

## **Malaysia's Relations with Saudi Arabia Under Tun Dr. Mahathir Era, 1981-2003**

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### ***Abstract***

*Malaysia's early formal relation with Saudi Arabia begun since the late Tunku Abdul Rahman Putra al-Haj era (the first Malaysian Premier, 1957-1970) until present. During the reign of Tun Dr. Mahathir, the fourth Malaysian Premier, the relation has changed dynamically. Several initiatives have been taken by the Tun Dr. Mahathir regime to shift the pattern of relations from one to two way communication. Apart from successfully securing economic opportunities from the kingdom, this study attempts to relate the significance of the relations to the Tun Dr. Mahathir regime with its efforts to portray religious commitment, both at domestic and international level. The promotion of Islam by Malaysian leaders, both at home, and at the international level, is vital for the continuation of their political survival. Equipped with more liberal-pragmatic Islamic approach has, to some extent, prolonged the survival of the Tun Dr. Mahathir's political regime interests.*

### **INTRODUCTION**

Malaysia's early formal relation with Saudi Arabia begun since the late Tunku Abdul Rahman Putra al-Haj era (the first Malaysian Premier, 1957-1970, died in 1990) until present. Tunku's first visit as Prime Minister to Saudi Arabia was on the 18 of June 1958 where he performed pilgrimage in Mecca to give thanks to God for giving Malaya (later became Malaysia) full independence from Great Britain. Since then, it

was followed by a series of visit of other Malaysian Premiers including Tun Abdul Razak (the second Premier, 1970-1976), Tun Hussein Onn (the third Premier, 1976-1981), and Tun Dr. Mahathir, (the fourth Premier, 1981-2003, the focal point of this study).

In fact, it can be said that the Malaysian premiers have taken proactive efforts to enhance Malaysia's relation with Saudi Arabia but not vice versa. This is because it has to be admitted that visits of the Al-Saud family rulers to Malaysia have not been as frequent as the tours made by the Malaysian leaders to the Kingdom. From the reign of King Saud (1953-1964), with the exception of the first leader of Saudi Arabia, King Abdul Aziz (1932-1953) because Malaysia had yet to achieve independence during his term, to King Feisal (1964-1975), King Khaled (1975-1982), and King Fahd (1982-2004),<sup>1</sup> it was only King Feisal that made a trip to Malaysia to discuss some related issues with the first Malaysian premier, the late Tunku Abdul Rahman, in 1970.<sup>2</sup>

Despite the lack of visits by Al-Saud family rulers to Malaysia, this does not simply lead to an indication that the Saudi rulers had ignored its relations with the Malaysian government. Instead, the Malaysian premiers have to avow that they have to interact first with Al-Saud family rulers for they need the latter's contribution and co-operation more, for instance in obtaining financial aid or in fulfilling the Islamic appeal of the Malaysian Muslim community particularly in doing pilgrimage activities in the Kingdom, and not vice-versa. With the continuous efforts carried out by the Malaysian leaders to attract the attention of the Saudi government, Malaysia had benefited greatly by receiving some financial assistance, securing political recognition, and other related issues that further strengthened Malaysia's relation with the Kingdom including pilgrimage and education issues.

<sup>1</sup> For the duration of each Saudi Kings' reign see for instance, The Saudi Arabia Information Resource, "Kings of Saudi Arabia", (<http://www.saudinf.com/main/b43.htm>).

<sup>2</sup> "Majlis Santapan Di-Raja Kerana Meraikan D.Y.M.M Seri Paduka Baginda Al-Malik Faisal Ibni Abdul Aziz Al-Saud, Saudi Arabia, Istana Negara, June 7, 1970", Rekod Pandang dan Dengar, National Archive of Malaysia, (1999/0023163).

Based on the above point, it is the main task of this study to analyze the significance of the Malaysian government particularly under Tun Dr. Mahathir era in safeguarding its close ties with Saudi Arabia. Without full ignorance of the *real politik* notion<sup>3</sup>, the study inevitably presumes that those efforts taken by the Tun Dr. Mahathir regime in preserving bilateral relations with Saudi Arabia were, more or less, concerned with the struggle of his political wishes. It is not the objective of this study, however, to undermine those valuable efforts in bringing Malaysia closer to Saudi Arabia, but it should be highlighted that there are some indications that there are links between those efforts and the Tun Dr. Mahathir's political significance. In other words, this study would like to argue that the need of Tun Dr. Mahathir's government to preserve its relations with the kingdom is largely to fulfil the survival of his political regime's interests.

Among the major facet of political interests that can be associated to Tun Dr. Mahathir's administration in safeguarding Malaysia's relations with Saudi Arabia, apart from securing economic opportunities from the Kingdom which will be highlighted later during the Tun Dr. Mahathir's visit to Saudi Arabia, might also be for the portrayal of the Tun Dr. Mahathir regime in upholding its religious commitment, both at domestic and international level. This is because the promotion of Islam by Malaysian leaders, both at home, and at the international level, is vital for their continuous political survival.<sup>4</sup> The attempt to relate this issue of religious commitment to the significance of Malaysia's relations with the Kingdom, especially during Tun Dr. Mahathir era, is mainly due to the nature of the relations which have been historically overwhelmingly established on 'socio-religious orientation' (pilgrimage and education)

<sup>3</sup> In *real politik*, some researchers will argue that most of the efforts or initiatives undertaken by leaders for their country are merely for the survival of their political regimes or for the continuation of the dominance of their own party struggle over others.

<sup>4</sup> See for instance, Mohamad Abu Bakar, "Islam in Malaysia's Foreign Policy", *Hamdard Islamicus* xiii (1) 1990, 3-13, Diane K. Mauzy & R.S. Milne, "The Mahathir Administration in Malaysia : Discipline through Islam", *Pacific Affairs* 56 (4) Winter 1983-84, 631-648, Shanti Nair, *Islam in Malaysia's Foreign Policy*, (London : Routledge, 1997).

since the era of the Malacca Sultanate until today. This, together with the image of Saudi Arabia, which is habitually considered as one of the Islamic states<sup>5</sup> and the custodian of two Islamic Holy Places, Mecca and Medina, but more importantly, the continuous maintenance of Malaysia's mutual relations with the custodian of two Holy Places, could be viewed as part of the portrayal of the Tun Dr. Mahathir's religious approach in facing domestic religious pressures. This especially concerns the highly domestic appeal (particularly by the Malaysian Muslims) for Islam, usually in matters related to pilgrimage and education in the Kingdom, and to counter Islamic opposition parties as well as to manifest Malaysia's close affiliation with her Muslim counterparts, including the Kingdom of Saudi Arabia, which is so significant for its political continuance in the Muslim world at large. In order to examine this argument, the study will critically evaluate how the Tun Dr. Mahathir's leadership responds to this challenge. The discussion will begin first with an introductory account of Malaysia's relations with Saudi Arabia during Tun Dr. Mahathir era, and later will develop into an analysis to relate the significance of the relations for the survival and the political interests of the Tun Dr. Mahathir regime.

#### **MALAYSIA'S RELATIONS WITH SAUDI ARABIA DURING DR. MAHATHIR ERA**

It is publicly well-known that Tun Dr. Mahathir is the longest serving Prime Minister of Malaysia. He took over from Tun Hussein, who withdrew due to poor health, in 1981. Without looking back to the era of his predecessors, Tun Dr. Mahathir made a few dynamic changes to Malaysia's external relations at the international level. He stressed

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<sup>5</sup> A few researchers define distinctly between Islamic state and Muslim state. The former refers to the complete regulation of *Shari'ah* for both the government and the administration, whereas the latter, still considers the Shari'ah Laws important, but the implementation is separable from the government, and it usually applies to the religious institutions. David George, "Pax Islamica : An Alternative New World Order?", in A.S. Sidahmed & A. Ehteshamic (ed.) *Islamic Fundamentalism* (Boulder : Westview Press, 1996), 88, Patricia A. Martinez, "The Islamic State or the State of Islam in Malaysia", *Contemporary Southeast Asia* 23 (3) December 2003, 492-493 (Patricia highlights more on the definition of an Islamic state, and attempts it to link with the Malaysian situation).

ASEAN regional co-operation (security, political and socio-economic fields), closer relations with Islamic countries, especially with the Middle Eastern counterparts, and also put emphasis upon the implementation of the Look East Policy in the Malaysian economy.<sup>6</sup> His longer term as the Prime Minister of Malaysia, compared to the previous leaders, gave him more opportunities to augment Malaysia's relations with other countries, mainly the Kingdom of Saudi Arabia.

As soon as he became Prime Minister, Tun Dr. Mahathir and his officials, Tengku Razaleigh Hamzah (Ministry of Finance), Tengku Ahmad Rithauden (Ministry of Trade and Industry), Tan Sri Ghazali Shafiee (Ministry of Foreign Affairs), went to the Gulf States, including Saudi Arabia from March 5 to 7, 1982. Prior to his trip, the King of Malaysia, Sultan Haji Ahmed Shah and other officials had arrived on January 24, 1982. The King also discussed socio-economic opportunities as well as the issues of the Palestinian and the Arab World.<sup>7</sup> Tun Dr. Mahathir's trip had two missions, firstly to discuss and to mediate on the Iran-Iraq war in Jeddah (where the Saudi government was the host to discuss the war), and secondly to look for new economic and investment prospects as well as to obtain financial assistance from the Gulf States to further accelerate Malaysian development projects. In the case of Iran-Iraq war, Malaysia had been selected by the Organisation of Islamic Conference (OIC) with other six members, Pakistan, Bangladesh, the PLO, Turkey, Senegal, and Gambia, to bring about a ceasefire between Iran and Iraq. Nevertheless, their efforts to persuade both conflicting parties to end the crisis were fruitless.<sup>8</sup>

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<sup>6</sup> For example, see David Camroux, "Looking East and Inwards : Internal Factors in Malaysian Foreign Relations During the Mahathir Era, 1981-1994", *Australia-Asia Paper No. 72* (Griffith University : Faculty of Asian and International Studies, Centre for the Study of Australia-Asia Relations, October 1994), 14-29.

<sup>7</sup> *Saudi Review*, 24th January, 1982, *Saudi Review*, 26th January, 1982.

<sup>8</sup> Even Malaysia, during the Muslim Summit in Baghdad, had proposed seven ways to cease the conflict, but failed. Fariza Hanum Ahmad Ramli, "Sejarah Hubungan Malaysia-Asia Barat Sehingga 1985", *Latihan Ilmiah*, Kuala Lumpur : Universiti Kebangsaan Malaysia, 115-118, "Diplomat Mahathir on Peace Mission", *The Star*, March 5, 1982.

Among the Gulf States visited by Tun Dr. Mahathir were Bahrain, Oman, the United Arab Emirates (UAE), and Saudi Arabia. The visit was to expand the signing of new agreements in economic and technical co-operation since the era of Tun Razak in 1975, and Tun Hussein in 1976 and onwards, where Malaysia had received six loans amounting to \$248 million from Saudi Arabia. 62 per cent from these loans was utilized in land development projects in the National University of Malaysia, the National Technology of Malaysia, and Maktab Rendah Sains Mara.<sup>9</sup> During his trip to the Gulf States in 1982, Tun Dr. Mahathir also managed to secure a few loans from Saudi Arabia. For example, a loan agreement of \$10.6 million from the Saudi Fund had been signed between Tengku Razaleigh Hamzah (Malaysia's Finance Minister) and Mohammad A. Al-Sugair (Deputy Chairman of the Saudi Fund) in Kuala Lumpur. The loan was to build five hospitals in the states of Kedah, Kelantan and Terengganu. The Saudi government also promised to distribute another \$58 million from the Saudi Fund for the second phase of the East-West Highway<sup>10</sup> construction, and on January 24 1986, the Saudi Development Fund approved SR189.00 million (equivalent to RM132.2 million) for the second phase of two projects, the Port Project in Penang Island, and East-West Highway. Up until 1984, the overall loan from the Saudi Fund was \$252.2 million.<sup>11</sup> Furthermore, in 1985, the Malaysian government allowed the National Shipping Company of Saudi Arabia (NSCSA)<sup>12</sup> to have access to the Malaysian ports. This led to the setting up of a Joint-Committee between the National Trade and Commerce Council of Malaysia and the Middle East Trade, Industry and Agriculture Council, which indirectly expanded the areas of bilateral trade relations for both

<sup>9</sup> Fariza Hanum Ahmad Ramli, *op.cit*, 106.

<sup>10</sup> Ministry of Finance, *Laporan Ekonomi 1986/87* (Kuala Lumpur : Jabatan Percetakan Negara, 1986), 151.

<sup>11</sup> The loan given by the Saudi Fund (along with The Kuwaiti Fund amounted \$137.8 million) was mainly utilized in agriculture projects, education, land development and medical facilities. This loan may exclude the loan for the second phase as it was only approved in 1986. See Fariza Hanum Ahmad Ramli, *op.cit*, 108, and economic report by the Ministry of Finance, *Laporan Ekonomi 1986/87* (Kuala Lumpur : Jabatan Percetakan Negara, 1986), 151 for an useful explanation.

<sup>12</sup> See website of National Shipping Company of Saudi Arabia ([http://www.nscsa.com/htmls/Ofcs\\_MdlEast.html](http://www.nscsa.com/htmls/Ofcs_MdlEast.html))

parties. Besides that, Tun Dr. Mahathir's government also created various trade exhibitions in the Middle East in order to attract more potential buyers for Malaysian products.<sup>13</sup> Not only that, but Malaysia's relations with Saudi Arabia in the 1980s were further boosted by the visit as well as by appreciation from a few Saudi officials who came to Malaysia, such as the meeting of Dr. Ali Aziz Al-Khudiri (Assistant-Deputy of Media Radio and Information, Saudi Arabia), and Mr. Kasim Ahmad (Deputy of Information Minister, Malaysia) on January 22, 1985, which brought another agreement signed on the launch of Islamic Radio Programme called 'Nida ul-Islam' between Malaysia and Saudi Arabia.<sup>14</sup>

As the relationship headed towards the 1990s, most of the efforts were concentrated towards improving and balancing trade exchanges between Malaysia and Saudi Arabia as the former was running a deficit in its bilateral trade relations with the latter. For instance, from 1999 to 2000, Malaysia's trade relation with Saudi Arabia was registered as one of the highest deficits, about -RM1,19.24 million, and the Saudi government only ranked 27 in Malaysia's external trade relations, whereas the United States, the European countries, Japan and Singapore were the main trading partners.<sup>15</sup> Then, in trade agreements, Malaysia and Saudi Arabia only managed to secure three major signings: the Economic and Technical Cooperation Agreement 1975 (Tun Razak era), the Cultural and Scientific Cooperation Agreement 1976 (Tun Hussein era), and the Avoidance of Double Taxation Agreement 1993 (Tun Dr. Mahathir era).<sup>16</sup>

<sup>13</sup> Fariza Hanum Ahmad Ramli, *op.cit*, 106-111.

<sup>14</sup> "Saudi Arabia, Penolong Timbalan Media Radio dan Penyiaran dan Timbalan Penerangan, En. Kassim Ahmad Menandatangani Minit Mesyuarat Mengenai Rancangan NIDAL AL-ISLAM di Kuala Lumpur, January 22, 1985", *Rekod Pandang dan Dengar*, National Archive of Malaysia (2001/0049389, G.19507).

<sup>15</sup> Malaysia External Trade Development Corporation (MATRADE), "Overseas Market Information, Saudi Arabia", (MATRADE Branch, Kota Kinabalu, Sabah, Malaysia, 1999-2000).

<sup>16</sup> The Ministry of International Trade and Industry (MITI), "Opening of Caravan Malaysia 2003 Jeddah, Saudi Arabia", December 7, 2003 (<http://www.miti.gov.my/speech-7dec03.html>), *Saudia Online*, May 22, 2001 (<http://www.saudia-online.com/maynews/Business56.htm>), "Signing of Bilateral Investment Guarantee Agreement (IGA) and the Accession of Saudi Arabia to the WTO", MITI (<http://www.miti.gov.my/press34a.htm>).

Therefore, various attempts were taken by Tun Dr. Mahathir's government, particularly in the economic field, to hasten the volume of trade and investment by the Kingdom of Saudi Arabia into Malaysia. For example, since the tragedy of the economic crisis in 1997, the Middle East region, especially Saudi Arabia and other Gulf States, have become the main target of the Malaysian government in looking for new markets and investment overseas. One of the most potential attractions, along with the efforts to increase volume exports, and to enlarge the quantity of exports of various products, which has been emphasized by the National Economic Plan Council of Malaysia after the economic crisis in 1997, is the tourism industry which endeavours to entice more Saudi visitors to Malaysia.<sup>17</sup> In other words, in the post-crisis of 1997, Malaysia has attempted to change the pattern of its relations with Saudi Arabia from one to two ways of communication, by depending less upon the financial assistance of the Kingdom and by gearing towards fair bilateral economic relations in the future.<sup>18</sup>

The above statement may be linked to the official visits by Prince Abdul Aziz, the Second Deputy of Defence Minister of Saudi Arabia to Malaysia in May 2001, followed by Malaysia's Deputy Prime Minister (later became Malaysian Prime Minister in 2003), YAB Datuk Abdullah Badawi to the Kingdom in September 2001 to meet King Fahd. In those visits, various issues and events were discussed, but specifically on economic and investment opportunities, including tourism.<sup>19</sup> These two official visits also led to the Second Saudi-Malaysian Commission meeting in Kuala Lumpur, which lasted three days, concluding on May 12, 2001. In this meeting, Ibn Mohammed Al-Kurdi, the Secretary General of the

<sup>17</sup> Prior to the crisis, tourists from the Middle East region had contributed to RM11.3 billion from 1990-1996 to the development of the Malaysian economy. See Majlis Tindakan Ekonomi Negara, "Pelan Pemulihan Ekonomi Negara : Agenda Tindakan", (Kuala Lumpur, Ogos 1998), 218 & 221.

<sup>18</sup> Interview with Raja Saifful Ridzuwan Raja Kamaruddin, Assistant Secretary for West Asia & North Africa, Ministry of Foreign Affairs, April 2, 2003, 10.00-11.00 am, Putrajaya, Kuala Lumpur.

<sup>19</sup> Interview with Raja Saifful Ridzuwan Raja Kamaruddin, Assistant Secretary for West Asia & North Africa, Ministry of Foreign Affairs, April 2, 2003, 10.00-11.00 am, Putrajaya, Kuala Lumpur.

Council of the Saudi Chambers of Commerce and Industry revealed that both countries have identified potential areas which could be improved, particularly on the Saudi non-export oil to Malaysia, participation in joint investment, the implementation of the new regulation of Umrah (minor pilgrimage), and Saudi tourism in Malaysia, as well as announcing that the volume of trade exchange between Malaysia and Saudi Arabia amounted to SR2188 million in 2000.<sup>20</sup> The other event was on October 2002, when Tun Dr. Mahathir was officially invited to Riyadh, Saudi Arabia to present a keynote address in a seminar on “The Future Vision for the Saudi Economy”. In the seminar, Tun Dr. Mahathir addressed how the Saudi government can vary their economic resources by not merely depending on crude oil to be exported abroad. The re-afforestation of deserts using artificial irrigation and oil conversion into other products such as electrical power, may make the Saudi economy more stable in the future.<sup>21</sup>

### **THE SIGNIFICANCE OF THE TUN DR. MAHATHIR REGIME**

Similar to his predecessors, Tun Dr. Mahathir realizes the significance of continuous relations with Saudi Arabia for Malaysian interests both domestically and internationally. Apart from successfully securing economic opportunities from the Saudi government, Tun Dr. Mahathir also needs to take advantage of the close relations to portray his religious commitments both at domestic and international stage. As has been said before, the portrayal of religious commitment is vital for the continuance of Malaysian political regimes’ survival. On some occasions, however, the study might find it difficult to specifically relate Tun Dr. Mahathir’s government’s relations with Saudi Arabia to the portrayal of Islam, both at the domestic and international level. This is because the nature of the Tun Dr. Mahathir regime’s religious commitment is broader, and

<sup>20</sup> “12/05/2001 Saudi-Malaysian Commission Concludes Meeting”, Saudi Arabian Information Resource, 12<sup>th</sup> May 2001 (<http://www.saudinf.com/main/y2488.htm>).

<sup>21</sup> “Seminar on the Future Vision for the Saudi Economy”, the King Faisal Hall Riyadh Inter-Continental Hotel, October 19th 2002, Prime Minister Office, Putrajaya, Malaysia.

does not merely focus on one single issue or a Muslim country. Tun Dr. Mahathir has been involved in countless Islamic affairs ranging from the issue of Muslim minorities in the Southeast Asian region,<sup>22</sup> Palestine,<sup>23</sup> Afghanistan, Iran-Iraq War, the Gulf War, Balkan crisis,<sup>24</sup> and others.

His government also organized many International Islamic Seminars, most of which were philosophical knowledge-oriented, such as Islamic Approach Towards Technological Development (1983), Islamic Civilization (1984), Islamic Thought (1984), Islamic management for the Asia-Pacific Region (1986), Islam and the Philosophy of Science (1989). Moreover, the relentless challenge from the Islamic opposition party (PAS), which at present does not consider Saudi Arabia to be the best model of an Islamic State,<sup>25</sup> led Tun Dr. Mahathir's government to seek wider relations with Muslim countries. Since the eruption of the Iranian Revolution in 1979, PAS has admired the model of the Islamic Republic of Iran under Ayatollah Khomeini and the relations between both parties have been maintained, and also a series of diplomatic visits are continuously active.<sup>26</sup>

This is not to say, however, that religious portrayal is irrelevant to Malaysia's relations with Saudi Arabia in the Tun Dr. Mahathir era. It is certainly significant since the issues of pilgrimage, education, membership of the

<sup>22</sup> The level of intervention is limited due to Malaysia's closer commitment to ASEAN spirit. Malaysia has to respect the sovereignty of those countries, which have some Muslim minorities such as Pattani, southern Thailand, and MORO movement in southern Philippines.

<sup>23</sup> Granted PLO office in Kuala Lumpur embassy status in 1981. David Camroux, "State Responses to Islamic Resurgence in Malaysia : Accommodation, Co-option and Confrontation", *Asian Survey*, xxxvi (9), 866.

<sup>24</sup> Dr. Mahathir sent 1,400 Malaysian troops to Bosnia-Herzegovina to carry out humanitarian aid. David Camroux, *op.cit.*, 867.

<sup>25</sup> This particularly refers to the question of Saudi guardianship in the Holy city of Mecca during the 1990 hajj in Mina where there occurred the tragic death of thousands of pilgrims, including that of 153 Malaysians, and also to some of Saudi's lenient policy towards certain controversial Muslim issues mainly the Palestinians (peace treaty with Israel), and the stationing of US troops in the Kingdom. Shanti Nair, *op.cit.*, 146.

<sup>26</sup> Fred R. von der Mehden, "Malaysian and Indonesian Islamic Movements and the Iranian Connection", in John L. Esposito (ed.) *The Iranian Revolution : Its Global Impact*, (Miami : Florida International University Press, 1990), 248.

OIC, and some religious programmes at the domestic level still bring Malaysia closer to Saudi Arabia. For example, in lessening PAS and other dakwah organizations' appeal for a more Islamic policy, Tun Dr. Mahathir has launched Islamization programmes<sup>27</sup> in some government or banking institutions such as the establishment of the International Islamic University of Malaysia (IIUM),<sup>28</sup> Islamic Economic Development Foundation, Islamic Banking of Malaysia Berhad, and the emphasis of the assimilation of Islamic values among the Muslim government staff through the Islamic Consultative Body. The concept of the Islamization programme may be considered vital for Tun Dr. Mahathir's government (although it has raised some worries among the non-Muslim community) as his early era was at the beginning of the Iranian Revolution, and the Islamic resurgence, which began in the 1970s. The challenge from the Islamic party and religious organizations, which had been increasing since the late Tun Hussein Onn, further pushed Tun Dr. Mahathir's administration towards the implementation of Islam in the whole system of government. Thus, by implementing the Islamization programme, they may to some extent soothe the pressure from these groups and the Muslim community at large, who demanded 'more Islam' in the conduct of public affairs.<sup>29</sup>

Indirectly too, through the implementation of Islamization programmes, it will give Malaysia financial benefits, for instance by receiving, at least

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<sup>27</sup> Due to misunderstanding, various parties, including the former first Prime Minister, Tunku Abdul Rahman, urged Dr. Mahathir to halt the launch of Islamization Programme. Islamization programme defined by Anwar Ibrahim, one of Dr. Mahathir's cabinet member, as a process designed to inject more spiritual values into the Malaysian or Muslim way of life, to bridge the spiritual-material gap, to unite Muslims, but not turn them into religious fanatics. Datuk Musa Hitam, Deputy Prime Minister, noted that the government effort was more towards striking a balance between the spiritual and material. Diane K. Mauzy & R.S. Milne, "The Mahathir Administration in Malaysia : Discipline Through Islam", *Pacific Affairs* 56 (4) Winter 1983-85, 631.

<sup>28</sup> The main concept of the International Islamic University of Malaysia was based on the ideals of First World Conference on Muslim Education in Mecca, Saudi Arabia in 1976. This university is financially co-sponsored among OIC members. Khoo Boo Teik, *Paradoxes of Mahathirism : An Intellectual Biography of Mahathir Mohammad*, (Kuala Lumpur : Oxford University Press, 1995),193.

<sup>29</sup> Khoo Boo Teik, *ibid*, 175.

once a year by request, capital contributions from Saudi Arabia for the running of Islamic institutions, especially to the International Islamic University of Malaysia (IIUM), and also to several dakwah organizations as well as religious schools in Malaysia.<sup>30</sup> Along with that, by executing the Islamization process in only a few government and banking institutions, rather than applying the whole Islamic Laws all over Malaysian institutions, the Tun Dr. Mahathir regime's closeness to the moderate block of Muslim-Arab countries will be portrayed, especially to Saudi Arabia, which is relatively less comfortable with the drastic way of the Iranian Revolution in practicing Islamic principles in the Islamic Republic of Iran.<sup>31</sup>

Furthermore, to ensure that the process of Islamization ran smoothly, Tun Dr. Mahathir successfully brought Anwar Ibrahim into the United Malay National Organization (UMNO) in 1982. The joining of Anwar Ibrahim in the government can be regarded as a pacifier for Tun Dr. Mahathir's administration in facing Islamic pressure, especially from the Islamic opposition party and non-governmental organizations in Malaysia. This is because it would weaken the influence of PAS as well as other dakwah organizations, such as the movement of Darul Arqam, which was eventually banned by the government in 1994 since some of its basic teachings deviated from Islam,<sup>32</sup> and also to run those Islamic

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<sup>30</sup> Interview with Prof. D. Sano Koutoub Moustafa, Member of the International Fiqh Academy of OIC, International Islamic University of Malaysia, Kuala Lumpur, Malaysia, May 9, 2003.

<sup>31</sup> For instance, in 1983, the Saudi Kingdom arrested seven Malaysians contravening Saudi Law through the possession of material evidence indicating rebellious intention by having posters and photographs of Khomeini. Nevertheless, Malaysia successfully convinced the Kingdom that they referred only to 'individual actions'. See Shanti Nair, *op.cit*, 166.

<sup>32</sup> The ban of Al-Arqam considered by most of the Muslim Arab countries, including Saudi Arabia as Malaysia's internal matter, and even Saudi's Wahabism found incompatible with Al-Arqam's philosophical teachings. Discussion with Dr. Ahmad Fauzi Abdul Hamid, via e-mail, who has done on Al-Arqam for his Ph.D, entitled : "Islamic Resurgence in the Periphery : A Study of Political Islam in Contemporary Malaysia with Special Reference to the Darul Arqam Movement", March 1998, University of Newcastle upon Tyne, UK. See also David Camroux, *op.cit*, 863-865.

institutions effectively.<sup>33</sup> Moreover, the admission of Anwar was not only beneficial for Malaysia domestically but also at the international level in strengthening Muslims' networks. This is because the image of Anwar Ibrahim, as one of the former Islamic leaders in one of the well-known Muslim organizations, ABIM, might promote Malaysia's religious commitment especially to the Muslim-Arab world.<sup>34</sup>

Besides that, there are a few international events with which Tun Dr. Mahathir's policy are not compatible or coincidentally parallel, with Saudi Arabian interests such as the matter of the PLO's loss of the moral and financial support of several Arab countries, including Saudi Arabia, after the Gulf War ended, condemning its support of Iraq, and also the call by the United States for the PLO to sit for peace negotiations with Israel. Although most of the Arab countries have been less content with the PLO's attitude in the Gulf War, Tun Dr. Mahathir has endlessly given his support for the PLO, during Yasser Arafat's visit to Malaysia, and indicated some of his opinions on the issue of peace negotiation by arguing that no big nation could violate the sovereignty of a weak nation.<sup>35</sup> At the onset of the Gulf War, Tun Dr. Mahathir's government backed U.N. Resolution 678 against Iraq's invasion of Kuwait and urged

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<sup>33</sup> Although at the early stage Anwar was seen as closer to Iran due to his visit to Iran two weeks after the revolution, while he was the President of ABIM, but his decision to join UMNO, and not PAS, suffice to indicate that Anwar's modernist and universalist view of Islam was closer to that of Mahathir than PAS. David Camroux, op.cit, 859, Simon Barraclough, "Managing the Challenges of Islamic Revival in Malaysia : A Regime Perspective", *Asian Survey* xxiii (8) August 1983, 968.

<sup>34</sup> Anwar Ibrahim has various Islamic organization networks including the *Rabithah al'Alam al-Islami* of Saudi Arabia, the Islamic Council of Europe, the Islamic Foundation in UK, and others. Along with that, while he was the Deputy of Prime Minister, this former ABIM leader also held the Presidency of the International Islamic University of Malaysia, and he worked well with the Rector of the university, Prof. Abu Suleyman Hamid, a Saudi citizen, in running the university. Unfortunately, Anwar Ibrahim was sacked by Dr. Mahathir in September 1998 due to personal misconduct and bribery charges. Fadzillah Mohd. Jamil, "The Reawakening of Islamic Consciousness in Malaysia : 1970-1987", *Unpublished Ph.D. Thesis* (Edinburgh : University of Edinburgh, June 1988), 150, International Islamic University of Malaysia, *Undergraduate Prospectus 1992-1993* (Petaling Jaya : IIUM Press, 1992-1993).

<sup>35</sup> Cheah Boon Kheng, *Malaysia : The Making of a Nation*, (Singapore : Institute of Southeast Asian Studies, 2002), 215.

Saddam Hussein to withdraw from the occupied territory. But Malaysia declined a public request from Saudi Arabia to send its troops and would only do that if Mecca and Medina were attacked. However, in the middle of the war, Tun Dr. Mahathir's policy changed a little with more sympathy given towards the innocent Iraqi people. This change might be due to the sentiments of the Malaysian community after watching the bombings and the death of women and children in Iraq, through the media and newspapers, and the subsequent pressure on the government to review its policy.<sup>36</sup> To some extent, Tun Dr. Mahathir's policy towards the Gulf War may be parallel to the Saudis' approach to the harsh action taken by Saddam Hussein, especially at the beginning of the war. Nevertheless, in the middle of the war, the Kingdom possibly disagreed with the Malaysian attitude because if the U.N coalition failed to force Saddam out of Kuwait, Saudi Arabia could become the next target of the Iraqi leader. Therefore, the need for incessant action by the U.N. troops as well as the stationing of U.S troops in the Kingdom was really needed, although it raised some disagreements among Muslim countries.

Along with that, Tun Dr. Mahathir also openly criticized the weak role of the OIC in resolving Muslims' problems and disagreements among its members, specifically on inter-Arab or Arab-Iranian rivalry.<sup>37</sup> In 1989, for instance, while giving a speech at the Muslim Summit, Taif, Saudi Arabia, Tun Dr. Mahathir repeatedly called on OIC members, particularly Saudi Arabia and other Gulf states, urging them to take a bigger role in uniting OIC members and ending all misunderstandings, and also emphasizing self-reliance among themselves.<sup>38</sup> At the same time also, he took a few initiatives to bridge the gaps and misunderstandings among the Arabs including showing his support for the re-admission of Egypt into the OIC after its membership was cancelled for controversially signing the

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<sup>36</sup> Shanti Nair, *op.cit.*, 245-246.

<sup>37</sup> The rivalries were more on the leadership struggle to dominate the Arab world or Middle East region such as King Feisal vs Gamal Abdel Nasser, the issue of Egypt's peace process with Israel in the Camp David Agreement and Iran-Iraq War.

<sup>38</sup> Gomathi A/P Vanathan, "Penglibatan Malaysia Di Dalam OIC, 1969-1990", *Latihan Ilmiah*, (Kuala Lumpur : Universiti Kebangsaan Malaysia, 1995/1996), 34.

peace process with Israel at Camp David, which most of the Muslim countries were against.

## **CONCLUSION**

Frankly to say, it is quite hard to particularly associate religious commitment in Tun Dr. Mahathir's era with Malaysia's relations with Saudi Arabia, apart from successfully securing economic opportunities from the kingdom. This is because the level of the Tun Dr. Mahathir regime's involvement in Muslim affairs is broad and does not merely concentrate on one issue or a Muslim country. Moreover, the Islamic opposition party and other dakwah organizations seem no longer to regard Saudi Arabia as the best model of a good Islamic state, for they believe that the Islamic Republic of Iran can lead all Muslim countries to a better and prosperous achievement in the political and socio-economic fields. Nevertheless, Tun Dr. Mahathir's administration still manages to stand firm on the more suitable approach in dealing with these challenges by introducing Islamization programmes, which is quite liberal and moderate, not only to the Muslim community but also to non-Muslims, domestically and internationally.

In certain points however, Malaysia's relations with Saudi Arabia during Tun Dr. Mahathir's era, changed dynamically, specifically in the 1990s. Several initiatives had been taken by the Tun Dr. Mahathir regime to shift the pattern of relations from one to two way communication. For example, in the economic development, Tun Dr. Mahathir's administration encourages the Kingdom to open up more markets for Malaysian products, and at the same time tries not to merely depend upon the Saudi loans to build more development projects. At several International Islamic Conferences, Tun Dr. Mahathir also frequently insisted that the Kingdom play a bigger role in solving Muslims' misunderstandings among themselves, and in helping the plight of the Palestinians, and Muslim minorities in other countries. Tun Dr. Mahathir's emphasis on maintaining relations with Muslim countries as well as being active in

promoting Islam has been the major feature of his foreign policy; as he said: “It is always our intention to play an active role in the Islamic dakwah movement, both locally and internationally. It is our policy to be closely associated with Islamic nations and to support Islamic causes. We in Malaysia will continue to do everything with our means to assist the struggle of the Muslim ummah, for the right to live the life of the Muslims”. Equipped with this liberal-pragmatic Islamic approach has, to some extent, prolonged the survival of the Tun Dr. Mahathir’s political regime interests both at domestic and international level.