do business. The local ruler had a large army equipped, Dr Mahathir believes, with fighting elephants. The Portuguese captured Malacca with a handful of men in 1511, and it remained in European hands, with the Dutch and then the British succeeding the Portuguese, until this century.

Dr Mahathir's explanation for the conspicuous lack of success of the eastern armies is that they were badly organised and poorly disciplined. The army that fought the Portuguese at Malacca had a general, but he did not have a definite hierarchy—captains, lieutenants and ser-

geants—to ensure that his orders reached the soldiers properly. Asian armies tended to be led by example rather than by specific command. When the king of Bali died while fighting the Dutch, all the surviving Balinese soldiers committed suicide although they were perfectly capable of fighting on had someone given them orders. The Europeans were organised to act as a team. The Portuguese explorers setting off in their little ships into the unknown, attending their own burial mass before they set sail, could scarcely be thought invincible. But when they had to fight, they fought as a machine, not as individuals as the Asians did.

Organisation and discipline can give strength to the weak and the small, Dr Mahathir says. His preoccupation with history is not an academic indulgence. He is worried that, as a result of their culture and inheritance, the Malays, who are the largest group in Malaysia, are still not organised or disciplined. Nearly all his adult life, since he stopped practising medicine as a young man and went into politics, he has been trying to persuade the Malays to do better, though not these days by emulating Europeans, particularly the British, whom he thinks have lost their sense of discipline. The qualities of organisation and discipline, he believes, are now better practised by the Japanese who assimilated them from the West so successfully that they have become a world power, without losing their own identity. They in turn can teach the Malays. This was the reasoning behind Dr Mahathir's injunction to Malays to "look east", and, especially, to look at Japan.

It is, at least when you first encounter it, a persuasive line of thought. Dr Mahathir has many critics in Malaysia. He does not have the easygoing charm of the three prime ministers who preceded him, all of whom, unlike Dr Mahathir, were educated in Britain and brought a British style to their administrations. But it is no fault not to be British. The prime minister is both a magnetic personality and an intellectual, a combination that is found only rarely among Malaysian politicians. He tries to make sense of Malaysian problems by seeing them in the perspective of history.

But if his solution to Malaysia's problems is correct it should be showing a



Mahathir wins all the problems

convincing result by now. He has been badgering, cajoling, shaming and nagging the Malays for some 30 years—the past six as prime minister. It has to be asked whether he is getting anywhere in transforming their easygoing attitudes into bare-knuckle competitiveness. The answer is: probably not.

It has never been essential to be disciplined in this naturally favoured country of fertile abundance, with a climate of plenty of rain and sun, in which nobody went hungry and a peasant had to work only two months of the year to grow all the food needed to feed his family. So what's the urgency? Leave it until tomor-

row, or perhaps next month. But the Malays' sense of un-urgency is now being seen as something more than a charming quirk of their cultural background, because, for the first time, the country has fallen from economic grace. The previous survey on Malaysia published in *The Economist* in 1979 painted a cheery picture of a not-quite-Utopia in which the Malaysian economy was growing by a steady 7% a year, mostly as a result of the world demand for its rubber, tin and other commodities. That happy state of affairs no longer operates, which is one reason for having a new survey eight years later to take a look at what has happened.

Buy a bargain Rolls . . .

. . . and much else in a depressed economy

Malaysia is no longer a thriving country getting richer. The economy actually shrank by 1% in 1985 and last year grew by less than 1%. In the capital, Kuala Lumpur, the decline is not immediately noticeable. There is an articulate consumer movement and concern about the environment, two indicators of a society that believes it has satisfied some of its purely material needs. The town looks showroom-new. Glittery high-rise buildings give the impression of having sprung up suddenly like exotic trees from jungle compost. In the interminable traffic queues there are not only the locally made Proton Sagas but more than a flash of Mercedes and Rolls-Royces, on which there is a 300% import duty. But the buildings are empty. The splendid hotels of Kuala Lumpur count themselves lucky if they are half full. A one-year-old Rolls, just run-in, can be bought for a

third of the price it cost new. Prices of houses and flats are falling, particularly in the plushier suburbs. The pawnshops are doing well. In the great shopping malls the sales season never ends as ever more ridiculous bargains are offered to ever more wary shoppers.

This is not a town gone bust, but it is counting its dollars. The auguries are gloomy when measured by the markets for rubber (Malaysia has 35% of world production) and palm oil (60% of world production). The market in tin (35% of world production) has collapsed. The market for oil, the country's largest foreign-exchange earner, is weak. Pepper, almost alone of the country's exports, is doing well. But Malaysia's principal commodities may never fetch high prices again. Few people believed that there would come a time when Malaysian tin and rubber would be a drug on the

market. But synthetic rubber has captured two-thirds of the world market, and cheap and efficient substitutes have been found for tin, partly as a result of Malaysia's greed in trying to manipulate the market in an effort to make it a semi-precious metal.

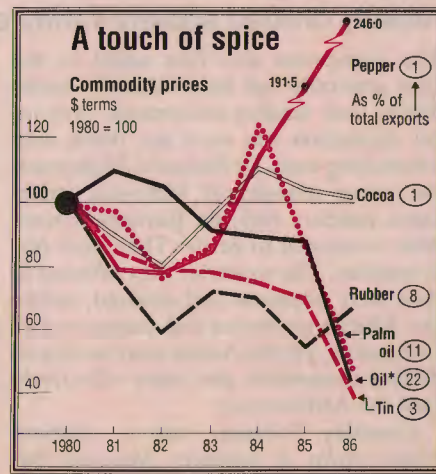
Falling commodity prices, together with a fall of 40% in the value of the Malaysian dollar against the yen, has drawn unwelcome attention to a country that not so long ago was considered a model for the developing world. Commercial disasters, of which there have been a number over the past year in Malaysia, are seen as more than financial hiccoughs and individual tragedies. They are examined morbidly to see if they are a sign of national sickness.

Last August the government borrowed \$500m from commercial banks in Britain, Japan, the United States and elsewhere. The apparent ease with which the loan was raised was said by bankers in Kuala Lumpur to show what a good credit risk Malaysia still was. So it is, even though the terms of the new loan were marginally worse than those Malaysia could have expected a year or two ago.

Malaysia is not going to sink suddenly. It is experiencing the tiny agonies of a slow decline. But it is not pleasant to get poorer in a world where you are considered nothing if you are not going up. The middling-class Malaysian faces the prospect of less real pay, fewer luxuries, a less tempting diet, clothes that have to last longer and a car that he cannot afford to replace. The roads will have holes in them longer than they should have, power cuts will become commonplace, bills may never be paid.

Living without the dole

Take a town like Ipoh, the tin capital of the world, with a population of 400,000 people, most of them Chinese. It is a clean and approachable town, with none of the extravagances of Kuala Lumpur. It



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The tin that nobody wants

has not quite lost its air of prosperity. The miner's wage, the equivalent of about \$70 a week for an average worker, is a decent one in the developing world. But there is now a blight on Ipoh. More than two-thirds of the town's 40,000 tin miners are out of work. Many of the engineering firms that lived off the mines have gone bust, so their employees are without jobs too. All the services that relied on the tin money—shops, restaurants, taxis, even buses—are feeling the pinch. The unemployed are so far mostly taking their hardship with dignity, hoping that the government will find a way of selling more tin. But there is no dole in Malaysia and they are living on their diminishing savings and the social security of the

extended family. The state's government is encouraging the jobless to turn to agriculture or to start fish farms on former mining land. A hawker's licence is getting easier to obtain. But Ipoh is a town under stress. Burglary is its only growth industry.

A lot of Chinese money is moving out of Malaysia in search of more promising homes: the rudimentary exchange controls are said to be easy to evade. Some wealthy Chinese have taken the precaution of preparing a possible bolthole. Those with mobile skills, such as doctors, are able to find work elsewhere. But most Chinese, like those in Ipoh, do not have the option of pulling up their roots, even if they wanted to.

Pieces in a jigsaw

Will the country stand the strain?

Malaysia is a jigsaw of a country, and not all the bits of the jigsaw fit neatly together. The jigsaw began to be assembled by the British in the early part of the nineteenth century. It started out as three bits of reasonably inhabitable territory, the islands of Penang and Singapore, together with Malacca, and was administered under the truly colonial name of the Straits Settlements. By the time the jigsaw was completed in 1963 it consisted of 11 states in the Malay peninsula, plus two (Sabah and Sarawak) in the north of what used to be called Borneo, together with Singapore. In 1965 Singapore went its own independent way. What remains is a collection of thoroughly awkward-minded states that, for convenience and advantage, just about tolerate being in associa-

tion with each other and perpetually grumble about the bossiness of Kuala Lumpur.

More equal than others

That is the geographical jigsaw. There is another, racial, one. Nearly half the people (48%) are Malay. The rest are Chinese (34%), Indian (9%) plus some 16 other ethnic groups. The Malays do not like the Chinese and the Indians very much, while the Chinese and the Indians feel deeply resentful because in their view they have been badly treated under a predominantly Malay government.

First, the Malays. The prime minister may be critical of them, but he loves them. He wants them to do well, and he feels perfectly entitled to practise what in

other countries would be called racism in order to push and encourage them to better things. The Malays and a number of tiny ethnic groups are known as bumiputras, which translates roughly as sons of the soil. Call them the natives.

Being a bumi is a great start in life. The bumis have four out of five places at Malaysian universities. The bumi gets priority for a job, even if his qualifications for it may not match those of a non-bumi. If he wants to start a business he gets a cheap loan. The overstuffed offices of government until recently always seemed to have a job for a bumi, who might find his or her most onerous task was keeping boredom at bay. One office is famous for its knitting productivity.

The Malays are defensive about their privileges. They claim that they are merely trying to right the wrongs experienced by the Malays when the country was run by the British, who they say favoured the Chinese and the Indians. Most important, they were in the country first, and this, they argue, entitled them to lord it over the "newcomers". Malay politicians are moved to near unbelievable wrath if it is suggested, as some Chinese from time to time slyly do, that all Malaysians were immigrants at some time or another. Last year a Malay politician seriously suggested that, if the Malays felt that their dominance was being questioned, why not merge with their fellow Malays in Indonesia? However, this improbable notion has not been pursued. Malaysia may be in a pickle, but it is not yet desperate enough to make or accept a takeover bid.

Uneasy mix

The Chinese and the Indians are indeed newcomers but only relatively so. The Chinese were brought in by the British in the nineteenth century to work as tin miners, while the Indians were brought in to work in the rubber plantations. Thus the newcomers were the key to the country's two foundation industries, tin and rubber. Many of the descendants of the Chinese have become captains of industry. Upwardly mobile Indians have become engineers or doctors, or make enough money in business to move to mother India, where their wealth will be proportionately greater. Suddenly a small Indian establishment will close down. "Where's Patel?" "He's gone home." Even the least-ambitious Indians prefer to work almost anywhere except in the rubber plantations where pay is a pittance and living conditions sordid. Although around 9% of Malaysians are unemployed, and the figure is rising, thousands of jobs are going begging in the plantations.

The Chinese will say, even to a foreign-

er, that the Malays are lazy. But surely working in the rice fields is hardly a job for lazy people? All they are good for, comes the reply. But, you persist, is physical exertion a good thing in a hot climate? The colonial British were not particularly energetic. A planter got up early but by ten in the morning had succumbed to the heat of the day and, often, the consolation of the bottle. That's the point, say the Chinese. The Malays are not intelligent, like the Chinese or the Brits, or shrewd, like the Indians. In every Malay village, however small, there will always be one Chinese, they say. He runs the village shop.

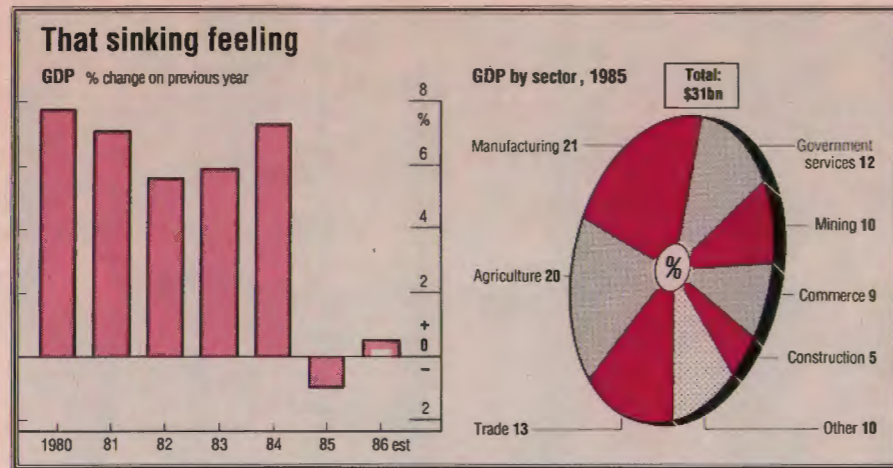
The Malays may not be the Japanese of South-East Asia, but such talk is at least partly a reflection of Chinese resentment of the bumiputra policy, particularly its educational bias in favour of Malays. The Chinese have even been forbidden to establish a Chinese-speaking university. They believe their traditions are under attack too. The lion dance, practised with enthusiasm by Chinese communities throughout the world, is said by some Malays to conflict with "national culture".

In search of unity

The first prime minister after independence, Tunku (Prince) Abdul Rahman, tried to reconcile racial differences by at least encouraging a political unity for the country. His Alliance party was a spectacularly successful fixer, making electoral deals throughout the land, putting up a Chinese candidate where there was a majority of Chinese voters and a Malay candidate where there was a majority of Malays. In the first general election of 1955, the Alliance won 51 seats out of 52. It was an impressive coup, even though it gave an artificial impression of political unity.

The tunku was the best sort of leader to have at the birth of the state. He is 84 next month and remains an active and articulate promoter of reconciliation between the races. But his Alliance party is long since dead. The federation these days is run by a 13-party coalition known as the National Front. The main party in the coalition is the United Malays National Organisation (UMNO).

Malaysia is not a democracy in the exact sense of that word. Every adult has a vote. The elections in most places are conducted almost fairly, although there are grumbles about the way the constituencies are arranged, allegedly in favour of the ruling coalition. The UMNO coalition may win easily, or not so easily, but it will always win. The opposition can never expect to form a government, although if an opposition party does well it may be invited to join the coalition and take part



in the decision-making and share the perks of office.

In the most recent general election, last August, the main interest lay in whether the coalition would retain its two-thirds majority in the federal parliament, which gives it the privilege of amending the constitution, should it wish to. It got its two-thirds majority and in doing so had the bonus of beating off a challenge from what has become the most vigorous and determined political group in Malaysia, the Islamic fundamentalists.

Islam is the state religion, but the non-Muslims—the Chinese Buddhists and Christians, the Indian Hindus, together with the animists and others—prevent Malaysia from being an Islamic state. Parti Islam, which wants to turn Malaysia into an Islamic state in which only male Muslims could vote, and which would take a dim view of cakes and ale, had



Abdul Rahman: prince of unity

before the general election been gathering a lot of support in the west of the country, where it has always been strongest. Partly this was a result of the periodical swing of the Muslim electorate away from the government to the opposition. Partly it was because of the rise of fundamentalism throughout the Muslim world as a result of the Islamic revolution in Iran in 1979. Fundamentalism is strong among young, educated people, who often completed their education in the United States and are now, rather to the surprise of their parents, rejecting western values. Parti Islam's message of simple living, self-sufficiency and making the country less dependent on foreigners is a powerful one.

Particularly alarming for the government was that Parti Islam seemed to be winning support from Chinese who had previously supported one of the Chinese parties, usually the Malaysian Chinese Association, which is the second largest part of the ruling coalition after the UMNO. Parti Islam was arguing that as Islam does not discriminate between race, creed, colour or region of origin, the Chinese would be better off living in an Islamic state. Discrimination against Chinese would be scrapped. The Chinese would be free to pursue the education they wanted. Mandarin could become an official language. A Chinese could even become head of state, although he would first have to become a Muslim (not impossible: there are already a number of Chinese Muslims in Malaysia). This tempting feast was put before the Chinese by Parti Islam's passionate vice-president, Ustaz Hari Awang.

In the event, Parti Islam was not clever enough. It had hoped to win as many as 24 seats, compared with the five it had won in the previous general election. It ended up with one. The Chinese were not silly. They know that in practice some Islamic states are far from free. The many Chinese who are fed up with the Malay-

sian Chinese Association, which has been hit by financial scandal and whose former president is in jail in Singapore for financial fraud, decided to give the government a jolt in another way. They voted for the Chinese-dominated opposition group, the Democratic Action party. The opposition now has more Chinese support than the government has, not a comforting development for a racially divided country. The Democratic Action party has a skilful leader, Mr Lim Kit Siang, who gives the governing coalition a hard time in parliament and seems unlikely to give up this enjoyable role by joining the government for, as he puts it, "a few ministerial seats".

Neither has the Islamic threat gone away. Parti Islam collected more than 15% of the vote and 22% in the seats it contested. In 30 seats it finished close behind the winner. After retiring to lick its wounds the party is regaining its confidence. Next time, the Chinese, if they feel sufficiently discontented, could vote in some strength for Parti Islam, in an anarchistic gesture. "We are patient", a Parti Islam official commented. "That is something we learnt from the British, who took a hundred years to mould the country to their way of doing things."

I spy Zionists

So fundamentalism will continue to be a worry for Dr Mahathir, who says that the Islamic party is not only fundamentalist, but extremist. The prime minister claims, reasonably, that he is fundamentalist, as any good Muslim should be. But in demonstrating that his fundamentalism is in no way inferior to Parti Islam's, he has helped to move religion into the centre stage in Malaysian politics. The government has become virulently anti-Israeli. "Zionists" are accused of sabotaging the economy. Malaysia temporarily withdrew its ambassador from Singapore when the Israeli president visited there in November. A representative of the Palestine Liberation Organisation told a respectful Malaysian audience that Israel was planning "military action" against Malaysia, a feat of arms that would amaze the world. It is difficult to believe that most Malaysians can possibly take this nonsense seriously, but there seems to be nobody, in politics or the press, with the inclination to ridicule it. Worse, religion and religious bigotry have detracted from the problems of the economy, which are more important to Malaysians' earthly existence than how they worship God.



Busy fingers, but not for long

Malaysia has done something to provide for its future, but it may not have done enough

Malaysia is the world's largest exporter of semiconductors, the marvellous "chips" at the heart of most electronic equipment. Until 1985 its semiconductor industry had enjoyed annual growth rates of 20% for

more than a decade. Since then, world demand for chips has fallen, partly because of the fall in demand for personal computers and other electronic delights. Malaysia built up this impressive modern

industry not because it is skilled in hi-tech, which it isn't, but because it could offer cheap labour to assemble semiconductors from the sophisticated bits shipped from the United States and other hi-tech countries. It no longer has this advantage. Any new foreign company seeking cheap labour is more likely to be attracted to Thailand, where wages are about a third of Malaysia's. The relatively simple operation of assembling a semiconductor (or, as in the picture, laboratory parts) can be done just as well by Thai fingers as Malay ones.

But assembling the bits is becoming less and less a job for nimble fingers, whom ever they belong to. An automated machine can do the job at least five times quicker than a manual worker. One person can monitor a row of machines. So who needs people, even low-paid ones? The world of technology moves fast, and low-tech Malaysia may be left behind.

The threat to the semiconductor industry is bad news for Malaysia's free-trade zones. The free-trade zone was invented in Ireland as long ago as 1959. The idea is to lure in foreign companies, offering them low or no taxes, freedom from government busybodies and low labour costs. In return the company is expected to export nearly all its products, bringing foreign currency into the country, and to train local people in the company's expertise (known as technology transfer) and to buy as much material as possible from local firms (known as linkages).

The island of Penang in north-west Malaysia has prospered from its free-trade zones. Drive past the customs check-point and you feel you have left Malaysia, with its petty quarrels of who was first. You are suddenly out of a developing country and into a developed one. The great factory edifices look as though a computer designed them, as perhaps it did. Nobody is knitting.

This infusion from the developed world has put money in the purses of the 40,000 people, mostly young women, who are bussed in daily from the local towns of George Town and Butterworth. But it is a diminishing prosperity. No more nimble fingers are being recruited and some are being laid off. The fate of these people is ammunition for critics of the zones who say they are just cheap outposts from which to make a quick profit. Those firms that move into the zones, it is said, have no real interest in furthering the economic interests of the host country. There is little technology transfer, and the linkages are mostly utilities, such as electricity and water.

Yes, maybe. In Penang some firms have gone because they could no longer afford to stay. But most intend to soldier on, if only because they are there and do



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not want to abandon a huge capital investment. They will retain their more talented local staff and train them to be more clever. They concede that they are unenthusiastic about transferring too much technology; in a backhanded compliment they say that the Malaysians are not expert, or are uninterested, in stealing the technology, which is a big problem in Taiwan. The great international companies that operate in the trade zones would claim to be socially responsible. They have a reputation to protect.

All the same, some Malaysians find it difficult to see much difference between a foreign company squeezing what it can from a zone and the British companies of the old colonial days running a plantation, except that the Brits were more involved in the country. What will happen to all those young women when they are no longer wanted at the semiconductor factories? Will, as the cynics say, the pretty ones become bar girls and the plain ones turn to Islam? Will their families, deprived of their incomes, have to move to Malaysia's squatter settlements, which already house 750,000 people whom the boom years passed by?

As in Kuala Lumpur, Penang is to some extent still living in its easy-street past. It possesses Malaysia's most spectacular folly, the extraordinary 65-storey Komtar building, one of the tallest in South-East Asia. It was started in the buoyant days of 1974, and is still not completed. When, and if, it is, much of its huge amounts of office, hotel and shopping space will probably not be needed. It has been delayed many times, once by a fire on the 44th floor, which could not be put out because the fire-fighting equipment would not reach above the seventh. The idea behind Komtar was to "symbolically represent the restructuring of Malaysian society" in the ill-chosen words of a minister. The people of Penang loath Komtar and hope that Malaysian society, restructured or not, will never look like this.

Tickle my tummy

All in all, despite its flirtation with electronics, Malaysia has never been one of Asia's innovative countries—like South Korea, Singapore, Hongkong and Taiwan, which used superior technology and get-up-and-go to establish themselves in many of the world's markets. Malaysia likes to think of itself as a tiger, the animal fiercely featured on its coat of arms. But tigers, once fed, are dozey creatures that like nothing better than to roll on their backs and have their tummies tickled. Yes, the future had to be provided for, but the commodities were always there. As a result Malaysia is changing only slowly from being an agricultural



So, what's different about the Proton?

country.

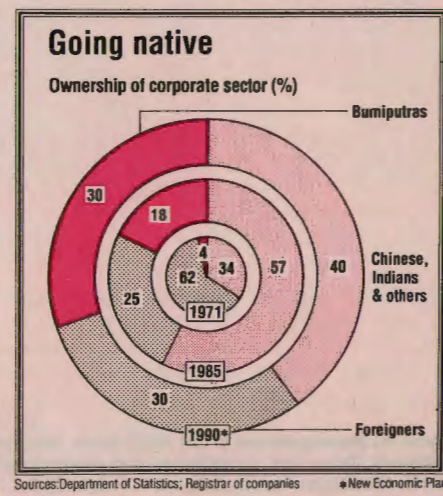
In one respect, it has actually turned its back on innovation. It has invested modestly in heavy industry: steel, cement and cars. It has been much criticised for doing this. Its critics have included this newspaper which has said, to quote one of its leading articles, that the way forward for Malaysia is "a competitive move upmarket, into the scientific, technical and information-processing skills typical of the advanced economies of the West". But Dr Mahathir says that Malaysia cannot afford the new technology, which gets newer, more expensive and more expert every moment, so it has gone back to the old, which it can afford.

One bit of the old technology is making cars. The Proton Saga, first wheeled out in 1985, is polished with pride by Malaysians. A national car is something of an achievement in a developing country, even though the Proton, although assembled in Malaysia, is essentially a Japanese saloon. It has been kept cheapish, and duties and taxes keep up the prices of its foreign competitors. There is vague talk of selling the Proton abroad, but it would probably be unsaleable in most developed countries because it would not meet their safety standards. Malaysia looks hopefully towards China; but the demonstration models sent there in the winter to chilly Peking did not have heaters, and—a salesman's nightmare—were reluctant to start.

How old is new?

Malaysia is never going to get rich selling cars. Can it come up with workable new ideas to regain some of its economic zip? The biggest old idea, the New Economic Policy, and its frankly racist corollary, the pushing of the bumiputras, is in need of a

replacement. In 1971, when the New Economic Policy was inaugurated, the biggest chunk of the Malaysian economy, 62%, was in the hands of foreigners. The Chinese and Indians who lived in Malaysia controlled the next biggest piece, 34%, while the bumiputras controlled a mere 4%. When the Chinese (and the foreign) hold on the economy was broken, the bumiputras would, the government promised, become rich, or at least they would no longer be poor. The aim, by 1990, was to put the bumis in charge of, or at least participating in, 30% of domestic business, limiting non-bumi activity to 40% and foreign involvement to 30%. It worked in a sort of way all the time the economy was growing, when all could have prizes. By 1985 bumiputra ownership stood at 18%, up five points in five years, although non-bumiputra ownership by Malaysians had also risen during the same period from 45% to 57%. In some areas controlled by the government, the bumiputra stake was disproportional.



tionately high: about 75% in banking and some 80% in the plantations.

The gravy days for the bumiputras have come to an end, as they have for all Malaysians. Last year the government faced the fact that there could not be redistribution of wealth if there was no growth, and it largely suspended the New Economic Policy. Market forces, even those directed by foreigners, were back in Malaysia.

The trouble with the bumiputra policy is that, where it has worked, it has created a small Malay business elite which is heavily dependent on official favours. In the difficult times now facing the country, these artificially created businesses are unlikely to have much resilience. Even when the going was good, many companies set up by government agencies for bumiputras went bust. Dr Mahathir himself has complained of the inadequacy of some bumiputra businessmen who, he said, ask him for licences and permits "while they sit in air-conditioned rooms with one-inch thick carpets".

The forecast now is that in 1990, at the end of the fifth Malaysia plan, the bumiputras will have about 22% of the economy, rather than the 30% aimed for. But even this figure is suspect. Much of the business claimed to have been transferred from the Chinese and the Indians to the bumiputras has been transferred simply on paper. The Chinese and the Indians have retained the real control, even though a Malay may have his name on the

notepaper.

It is doubtful whether the New Economic Policy has contributed a jot to the wealth of the country. Indeed, with its message of Malaysia for the Malays it may have put off some foreigners from investing in the country. It was thought up following riots in 1969 between Malays and Chinese of a ferocity that is still recalled with a shudder. The Chinese can be wickedly effective fighters, as they showed during the Japanese occupation in the second world war, while the normally gentle Malays have a tendency to go berserk when under stress—amok is a Malay word. The panacea was the New Economic Policy which promised to make life better for the Malays, but without screwing the Chinese too much. Its most useful function, not to be underrated, has been as a peacemaker.

Malaysia remains an uneasy racial mix, in which the tensions have perhaps been kept in check only because there has been high employment and more money in the pay packet each year. You do not have to be a clever sociologist to predict that nasty things could happen to the community as these palliatives disappear. Managing a prospering country has been relatively easy. It is going to be far more difficult to manage a country of gradually lowering expectations without the people getting upset. One of the consequences of racial unrest would be a more authoritarian tone in the government. Some opposition politicians say they already detect it.

All together now

Can Malaysia help itself by helping, or at least co-operating with, its neighbours?

Can the Association of South East Asian Nations (ASEAN) at last start to justify its long existence? Although ASEAN's fate has been to become a regional debating society, it was conceived in 1967 as a free-trading group, along the lines of the European community. It could still usefully become that. Its six members, Malaysia, Thailand, Singapore, the Philippines, Indonesia and Brunei, do fit logically together even though the grouping may not be quite as geographically tidy as Europe's. The problem is that they fit too logically together.

They are tropical or equatorial countries, with lots of heat and rain. Each has an abundance of warm-weather products that none is able to sell to the other. Indonesia is now self-sufficient in rice, so does not need to import rice from Thailand, which has a surplus. Malaysia, Thailand and Indonesia all grow rubber. Indonesia's low labour costs enable it to sell its rubber cheaper than Malaysia does. All

three have oil, as do the Philippines and Brunei. At the meeting of the association's foreign ministers in Manila last June a number of ideas were put forward to boost trade between the partners: that there should be a "barter accord", and that cartels should be formed in commodities in which the association's countries were dominant. But nothing so far has come of it. Preferential trade among members, the key to Europe's cohesion, has been ignored. Some ASEAN-made products are supposed to qualify for low tariffs when one country in the association is importing them from another. You can import a snow plough into Malaysia almost duty free. But there are many exceptions to the low-tariff list, making it practically meaningless.

Vacant paradise

The ASEAN countries do combine together for tourism, although not, it seems, as a result of ASEAN's initiative. It is just that

tourist firms have seen that a package made up of, say, Singapore, Penang and Bangkok, looks good when written up in a brochure. But this is petty cash. Malaysia needs more long-stay visitors. Various reasons are given why it is not getting them. One is that tourists are put off from visiting what they believe is near a "war zone", meaning Kampuchea. Although Kampuchea is the other side of Thailand, most tourists have only a vague idea of geography. Europe suffered last year because American tourists, believing that every country was threatened by terrorists, steered clear of it. It has also been suggested that the growth of Islamic extremism has put off some tourists, who enjoy unIslamic things like drinking alcohol and leering at girls in bikinis.

Whatever the reason, average hotel occupancy rates have slipped from a high of 85% to around 50% last year. Malaysia now almost certainly has too many hotel rooms: 32,000, double the number it had three years ago, when there was still some optimism left in the industry. It is hard to imagine now the happy days of the 1970s, when tourists were actually turned away from full hotels.

Malaysia must take some of the blame. The island of Penang, as well as having free-trade zones, is Malaysia's foremost holiday resort, and at one time was that for the whole of South-East Asia. The long strip of beach where the big hotels are has some of the taintiness of the Costa de Sol, which is not necessarily a disadvantage for many tourists, but the sea is polluted, which must be a put-off. Incredibly, sewage from a pig farm is allowed into the sea.

Understandably, nobody is building hotels in Malaysia at the moment, except



Escapism

in distant and still prosperous Sarawak which believes it needs to catch up with the rest of the federation and have empty hotel rooms too. Last year work on a tourist complex of five hotels (2,500 rooms) in Langkawi Island, north of Penang, was abruptly, and understandably, stopped.

Nevertheless, Malaysia is a splendid country to explore. The advertisements do not exaggerate when they promise mystery and adventure. The mainland has a huge and superb national park, Taman Negara, created in 1939 out of virgin territory and sprawling across bits of three states. It attracts about 10,000 visitors a year who, in return for a bit of walking, see an extraordinary range of tropical beasts and vegetation. In the densest and least-accessible bits there are tigers, like Malaysia itself struggling for survival. The government started to build a road through the forest, with the good intention of making it more accessible to more people, but with the probable result

that much of its richness will be destroyed. Malaysia needs to hold on to its tigers. The creatures that tend to proliferate in the tropics are rats and cockroaches.

Malaysia's Friends of the Earth (yes, the environmentalists are there, too) want the road to be stopped, and it has been, at least temporarily. Anyone who has seen how some of the safari parks of Africa have been exploited almost to extinction will acknowledge that the Friends are probably right. But probably what Malaysia mostly needs to help its tourist industry is, to use a hackneyed word, an image. Hongkong is associated with cheap shopping, Bangkok with sex. Singapore calls itself the gateway to the East. None of these descriptions is entirely accurate; each belies other attractions in the place. But each of them is better than what some people think of when they come across the name Malaysia: racial strife and the scaffold for drug traffickers.

Wobbling in Sabah . . .

. . . and in Sarawak too

The state of Sabah is the wobbly bit of the federation. Great stretches of the South China Sea separate the Malaysian mainland from Sabah. By jet from Kuala Lumpur to the Sabah capital, Kota Kinabalu, takes 2½ hours. Arriving there is like entering another country. Your passport is examined and stamped. A mainland Malaysian has no automatic right of entry to Sabah: in this respect Malaysia is one of the few countries outside Russia to operate an internal passport system.

Sabah, with its timber, oil and natural gas, is perhaps potentially the richest state in the federation and for this reason alone is of prime importance in a time of recession. In 1985, the state's Malay-run government was turfed out, seemingly as an anti-Kuala Lumpur protest, and has since been run by a multi-racial government (Christian, Malay, tribespeople) under a Roman Catholic chief minister, Mr Joseph Pairin Kitingan. The central government does not like a Malaysian state to be run by a non-Malay party. Only one other state, Penang, has a non-Malay chief minister, a Chinese, but in Penang a majority of the people are Chinese. Kuala Lumpur has had to accept the Sabah "coup" with as good grace as it can muster and has taken Mr Pairin's United Sabah party into the federal government coalition.

The central government's worries do not end there, as the neighbouring Philippines formally claims Sabah for itself for historical reasons. Huge numbers of Fili-

pinos, perhaps as many as 250,000, have settled in Sabah, usually illegally—and the total population of the state is only a little over 1m. The Philippine government believes (and Malaysia denies) that Sabah is a sanctuary and supply base for the Muslim separatist guerrillas in the southern Philippines. If Sabah were restored to the Philippines, it argues, the rebellion would soon be quashed.

Another worry for the federation is that Sabah and its neighbour Sarawak

have long been coveted by Indonesia, which has the rest of Borneo (called Kalimantan). For several years in the 1960s Indonesia waged undeclared war on Malaysia and Britain in the hope of grabbing the two states.

It is difficult to see how Sabah could be removed from the federation, either by force or because it wanted to leave (and Mr Pairin's government has given no sign that it does) or by a bit of both. The central government keeps a neck-lock on all the states, allowing them freedom of action only on land and religion. A war between Malaysia and the Philippines seems unthinkable. But the people of Sabah have no love for Kuala Lumpur. Despite Sabah's riches they are poor. Kota Kinabalu is shabbier than a state capital should be. The Sabah people look with envy at the prosperity of neighbouring Brunei (which, they say, had the good sense to reject an invitation to join Malaysia) and of Singapore (which had the good fortune to be expelled). Sabah is a frontier state and has something of the wildness of a frontier. Its politics, exceptionally for Malaysia, are raw, with intimidation and blackmail commonplace. It will continue to worry the central government.

White rajah's legacy

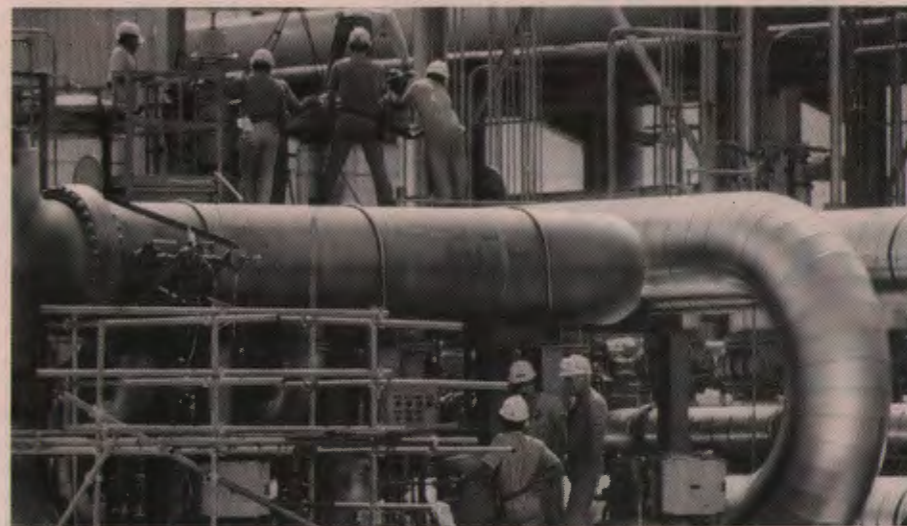
Sarawak is at the moment less of a worry. Its oil, natural gas, timber and agricultural products (pepper, cocoa) contribute huge revenues to the federation, although it is the least advanced of Malaysia's states. Adventurers can, and do, disappear into the jungle for a couple of months after a night at the Holiday Inn in Kuching, and then write derring-do books about their lives with the Dayaks,



Pairin: thorn in the flesh

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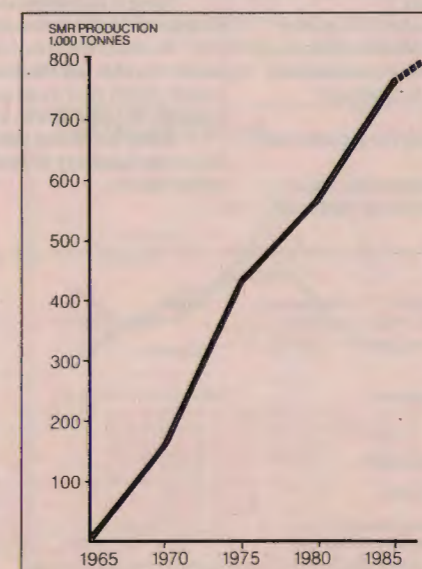
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they of the longhouses.

It is easy to take a paternalistic view of the Dayaks, a name that covers a range of indigenous peoples. That was the attitude of Britain's Charles Brooke, the "white rajah" who ran Sarawak as a private state, and it permeates the present Malay-run administration. But the Malays are a minority in the state. The Dayaks tend to be Christian or animist rather than Muslim. When enough of them become educated enough to care, they will, as in Sabah, want more say over their destiny.

Sarawak was to have been the unfortunate site for a civil-engineering monstrosity, the Bakun dam. An area the size of Singapore would have been flooded, displacing some 5,000 Dayaks. A huge lake would have been created, which would probably have become a source of water-borne diseases. Environmentally, dams and their lakes are considered a bad thing at the moment, as a result of some disastrous projects in Africa.

Even if the environmental problems had been solved, and the Dayaks resettled happily, there were a lot of question marks over the dam itself. It would have been extremely difficult to build because Bakun is in an inaccessible area, which can be visited at the moment only by helicopter or boat. It would have involved questionable technology. An undersea cable to take three-quarters of the power to mainland Malaysia would have been 400 miles long, by far the longest in the world (the present longest, 80 miles, carries power between Denmark and Norway). The cables have not yet been developed. But the chief objection was the cost, perhaps as much as \$6 billion. Borrowing all this money and meeting the service charges looked tempting in the optimistic growth days of 1981, when Bakun was first mooted. Like the Komtar tower in Penang, it was a rich man's extravagance. It does not look so appealing now.

A final decision to scrap the dam has not yet been taken. The anxious Dayaks recently sent an anti-dam petition to the government, with 2,000 signatures and thumbprints. But it looks as though the dam will be shelved. Malaysia is thinking small these days. It has an abundance of natural gas to be turned into electricity in conventional power plants. Better to build those than end up with a white elephant in the jungle. The project's probable demise is one of the few good things that have come out of the slump.

Hanky-panky
One subject that dubiously unites all Malaysians is an obsession with corruption. The common euphemism for it is "hanky-panky", an archaic term that in the West in less explicit days was used to

refer to sexual lapses. Perhaps there is a connection: Malaysian newspapers are prim in matters of the flesh, but provide a voyeuristic coverage of court cases involving crooked businessmen. Is there more corruption in Malaysia than elsewhere in the East? It is easy to point the finger, hard to establish the facts. What

can be said about Malaysia is that there seems to be a reluctance to stigmatise those caught at hanky-panky. Rather there is envy of those able to profit from it. "Why do you want to go into politics?" this correspondent asked a student. "To get rich," he said, seemingly unaware that he had defamed a whole profession.

So what is to be done?

Conventionally, there are three ways in which a country without the natural resources that the world needs can make a living

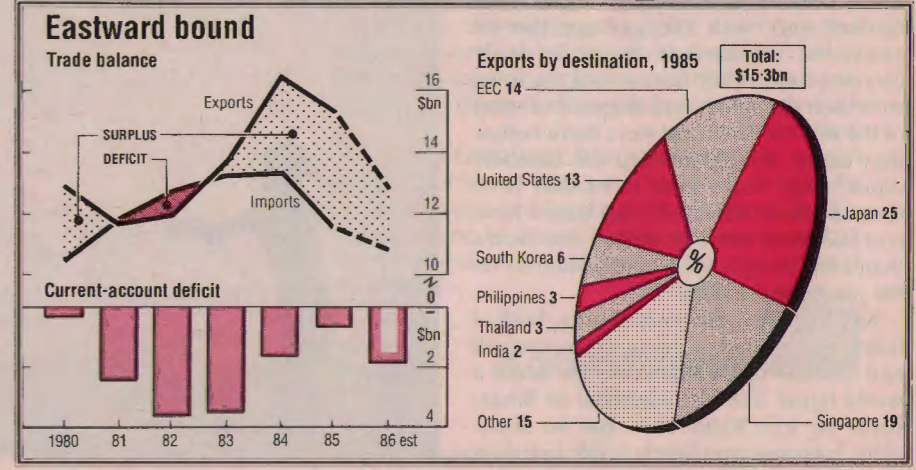
Malaysia has tried one of these ways—labour-intensive manufacturing for export; is trying another, the manufacture of import substitutes; and has rejected the third, hi-tech, as being too expensive. Some influential Malaysians believe the sensible course now may be simply to make the best use of what the country has, even if this means following the line of the Islamic fundamentalists. Malaysia does not feed itself, importing \$1.2 billion worth of food a year. But it could if it tried. This will not enable it to soar ahead, to become one of the new beacons of the developing world, but at least its people will not starve.

But the government believes it can do better than that. Its policy for the immediate future seems to be this. Buckle down for the next few years, borrowing enough money to keep the wolf from the door: public-works schemes should help to keep unemployment manageable and this in turn will keep down social unrest. Meanwhile, it is hoped, commodity prices will creep up a bit—oil especially, but there are hopes that technical developments in natural rubber will make it more competitive with the synthetic stuff. Some optimists even believe that Malaysian tin will do well again once the low-cost Brazilian mines pass their peak.

Malaysia is making a big effort to attract more foreign investment—from

anywhere, not just from Japan. It is at last reducing the number of people on the state payroll. The state in all its forms employs 1.2m people, a quarter of the workforce and the highest proportion in South-East Asia. The government is going to be hard pressed in the future to pay its 860,000 civil servants. It hopes to unload some of its huge responsibilities by privatising a number of state industries, wholly or partly. Civil aviation, port services, telephones and toll roads are top of the list. It would gladly hand over the railways for a nominal dollar if a mad benefactor could be found. The medicine may work, although the plan has a cross-your-fingers-and-hope-for-the-best quality about it. Bankers are worried that Malaysia is borrowing too much and that the bill for servicing the debt will be more than it can reasonably bear. The debt-service ratio is expected to be 19.5% this year, up from 7.3% in 1981.

Malaysia is beginning to feel lonely and unwanted and a bit sorry for itself. Singapore preens itself on being the great pivot of South-East Asia (and has reinforced its advantage by upgrading its airport into one of the world's best) and gives the impression that Malaysia is just a turning up the road. Malaysia is not considered of much strategic importance, unlike Thailand, which has the Vietnamese over the border in Kampuchea. That succour of





developing countries, an aid-attracting communist threat, does not exist: the communists were clobbered by the British long ago.

Malaysia is small, with a population of only 15m. The government sees the population rising, in an alarming projection, to perhaps 70m in the year 2100, to provide at least a reasonable domestic market for its goods. The government is not encouraging large families, but neither is it discouraging them. Indonesia is giving away condoms by the lorryload to its fertile people, but birth control seems as little publicised in Malaysia as it was in Victorian England. The idea of a naturally expanding market sounds plausible, but who wants to be a big poor nation instead of a small poor one?

The crows of Klang

Experiments, especially social experiments, rarely turn out the way their originators forecast. Remember the crows of Klang. Back at the turn of the century, the administration of Klang, now Malaysia's main port, imported crows from Ceylon to clean up the edible refuse that littered the town. The crows grew in number and seemingly in size too. They became increasingly bolder, not content only with the garbage thrown away, but prepared to harass anybody carrying food. They have soiled the town with their droppings and disposed of most of the smaller birds that were there before they came. Simply to keep the numbers down, huge flocks have to be shot from time to time. All in all, the crows have cost the town more in money and worry than employing a team of dustmen to do the job from the start.

Keeping away the birds of prey, both at home and abroad, is going to test the will and the skill of Dr Mahathir. He is not a world figure like his neighbour in Singapore, Mr Lee Kuan Yew. But he dominates his country as firmly as Mr Lee does his. To some Malaysians he is "that

Indian", a not-very-precise reference to an ancestor in the subcontinent. A senior member of Dr Mahathir's own party could not bring himself even to utter the prime minister's name, simply calling him "the man" as he listed to this correspondent the defects he saw in him. But Dr Mahathir is admired for his strength of purpose, the originality of his ideas and his sinewy use of language, both by the Malays who have felt the whip of his tongue and by the Chinese who have been the victims of his bumiputra policy. He is given the credit for making Kuala Lumpur a well-kept city and for insisting that the previously indolent civil service be both civil and serve the public.

Some members of his party believe he will be challenged for the leadership (and thus the prime ministership) at the party elections this year. But should this happen—and it would be most unusual in Malaysian politics—he should easily beat off the challenge.

He takes all the big policy decisions and many of the small ones, and does a lot of his own research, although not always with happy results: he supported a secret deal aimed at keeping up the price of tin, which not only failed to do that but cost Malaysia M\$209m (\$81m), according to the government's own estimate. There is a touch of the feudal lord about him. One of his grievances about Britain is that, at independence, it imposed a system of government on Malaysia that did not take account of the country's feudal traditions.

He probably gained some waspish satisfaction from his instruction (now scrapped) to Malaysians to "buy British last", as part of his look-east policy.

He does not take kindly to criticism, a failing he shares with Mr Lee Kuan Yew. He does not get much criticism from Malaysian newspapers, which are well produced and newsy but whose staff do not want to commit suicide by endangering their papers' licence to publish. He appears to have ignored their justified grumbles over a new law, passed by parliament in December, under which journalists will be jailed for publishing any material that a federal minister says is secret. He gets no criticism at all from television, whose coverage of government affairs is sycophantically boring. Foreign publications that displease the government are first given a warning; then, if they persist in applying western standards of impertinence, are not distributed, and may finally be banned and accused of "Zionism".

But abusing your critics does not make them change their mind. Rather they will tend to look at Malaysia with the kind of unhealthy fascination that a patient attracts when it is in need of intensive care. Malaysia is not in that grim condition, and need never be. But its condition is such that its best friends are those who are candid with it. The doctor is going to need all his considerable skills in nursing his ailing and divided country through the difficult years ahead.



Back to basics?



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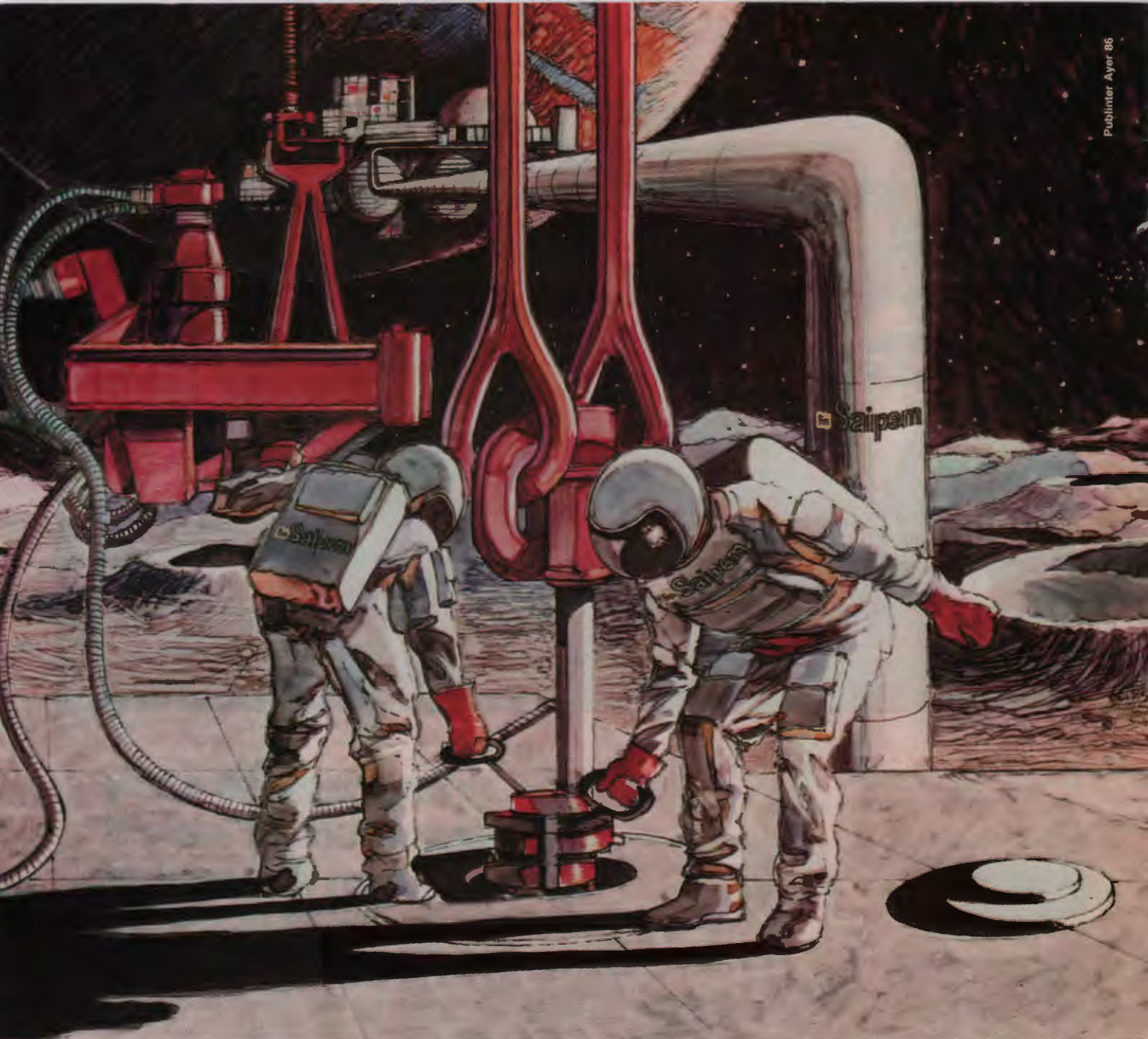
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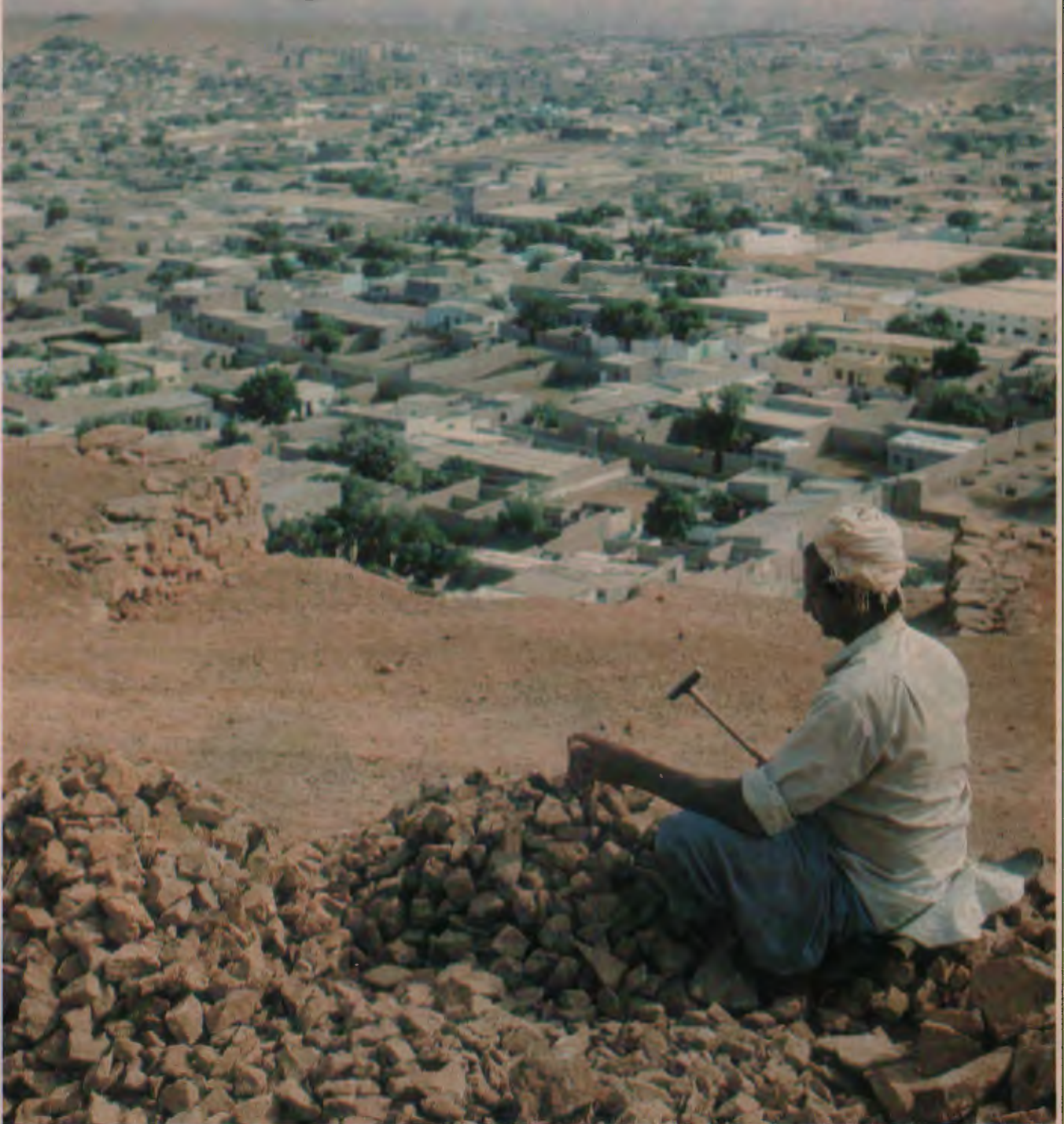


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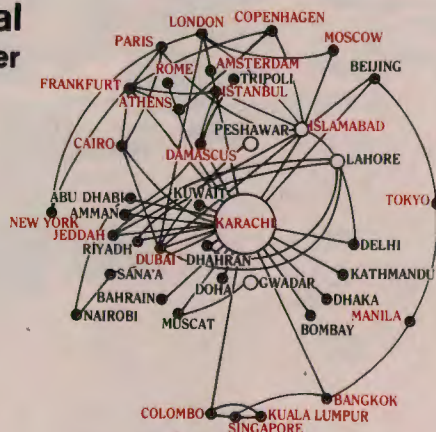
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PAKISTAN



Living on the edge

A psychoanalyst would tell Pakistan that it had an underdeveloped personality. Materially, it has grown much faster than India since the two went their separate ways in 1947; but its political and civil life has been stunted by a series of authoritarian governments, and the social glue that keeps a fast-moving country together is weak. Our South Asia correspondent, Emma Duncan, looks at a country stuck in a crisis-ridden adolescence

Pakistan has the dynamism and insecurity of an Israel. It is a country of migrants with a common religion, divided by their origins, languages, sects and regions. It has built much of its industry, roads, power stations and dams in 40 years. On two of its borders it has large, unfriendly powers—India and the Soviet Union—and troubled Iran on its third.

In what is now Pakistan, successive waves of Muslim invasion in past centuries created a new population mix. In the nineteenth and early twentieth centuries, the British shifted peasants from the east to farm western Punjab. With partition in 1947 came 8m Muslims from India, many of whom were already speakers of what is now Pakistan's national language, Urdu—which was originally the language

of the Moghul armies.

The movement of people continues. Punjabis, Pathans and Baluchis are moving to Sind and Karachi as labourers or businessmen. The intelligentsia goes to Geneva and Washington; the businessmen to anywhere in America or Europe where there is business to be done. And, in the past ten years, millions have gone to the Gulf oil states to make their fortunes.

The Pakistanis' easy mobility has made their country. At the time of partition, when India had a solid industrial base, Pakistan had nothing. The refugees (*mohajirs*, as they are still called) arrived with their bundles in Karachi and built factories making textiles, leather goods, cement, fertilisers, steel, chemicals. In the

past ten years, the money sent home by Pakistanis abroad has helped finance the country's development and the prosperity now visible in even the poorest areas.

Pakistan's GDP per person is now \$390, compared with India's \$260. It has better road, transport and telephone systems than India. It has 450,000 cars, compared with 1.5m in India, which has eight times as many people in it. Colour television is common in areas called slums. The people are bigger and healthier-looking. You do not find the hopeless poverty of lethargic, underfed people that is still common in India's backward areas.

But colour television sets do not enhance a nation's self-esteem, particularly when they are imported. Pakistanis devalue their achievements and speak of India's economy—its self-reliance, its heavy industry—as somehow more adult than theirs. The Indians have a corresponding sense of superiority. They dismiss as mere prejudice any assertion that the Pakistanis are richer than they are, and view their neighbours more with pity than with hostility.

Politically, India has made it. Its democracy may be flawed, but the system has solid roots. Pakistan is a political failure: it has spent 27 of its 39 years under martial law or emergency rule.

To apply the standards of western democracies to a third-world Muslim country is to invite complaints. Yet in Pakistan's case it is justified. Although the country was created because of Islam, it was intended to be a more or less secular democracy. Its founder, Mohammed Ali Jinnah, said in 1946 that Pakistan "would be a modern democratic state with sovereignty resting in the people and the members of the new nation having equal rights of citizenship regardless of their religion, caste or creed".

Educated Pakistanis, victims of a westernised education based on Locke and Bagehot, spend long evenings staring into glasses of forbidden alcohol and wondering why their country has failed to live up to those aspirations. Many answers suggest themselves: that Jinnah died too soon to get the country established the way he wanted it; that Pakistan suffered from the absence of a middle class which in India built the foundations of democratic politics; that the army is too big for the country.

Pakistanis want democracy not out of a vague desire for political freedom, but because the alternative scares them. They remember the disastrous experience of East Pakistan, where the army held on by force until the place split away to become Bangladesh. Talk of "disintegration" drifts easily into visions of Pakistan as a future Lebanon. The country's pathetically low investment rate is an expression

of the businessmen's lack of faith in the future. Many people keep money abroad, just in case.

Each coup, each period of martial law, compounds the failure, and makes it more difficult for Pakistan to become the country it was meant to be. Democracy is a habit, and so is dictatorship—one which Pakistan's two most recent rulers have helped cultivate.

ist movement. He sacked civil servants, university teachers and army generals and put his own men in. He jailed trade unionists, opposition politicians, left-wingers from his own party and religious lobbyists. He allowed the security forces to behave with a random brutality they had not shown before.

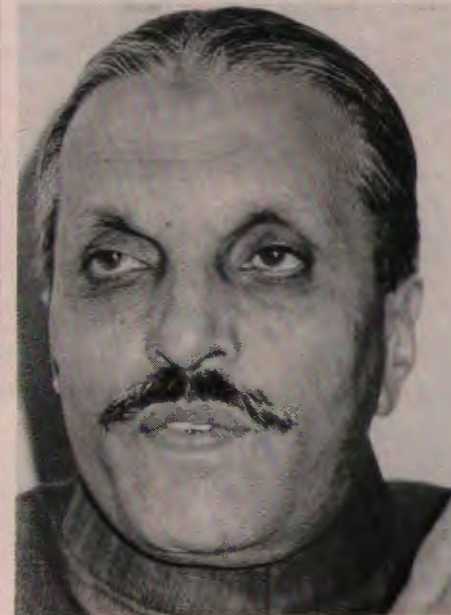
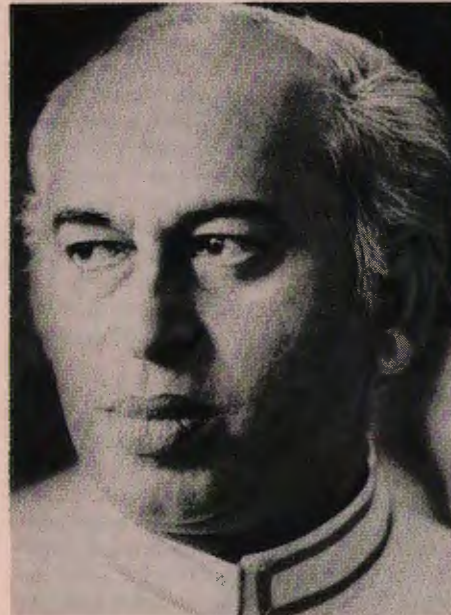
When he was overthrown by a coalition of the hostile and the disillusioned, he left behind him a sense of betrayal that partly explains the political lethargy of the liberals. "In 1970, we had a chance," says a disaffected professional man. "That is what I can never forgive him for."

After this, President Zia was, in many ways, a relief. He is a pious, unassuming man, where Bhutto was licentious and arrogant. He is a conciliator rather than a combatant, and he does not harm those who do not threaten him.

His pro-private-sector economics reassured the businessmen and the aid donors. He sacked no bureaucrats (Bhutto had got rid of 1,800 top civil servants within six months). The army, which has had the perks of power as well as first call on government spending, has little to complain of.

Even the style of President Zia's repression is less offensive. Under Bhutto, individuals were randomly victimised and humiliated. When their quarry escaped, the police would arrest the man's parents. President Zia has been more predictable. Only those who actively oppose the government are prosecuted and jailed. There are still plenty of political prisoners; but since President Zia let civilians into the government in 1985 and lifted martial law in 1986, Pakistan has been freer than it ever was under Bhutto.

The two men appear to be at opposite poles; yet their strategies for retaining power have not been radically different. Both have used force; both have insisted on strong centralised government and sought to weaken any elements that might aspire to regional or professional autonomy. But President Zia has two powerful camps of supporters that Bhutto had alienated: money and mullahs.



Two strong men

One is dead and one alive; but the fight between them goes on

"The man rules this country from his grave", complained a Pakistani. Zulfikar Ali Bhutto, executed in 1979 on a questionable murder charge after six years as the country's elected prime minister, is still the most important political figure in the country. Bhutto's failures are President Zia ul Haq's strengths; but his hold over the national imagination is the president's weakness. Bhutto survives not only in the minds of those who were adult when he was in power. For many young Pakistanis he is the people's martyr, and his daughter Benazir holds up a torch to his memory.

The illegitimate child of a family of Sindh feudal landowners, Bhutto rose on a wave of protests in the late 1960s against the martial-law regime of Ayub Khan and the concentration of wealth in a few hands. Bhutto took Pakistan by storm. He told the poor that they had rights and should demand them. He gave the down-trodden a self-respect which they have not lost: since Bhutto, nobody dares treat servants badly. He annoyed the Americans, berated the Indians and the Pakistanis loved him for it. In the 1970 elec-

tion his Pakistan People's party (PPP) swept to victory. The businessmen hated him: he was the workers' man. He nationalised heavy industry, light industry, the banks and the life insurance companies. The foreigners stopped giving aid, the economy slumped. He offended the religious lobby: he drank, womanised and was proud of it.

Once in power, he attacked anything that looked like a threat. He sent the army into Baluchistan to crush a national-

For the moment, prosperity

The economy is buoyant but nervous

The businessmen's hatred of Bhutto made them President Zia's natural allies. They financed the movement which led to the coup against Bhutto in 1977. They have not regretted their investment.

The economy has been growing at an average of 7% a year while President Zia has been in power, compared with 4% in the Bhutto years. With a population growth rate of 2.9% a year, the net

growth rate is four times as high as under the previous government.

A series of good harvests was broken only by a disastrous cotton crop in 1984; but production in 1985 reached record levels. Pakistanis have been slower than Indians to make use of green-revolution techniques—foreign advisers blame illiteracy and lack of research and training—but they are learning. Fertiliser consump-

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tion has doubled since 1977, and six times as much agricultural credit is being used. Yields per acre of wheat and rice have increased a little but cotton yields have doubled. In all, agriculture has been growing at around 4% a year.

The unusual prosperity has come from the flows of foreign money. Remittances started arriving in a big way when President Zia came to power; they reached their peak of \$2.9 billion in 1983, and have since fallen slightly. The aid money, which was cut during Bhutto's period—the donors did not like his policies—boomed again, particularly after the invasion of Afghanistan. The biggest chunk came from the Americans, who provided a \$3.2 billion package for 1981-86, and are now debating whether to hand over another \$4.2 billion. And, in the past seven years, incalculable millions have flowed into Pakistan from the profits of the heroin trade.

As a result, trade and manufacturing have blossomed. Since Bhutto's nationalisations, however, businessmen have been reluctant to invest their own money. So, in order to boost Pakistan's low investment rate, government financial institutions officially provide 70% of the money for developing industry. By cooking their books, entrepreneurs need put up no more than 10% themselves. Most of the investment goes either into areas where the public sector is already operating—on the assumption that those industries will always be protected—or where the government is the main consumer.

The aid donors insisted that trade should be liberalised. So in 1983 the government by lifting quotas allowed the import of almost anything. Heavy protective duties and a falling exchange rate keep the prices of some goods up, although the smuggling boom means that many goods are cheaply available.

Karachi's business community finds lit-



Sources: World Bank; Federal Bureau of Statistics



Enough said

tle to complain of. Some of the "22 families" who used to run Pakistan in the days before Bhutto's nationalisation programme are fading out; others, like the Habibs, have held on. But new millionaires are made almost every week, and men who were unknown 15 years ago now own commercial empires.

The government has ensured that labour gives the businessmen no trouble. The trade unions were already in a sorry state after Bhutto's attack on them; and the two remaining big ones, in Pakistan International Airlines and the railways, have been banned. Contract labour—employing workers for only three months at a time, so that they have no job security or entitlement to insurance or medical benefits—is on the increase.

But demand for labour has pushed wages up. A servant is paid twice as much as in India: there is a boom in cheap Sri Lankan maids. One industrialist has taken to importing managers from Britain. British workers are quite disciplined, he says, outside their homeland.

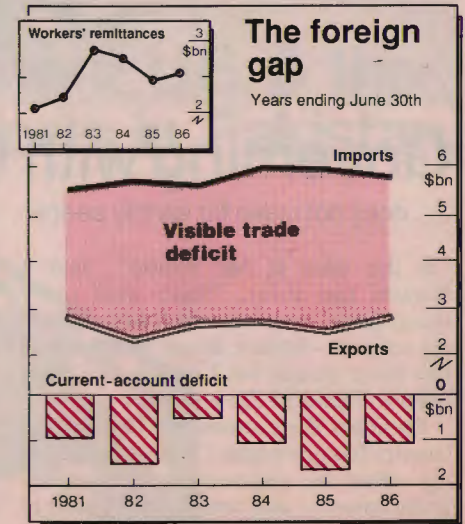
In the past two years, however, the return of workers from the Gulf has pushed unemployment up. Though the slump has not yet hit Pakistan as badly as was feared, there is a tendency in the Gulf to take cheaper Indians and Bangladeshis instead of Pakistanis, and there is a net migration back to Pakistan. Even if the Gulf market for labour does not sink further, the boost it has been giving to Pakistan's economy will lessen over the years as Pakistan's population grows.

Domestic demand for unskilled labour is also falling. The textile industry, its biggest market, is reviving its fortunes by investing in smart new machinery which produces better yarn and employs fewer

people. There is still buoyant demand for skilled labour, but businessmen complain that they cannot get enough educated people.

The government's indebtedness is beginning to cause problems. "In India", says a businessman, "the government is rich and the people are poor. Here, the people are rich and the government is poor." But the poverty of the government, which, despite the blandishments of the aid agencies, seems unable to cut its spending or increase its revenues, is already hitting the people.

In its search for credit, the government is crowding the private sector out of the capital market. Development projects for which foreign finance has been provided get shelved because the government cannot find the rupees to match. This is hurting the companies which produce development hardware. Some business-



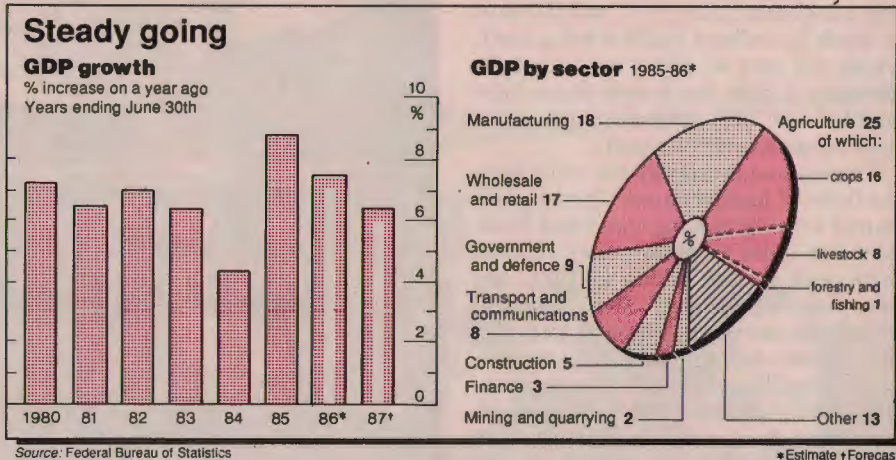
Source: IMF

men privately wish that defence expenditure would be reduced from its present (official and understated) 40% of central government spending; but that is not a subject people talk about too loudly.

The immediate worry on businessmen's minds, however, is political. Given their experience in the 1970s, they are a jumpy lot, most of whom have a financial "parachute" stashed away abroad. Seven years of martial law calmed their fears; but since the establishment of a civilian government, they have become uneasy about the future. "Nobody knows who is running this country", one of them complains. The recent violence in Karachi and Sind has compounded their nervousness. Investment is lower than ever.

The fear at the back of their minds is that Miss Benazir Bhutto might come to power. They suspect her of socialism. According to one of Karachi's biggest businessmen: "She will take everything away, like her father did. She would sell the country if she could."

Miss Bhutto is at pains to reassure the businessmen of her good intentions, but



that does not wash with them. They remember New Year's Eve in 1973, when her father made a speech full of warmth towards the private sector, which was interpreted as an assurance that there would be no more nationalisation. At one minute past midnight, the banks were nationalised. He said it would help the businessmen get rid of their hangovers.

Christian or Ahmadi (a sect which claims to be Muslim but which has been declared non-Muslim because it believes that the Prophet was reincarnated in the nineteenth century) there is a menagerie of different schools of Islam with different legal systems and beliefs.

President Zia's Islam is close to the Saudi Arabian brand—Wahabism, the most puritanical form of the religion. The two main schools in Pakistan are Barelvi, which believes in the intercession of saints, and Deobandi, a more purist form that nevertheless is at odds with Wahabism. The religious parties of those two schools—respectively the Jamaat-e-Ulema-i-Pakistan, and the Jamaat-e-Ulema-i-Islam—therefore oppose the present policy of Islamisation. The Shias, who make up 15-20% of the population, hate it.

Only the Jamaat-i-Islami, supporters and beneficiaries of the president's policy, are happy. They are rich on Saudi money, well organised and well armed. As Islamisation makes inroads into the judiciary, the universities and the media, their power increases.

The laws of God

Pakistan's two most recent governments have played havoc with its legal system. Bhutto started the practice of sacking judges and replacing them with his men. President Zia has continued it. During the period of martial law, judges who would not take an oath based on the president's Provisional Constitutional Order were sacked. The martial-law courts' judgments could not be challenged in the civilian courts.

Pakistan's law is still basically British; but Islamisation is creating a parallel system. Laws passed in 1979 prescribe Islamic punishments for certain *hadood* offences: stoning to death for fornication, amputation for theft, the lash for drinking and so on. Cases are tried in ordinary courts, but by judges with special training.



Governing with God . . .

. . . does not make for earthly peace

"In the time of Mr Bhutto", said a Karachi taxi-driver, "there were many things going on openly which were against my religion—whisky, drugs, prostitutes. I like these things, but I do not like them openly. President Zia is same as me."

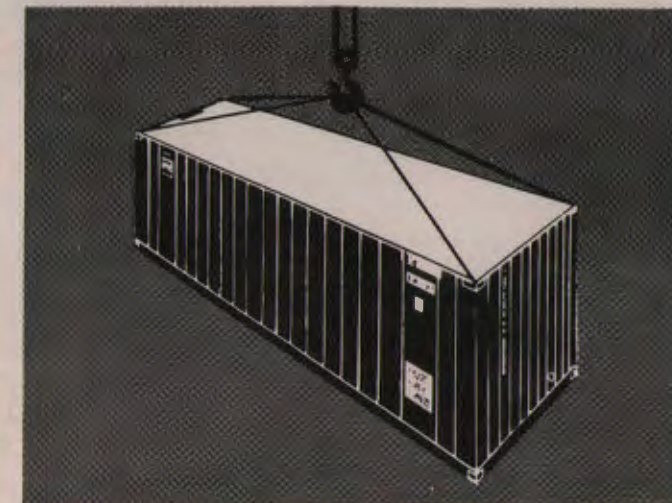
President Zia's attempt to Islamise the country has given him a reason for retaining office. He assumed power in an ungodly country, and committed himself to turning it into a state whose laws, politics

and morality would conform to Islam. That sort of thing takes time.

The policy is not generally liked. Asked to vote on it in a referendum in 1984, only 5-10% bothered to go to the polls. A common response is: "Who is Zia to Islamise me? I was Islamised centuries ago."

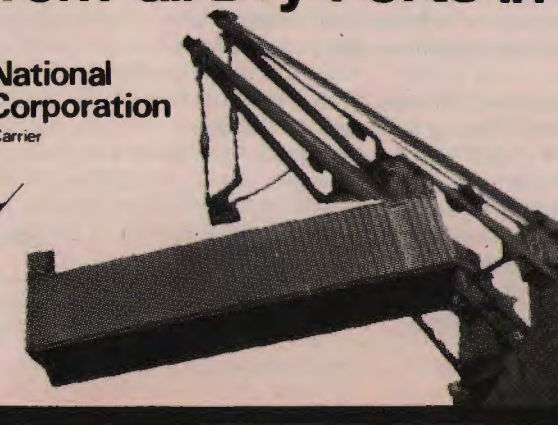
As a legal and political system Islam is divisive, not unifying. Apart from the 3% of the country which is Hindu, Sikh,

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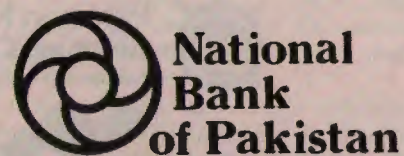
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These laws have resulted in some absurdly inhumane judgments. A blind girl who had been raped and was pregnant was sentenced to be stoned to death. She could not identify the rapist, but since she was pregnant she was held to be guilty of illegal sex. The sentence was commuted on appeal. Such sentences always are, with the judges finding some technical reason for letting people off.

Special Islamic courts are supposed to be set up for trying Islamic crimes, but nobody has any idea what the scope of their jurisdiction will be. A constitutional amendment going through parliament will ensure that all existing and future laws are vetted by the Islamic supreme court, the federal *Shariat* court, to remove any unIslamic content.

The Jamaat-i-Islami, however, feels that the programme is moving too slowly. One of its men in parliament has tabled a private members' *Shariat* bill which would abolish all laws not in conformity with Islamic law. In its present form, lawyers say, it would deprive religious minorities of the right to vote.

President Zia apparently likes the *Shariat* bill. In November a rally, which according to a member of the government was arranged by the president, brought 10,000 Jamaat-i-Islami members on to the streets outside parliament demonstrating in the bill's favour. The government opposes it, but does not dare reject outright anything that purports to promote Islam. So it says it will offer an alternative, watered-down draft.

A sorry state of learning

"Illiteracy", says Pakistan's sixth five-year plan, "is a blot on our social image, and the chief impediment to our long-term economic and technological advance." This thought has not much affected government priorities: although only 24% of the adult population is literate, the share of GNP allocated to education fell from 1.8% in 1977-78 to 1.5% in 1982-83. The average literacy rate for low-income Asian countries is 53%, while education's share of GNP is 4-5%.

The sort of education schoolchildren and students get in Pakistan is changing. There is now more emphasis on religious education. Arabic is compulsory because it is necessary for reading the Koran. "Pakistan studies" were made compulsory for all degree students in 1981. According to the University Grants Commission, the course is intended "to guide students towards the ultimate goal of Pakistan—the creation of a completely Islamised state".

History is being rewritten. According to a standard textbook, Jinnah "said in the clearest possible terms that Pakistan would be an ideological state, the basis of



How many?

whose laws would be the Koran and Sunnah, and whose ultimate destiny would be to provide a society in which Muslims would individually and collectively live according to the laws of Islam".

Candidates for university jobs—including those in such faculties as engineering and medicine—have to be able to show a knowledge of the Koran. The Jamaat-i-Islami now has a stronghold in the universities. It is rich enough to buy loyalty by financing students. But it also gets official patronage: its members harass academics whose teaching they disapprove of, yet Jamaat-i-Islami misdeeds are rarely punished by the administrators.

The Jamaat-i-Islami is well armed—with Kalashnikov guns, not knives—and has heightened the level of violence in the already chaotic universities. Gun battles between its supporters and Bhutto's followers, the Baluch Students' Organisation, the Pathan Students' Federation, Sind's National Students' Federation or the Black Eagles—anti-Jamaat-i-Islami vigilantes in Punjab—are commonplace, and killings frequent. At Karachi university, Jamaat-i-Islami members have taken to throwing acid at immodestly dressed women. Students have started to bring weapons, along with cribs, into examination rooms, and threaten invigilators who are bold enough to ask them not to cheat.

These days, few really bright Pakistanis teach in the universities. Those who want to teach do so abroad; those who stay at home are the dedicated or the second-rate.

The state of Pakistan's schools and universities has led to a boom in the private sector. English-medium schools are starting up in the countryside as well as the cities; businessmen have launched

a management university in Lahore to provide them with educated recruits.

This boom will divide the country intellectually as well as socially. The private schools do not have to teach Arabic or correct Islamic ideology. They will rear a future elite on Locke and Bagehot, and it may find itself at odds with an Islamised Pakistan.

Thinking Islam

Pakistan's intellectuals are a depressed bunch. Art and writing have suffered not only from the usual problems that intellectuals face under authoritarian governments, but also from the need to avoid being unIslamic.

Newspapers are manipulated by a system set up by Bhutto: government advertising, which makes up around 30% of their revenue, is channelled through the Ministry of Information, which nudges editors who are getting out of line. Since the lifting of martial law, the newspapers have more freedom to criticise the government than they had under Bhutto; but the Jamaat-i-Islami cannot be touched. "I wouldn't dare," said a newspaper editor, "they would beat us up."

Pakistan's few theatre groups get away with a surprising amount. One group in Karachi managed to stage a street performance of "Galileo". The censors apparently failed to spot the relevance of Brecht's observations about religious obscurantism in seventeenth-century Italy to modern Pakistan. But new plays may have to be performed privately in people's homes; classical dancing is out, and Pakistan's excellent dancer Nahid Siddiqi is living in Britain.

Television shows soap operas, but they must be decorous. Until the lifting of

martial law, men and women (even mothers and sons) could not be seen to touch. That kind of thing has eased a little. But the mullahs still monopolise around 20% of television time. According to a producer, "some of their sermons are quite inspiring, but it's a pity about the beards". And every day there is news in Arabic. As an irate viewer said: "It's like putting news in Latin on the BBC."

Public life is becoming more puritanically pompous. Take as a sample the reports in one issue of the *Pakistan Times*. The deputy chairman of the senate called on people "to crush anti-Islam elements impeding the implementation of *Nizam-i-Mustapha*" (the way of the Prophet). Punjab's minister for irrigation said that no foreign unIslamic "isms" would be allowed to enter Pakistan. The president insisted that excellence in science and technology should be pursued within the framework of Islamic ideology. A group of *ulema* (Islamic scholars) said that material success can be achieved only by following in the footsteps of the Holy Prophet (PBUH). The name of the Prophet can be mentioned only if it is followed by the incantation "Peace be upon Him", which for brevity in an English-language newspaper becomes PBUH.

Those who claim Islamic credentials can be criticised only on the ground that they have misinterpreted the Koran. Tolerance of fools and crackpots has therefore increased. At a conference on Islamic science in 1983, an employee of the Atomic Energy Commission read out a paper arguing that, since djinns are spirits created by God out of fire, they could be tapped as a source of energy. The man is now employed designing a control system for a nuclear reactor.

Sensible scientists carry on with their work. But some worry about the longer-term effects of the growing power of groups like the Jamaat-i-Islami. "They are pushing us back into the Middle Ages," says a physicist, "there is a tremendous amount of anti-rationalism around these days." He quotes a book by the Institute of Policy Studies (IPS), an organisation which is run by the Jamaat-i-Islami (and which, incidentally, carries out Pakistan's Gallup polls) on the teaching of chemistry. The IPS believes in the need "to free chemistry from the godless western civilisation and to infuse in it Islamic ideology and culture and to re-create chemistry in the light of that".

But living the good life

Seven years after the Islamisation campaign started, the lives of the Pakistanis are not noticeably more Islamic. More people go to mosques, perhaps; but in-

*\$1 = 17 rupees, £1 = 24.5 rupees.



We're not much changed

grained secular ways of life and thought are hard to destroy.

The Islamisation of the banking system has hardly affected the banks' operations. Now they call interest profit-and-loss. "There was a dangerous body of bearded men who had to put their thumbprints on the final documents," said a banker, "but the Ministry of Finance and the central bank had no intention of letting this place fall apart."

In 1984, the government sent mullahs round to houses and offices to check that people were saying their prayers. The people laughed at the mullahs, and the government gave up.

Keeping politics tame

Ask a Pakistani who holds power in the country and the name of the prime minister, Mr Mohammed Khan Junejo, will not spring to his lips. Mr Junejo is popularly known as *jo na jani*, one who knows nothing. The civilian government exists at the president's will, and the opposition stays out of jail so long as it does not do too much opposing

Pakistan's government has responsibility without power. Consequently, its national stock is low, and those who had hoped that the civilian set-up would edge the country towards a stable democratic future are depressed.

President Zia prefers his politics apolitical. He believes that political parties are unIslamic, and therefore banned them from taking part in the parliamentary election in February 1985. So the parliament is a tame one; the opposition is outside official politics.

Parliament includes a few middle-class members from the Punjab, but the bulk of its members are feudal landlords and

There is as much drinking as ever, but the liquor has got harder. Prohibition normally has that effect: people buy high-alcohol-content, low-volume drinks. The bootlegger delivers to your door, charging 400 rupees* for a bottle of whisky in Karachi, the port of arrival of smuggled goods, and 650 rupees in Lahore.

The local hooch in Sind, *ghur jo daru*, is made from molasses; and rough barley beer and rice wine are fairly readily available. One of the commonest drinks in Punjab is made from the sap of the acacia tree, though watermelon is said to be a new favourite.

In the old red-light district of Lahore, the *nautch* girls dance on, licensed until 1am. After that, the policemen patrolling the area go inside to watch them. Prostitution has been cleared out of the district, so it now permeates the whole city.

Liberals who find Islamisation intolerable still hold a lot of the smart jobs in Pakistan. They usually outnumber the Jamaat-i-Islami men on the appointment boards. But, as one academic says: "These days it requires a lot of guts to confront the humbug."

Islamisation, as President Zia recognises, is a long process. It can be done thoroughly only by ensuring that important positions in the universities, the civil service, the army and the judiciary are held by its proponents.

For the moment, the liberals are holding the line. But they worry that the feeling in the country is changing. "People are getting intolerant," says a newspaper editor. "They are fed intolerance on the radio and television all day long. In the end, the propaganda seeps through. Goebbels knew that."

tribal leaders—the old elite whose power is crumbling as prosperity makes others rich. Most of them are people who need the government more than it needs them, as their compliance has shown.

The parliament risked a bit of independence, when it first came into being, by choosing its own Speaker, who was not the man the president wanted. Mr Fakr Imam, a young Punjabi Shia, was sacked a year later for questioning the legality of the prime minister's Muslim League party.

That episode exposed the prime minister's dependence on the president. According to one of the president's ordi-



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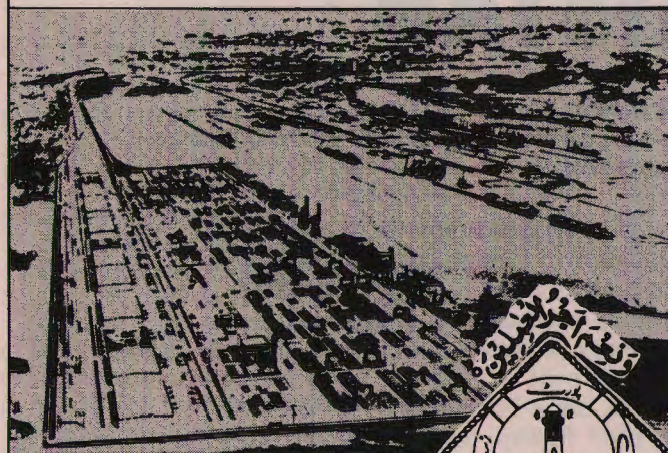
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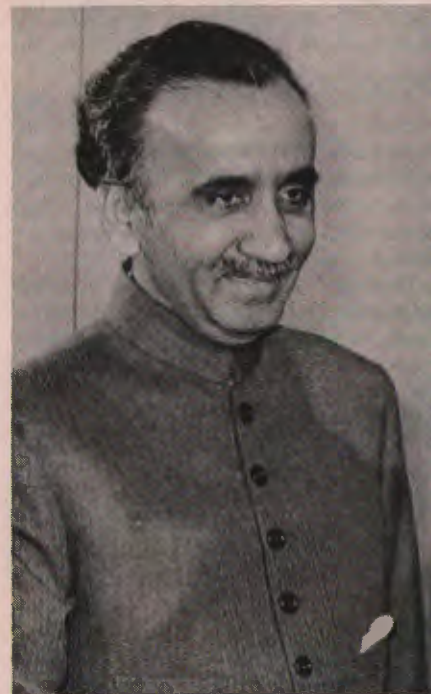
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Know-nothing premier

nances banning political parties, the Muslim League was indeed illegal. The president had to bail out the prime minister by changing the law retrospectively without referring it to parliament.

Since then, although a tiny group of opposition members—led by the former Speaker—soldiers on, the parliament has lost spirit and significance. There are 54 ministers, ministers of state and parliamentary secretaries, but even so the government finds it difficult to muster the quorum of 59 required for a vote.

Conspiracy theorists in parliament say that the president wants to discredit parliamentary politics, so that he could justify a reintroduction of martial law. They point to his frequent statements condemning "western democracy". But parliament is doing the job for him. Powerless, it has become trivial: in one debate, the question of whether trousers are Islamic or not occupied it for several hours.

The government, however, has found itself in the firing line. In August 1986, when Miss Bhutto launched her campaign for mid-term elections, President Zia went off on pilgrimage to Mecca, leaving the prime minister in charge. The day before the campaign was due to start, the government panicked; within two days Miss Bhutto and most of the leaders of her Pakistan People's party were in jail or underground. There were riots in Lahore, Karachi and rural Sind. The army was out in force; in Sind, it has not yet returned to the barracks.

So much for civilian rule, the opposition jeered. Say boo, and the government runs back to its uniformed nurse.

Keeping Benazir out of power

The opposition has proved itself worthy of the government. Its parties divide and multiply like cells, wasting their energies attacking each other rather than the government. Years of martial law have taken their toll: politicians tacitly assume that they will be put in power not by votes but by powerful interests.

The only party that seriously worries the government is the Pakistan People's party, the PPP. Miss Benazir Bhutto returned to Pakistan from self-exile in London in April 1986 to lead it to victory. She is brave, beautiful and wildly popular. "You wouldn't believe how many men are in love with her," says one who is not.

Many people assume that she would be voted into power, mainly thanks to the memory of her father, if there were a free election. But they also assume that President Zia would never allow the daughter of the man he had executed to become prime minister.

If the PPP were a stronger organisation, it might be able to force the issue by mobilising the country against President Zia and persuading the army to abandon him. But Bhutto, who saw any organisation as a threat, ensured that the party remained an amorphous movement, and his daughter has failed to strengthen it. As a result, its protests and meetings cannot be thoroughly organised: people assemble spontaneously or not at all. And when the army wishes to squash the party, it can do so by rounding up a few hundred leaders.

Miss Bhutto has some of her father's faults, as well as his merits. Arrogance is one which has harmed her cause: she is unwilling to listen to criticism or advice, and reluctant to let any other leader raise his head above the crowd. Those who do are liable to get the chop.

Miss Bhutto's high-handedness has lost her the support of most of the smaller parties in the movement for the Restoration of Democracy, an alliance of ten parties, which held together during the years of martial law. Two of her father's colleagues, Mr Hafiz Pirzada and Mr Mumtaz Bhutto (a cousin), have abandoned her to start the Sindhi Baluch Pathan Front, a party which wants Pakistan to be a loose confederation of provinces. Mr Ghulam Mustapha Jatoti, former chief minister of Sind, who ran the party there in Miss Bhutto's absence, has launched the National People's party, with nationwide support from the rich and powerful who will accept Miss Bhutto in power only over their dead bodies.

The PPP has an identity problem. Miss Bhutto's support is left-wing—from the poor, who think the party is anti-rich—and her party workers are by and large fiercely anti-American. When the party's vice-president, Sheikh Rashid, said at a meeting in November that "we must be entirely clear who our enemy is: it is America", the crowd responded by chanting an incantation that started with the words: "Bhutto's murderer, America". Miss Bhutto, on the other hand, had said on Swedish television a couple of days previously that "Russia as an enemy is on our doorsteps . . . close military affiliation with America is the need of the



Benazir on the move, when the government lets her

day". Party workers were unable to resolve this contradiction for your correspondent: "Somebody", one of them said cheerfully, "is being cheated".

This apparent conflict of views elicits little surprise in Pakistan. Most people think it reasonable that Miss Bhutto should be at pains to say warm things about the Americans and to promise that there will be no more nationalisation or land reform. It is assumed that people do not become prime minister on the basis of their popular support, but because pow-

erful interests have decided that they will. If she ever does come to power, it may well be not because of her popularity but because, as a trade unionist said, "she is the last hope for national politics". The rest of Pakistan's politics has shifted towards separatist and sectarian anarchy—parties for the Baluchis, the Sindhis, the Pathans, the *mohajirs*, the Barelvis, the Deobandis, the Wahabis, which quarrel and split and reassemble. Only the PPP might—at least temporarily—span those divisions.

Punjab—and the others

"Lead the Punjabis, crush the Sindhis, befriend the Baluchis and bribe the Pathans" was one legendary British formula for ruling the areas that are now Pakistan. The formula has not changed much, but the circumstances have. These days, it is the Punjabis who are seen as the occupying power

After centuries of being walked over by invading armies on their way to Delhi, Punjab has learnt to keep its head down. It produces no political leaders and stays out of politics until unreasonably provoked. Its prosperity during President Zia's rule has so far ensured its quiescence.

Punjab is Pakistan's Prussia. It is modern, military-minded and, in the eyes of the less populous provinces, imperialist. With 56% of the population, it would dominate the country even under a democratic system; but since it provides most of the army and the civil service, its profile is higher when the military are in power.

The British made Punjab what it is, by building a huge canal system. The newly fertile land was chopped up into smallish blocks that could be farmed efficiently by one family. From areas farther to the east than Pakistan now extends, engineers were brought in to help with the canals, farmers to farm the canal colonies and artisans to service the farmers.

Agricultural surpluses brought the cash economy to Punjab early in the century. New market towns grew up and with them small industries. Cotton spinning and weaving developed around the area's main cash crop. Growth generated growth and Punjab now has a broad-based, small-scale industry.

Punjab developed a middle class. It sent its children to universities, and eventually dominated the Pakistan civil service. Its bigger businessmen have been taking over Karachi.

As agriculture becomes more profitable and more mechanised, big landowners are throwing tenants and labourers off their land. At the same time, small people, rich on Gulf money or trade, have been buying land while the growth in industry in the market towns and the

instance, was acquired by a general for 72,000 rupees. He sold it the next day for 1,172,000 rupees.

Soldiers sent on loan to the Arab Gulf countries get paid around ten times Pakistani rates. With some 40,000 Pakistani servicemen in the Gulf, rotated once a year, around 70% of the armed forces could have a chance to cash in on the boom.

President Zia's government has put more effort into Punjab's development—roads, electrification, canal maintenance, schools and health centres—than did Bhutto's government. Bhutto, a Sindhi, spent more on his own province.

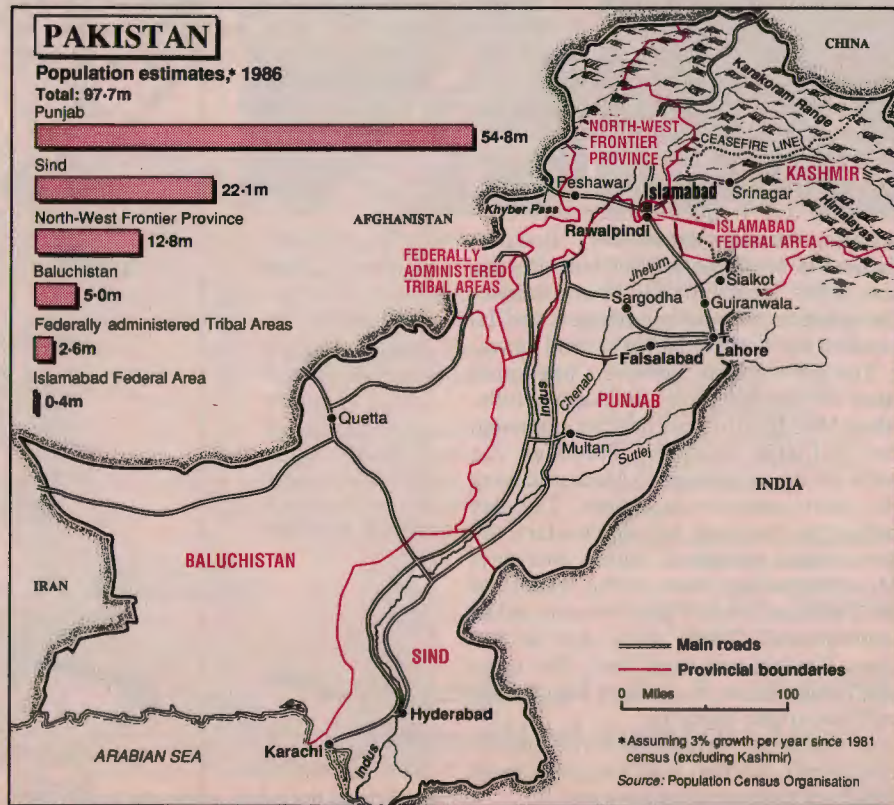
Lahore, Punjab's capital, has benefited from the attentions of a former military governor of Punjab, General Ghulam Jilani, who went to the Shanti Niketan school for classical music and dance in West Bengal and has a taste for good architecture and pleasant townscapes. Lahore now has the best-restored colonial buildings in the subcontinent, a grand new library, an arts centre and a plethora of new parks.

In Lahore, however, as in the smaller towns, the number of unemployed youngsters with useless degrees is becoming a worry. People reckon that these youngsters have something to do with the increase in robberies and kidnappings. They are not a political force. They have no views, and nobody to lead them. Four nicely spoken young men who robbed a bank in Lahore last November did, ad-

demand for labour in the Gulf have absorbed many of those who have left the countryside.

Punjab's less fertile north provides much of the army. Punjabi Muslims (PMS) were among the British army recruiters' favourites. After independence, PMS (such as President Zia) continued to recruit PMS, and today the army is around 80% Punjabi, most of the rest being Pathans.

President Zia has kept his soldiers happy. Officers get land grants in town areas on which they can make a quick profit. One piece of land in Lahore, for



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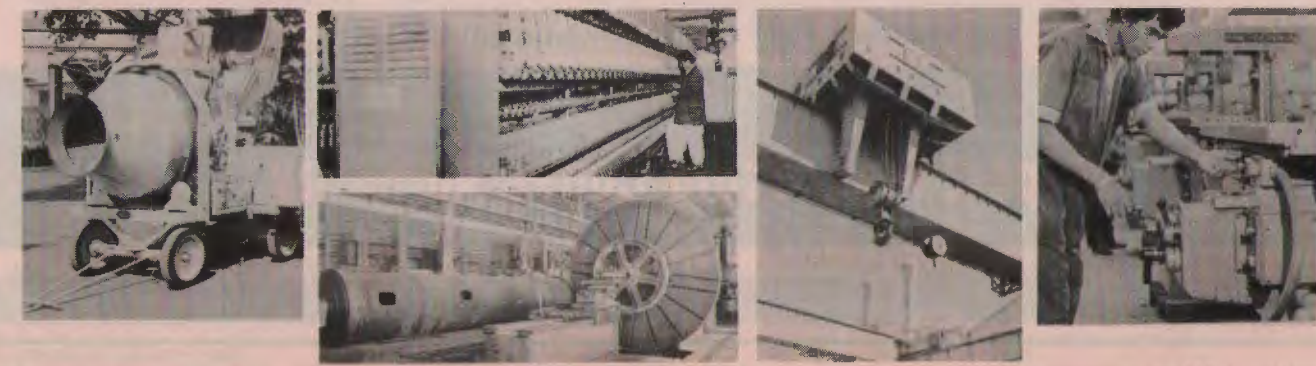
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mitedly, use the opportunity to make a mild statement of unIslamic defiance: they left behind four empty beer bottles.

Sind against

President Zia's government is following the recommendations of the British on how to govern Sind; and the Sindhis hate him for it. Rule by a Punjabi army has given new life to a moribund Sindhi nationalist movement; but even the army cannot keep order in parts of the countryside and in the provincial capital, Karachi, Pakistan's industrial and commercial centre and only port.

Sindhis are a minority in Sind. In Karachi (with a population of 7m that is growing at 6% a year) the *mohajirs* used to be a majority. Now they make up half of the city's population. Around 1.5m Pathans have come to seek work there. Biharis (that is people from East Pakistan who sided with the West Pakistanis in the 1971 war), Baluchis, Punjabis and the Sindhis themselves make up the difference.

Most of the Pathans provide unskilled

labour for the textile mills, but heroin money has set some of them up in a big way in the past five years. Heroin comes down from the North West Frontier to be shipped abroad, so most of Pakistan's drug barons are based in Karachi. They have taken over money-lending, development of the township areas and transport.

Clashes between Pathans, Biharis and *mohajirs* have shaken Karachi during the past two years. In the latest rounds, in November and December, more than 200 people were killed. The government imposed curfews in much of the city, but they did not stop the riots.

Usually they are started by an accident in which a Pathan bus driver kills pedestrians or passengers. Pathans make particularly bad drivers. Their drug-financed employers can get them licences and route permits even though they cannot drive.

The *mohajir* political party, the Mohajir Qami Movement (MQM), has recently been in the forefront of the feuding. It is funded by the rich *mohajirs*, who feel edged out by the Punjabis, but it is

manned by the poorer ones, whose quarrel is with the Pathans. The MQM now has an alliance with the Sindhi nationalists and the two groups make common cause against the most recent immigrants.

The Biharis get the rough end of the fighting. Their part of Orangi, Karachi's biggest township, is the only area not controlled by the drug mafias. The Biharis, who learnt to fight in the 1971 Bangladesh war, have so far resisted being taken over; but since their area dominates the main road, the drug barons want it.

The drug mafias appear to get protection from the local administration. Anti-drug demonstrators were shot and killed in 1985, but nobody has been prosecuted. The findings of the tribunal that investigated the episode have never been published.

The main cause of the violence, however, is the abundance of weapons. The arms which have flowed into Pakistan for the Afghan resistance have permeated the whole country. In Sorabghot, Karachi's main drugs depot, you can buy a standard home-made Kalashnikov for

Where have all the singers gone?

When Amir Ali was arranging the entertainment for his son's wedding, he had to get singers from another Punjabi village. Although there are 30 households of Mirassis, the caste of entertainers, in his village, they have given up their traditional calling. Television has reduced demand, and since entertainers are anyway looked down on, they have taken jobs as maids and clerks in Lahore and Faisalabad.

The wedding, complete with singers, dancers and fairy lights, went on for three days and cost around 150,000 rupees (\$8,800)—the combined annual income of Amir Ali and his son. The smartest girls changed their clothes—all synthetic, although cotton is Pakistan's biggest industry—three times in one evening, and had haircuts and make-up that would have looked good in Chelsea.

Amir Ali, a farm manager who has agencies for pesticides and fertilisers and 15 acres of land, was an orphan from the lowly weaver caste. In theory, Islam does not have a caste system, but centuries of coexistence with Hindus created one. It is nothing like as rigid as the Indian system, however; and the mobility that economic growth has brought has eroded most of its influence.

Shah Jewna, Amir Ali's village, has 8,000 inhabitants, most of them working in agriculture. The local landowners are Sayyeds, Shias revered because they are supposedly descended from the Prophet. Two generations ago, the head of the family owned 10,000 acres. These days, his granddaughter, Mrs Abida Hussein,

a member of parliament, has 850 acres, and cousins have smaller lumps.

Mrs Hussein gave up 600 acres in the 1972 land reforms. Since then, she has sold around 250 acres. She has a stud farm, established by her father, which was a highly profitable enterprise until Bhutto, as a concession to the Islamic lobby, banned racing in 1977. The stud farm has survived by exporting horses to the Gulf states. Mrs Hussein has now, with money and advice from Denmark, started a demonstration dairy farm.

Other Sayyeds have done less well. Families who failed to go in for high-input farming, and have lived off their capital, have had to reduce their holdings from hundreds of acres ten years ago to a few acres now. Some have taken to begging: locals give them money because of their religious credentials.

As the rich have sold land, so the number of small landowners in the village has gone up. Thirty-five families of tenants benefited from the 1972 land reforms; another 70 have bought farms since then.

Mrs Hussein employs half as many people per acre as she did ten years ago. Former labourers have gone to the local town, Jhang, and got jobs in the government or in the expanding rug-making and power-loom industries; some have gone to Lahore, some to the steel mill in Karachi; half a dozen went to the Gulf, but have returned. There are about 40 educated boys in the village without work.

Ten years ago 10% of the homes in the

village were *pukka* (brick or concrete) and the rest *katcha* (mud). Now 50% are *pukka*. There are around 200 television sets in the village and a couple of video recorders. Ten years ago, there were a dozen cars; now there are around 25, six Suzuki vans and six private buses plying to Jhang, Faisalabad and Lahore, and around 200 motorbikes. Two English-medium schools have started up, charging 30 rupees a month: buying an English education for your children is a sign that you have arrived.

A doubling of cotton yields has brought most of this prosperity. But state-financed development has changed the village too. Roads have been built—150 miles have been built in the Jhang district by the local council since it was set up in the elections held in 1980—and a health centre and a girls' school have been established.

Shah Jewna's people do not thank President Zia for development, since the local politicians are seen to do the work. But they recognise that they have done better while he has been in power. Martial law meant little to them. Although they are not pro-army, they are proud that one of their boys is soon to be a colonel.

They do, however, blame the president for the growing hostility in the village between the Shias and Sunnis. Shah Jewna is 50% Shia (Amir Ali has a pin-up of Ayatollah Khomeini in his smart new drawing-room) and they feel that the Sunnis want to stop them practising their religion. In Jhang in the past couple of years, there have been—previously unheard-of—fights between the two sects.



How long will tradition survive in Orangi?

9,000 rupees, and a rocket-launcher with a range of a mile and a half for 30,000 rupees. Those weapons were used against the Biharis in 1986.

Rural Sind has been similarly militarised. The big landlords who have exercised feudal power under both the British and the subsequent Pakistani governments are losing their grip. New wealth, the movement of people and the growth of a middle class have diminished their power. In an effort to retain it, they have increased the size of their private armies.

Their retainers freelance as dacoits, the local name for bandits. Kidnapping has become a huge problem in Sind: industrialists are no longer willing to set up in rural areas for fear of it, and in some places it is illegal to drive at night. As with all violence in Pakistan, dacoity has become a high-technology business. Kalashnikovs, not shotguns, are the standard weapon. One band of dacoits living on an island in the Indus river is equipped with speedboats and radio communications.

The areas in which the administration cannot operate and into which the police dare not venture are growing. The army has been deployed since the PPP raised its head in August 1986; but many officers are not happy about having to clear up the civilians' mess.

The Sindhi countryside was the only part of Pakistan in which people got themselves killed for Miss Bhutto in August. Sind is the Bhuttos' home, and she is the Sindhis' woman. But the support she gets is not so much pro-democratic as anti-Punjabi, and the nationalist groups, like Jiye Sind and the Sindhi Awami Tehriq, are getting stronger.

Karachi was anti-Bhutto. He was the bold bad baron who swaggered into town with his posse of fellow-landlords and made the administration work for them. Miss Bhutto might do well among the youth and the working classes, but Karachi's politics have become unpredictably sectarian—hence the rise of the Mohajir Qami Movement. Pathans will vote for Pathans, *mohajirs* for *mohajirs* and so on.

The road to the Gulf

Both the Pakistani government and the western aid agencies are spending a lot of money to keep the Baluchis friendly. This barren province of 5m people covers nearly half of Pakistan and offers the Russian invaders in Afghanistan a direct route to the Gulf. A four-year communist and nationalist insurgency in the 1970s stopped when President Zia came to power and made a deal with the leaders; but there are still 3,000 Baluchis in Afghanistan waiting to "liberate" their province. The Russians' enemies are prepared to pay to make sure that never happens.

The leaders of Baluchistan's biggest tribes, the Marris, the Mengals and the Bugtis, were at loggerheads with Bhutto. Within two years of coming to power, he sacked the provincial government run by Mr Ataullah Mengal. He pushed ahead with economic development in the province—building roads, putting in electricity and schools—and thus threatened the tribal leaders' traditional hold over their people. The insurgency was a strange mismatch of revolutionaries and opponents of change.

Many people feared that the Russians,

after moving into Afghanistan, would promptly stir up Baluchistan. But the province has been quiet while President Zia has been in power, and most of the leaders of the former insurgency are dead, abroad or reconciled to the government.

The Afghan war has brought the province around 1m refugees. Non-Baluchis (including a few Punjabis and *mohajirs*, as well as the Pathans) are now reckoned to outnumber the Baluchis. As in Karachi, the Pathans have taken over transport and a lot of commerce. In some areas the refugees seem to be living better than the Baluchis. In the past two years Quetta has seen several clashes between Baluchis and Pathans and Pathan shops and trucks have been burnt.

Money has poured into the province. Baluchistan's annual development budget has increased from 402m rupees a year in 1977-78 to 6.9 billion rupees a year in 1985-86. Quetta, the capital, has become a little Geneva, its roads lined with the notice-boards and jeeps of the whole range of aid agencies. Its shops are full of medicines and food supplied to the refugees alongside the smuggled goods.

Most of the development is happening around Quetta and in the Pathan areas in the north. Along the coast, ports are being developed and 30 airstrips are being built—not, claim the Baluchi leaders, for the local population but for the American Rapid Deployment Force. The rest of the province is too barren and thinly populated to develop; and the tribal opponents of central government still prevent the administration from working in some areas.

Slowly, however, the hold of the tribal leaders is weakening, with migration, new money and the growth of a middle class. But the rising political forces in Baluchistan are not as friendly as the government would wish. The Pakistan National party and the Baluch Students' Organisation are in favour of more regional autonomy and are pro-Moscow. Along with the PPP, which is strong among the Pathans, they would dominate free elections in Baluchistan.

Not so quiet on the frontier

The North West Frontier Province has two old industries, guns and smuggling, and two new ones that have grown up during the Zia years, drugs and migration. All are flourishing. But it is a dangerous kind of prosperity that the province enjoys.

The frontier is only partly under government control. The tribal areas which border on Afghanistan were set apart by the British, who found the unruly Pathan tribes impossible to administer. The

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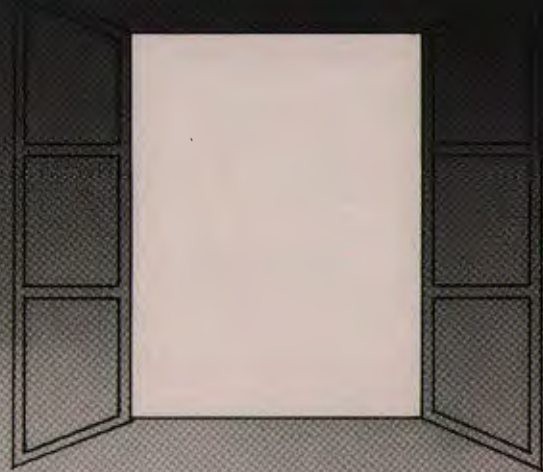
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tribes were, and still are, allowed to govern themselves so long as they do not annoy the government. It is only in the frontier's "settled areas" that the government's writ runs.

Some 2.2m refugees from Afghanistan have swollen the province's population. Most of them are Pathans, some of whom have tribal kindred in Pakistan. Tribal rules of hospitality have helped Pakistan to survive the influx. Forest and pasture areas have been denuded by an extra 2m-3m animals; refugees compete with locals for jobs; the guerrilla leaders, subsidised by American and Saudi Arabian money, are ostentatiously prosperous; yet there has been little trouble between refugees and locals. Russian attacks, however, are worrying the frontiersmen. With an average of 15 bombings a month in 1986, the locals feel they are being pulled into a war which is no business of theirs.

An economic boom has helped keep the frontier peaceful. Pathans supply about half of the Pakistani migrant labour in the Arab Gulf countries, almost all of it unskilled. They have brought unheard-of riches home with them (including refrigerators and television sets brought to villages that are still without electricity), and an increase in land prices has helped to circulate the money among those who stayed at home.

Growing wealth has boosted the demand for smuggled goods throughout Pakistan. The biggest smuggling route is from Japan and Korea, by ship to Russia, thence by truck to Kabul, by donkey to Landi Kotal at the Khyber Pass, and by truck to Peshawar, Lahore and Karachi.



Islamabad's worst image

Cheap Soviet goods sent through Kabul are flooding Peshawar's markets. You can buy a Russian air-conditioner for 3,500 rupees, compared with 8,000 rupees for a Japanese one. There is Paisley-print Russian cloth for sale at six rupees a metre. Some locals swear by the excellent Soviet cheese.

Pathans have been making their own guns for centuries, but until the war in Afghanistan they were stuck with old British technology. They have moved

with the times, and these days you can buy a locally made Kalashnikov for 9,000 rupees, a Chinese one for 16,000 rupees and a Russian one for 30,000 rupees.

The biggest business, however, is heroin. After the Iranian revolution and tough action against producers in the Burma-Thailand "Golden Triangle", the business moved to Pakistan. By the early 1980s Pakistan was reckoned to be producing 800 tonnes of opium a year, which refines down to a tenth as much heroin. It had become the world's biggest producer and exporter of heroin.

Three years ago, after pressure from the Americans, the Pakistani government tightened up on the trade. Production in the settled areas fell—nobody knows how much goes on in the depths of the tribal areas or in Afghanistan—but has risen again since then. Anti-drug campaigners blame the civilian government for the revival. Some of the politicians are in the business themselves, others protect their drug-producing constituents.

The Pakistani government has agreed to start spraying poppy fields in 1987. Frontiersmen are nervous that this will put the central government at odds with the local tribes, whose loyalties tend to vacillate, anyway, between Kabul and Islamabad.

The frontier tribes have always played a game with the neighbouring governments, selling their temporary loyalty to the highest bidder. Kabul has been successful of late, winning tribal leaders over not just through the provision of money and arms ("Many guns, many, many guns", laughed an Afridi tribesman, his



Peshawar's macho image

eyes wide with delight) but also by sending youngsters who would not have a hope of entering a Pakistani university off to Moscow for an education. Mr Wali Khan Kukikhel, one of the leaders of the Afridis—the main gun-trading, drug-manufacturing and smuggling tribe, which controls the road from Landi Kotal to Peshawar—is now living in Kabul with thousands of his fellow-tribesmen.

Prosperity is helping to weaken the Pakistani government's hold on the tribes. The political agents whose job is to keep the tribal areas quiet have always worked through the traditional leaders, the *maliks*. But the newly rich and educated no longer listen to the *maliks*, who, in the present arrangements, are the only people who have a vote.

In the settled areas, the religious leaders of the Jamaat-e-Ulema-i-Islam have a

hold in the south of the province, and the PPP gets scattered support. Left-wing Pathan nationalism, however, is strong.

The National Democratic party of Mr Abdul Wali Khan, a grand old Pathan leader, is moving farther left. He is now outspokenly pro-Kabul and anti-refugee. The left sees the Afghan refugees as stooges of the Americans, the Pakistani government and the Jamaat-i-Islami and, therefore, as a fundamentalist army of occupation which "patriots" will have to fight some day. The frontier's other grand old man who could well become a political force is the former military governor, General Fazle Haq. He is a popular man who ran an efficient administration that got a lot of development work done. He was dismissed in early 1986 and by law has to wait two years before entering the political ring.

Oh for a quiet life

The fever has to abate if Pakistan is to realise its potential

Pakistan is getting harder for any government, military or civilian, to run. The forces in the three less populous provinces that do not want to be pushed around by a Punjabi-run central government are getting stronger. The old power-brokers—the feudal lords and tribal leaders—are getting weaker. And keeping order is difficult in a country where the civilians are almost as heavily armed as the soldiers. The present semi-civilian administration is an unsatisfactory compromise which pleases nobody except those who hold office. It provides the country neither with the order that previous martial-law governments kept nor with the outlets for discontent that a political regime offers.

It is, of course, possible that this arrangement may lead to a fully fledged political system. The president now says that a fresh election will be held in 1990, and, in theory, there is nothing to stop Miss Bhutto and her people contesting it. But it is remembered that, when President Zia took power in 1977, he said he would hold an election within 90 days. And, anyway, are elections really likely to decide the fate of Pakistan?

Miss Bhutto appears to believe that the army will eventually ditch the president and opt for her: that, in other words, at a time of crisis the soldiers might decide that only she could keep the country together. Her problem is that many powerful people persist in believing her to be a socialist: among the army officers, the religious lobby, the businessmen and the bureaucrats, she arouses feelings that range from suspicion to hatred.

A third possibility might be a return to

martial law without a civilian face—possibly with a different general in charge. For the moment, President Zia has no apparent rivals. But if his civilian experiment fails, he might go down with it. Pakistan's army is big and disciplined, and therefore better equipped than most third-world armies to run a country. It has done it before, each time it reckoned that the politicians had made a mess. It may well do it again. Soldiers are good at managing unmanageable places in the short term, but military intervention rarely, if ever,

solves long-term problems. For that, the country needs a period of boring, predictable politics.

Pakistan has to decide what Islam means to it. Religion was Pakistan's *raison d'être*; but that does not mean it need become a strictly doctrinaire Islamic state. Faith can be a unifying force; but imposing one variety of Islam on a diverse lot of Muslims will not necessarily bring them together.

Pakistan needs to work out the rules of the political game. Its governments have treated its constitutions and laws with cavalier disrespect. Yet respect for systems and procedures is essential for the peaceful achievement of political change.

Elections would help Pakistan to find out how badly its provinces want more autonomy. Its governments, like all authoritarian regimes, have centralised progressively; military governments will continue to do that, because they only know how to operate through centralised hierarchies.

The Karachi riots are another reminder to the government and everybody else—of the edgy, violent nature of Pakistan's society. That prompts its businessmen to seek quick returns, whatever their source; it inhibits them from making long-term investments. It has led to a religious policy that is supposed to unify the people, but which may divide them further. It produces factions that stand in the way of democratic evolution. Pakistan needs—and deserves—a tranquil respite; but how is that to be achieved when its people, fearful of the future, live in a constant state of excitement?



Which is it to be?

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U.S. Army Cobra helicopter pilots will be able to fly round-the-clock combat missions, thanks to an advanced night targeting system. The new COBRA-NITE system, called C-NITE, augments the existing Airborne TOW anti-tank missile system. It includes a forward-looking infrared sensor which permits gunners to see through darkness, smoke, haze, and bad weather to fire TOW missiles. The sight also is equipped with a laser rangefinder which directs cannon and rocket fire with increased accuracy. C-NITE fires and guides the TOW 2 missile which features improved IR guidance and a more lethal warhead. Hughes Aircraft Company will deliver the first C-NITE systems under a preproduction contract to the U.S. Army.

Cable TV subscribers in Northern California will get improved service with a new microwave system that distributes 40 channels from one centrally located site, near Davis, to hub sites in four non-contiguous communities. The new Amplitude Modulated Link (AML) system, developed and built by Hughes, makes it feasible to cluster Woodland, Winters, Dixon, and West Sacramento, each ranging in size from 900 to 13,000 homes, into one system serving nearly 30,000 homes. The array handles video, FM radio, and signal control data without the expense of cable trunks and other equipment and building facilities. Sonic Communications, the second-largest independent operator of multiple cable TV systems in California, expects that the system will bring both capital cost savings and operating economies.

In its first launch at maximum range, an AMRAAM missile scored a direct hit on a target drone to continue an unbroken string of six successful guided launches in the full-scale development program. The Advanced Medium-Range Air-to-Air Missile carried instruments rather than a warhead. It was fired in a slightly offset head-on attack by an F-15 aircraft flying near the speed of sound about 36,000 feet above the ground. The QF-100 target was traveling at the same speed and altitude. Using data link commands from the F-15, the missile made a mid-course heading change to compensate for a turn made by the drone. As it approached the target, the AMRAAM automatically switched to its on-board active radar to guide itself to the intercept. Designed and manufactured by Hughes for the U.S. Air Force and Navy, AMRAAM is slated to replace the heavier Sparrow missile now in use.

Hughes has donated a trophy for excellence in air traffic safety. The trophy, named for the pioneer Air Traffic Controller, Glen A. Gilbert, has been donated to the Air Traffic Control Association and will be presented annually by the Association to an individual for a lifetime commitment to excellence, professionalism, and outstanding achievement in aviation and air traffic safety. The trophy stands almost three feet high and is made of crystal and silver. Hughes is a corporate member of the Air Traffic Control Association.

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SOUTH KOREA

ASIA

Don't be afraid of democracy

South Korea's industrial success has been widely applauded. How is it doing politically? Our special correspondent reports from Seoul

The first president of South Korea was forced out of office by riots. The second was shot dead. The third was deposed by the army. The fourth, Mr Chun Doo Hwan, says he wants to be remembered as the president who transferred power peacefully to his successor. The sort of government that will follow him if he keeps his promise to step down next February is the issue now dominating South Korea's politics.

South Korea is not a democracy, but friendly westerners trying in their presumptuous way to nudge it more clearly into the free world are reluctant to call it an authoritarian state. That is what it is. Parliament has an opposition, but its members tend to watch their language for fear of being accused of being disloyal to the country and ending up in jail. Foreign newspapers are allowed in uncensored, which is not all that common in Asia, but local newspapers have to follow government "guidelines". Speech is free, in private. Koreans at a lunch party, even those working for the government, will talk frankly of policies they call dictatorial. Outside in the street a gathering that the government disapproves of is being suppressed with truncheons and tear-gas by the alarmingly efficient police.

Since the president has almost total power, it is not surprising that he gets the blame for blooded heads and smarting eyes. Koreans, especially the young, touch the top of their head when they mention his name, to indicate that he is stupid; he is not, but this is the most disdainful of gestures in a society where the scholar is esteemed. His predecessor, the assassinated Park Chung Hee, who ran a far more repressive government than Mr Chun's, is now said to have been the more able president. Even Syngman Rhee gets a nod for his patriotism before he became corrupt.

Mr Chun is said to complain in private that his achievements have not been recognised. This may be true, although the

fault may be his own. He comes over in public as cold and aloof. When he visited London last year, he declined to meet the group of journalists who had been invited to hear his plans, and sent his secretary instead. But being aloof is no crime. Mr Chun may be remembered, and envied, as a Korean Henry VII. The king got his crown in the medieval equivalent of a coup, having defeated Richard III at the Battle of Bosworth, and fretted about the legitimacy of his rule. Yet he brought peace to the country, and his successor was able to take over a stability that had not existed in England for 100 years.

Whether this is the way Mr Chun will pass into history does, of course, depend on what happens during the remaining months of his presidency. Before he goes, he wants to reduce the presidency to a mainly ceremonial role, so that executive power passes to the prime minister. He says it is bad for a country to be run by one man in power for a fixed term. Better to have a prime minister who can, if

necessary, be thrown out by parliament.

This at first sounds plausibly inviting, especially to a visitor from a country where such a system is in operation. But South Korea is not Britain, with its long history of civilian rule and the unquestioning willingness of its governments to give way if defeated in a free and fair election. Soldiers have had the last say, either directly or indirectly, in the way South Korea is governed for most of the 39 years of its existence. Their intentions have been patriotic, but that is not the same as democratic. Mr Chun encourages the belief that he wants the military link to continue after his own going by letting it be known that his choice for prime minister would be Mr Roh Tae Woo, who, like Mr Chun, is a retired general.

Critics of Mr Chun's plan say that the country would end up with another strong man with military leanings, not very much different from himself, even though he had a different title. A prime ministerial system is not in itself a guarantee of democracy. One was tried between presidents in 1960 but was thrown out in a military coup after a few months.

Most opposition politicians want power to remain with the president, but one elected directly instead of, as now, indirectly through a "college" system of some 5,000 elected delegates (which, says the opposition, favours the government party). For months the government and the opposition have been tediously arguing about what changes should be made to the constitution. This week the government, by a process of verbal attrition, seemed to have won a number of opposition politicians to its view, splitting the main opposition party, and Mr Chun may be able to claim the consensus he seeks. But in democratic terms the argument has



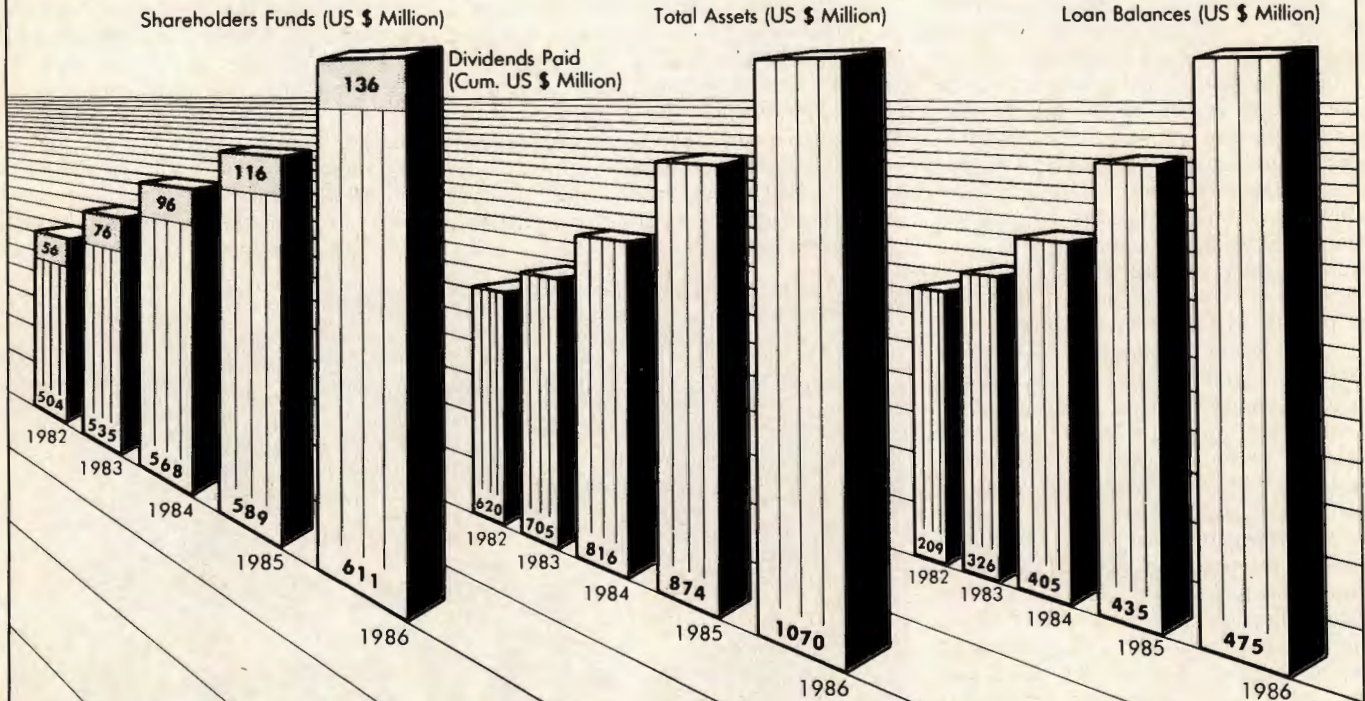
More give and take?



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been largely meaningless.

Either system, whether run by a prime minister or a president, could produce a decent government if the will is there. Free the press, empty the jails of political prisoners, give the opposition parties the same opportunities as the government to explain their policies on television, keep the bureaucracy neutral and limit the army to its task of defending the country.

There is a widespread desire in South Korea for an unambiguous freely-elected civilian government. It is tempting to ascribe this to a "middle class" of rising expectations. But there is little evidence yet of a bourgeoisie of the sort that, in Europe, became the main force of democratic change. Ask a Korean with a decent standard of living what class he is in and, when you have tried to explain what you mean, he will say, "upper class". A vigorous working class, only one generation away from the peasantry, has been created by South Korea's sudden industrial revolution. It is literate, and receptive to political ideas, but it has few ways to express them. The trade unions are small and officially discouraged.

It is these people who have excited the attention of clandestine left-wing groups, which talk of them as the *min-jung*, roughly "the proletariat". A lot of the left's propaganda draws on the outmoded ideas of Herbert Marcuse, the Lenin of the 1960s. But it frightens the government, and this may account for the savage treatment of left-wing students who dare to carry their message into the streets. Privately, the government is worried about the possible emergence of an urban guerrilla movement, but security is such that if one were formed its life would probably be brief.

The real opposition is not covert, at least no more than it needs to be. The best known of its leaders are all confusingly called Kim. Mr Kim Young Sam is a courageous politician who has swallowed his share of tear-gas and once went on hunger-strike for nearly a month as a plea for democracy. Mr Kim Jong Pil is a former prime minister who is said to be trusted by the generals. Then there is the formidable Mr Kim Dae Jung. He is a former industrialist who stood for the presidency in 1971. He got 44% of the popular vote, and claims he would have won if the election had been fair.

This Kim has spent five years in jail on various political charges. He was sentenced to death for alleged sedition, but the sentence was commuted into life imprisonment and later suspended. He was allowed into exile in the United States in 1982 and returned in 1985. He is not supposed to take part in politics. His home, in a western suburb of Seoul, is, he says, bugged, his telephone is tapped and

his mail examined before delivery. Visitors are photographed by the security police, who occupy four houses in the street.

Much of the time Mr Kim is under house arrest. When he isn't, and he goes out, his car is followed by three police cars. His is a famous name in South Korea, but few Koreans have much idea of what he looks like. Visitors to the country unfamiliar with its restrictions on the media may be puzzled that pictures of Mr Kim show him only from the back. Don't blame the photographer for incompetence. Front-view pictures of Mr Kim are forbidden.

Despite his ordeals, Mr Kim Dae Jung retains a sense of restraint, thereby attracting abuse from radical students. However, he knows that the army dislikes him and would probably refuse to allow him to be president. He has said that if Mr Chun agreed to a direct election for the



Chun has his eyes on history

presidency he would not stand even if the ban on his political activities were lifted. Undoubtedly he would like to be president, and it is a commentary on the state of the country that such a man has to accept that he cannot be a candidate.

Few conversations in South Korea get very far without a reference to the Olympic Games, which take place in Seoul in September next year. The Koreans are immensely pleased, and still slightly surprised, that they have been given this lollipop. They are planning an extravagant party and are worried that the jealous neighbours will spoil it. North Korea is capable of any villainy, even flooding Seoul by opening a dam it is building just over the border. A state of almost-war still exists between the two countries 34 years after the shooting war ended. The sirens wail across Seoul in a strictly observed practice alert every month.

A less advertised worry about the Olympics may be the presence of 12,000

foreign journalists in the country. When they get bored with yet another display of synchronised swimming, they may look around for some stones to turn over. They may compare South Korea with other societies that exist in freedom even when there is an enemy at the gates. West Germany manages it. So does Israel, the threat to whose existence is far greater.

Of the foreigners with an interest in the country, the most interested and perhaps the most concerned are the Americans. South Korea would not exist in its present form but for the United States, which contributed by far the largest number of soldiers to the United Nations force that pushed back the North Korean invaders and their Chinese helpers in the war that ended in 1953. More than 33,000 Americans were killed in the war. America maintains a garrison of 40,000 soldiers there now. America takes some 35% of South Korea's exports. South Korea is one of the bits of Asia that the majority of Americans feel they know something about, even if it is only from watching "Mash", the ever-running serial about the Korean war on television.

Nevertheless, American influence in South Korea is probably exaggerated. Older Koreans are weary of being grateful. Younger ones find it smart to be anti-American. Mr Kim Dae Jung says he is disappointed that the Americans have not put the same pressure on Mr Chun that they put on Mr Ferdinand Marcos, the deposed president of the Philippines. But Mr Marcos was tottering, his economy in ruins, his army in revolt, a million people in the streets: even God seemed to be frowning before the Americans gave Mr Marcos the thumbs-down. The rumblings of discontent in South Korea are not comparable. The United States would like its little friend to be free, but knows its limitations.

So far this article has almost managed not to mention the economy. This is a much-told rags to riches fable, much of it surprisingly true. All that need be said is that the Koreans are chirpily optimistic that for at least another dozen years, say until the year 2000, they will stay ahead as the bargain-house of the world. Anyone who wants a cheap but well-made look-alike of a western product will beat a path to their door. After that, they will have to think up some ideas of their own. That, they think, should not be difficult for the country that used movable type before Gutenberg, had an observatory in the seventh century and built an armoured warship in the sixteenth. In their patents registry they say they have ideas that would knock you back.

There's nothing much amiss with Korean commerce. Politics has a long way to go to catch up.

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Cambodian farmers loading a cart during rice harvest. Because of bad weather conditions, a shortage in the harvest is expected this year.

Cambodia Is Short of Everything but Vietnamese

By BARBARA CROSSETTE
Special to The New York Times

PHNOM PENH, Cambodia — Even the weather conspires against the battered nation of Cambodia, which is already short of money, expertise, labor, reliable statistics and communications with the outside world.

A longer than usual dry season followed by late heavy rains in Asia may exact the worst natural toll on food production since the Vietnamese-backed regime came to power in 1979, officials here say.

The influx of thousands of Vietnamese immigrants has also distressed many Cambodians. And Cambodia is in trouble with its major aid donor, the Soviet Union, for reportedly "wasting" assistance from Moscow.

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Rice Shortage Predicted
Although green rice fields seem to blanket the countryside, a shortage of 200,000 tons of rice is predicted for this year. In 1985, a 400,000-ton shortfall was forecast but did not occur, prompting skepticism in the region about this year's prediction.

In addition, the prices of some staple foods and other consumer goods have risen abruptly over the last few months for a variety of reasons including local

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Phnom Penh's free-trade market has many Western and Thai goods.

Pot regime so decimated the country and its people that development can begin only slowly.

Public Services Deteriorate
Residents of Phnom Penh say, however, that the Government, preoccupied with political orthodoxy, allowed the already minimal public services to deteriorate. Garbage rots on sidewalks

uncollected, prompting a recent cholera scare that led to sanitation assistance from an international agency.

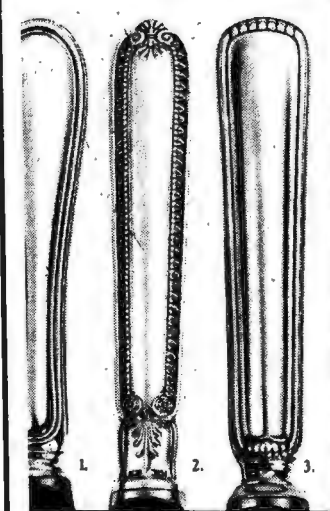
Electrical services continue to degenerate, while corrupt officials tap supplies to sell privately. Others just steal power. Elevators have ceased to function in hotels. The water supply is unreliable.

At the small Paar Depot soap factory, a model technology project being assisted by the Mennonite Central Committee of Akron, Pa., plant managers say they have frequent power cuts, amounting on average to three days' work loss a week. Those who can afford it turn to private generators, giving the city a misleading look of improvement at night.

Cambodian officials say the country's isolation — outside the Soviet bloc, until India recognizes the Government Hanoi installed — is causing its people to suffer. But some development experts question whether the country could absorb much aid, given its low level of managerial skills and poor services.

In addition, some experts say, the thinking of development planners is possibly a decade out of date, still rooted in the age of big projects that are not appropriate to Cambodia's smaller-scale needs and skills.

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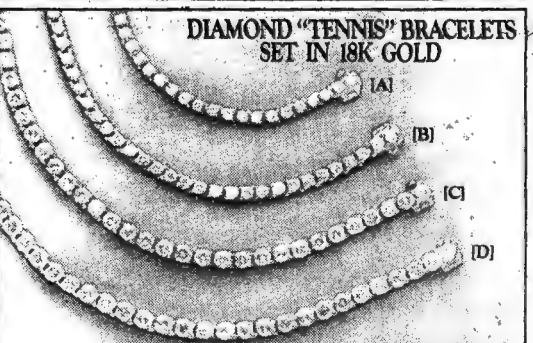
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Unlike Vietnam, Laos and other Communist nations, Cambodia has announced no sweeping economic changes. Almost all industrial production remains under state control, though family businesses are encouraged to increase consumer goods.

Some Smuggling Tolerated



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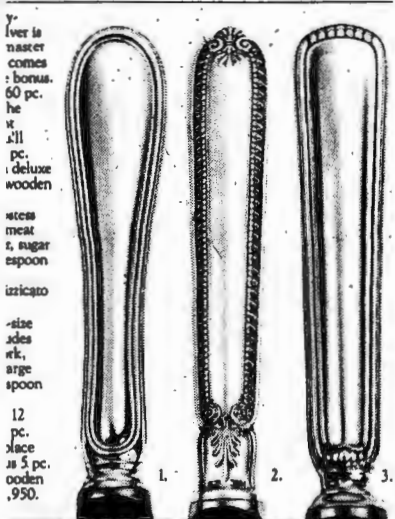
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The Deputy Minister acknowledged that a certain amount of smuggling was tolerated by the Government because it also met consumer demands and until recently kept the inflation rate low. Cambodia's currency, the riel, is much stronger than its Vietnamese counterpart, the dong. The two currencies were at parity in 1986, but the riel is now worth eight dong.

The city's largest free-trade market is full of Thai and Western goods, many of which enter the country through Koh Kong, an offshore island in the Gulf of Thailand, or through the port of Kompong Som. Reporters who paid a rare visit to the southwestern port town recently saw large new houses rising everywhere.

But luxury consumer goods are not distributed widely. Children in the countryside want to look at and touch a visitor's watch. Aid workers say there are few radios.

Economic figures here are nearly impossible to obtain, apart from those enshrined in the national plan; the Planning Ministry has no statistics on Cambodia's foreign debt, for example. So it is hard to find out exactly how large some shortfalls are, or the reasons for them.

"The needs of Cambodia cannot be calculated," Mr. Nhim Vanda said.

With more and more of its functioning businesses controlled by black-market dealers, many of them Thai and Vietnamese, the country is developing

a powerful private or "parallel" economy, Phnom Penh residents say. Almost anything in the capital can be had for a price, including a "ticket" to Bangkok on a Thai fishing boat for \$400.

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Rice may also be leaving the country in significant amounts, becoming a hidden contributor to shortages here, refugees reaching Thailand say. Vietnam has chronic rice shortages.

Empty Trucks From Vietnam

Travelers along the highway from Phnom Penh to Ho Chi Minh City, formerly Saigon, recently saw large trucks, bullock carts and even bicycles loaded with rice near the border crossing at Bavat, all headed toward Vietnam. Empty trucks were coming back.

For Cambodians, international aid workers say, the daily struggle for survival may have intensified, not lessened, over the last few years.

"Most Cambodians eat only a bowl of rice with a little fish for lunch and dinner," a resident of Phnom Penh said. The average government worker's salary has dropped to less than \$2 a month at the unofficial exchange rate most often used. A good bicycle, the standard mode of transportation, costs more than \$100.

"We realize that the purchasing power of people on fixed salaries is not quite up to the mark," Mr. Nhim Vanda said. But he ruled out pay increases, saying what the country needed to do was to get more consumer goods into circulation to reduce prices.

The Government's inability to restore the Cambodian economy in nine years is thought to have several causes. The Government says the Pol



Phnom Penh's free-trade market has many Western and Thai goods.

Pot regime so decimated the country and its people that development can begin only slowly.

Public Services Deteriorate

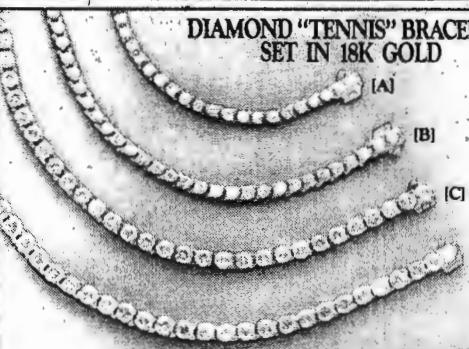
Residents of Phnom Penh say, however, that the Government, preoccupied with political orthodoxy, allowed the already minimal public services to deteriorate. Garbage rubs on sidewalks

uncollected, prompting a recent scare that led to sanitation work from an international agency. Electrical services continually degenerate, while corrupt officials supply to sell privately. Other staples to sell privately. Other staples to sell privately. Other staples to sell privately.

At the small Psar Depot soya, a model technology project assisted by the Mennonite Committee of Akron, Pa., planters say they have frequent cuts, amounting on average to 1 day's work loss a week. Those afford it turn to private giving the city a misleading improvement at night.

Cambodian officials say the try's isolation — outside the bloc, only India recognizes the Hanoi installed — is causing people to suffer. But some comment experts question what country could absorb much at its low level of managerial skills poor services.

In addition, some experts think of development plan possibly a decade out of date rooted in the age of big projects are not appropriate to Carr smaller-scale needs and skills.



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