

Mahathir's "Look East" policy: Changing the values of the Malays

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ABSTRACT

Upon becoming prime-minister of Malaysia in 1981, Mahathir initiated the “Look East” policy. This policy looked at Korea and Japan and sought to use these countries as examples. The policy was not only meant as an economic measure, but also as a cultural policy to aid the poor Malays. This thesis tries to answer the question to what extent the policy was aimed for the latter and how this was to be implemented. Firstly, it will look at Malaysia's cultural background and Mahathir's view on the matter before becoming prime-minister. It focuses on his book, the Malay Dilemma, where he stressed the need for Malays to change their values. Secondly it will look into the initiation of the “Look East” policy and what it aimed to do. Thirdly, it will go into Japan's image and how Mahathir sought to transfer values from Japan to Malaysia. Then, it will look at the implementation of the policy and how it was executed. Lastly, the conclusion talks about the cultural influence of the “Look East” policy. Saying that the policy was not effective in changing the values of the Malays, but did bring out a change in direction from looking to the West towards looking to the East.

KEYWORDS: “Look East” policy, Malaysia, Malays, Change of values, Japan.

Introduction

After World War II, a great part of the world was left devastated and economically disrupted. Countries in Southeast Asia, after the decolonization by European and Japanese forces, were left to their own devices. Malaysia, which had been colonized by both England and Japan, also struggled with the redevelopment and restructuring of its own economy and government and redefining their own identity. They were helped by the British for a short period after with rebuilding their economy, but Britain was criticized for going after Malaysia's primary resources in order to rebuild their own economy. After Britain withdrew from Malaysia, the Malays were left to govern the country. While most of the economic power was left in the hands of the Chinese, the Malays were in control in the political area. This divided the country into two groups where the Malays held the political power, but were mostly poor, while the Chinese had economic power, but enjoyed less political power. A few years after the independence of Malaysia, ethnic riots in 1969 between these two groups caused many deaths and casualties. Because of such an incident where the racial problems became undeniable, the government tried to secure the issue by implementing the NEP (New Economic Policy). This was meant to decrease the poverty of the Malays and in turn decrease the gap between the two groups. Datuk Seri Mahathir bin Mohammad, who became prime-minister of Malaysia in 1981, was known to be a Malay nationalist after writing his book; *The Malay Dilemma* in 1970. He struggled to find a way for Malaysia to become a NIC (Newly Industrialized Country) and focused mainly on the development of the poor Malays. One of the first policies he initiated was the "Look East" policy. This "Look East" policy was however vague and undefined, but meant to use Japan and Korea as examples for Malaysia. How this was to be executed, was not made out in strict rules and regulations, but stated that Malaysia would need to learn from Korean and Japanese work ethics and values. Malaysians were to be send to Japanese schools to learn their language, history and culture. Mahathir already stressed in his '*Malay Dilemma*' that he desired a change of values from the Malays. Besides the cultural context of the policy, it also promoted technology transfer, attracting FDI (Foreign Direct Investment) and constructing joint-ventures with Japan and Korea to promote import substitution.

Even though much has already been written about Malaysia from an ethnic perspective, looking at the conflicts between the indigenous people from Malaysia and the Chinese-Malay groups, when the "Look East" policy is discussed, it is often viewed as economically successful or unsuccessful. However, Mahathir's aim was not just economic as a high emphasis was also

placed on the cultural aspect. Therefore the question remains; What did Mahathir aim to do with the “Look East” policy on a cultural level? Furthermore, to what extent did the cultural aim of Mahathir succeed in changing the values of the Malays?

There are many scholars who discuss the ethnic and racial problems in Malaysia, but have left out the “Look East” policy or only briefly touch upon the topic. (See Hirschman 1983, 1987; Chung 1987; Bunnell 2002; Khoo 2003) Some scholars have also talked about the “Look East” policy in more detail, but focus more on the influence of Japan in Malaysia and less on Mahathir's cultural side of the “Look East” policy. (See Jomo 1985, 1994; Furuoka 2007) Often when scholars discuss the two main joint-ventures with Japan, which were projects of the HICOM (Heavy Industries Corporations of Malaysia) and part of the “Look East” policy, the focus lies on its economic result. (See Machado 1990; Natsuda et al 2013) However, Mahathir desired for the *Bumiputra* (The indigenous people of Malaysia) to be able to challenge the Chinese economic hegemony in Malaysia, according to the book; *The Malay Dilemma*. Thus both projects were influenced by his cultural aim of the policy. Therefore this thesis will go more in depth about the social-political context of the “Look East” policy looking closely at Mahathir's cultural aim and if he was successful in changing the values of the Malays.

The first chapter is about Mahathir's background and motivation before he became prime-minister. This chapter discusses the ethnic riots, *The Malay Dilemma* and the NEP, all forebodings of the kind of prime-minister Mahathir was to become and the reason behind the “Look East” policy. The second chapter discusses the “Look East” policy itself. This chapter goes into the definition of the policy and its cultural aim. Furthermore, it discusses the implementation of the HICOM, technology transfer and the usage of the Islam to support the “Look East” policy. The third chapter talks about Japan's image during the time Mahathir became prime-minister and how this affected Mahathir's choice to look east. This chapter discusses the FDI of Japan in Malaysia, the image of hard-working Japanese employees and the changing of Malay values into Japanese values. The fourth chapter is about the implementation of the “Look East” policy in Malaysia. Discussing the Malaysian *sogoshoshas* (Japanese trading companies), the joint-ventures and the education program of the “Look East” policy, whether or not these projects helped change the values of the Malaysians. Finally the conclusion will talk about the choices Mahathir made according to his idealism to support the Malays and how effective this seemed to be. Arguing that the cultural aim of the policy was unlikely to be achieved from the beginning, but that the Malays did change from a traditional Western orientation to an Eastern one.

Mahathir before becoming prime-minister

“He left medicine for politics only to practice politics as medicine”
(Khoo 2003: 10).

To understand Mahathir’s “Look East” policy it is important to look at certain events and state interventions prior to the initiation of this policy. Before Mahathir became prime-minister in 1981, he was already an infamous politician and was dubbed an Ultra-Malay. His ideas were not only shaped by his own identity, but also by external causes. The ethnic riots that triggered the making of the NEP are often seen as the beginning of the segregation between the two major ethnic groups, however it has been argued by scholars and Mahathir himself that the ethnic discrimination was already in play before the ethnic riots in 1969. A brief look into Malaysia’s history from the 1960’s to the 1980’s will show the motivation behind Mahathir’s “Look East” policy.

Mahathir was born in 1925 and grew up in a the capital of Kedah, Alor Setar, the same birthplace as Malaysia's first prime minister; Tunku Abdul Rahman. Before Mahathir became prime-minister he was a doctor of a private clinic. Mahathir therefore was not a mainstream Malay, since most Malays at that time were concentrated in rural areas and often worked in the agricultural sector.

Riots of 1969

After the independence of Malaysia in 1957 from the British colonial rule, Malaysia struggled with the political implications of a multi-ethnic populated country. The Malays only held a slight majority in the Malaysian population with 55%, whereas the Chinese population was a close second with 34%.¹ However, in general it was thought that these ethnic groups would not clash with each other as it had only occurred once before during the second world war. This was caused by an overlay of Chinese communist that were against the Japanese regime, whereas the Malays were not as anti-Japanese as the Chinese. After the Japanese left, it was thought that the problem between the ethnic groups would slowly disappear again. Thus when in 1969 riots between these two ethnic groups occurred in Kuala Lumpur, it shocked the whole nation. This time the clash was not initiated by the Chinese, but by the Malays who believed that their

¹ Population and Housing Census, Malaysia, in 1970

economic problems weren't addressed sufficiently by the government. It was rather unclear what the exact reasons behind the riots were and if the problems were shallow or deeply-seated in Malaysia. The main focus was on the poor Malays versus the wealthy Chinese and how the government had failed to deal with the increasing economic gap between these groups.

Many believe, including Mahathir, that the cause for these ethnic riots stemmed from the British rule, where they already segregated the ethnic groups by providing these groups with different jobs. Malays were often given government jobs as part of the protection the British offered to the indigenous people of Malaysia, while Chinese and Indians were favored in competitive market positions. Many Malays were thus able to stay in rural areas, whereas the Chinese and Indians needed to find fortune in the cities (Milne and Mauzy 1990:10). This divided the Malays and non-Malays also between rural and urban areas. The main problem was that after the British left, these divisions did not go away. The British left the Malays in charge of leading the country, thus the Malays mainly remained in government positions or stayed in the rural areas and the Chinese and Indians stayed mostly at market positions in urban areas. Thus the ethnic riots were caused by the rural and urban separation and racial job preference in certain areas, which was promoted by the British empire, and led to clashes between the ethnic groups. Further showing that these ethnic differences had become an undeniable problem in Malaysia and that they had not been that accepting of a multi-ethnic society as much as they believed. A new plan was necessary to make sure such riots and the increasing instability among the population were to be put under control before it would escalate further.

The Malay Dilemma

Mahathir bin Mohamad, before he became prime-minister in 1981 responded to the increased discrimination that the people became more aware of during the ethnic riots, by writing the controversial book; "The Malay Dilemma". This book was written just a year after the riots and stressed the need for state intervention to help the indigenous people of Malaysia. He blames the government for inadequate action.

"Secure in its absolute majority in Parliament, it was openly contemptuous of criticism. Policies were made which completely ignored public opinion. Typical of this was the decision to use Government funds to settle the cost of a private summons case when a Minister sued an opposition MP for slander" (Mahathir 1970:10-11).

However, in 1998 conflicts between Mahathir and Anwar Ibrahim, his deputy minister and finance minister, reached a peak when Ibrahim was arrested for corruption and sodomy. Anwar Ibrahim was proclaimed to be a more liberal thinker and did not always think the same way as Mahathir who was more known for being conservative and authoritarian. To what extent Mahathir was involved in the arrest is not known, but there were Malays who believed that it was a conspiracy from the government to deny Ibrahim the option of succeeding Mahathir as prime-minister. Suggesting that the critique he had for the government at that time, was something he was guilty of himself. After criticizing the government, Mahathir goes on to explain why the Malays needed help. He argues that there are two main factors that caused the Malays to be behind the Chinese in an economic perspective, which are hereditary and environmental.

“The observation that only the fittest would survive did not apply, for the abundance of food supported the existence of even the weakest” (Mahathir 1970:21).

Mahathir looks at the geographical conditions to argue that the Malays did not have a necessity to aim towards higher education, whereas he mentions that Chinese were always raised with the idea to become business man and to put education high on their list. This chapter shows that Mahathir was a fervent believer of the theory that the fittest will survive and in a way seems hypocritical in his protection of the Malays. He also argues that races have different characteristics, saying that Malays are easy going and tolerant (Mahathir 1970:85). However, believing that these can be changed over time (Mahathir 1970:96). Often saying that the Malays are economically and educationally backward, and retarding their own process by staying in rural areas and also believing that urbanization is the key to development (Mahathir 1970:79). In 1970 it was the case that an amount of 76% of the population was still living in rural areas, with most of the rural population being Malays (Saari, Dietzenbacher and Los 2014:23). A situation that Mahathir was not pleased about.

He also mentions the Islamization of Malaysian as an argument as to why this caused more separation between the Malays and the Chinese:

“The adoption of Islam as the religion of the Malays also resulted in the development of a permanent barrier against further changes in religion. Hitherto, Malays had felt free to marry outside their religion. Now Islam forbade such marriage except when certain conditions were met” (Mahathir 1970:23).

And since it was extremely rare for Chinese to be Muslim, interracial marriages were almost non-existent. Even though Mahathir states that the Islam is making assimilation more difficult between the ethnic groups, he still thought it necessary in 1984 to promote the Islam during his tenure before being re-elected as prime-minister. Suggesting he was not looking for a method

to promote assimilation between the ethnic groups, but was looking for a way to make the Malays able to compete against the Chinese.

Afterward, Mahathir compares the native American Indians with the indigenous people from Malaysia, saying they have similarities in the way they are treated. They are both economically and socially discriminated against, but not by the law. Furthermore the Native Americans are provided with special privileges, but don't seem to use the money provided by the government for long-term commitment to improve their standing with U.S. citizens. Instead they spent money to buy electronics and commercial goods, instant gratification goods. Therefore Mahathir believes that it will be the same case for the Malays, if they are provided with money from the government, they will spend it on immediate satisfactory goods instead of looking at long-term improvement. However, Mahathir says that, not providing the Malays with some sort of economic help will also result in more segregation between the races, as he compares that situation with the black community in the U.S. Less jobs are available for the black community and the white people tend to move away from a neighborhood with black people in it. Thus keeping the discrimination alive and increasing it by making it 'normal' to discriminate, because everyone is doing it.

However, the difference between these groups is of course the fact that they had to fight hard to be involved with their countries' politics. It wasn't until the 1870s that the law in the United States provided the opportunity for the black community to be able to vote. This was not the case for the Malays which were instead favored to be involved in politics and who discriminated against Chinese for those positions. Mahathir is thus downplaying the amount of power the Malays held in his famed book. Malays held most of the governmental positions and thus were able to control the Chinese economy if they wanted to. More so, even if the Chinese were an economic power in Malaysia, it had still been impossible for a Chinese to become prime-minister of Malaysia, which shows the discrimination against the Chinese in the political area. So just as Mahathir blames the Chinese of cryonistic behavior, the Malays acted the same way with governmental positions. Mahathir and other Malays were afraid that the Chinese would take over the political scene and would leave the Malays in an underpowered position. This was almost the case for Singapore. In Singapore ethnic riots also occurred and were the reason that in 1965 it was separated from Malaysia. Singapore has a different ethnic distribution from the Malaysian one, where the majority is Chinese with a percentage of 74% and the Malays with only 13% and the remaining percentages filled by Indians and other races. When Malaysia was focused on clearing laws to benefit the Malays, Singapore, with a majority of Chinese was not in favor of these decisions. Thus in 1965 Malaysia decided unanimously to

separate from Singapore. Perhaps even more reason for Mahathir to fear that if the government did not take considerate action than it would become like Singapore were the Chinese would be the one to be in charge, leaving the Malays as a minority unable to recover from their poverty.

Furthermore, most of the Chinese were immigrants and it was therefore very difficult and unlikely for them to own land. Most immigrants are offered few options in what sector they can work in and this was no different for the Chinese. Therefore it is no coincidence that the Chinese were mainly situated in urban areas and would look for jobs in the market sector. To solve the problem of discrimination by hiring, the Malays needed to gain the necessary experience for the jobs that the non-Malays were mainly working in. Therefore the 'protection' of the Malays would be aimed at providing; the necessary experience and the necessary motivation. The first could be provided with economical aid for better education in rural areas. However the second goal would be more difficult to realize. If the Malays remain 'lazy' then a different technique should be considered.

In "The Malay Dilemma" Mahathir mainly focuses on two different reasons as to why the Malays are 'behind'. He mentions both hereditary aspects and the type of values that are the reasons behind Malaysian 'backwardness'. Hereditary aspects as to why the Malays are 'behind' would be impossible to try and change in a lifetime, but he also talks about the Malay's values that are keeping them behind and according to him those values can be changed. Thus it seems likely that Mahathir's choices regarding the NEP and other policies were focused on changing the values of the Malays into something that would be more productive.

Mahathir himself comes from a Malay background who became a successful doctor. Therefore he knew how difficult it was for a Malay to reach a certain level and how the poor were trying to handle themselves. It also makes it easier to understand why he believes it's mainly the cause of the 'wrong' values as he had been able to become a successful Malay. This book had dubbed Mahathir to be an Ultra-Malay. Saying that the *Bumiputra* were lazy and lacked ambition. According to Yusof M. Saari, Erik Dietzenbacher and Bart Los (2014) , there are three simple reasons for the difference in income between the Chinese and the Malays:

"The Chinese are doing much better in this respect, they have substantially higher payments per hour, work more hours per week and their share of economically inactive members is relatively low so that the earned income is shared by a relatively smaller number of people. This explains why the per capita income of rural Chinese households is much larger than that of the Malay" (Saari, Dietzenbacher and Los 2014:17).

How much of the difference between the groups is because of the 'wrong' values is unclear. It could be that the Malays themselves are indeed lazy, but it could also be that simply the image of Malays being lazy was reason to discriminate against them in the work field.

The Challenge

The Malay Dilemma was not the only book he wrote before becoming prime-minister. In 1976 he wrote *The Challenge*, which focused more on the East versus the West, instead of the Malay versus the Chinese. Thus looking further away to determine 'the enemy'. After his first book got banned, Mahathir continued to look for solutions to his dilemma and shifted more to an external source. Whether this was a political choice to lessen the strong opinions expressed in the Malay Dilemma or his sincere opinion is of course only speculation.

“The Malay Dilemma identified the kinds of attributes and values -- for example, fatalism, passivity, lack of appreciation of time, money and property -- that the Malays had to discard. *The Challenge* tried to specify the critical elements of a new system of values which the Malays should adopt” (Khoo 1995:36).

In the Malay Dilemma, the focus lies on the division between the Chinese and the Malays, whereas *The Challenge*, written in 1976, is more interested in the division between Extremist Muslim Malays and Non-extremist Muslim Malays. In *The Challenge*, the Chinese are rarely mentioned and the book is more interested in the Muslim world and the West versus the East. Thus extending the scope from Malaysia in *The Malay Dilemma*, to the global scope in *The Challenge*. The focus shifts from an internal problem to an external problem. Furthermore, *The Challenge* also discusses that the West is declining and that this is affecting the East as well. Saying that the values of the West are deteriorating and that that is why Malaysia should stop looking at the West. Otherwise, Malaysia will suffer from value contamination as mentioned by Khoo (1995:45).

NEP - New Economic Policy

In 1971, which was two years after the riots and one year after the controversial book was written by Mahathir, the NEP (New Economic Policy) was created by the then Prime-Minister Tun Abdul Razak. Him and others believed that the the Malays' economic grievances had not been sufficiently addressed (Milne and Mauzy 1999:21). The NEP was meant as a state led policy to help raise the economic share of the indigenous people of Malaysia, also referred to as

the *bumiputra*. They set a target of 30% *bumiputra* participation and ownership. Which was only 2% in 1970 (Athukorala and Menon 1996:31). This was thought to elevate the *bumiputra*'s economic standing towards a more equally divided share of the economy in Malaysia. This in turn would decrease the gap between the different ethnic groups and lead to a more harmonious country. Most notable about the policy was this:

“Economic imbalances among the races were to be reduced and eventually eliminated, and race was no longer to be identified with economic function” (Milne and Mauzy 1999:51).

The policy suggested that the NEP would address all poverty groups and increase their standing within society, but because of the 30% *bumiputra* ownership target, many claimed it aimed solely at Malays and would disregard other ethnic groups that were suffering from poverty. It would also lead to problems during the initiation as it would cause tensions between the ethnic groups. As stated by Mauzy and Milne (1999) :

“A degree of separation actually contributed to ethnic harmony. One of the dangers of “modernization” is that it may bring different ethnic groups closer to each other under competitive conditions” (Milne and Mauzy 1999:12).

The reasons why it hadn't been problematic before was because the way the jobs were divided in Malaysia by the British did not promote competition between the ethnic groups as everyone had a certain position in the economy. However, the primarily Malay containing government, tried to address the problem of the poor and inexperienced Malays, which were the majority of Malaysia, and put them in the competitive world of the Chinese. Furthermore, the problem of poverty mainly resided within the Malays and some saw the aid that was provided for them as an elitarian system where the Malays were favored by the government and the groups that weren't addressed emphasized that the existing rights of the non-Malays needed to be preserved.

“The NEP was intended to help the poorer Malays, not only by making their lot better in their existing situation, but also by “leapfrogging” them from the traditional to the modern sectors of the economy” (Milne and Mauzy 1999:52).

The theory behind the NEP mainly stemmed from the idea that the poverty among the *bumiputra* was caused by the lack of opportunities. As Charles Hirschman (1970) concludes in his research that access to opportunity structures is indeed an important factor to consider as a reason for the ethnic inequality in Malaysia. He says that Malays are preferred in government hiring, whereas Chinese are preferred in the private sector. Chinese often have more opportunities in the private sector, because family ties and close friends allow them to be hired easier than non-Chinese. These hypotheses support the ideas that the Malaysian government had when they initiated the NEP, supporting that there is indeed an opportunity lack for the

bumiputra. Therefore the government decided to provide economic aid to remove the lack of opportunities and thus gradually decrease the gap between the *bumiputra* and the non-malays. Resulting in privileged access for Malays in business ownership and entrepreneurship and economic aid to the admission of public universities.

However, it remains unclear if the NEP helped to decrease the gap or if it gave the *bumiputra* a 'subsidy mentality' that possibly increased the gap. As was evident in The Malay Dilemma, Mahathir does not completely agree with this theory as he also argues that the *bumiputra* are lacking the motivation and therefore would not benefit from the opportunity, because it would not lead the Malays to success. As Machado says about Mahathir:

“he asserted that rural Malays lacked sufficient individual enterprise, independence or competitive ability and stressed that effecting changes in *bumiputra* values and behavior was essential to Malaysian development” (Machado 1990:508).

Mahathir believed that providing the Malays with opportunities was not sufficient enough to eradicate the inequality, as they needed to understand that the opportunities were meant to help them to compete against the Chinese and not against other Malays.

“Mahathir was also disappointed with what he took to be inadequate progress in meeting NEP goals. By 1980, it was clear that the 1990 target of 30 percent Bumiputera ownership and control in the corporate sector was not going to be met” (Machado 1990:509).

Mahathir was interested in a different way of solving his 'Malay Dilemma' and it is thus not unexpected that Mahathir dismissed the NEP in 1990, changing it to the NDP (New development plan). While still keeping many of the aspects from the NEP, it was clear that Mahathir sought to apply certain changes to it according to his beliefs on the matter. The focus shifted from government sponsored education towards entrepreneurship, managerial expertise and skills development within the Malay community (Athukorala and Menon 1999:1124). Which are closely related to the goals of the "Look East" policy where he uses Japan and Korea as examples for the expertise and skills.

After the riots in 1969, the economic distribution in Malaysia was shown to be unequal and needed political action. The NEP put the emphasis on the problem of opportunity as the reason why the gap between the Chinese and Malays existed. However, Mahathir did not fully agree with this belief as he asserted in his Malay Dilemma, that he was convinced that the Malays lacked the ambition and the necessary values that would make them able to compete with the Chinese. Thus when he became prime-minister of Malaysia, changing the values of the Malays was on top of his list.

The “Look East” policy

In 2002 Mahathir held a speech in Japan for the 20th anniversary of the “Look East” policy, where he talks about the reason behind the implementation and what it was meant to emulate in his own words:

“Malaysia identified what we believed to be the factors which contributed towards Japan's success. They are the patriotism, discipline, good work ethics, competent management system and above all the close cooperation between the Government and the private sector. And so we tried to adopt these practices and instil these cultures in our people. And everyone now acknowledges that Malaysia has made better progress than most other developing countries. The fastest pace of Malaysia's progress and development took place in the last two decades coinciding with Malaysia's Look East policy” (Mahathir 2002)

In 1981 Mahathir became prime-minister and took the seat for a total of 22 years, making him the longest serving prime-minister of Malaysia, finally leaving office in 2003. He Launched many innovative policies and put great effort to enhance Malaysia’s economic and technological standing world wide in order for Malaysia to become a NIC (Newly Industrialized Country). Mahathir was seen by many as the most influential man in Malaysian politics and he has been credited with putting Malaysia on the world map. But on the contrast he has also been criticized for being cryonistic, authoritarian, and hypocritical.

The policy was aimed to look at the two leading Asian countries Japan and Korea, that had recovered greatly after World War II. Mahathir saw Japan and Korea as the best examples to follow to become an economic and technological advanced nation that would leave other South-East countries behind in development. However, Mahathir did not only seek to gain from technology transfer, but wanted Malays to learn from Japanese work ethics and learn Japanese managerial skills. Furthermore, the Malays that went to Japan were also pushed to learn the Japanese language, history and culture.

“In a memorandum to senior government officials, Mahathir explained that the “Look East” policy meant “emulating the rapidly developing countries of the East in an effort to develop Malaysia. Matters deserving attention were diligence and discipline in work, loyalty to the nation and to the enterprise or business where one is employed, the priority of group over individual interests and emphasis on productivity” (Khoo 1995:13).

However, how the policy was to be implemented remained vague and thus it becomes difficult to attribute certain successes or losses to the policy. There were no targets, deadlines or other information that would be able to mark the progress of the “Look East” policy. Mahathir seemed to use the policy more as an inspiration or a slogan to change Malay values into hard working and diligent values. There was also no official report of the policy, but merely a memorandum to senior officials, which made it difficult to fully understand the goal of the policy.

Looking East versus looking West

With a mostly steady rise in GDP (Growth Domestic Product) (except during the Asian economic crisis in 1995) it is one of the countries that was part of the Worldbank's East Asian miracles (Worldbank 1993). With a greater shift towards industrialization and urbanization, Mahathir proved to be effective in bringing Malaysia closer to become a NIC.

Interestingly, one of the first policies he initiated was the “Look East” policy. With such a title, it was partly seen as a rejection of the West. Which reflects his opinion in his book “The Challenge” about his belief that Western values are deteriorating. In par with this look East policy, Mahathir created a “Buy British Last” policy, that said to buy non-British products in favor of British products, unless these were not available or higher priced. Thus publicly showing the change of direction in international politics. Though it is suggested that the policy was mainly a reaction to the British government upon their increase of the university fee for students from Malaysia (Furuoka 2007:507) and the London Stock Exchange's hostile reception to a Malaysian take-over of a British company (Khoo 1995:55), the Buy British Last policy made a strong statement. It showed his interest in being independent from the West and to Look East for a new leader under which Malaysia could develop. The idea that this was more used as a statement than an actual policy is clear when the Buy British last policy was already withdrawn in 1983, only two years after the initiation. The relation between Margaret Thatcher and Mahathir had become strong and made the policy and possible grudges between the two countries disappear.

As the Buy British last policy was meant to prefer non-British products, the Look East policy stressed that it wasn't meant as buying only Eastern products. It was meant to look at the East as an example and not to become dependent on it. This showed a new direction in international politics that was much more Asian oriented and less dependent on the West. The policy was a shift from the West as a traditional role model, towards a new modern role model, the East.

Transfer of values

Mahathir tried to find a different reason for the gap between the ethnic groups and looked at what the *bumiputra* were lacking; a reason to work harder. For if they had the same opportunities then why didn't they become as successful as the Chinese in the private sector? The NEP was criticized to cause a subsidy mentality and to be unsuccessful in decreasing the gap between the ethnic groups. Mahathir believed that it was their lack of motivation that caused the Malays to be poor and unsuccessful. Therefore the Look East policy is part of Mahathir's ideal of a hard-working and nationalistic Malay workforce, that would be able to lead the country not only politically, but also economically.

Under these motivations, it was promoted to send Malaysian students to Japan and for prestigious teachers from Japan to come to Malaysia. Both actions were subsidized by the Malaysia government and also partly by the Japanese government.

“Setting Japan as the role model for Malaysia, Mahathir encouraged Malaysians to learn from Japanese work ethics and values. To aid the “transfer of values” from Japan, the Malaysian government launched a new educational program giving scholarships to hundreds of talented young Malaysians to study at and earn degrees from Japanese universities” (Furuoka 2007:508-509)

This idea of taking over Japanese work ethics was by no means a democratized idea, but was Mahathir's solution to the dilemma he wrote about in 1970. He was interested in changing the outdated values of the Malays and needed to have an example to give to the Malays to follow. His solution was thus to look East, at Korea and Japan. Of all the values of the Japanese, in an interview with Mahathir, it seems the one he is most interested in is 'shame':

“When people have no sense of shame, they will do shoddy work. If you have a sense of shame, you will try to work hard, and you will succeed. When you don't have shame, your mind becomes corrupted and you won't have discipline. This type of people will never succeed. We need a new value system. It doesn't change you. You are still a Malay, Chinese or Indian. But the value system must be such that it encourages you, or even forces you to do well” (Rahim et al 2009).

Indirectly suggesting that it is this value, shame, that the Malays are lacking and causing the Malays to be unmotivated and undisciplined.

However, it seems strange to expect such a policy to work without prior thought about the people of Malaysia themselves. Even if Japan had been proven to be a very successful

country due to its hard-working and nationalistic people, there was no reason to believe that these values could be transferred to people from another nation, simply by having them study the country. Seeing how people are behaving in other countries seem unlikely as an effective means to change the values of a people. If it would be successful, it seems more likely that the Chinese in Malaysia would have been able to reshape Malays values, but in all those years that they have lived together, not much of the values of the Chinese has turned to the Malays. Even when Mahathir talks about the hard-working Chinese in his “Malay dilemma” he ignores their potential as an example. Whether it was because of the on going friction between the two ethnic groups or Mahathir's personal attitude towards the Chinese is left in the dark.²

Using the Islam

In Malaysia the Islam plays a big role in society. Since almost all Malays are Muslim, it divides the Malays from the non-Malays and the believers from the non-believers. Japan is however not Islamitic and does not have a monotheistic believe. While many in Japan believe in Shintoism and Buddhism, these religions are not very comparable to the Islam. This caused some critique from Muslims in Malaysia with regard to the “Look East” policy:

“Reacting to criticism of the Malaysian 'Look East' policy's emphasis on supposedly Japanese work ethics, and understandably reluctant to claim a common cultural heritage once this had been claimed to be Confucian, the Mahathir administration had instead been obliged to emphasize that the work ethics being promoted were not contradictory to, but rather consistent with, Islam” (Jomo 1994:4).

further stating that this begs the question why the Mahathir administration bothered to 'look East' in the first place if they could have used the Islam to change the values of the Malays. Perhaps then not surprisingly, when there was a resurgence in the Islam in 1984, Mahathir chose to promote his political party; UMNO, as a Islam oriented party. The reason for this promotion was that one of the Islam oriented parties, the PAS, became more popular. They pitted themselves against the UMNO and accused the UMNO from being less Muslim as they were.

“PAS accused the UMNO-led government of not doing enough to establish an Islamic state and that UMNO members were Kafirs or infidels - an extremely serious an emotional charge to be leveled at a fellow Muslim” (Chung 1987:47-48).

² When Mahathir choose to Look East at Japan, it could have been an ill example for the Chinese, who were anti-Japanese during the war and in general suffered immense losses during that period.

Mahathir could have argued that the government should be free of religion and therefore including the non-Malays in his politics. Instead, he opted to argue that his party was more Muslim than the PAS and thus winning the Muslim votes. However unfortunate for the excluded Chinese and Indians. When this battle for Islamization occurred, Mahathir could have chosen to focus on this aspect for his political party, not solely for the purpose of getting more votes for the election that was soon to be held, but to use Islamization as a tool for his own goals. If the “Look East” policy didn’t work to bring out the change of values that Mahathir wanted to see in the Malays, then perhaps he could use the Islam as a means to inspire nationalism and for the Malays to work harder to achieve better education and jobs. However, if this was the case then it seems logical that he wanted to show the Malays that he was supporting the Islamization that was occurring even if it meant a division between the Malays and non-Malays. Thus showing that getting the majority votes from the Malays was more important than to find a means to bring the Malays and the non-Malays closer together. If this was just a political decision to keep his seat or a personal decision to showcase his favoritism towards Malays is not completely clear. Even though this could have meant a re-emergence of the 1969 ethnic riots, the non-Malays seemed to accept this increasing aim towards Malay favoritism.

The “Look East” policy was also intertwined with Mahathir’s heavy industry policy where Mahathir would look for joint-ventures between Japanese and Malaysian companies to replicate the idea of the *sogoshoshas*. Thus two of the big joint-ventures, the steel mill factory and the Proton project are often mentioned to be a result of the “Look East” policy. The policy also emphasized the need for more FDI (Foreign Direct Investment) as it was thought it would provide more jobs and more importantly transfer technology to Malaysia. However, Malaysia was already enjoying much FDI from Japan even before the initiation of the Look East policy.

The “Look East” policy seemed to be free of racial preference and aimed at taking an example from two successful countries from the East. Learning from their quick and successful development after World War II, the idea was that this would lead Malaysia to become a NIC. However, the emphasis on the work ethics and values of Korea and more notably Japan, seemed to underline a different aim. One where race and ethnicity were the main focus and showed Mahathir's ambition to solve his Malay dilemma by focusing especially on changing the Malay values. Mahathir even used the Islam to promote the change of values even though Japan and Korea have no comparable religion. However, this meant a disregard for the other ethnic groups that weren't Muslim and did not seem to gain much benefits from the “Look East” policy.

Japan's role and image in the 80's

After the second world war, Japan was psychologically and economically devastated. The US put preemptive sanctions on Japan to limit its possibility to regain its military strength by adding article 9 to the Japanese constitution. This was seen as a way of demilitarizing Japan and securing a possible future threat. Thus, without focusing on rebuilding military power, Japan had all the time and money to focus solely on fixing the economy of Japan. However, due to the cold war the US demanded aid from Japan and Japan was able to support the U.S. with a substantial amount of money but could not provide sufficient military aid. Japan learned from this mistake and realized the need to support the U.S. with army forces. These years before they regained some of their military power greatly increased the economic power of Japan and Japan quickly became the second largest economy in the 80's. With few natural resources Japan imported these from neighboring countries and Japan's export oriented products were mainly high industrial ones. This changed Japan's image from a warring country to the image of a highly industrialized country and leading country of the East.

After the WWII and when Japan was doing better economically there came the time that Japan was pushed towards apologizing and aiding the south-east Asian countries it left so devastated. During the rebuilding of these countries there came talk of an East-Asian sphere that Japan would be leading. Mahathir suggested in the 1990's the construction of the EAEC (East Asian Economic Caucus) where Japan would be chosen as the leading country. However, Japan declined because the US was against it and Japan was still heavily influenced by the US regarding international relations after the events of the cold war.

Furthermore there was talk of the flying geese pattern that describes the technology transfer through FDI and exports from Japan (See Akamatsu 1962). Japanese high technological factories that would be situated in south-east Asian countries would spread the technology of that factory locally whereby the locals would be able to reproduce said technology.

Since Japan had been able to successfully chase the West away from the East and thus helped with gaining independence in most South-East Asian countries, Japan was seen as strong and capable of leading. However, Japan had been very aggressive towards most Asian countries, which had suffered great losses during the second world war. Therefore it was strange that Malaysia looked East, when there were still enough people in Malaysia who remembered the Japanese occupation. Especially the Chinese, who lost the most people during the war. Still Japan had proved to be able to compete successfully against the West, both with military power as economic power.

These mixed images existed of Japan. Some believed that the aid for the South-East Asian countries was only for making profit for Japan as it provided aid where Japan could benefit most from it. As Hoong (1987) states that:

“More generally, aid has been criticized as too immediately connected with the furtherance of Japanese economic interests, the promotion of markets for exports, and the development of raw material for Japanese industry” (Hoong 1987:1104)

For example focusing on infrastructure that would help the Japanese companies with easier shipping and accessibility. Likewise the focus on infrastructure could also be attributed to the fact that Japan had low natural resources, thus it was believed that they focused their aid on being able to better gain access to the natural resources they needed. Furthermore, the FDI from Japan was criticized just like its aid program, saying it was focusing on profits and not on contributing to reduce regional poverty or realizing the transfer of technology. As mentioned by Denker (1994):

“Many Japanese transnational corporations overprice sales to their subsidiaries situated in tax heavens and under price purchases from them to reduce tax liability” (Denker 1994:65)

Japan realized the opportunity to gain more profits by locating their factories in areas where there were low labor costs, cheaply available resources and low prices for the building grounds. These factor were reason for Japan to increase its FDI greatly after the Second World War. Malaysia was not the only South-East Asian country that Japan traded with and many other ASEAN countries were target of Japanese exports and imports. However, Japan was for Malaysia their main import and export target in the mid-1970s. Aslam and Piei (1994) argue there was an unequal trade relation between Japan and Malaysia where Malaysian dependency was much higher than Japanese dependency on Malaysia. As said by Hoong:

“The relationship, which has not changed much since the 1960s, is essentially typical of a Third World country and a developed society, in which the former supplies the primary raw material while the latter exports the manufactured goods - an arrangement Malaysia is not too happy about” (Hoong 1987:1097).

Aslam and Piei continue by saying that the small increase in exporting manufactured goods in the mid 1990s was largely due to the Japanese investment and not thanks to a increase in Malaysian manufacturers (Aslam and Piei 1994:25).

Before Malaysia became an NIC in the 2000s it was mainly focused on manufacturing and exporting primary goods, with most focus on palm oil, tin and rubber. This was often easily exported to countries and therefore an almost unlimited source of income for Malaysia, but

these primary goods were however subjected to fluctuating prices. For Japan, Malaysia offered a very good option for FDI just like other developing countries. Cheap resources, labor and ground. For Malaysia Japan was their main export for most primary sources. Thus together with the Japanese aid program there was also a high increase in FDI from Japan to the South-East Asian countries. Mahathir believed that technology transfer from Japan would help create more manufacturing jobs for the Malays. Hopefully also resulting in more import substitution, which would lead to an increase in Malaysian manufactured goods. These products could then be exported so that Malaysia would be less reliant on the unstable prices of primary goods and could get a more reliable income from manufactured exports.

***Sogoshoshas* and Japanese management**

Besides the idea of technology transfer when working with Japan, there were also other reasons for Mahathir to look east. Japan and Korea had both been very successful and this was often credited to the state-led companies. In Japan these were called the *sogoshoshas*, which literally translates to trading companies, but were often involved in many other sectors of the market as well. The reason why this was interesting for Mahathir was that he could manage these companies via the government and thus make sure his ideas would come through. As mentioned by Milne and Mauzey:

“Mahathir is so interested in the completion of his favorite projects, and so doubtful that anyone else would pursue them as successfully as himself, that he seems non-committal about giving up power” (Milne and Mauzy 1999:7)

Furthermore, he was of course interested in the transfer of Japanese values to the Malays. In 1980s some ideas and theories existed on the Japanese-style management. These mainly included; lifetime employment, promotion based on a seniority system, enterprise unions and the low status of women in the workplace. Lifetime employment was often seen to be the reason for the loyalty for the company and the hard work of every day. However, in the coming years after 1980 it was much disputed and in modern day Japan, this system is becoming more and more uncommon. According to Hirakubo (1999:43), lifetime employment creates a sort of pseudo-loyalty. The problem with lifetime employment is that it discourages companies to lay off their workers, with even the government having made legal constraints against this and the Japanese tax system that favors the lifetime employment. Due to the difficulty of laying off employees, and the difficulty for employees to find a lifetime employment somewhere else (They prefer hiring people who are fresh from college) it becomes more and more a system that keeps unmotivated people in a company until they are up for pension. Therefore the image of

Japanese as hard-working and loyal does not seem to be that trustworthy. However, the Japanese do work many hours a day and often stay in the office till late. Smith (1994) also points out that the Japanese system will not be completely similar when put to use in Malaysia:

“ ~in ventures owned or controlled by the Japanese in Malaysia, the degree of importation of this model of company organization will not be due to the mere fact of cultural contact, but will be dependent on the specific economic and political factors operating in Japan and Malaysia at the time” (Smith 1994:156)

Just like Japan differs from Malaysia, so does Malaysia differ from Japan. The Japanese managers that came to Japan to teach the Japanese style management also had to adapt to a Malaysian work environment. According to Smith (1994:157), the Japanese managers would promote their management style as an ideal system and would show regret and indignation when Malays showed not to be as loyal or dedicated as the Japanese were, even though they provided less benefits for the Malays than that they would other Japanese. Even if the system did not prove to be ideal in Japan, the image that existed outside of Japan, as it did in Malaysia, was still keeping up the idea that it was. However these lifetime employments were usual in big companies, like the *sogoshoshas*. Otherwise, smaller companies would not be able to live through a financial crisis if they weren't able to lay off workers. For Malaysia, this was also slightly problematic as Malaysia's big companies were still not as large as the Japanese *sogoshoshas*.

Differences between Japan and Malaysia

Other problems with taking Japan as an example was the clear difference in ethnic division, cultural heritage and geographical location. It was very unlikely that Japan was able to be used for Malaysia as a role model with few similarities. Japan has an ethnic distribution of only 1.5% non-Japanese citizens. Japan also doesn't have much immigrant workers and seems highly reluctant to do so. It also hasn't been colonized and doesn't have much primary resources either. Therefore the economy, politics and society of Japan and Malaysia are far from similar. Japan has also been known to be racist against its minorities, even going so far as to 'deny' the existence of minorities (See Htun 2012). The reason Japan is able to get away with this is because the minorities in Japan consist of such a small distribution of the total population. Therefore it is unlikely and almost impossible that Japanese minorities would challenge the government. This is obviously not the case in Malaysia where the 'minorities' almost consist of half the population.

However, Japan was already a major economic factor in Malaysia so Mahathir's aim for Japan was not very far fetched. Japan was the main export and import target of Malaysia and in combination with its aid programs and interest in South-East Asia, it seemed logical to start up joint-ventures between Japan and Malaysia. However, Japan was interested in making profits and thus Mahathir's ideal of technology and value transfer was thus not Japan's main goal or interest. Eventually some of the projects led to negative thoughts on Japanese involvement as mentioned by Furuoka (2007):

“The lack of success and negative publicity that accompanied a number of Malaysia-Japan joint ventures combined with dashed hopes for cutting-edge technology spawned Malaysian disillusionment with Japanese multinationals, even within the Mahathir administration” (Furuoka 2007:516).

Japan's relation with Malaysia was based on making profit, thus it seems a bit idealistic to believe Japan was going to share its technological know-how with Malaysia simply because of amicable feelings.

The “Look East” policy was believed to look East and not West, but Japan has some notable Western features. First of all, Japan's international policies followed the U.S. Very closely and was argued to be the reason Japan did not agree on becoming the leader of the EAEC. Thus even if Japan was seen as being able to compete against the West, after the war Japan was under heavy influence of the U.S. Furthermore, Japan's legal system was reformed after World War II to change to a more U.S. based system. Secondly and thirdly, Japan's education system is loosely based on the French system and Japan was the only country in the East to imitate the Western behavior by colonizing a great part of the East. It is logical that countries are influenced by each other, but Japan can be argued to be a bit more Western than other Eastern countries. In this sense, it seems odd that China is not chosen to be an example if the policy would be to look East. A country that has been much more reluctant to take over Western values and is less easily influenced by the West. This means that Mahathir was not looking East to avoid the West, or looking East to become more Eastern, but looking East to be able to compete to the West.

Mahathir wanted not only to look at Japan and Korea as economic, but also had a cultural aim. Therefore certain projects were more difficult because Mahathir stressed the need to employ Malays, which were often under skilled workers in comparison with the Chinese and looked at Japan while it was unlikely that Malays would take over their values.

Policies and projects stemming from the “Look East” policy

When the policy was initiated in 1981, Mahathir also promoted heavy industrialization and had already created the HICOM in 1980. Believing industrialization and urbanization was the key to development these policies were also formed with Mahathir's ideal in mind. The NEP needed there to be 30% Bumiputra entrepreneurship and as it had not been able to reach this goal, Mahathir saw the need for more industries that could provide for this opportunity.

Sogoshoshas

The “Look East” policy supported the ideas of joint-ventures with either Japan or Korea. However, the Steel-mill factory and the Proton project were both joint ventures with Japanese companies. Inspired by the Japanese *sogoshoshas*, Mahathir wanted to recreate the state-led enterprises starting with these two projects. According to Lim and Gomez (1994) there were at least three arguments for Malaysia to desire these *sogoshoshas*.

Firstly, they would be good as trade intermediates and could spread the risks or could even start manufacturing products itself. Secondly, they would be good to open up new market possibilities, which would also help the export of primary goods. Finally, they would be good for counter-trade. These were also the arguments used by the Mahathir administration to promote the establishment of the Malaysian version of these *sogoshoshas* and in the mid-1980s they started constructing such companies. In Malaysia these were referred to as the HICOM. However, according to Lim and Gomez, it hadn't been very successful because it was rather impossible to emulate the Japanese *sogoshoshas*.

Firstly, the *sogoshoshas* were dealing with much bigger numbers than it was possible for Malaysia at that time to generate. Secondly, these *sogoshoshas* were already in existence for a long time in Japan and thus were able to have a reliable image and tight network, that the Malaysian companies would not start with. Lastly, compared to the Japanese *sogoshoshas* that would benefit from overseas markets, for cheap labor etc., the Malaysian companies would not have this benefit due to their lower GDP.

Mahathir thus neglected the great differences between Japan and Malaysia as was already criticized in the making of the “Look East” policy. Japan was just not fit as an example for Malaysia as it did not share enough common ground. Therefore the reasons behind wanting to

emulate the *sogoshoshas* can be explained with different motives. Mahathir wanted companies that were state-led so he had a say in the matter. This was important for his goal to improve the job market for the Malays, so that he had more control in the private sector to secure employment for Malays. Secondly the idea that these *sogoshoshas* had been a Japanese heritage, could have given Mahathir the idea that these Malaysian *sogoshoshas* eventually would also become a Malay heritage. This would inspire nationalistic thoughts within the Malays. Thirdly, Mahathir wanted to emulate the Japanese values, so what better than to emulate Japanese companies. Together with the joint-ventures, this would lead to a bigger exposure to the Japanese way of working and easier to attract Japanese managers willing to work in Malaysia.

The steel mill factory and the Proton project

Mahathir believed in these *sogoshoshas* and was greatly involved in the establishment of these Malaysian versions and had already created the HICOM in 1980 when he was minister for Trade and Industry. Thus when he was prime-minister he helped creating the steel-mill factory and the national car project. The steel-mill factory would lead to cheaper steel resources and thus less dependence on other countries for steel export and indicate a higher development of Malaysia. The Proton project seemed unlikely to succeed as no other South-East Asian country during that time had managed to create a national car that had remained profitable, but would also indicate great development if successful. Both projects however, were to be fully dependable on Japanese technology and information. Believing that the local people working at the projects would eventually pick up on the technology and eventually be able to become independent from the Japanese. Therefore it was necessary to promote import substitution and production of local content.

However back in 1981 when Mahathir choose these projects, he was still enthusiastic about these projects. It would not only be good for the industrial development of the country, but it would also create more job opportunities for the Malays and eventually lead to a bigger skilled labor force and import substitution. Thus giving the Malays the opportunity to increase their experience in the work field and promote entrepreneurship. The choice of industries by Mahathir however was evidence of the fact that he was trying to take away the Chinese control in these sectors.

“Moreover, as local Chinese entrepreneurs dominated auto assembly, it was an obvious target for restructuring. Although, the state was already well represented in steel, there was a substantial Chinese presence in the industry” (Machado 1989:510)

Even though this might have been an 'obvious' target, this meant that the Chinese were discriminated against as it meant a great disadvantage for them. Not only did they have to compete against government sponsored industries, Malays would be given preferences in these new projects even if they lacked the certain skills necessary.

“Ethnic preferences were clearly reflected in Proton's recruitment. In 1988, the plant employed 1,300 people, 94 per cent of whom were ethnic Malays. Most Proton personnel were inexperienced, while very few experienced workers laid off by the other assembly firms – mainly non-Malays - were hired” (Jomo 1994:285).

With such a high number of the workforce for the Proton project to be *bumiputra* it was obvious there was positive discrimination. Further suggesting that the NEP and indirectly, the “Look East” policy was neglecting other ethnic groups from being supported by the government.

The Malays that were to work at the Proton project were sent to Japan to learn the Japanese work ethics and values, together with the technological know-how of the automobile industry. Sponsored by the government, they studied in Japan for a period of time, differing from the type of training they were to receive. However, the focus seemed to lie on learning the language, history and society of Japan during their stay in Japan (Jomo 1994:286). Which was not the most efficient way to train inexperienced workers into successful automobile manufacturers and when the Proton project was having problems, the Malay managers were blamed for their inadequacy.

“In an unusually harsh public criticism of the project's managers, Finance Minister Datuk Paduka Daim Zainuddin told the press in mid-1988, "The recession is only part of the problem. If a company fails, something must have gone wrong.... [I]n business you must be agile. . . . I am prepared to listen [to the problems] up to a point. Beyond that, I don't want to hear any- more. Either you perform or say goodbye.... [I]f [management cannot show results], they should do what people in Japan do - commit harikiri [sic]” (Machado 1989:520).

Not only blaming the managers, but also saying that they lack the Japanese mentality, where one should be shameful to have made a mistake.

Another problem with these state-led projects and the high employment of Malays was of course that the money needed to come from either the government or from the aristocracy, which were mainly Chinese. If Mahathir did not allow for a Chinese owned company or even Chinese managers to be involved, the money from the Chinese would remain with the Chinese.

Mahathir seemed a bit too interested in keeping the Malays and the Chinese apart, even though he wanted the Malays to work in the same sector as the Chinese. Thus instead of promoting teamwork between the races, he opted for competition where one of the groups was sponsored by the government. In the end, the Steel-mill factory eventually caused too much losses and was canceled. The Proton project is still in effect to this day, but it remains necessary to use heavy government subsidies to keep the project somewhat profitable.

The education program

Not only trainings in Japan were sponsored by the government, but also regular student exchange programs (Though there was high emphasis on the technical sector). Many students in Malaysia profited from the “Look East” policy program. The program was identified as follows:

“The objective of this project was to develop human resources able to use advanced technology and with Japanese work ethics by providing Malaysians with academic and training opportunities in Japan, thereby, in turn, contributing to the industrialization of Malaysia” (Kita 2011:2).

After 30 years of the “Look East” policy a number of 14.000 Malaysian students have participated in the “Look East” policy. Which is still a rather small amount knowing Malaysia has a population of around 28 million. It means that only 0.0005% in 30 years has benefited directly from the policy. Still, having this program meant that Malaysia was showing the people the support the government was giving to people interested in looking at Japan.

To assess the success of the education program, the Malaysian government had send out surveys to ex-students of the LEP (Look East policy) program and had conducted interviews with local and Japanese companies in Malaysia.

“Eighty percent of employers observed that ex-students of the LEP Program have applied Japanese work ethics (“discipline,” “an appropriate attitude to their assignments” and “punctuality/time management”) to their routine work” (Kita 2011:7).

Thus suggesting that the LEP program was effective in transferring Japanese values. However, work ethics such as a sense of shame and putting the group before the individual, are not described and the amount of influence from the managers is left in the dark. There is also no information of an increase in work hours between non-LEP students and LEP students, which would also indicate transferred Japanese work ethics.

Furthermore, the ex-students that ended up in Japanese companies in Malaysia were often seen or used as translators, and or mediators between the Japanese and Malaysian staff. Many others received a job in the government, which would be less helpful in the technological development of Malaysia (Kita 2011:8). The problem with the goal of the program was that the amount of time studied in Japan, was not sufficient enough to take over the Japanese values. Especially the students who enroll in a Japanese university, where the Japanese work environment is not simulated, will have a limited idea about Japanese work ethics and values.

There was also reason to prefer studying abroad, because before 1996 there was only a small amount of universities in Malaysia.

“In 1995, 79,330 students were enrolled in degree courses at domestic universities while the number of students studying abroad reached 50,600. Of these about 40% were government-sponsored students and the rest was students studying at their own expense” (Kita 2011:3)

However, in 1996 the Asian crisis put a hold on the increasing economy and less students went to study abroad in general. Thanks to the Education act in 1996 that allowed private institutions to give degrees, which was not possible before, Malaysia went from an amount of 7 national universities in 1990, up to 57 in 2009 (Kita 2011:4). Greatly increasing the domestic choice of universities. Meaning that the LEP program gained increased competition from domestic universities. If the program mainly resulted in employment in Japanese companies as a translator or mediator, the program offered not much diversity for future employment as an ex LEP student. Mahathir's cultural aim was thus not fully reached with the LEP program as it only directly offered a few people in Malaysia the chance to study or train at a Japanese university. Furthermore, the ex students did not necessarily gain the skills to be competitive against the Chinese or learned the work ethics and values of the Japanese that Mahathir focused on.

The policies that Mahathir made in pare with the “Look East” policy were all possible to be used as direct or indirect transfer of Japanese values. The *sogoshoshas* were state-led and offered Mahathir the opportunity to aim for a Malay heritage and competition against the Chinese in the private sector. This was evident in the state-led joint-venture projects; The Steel-mill and the Proton project. Here, the Malays were favored as employees and managers. However, when blamed for problems, their lack of Japanese values was addressed. The education was the most direct approach to transfer these values, but was rather small in its operation. Though

the LEP-students were said to have gained Japanese work ethics, these did not address the sense of shame, group above individual and working more hours.

Conclusion

Mahathir's Look East policy came into existence, because of his believe in the problems he laid out in the Malay Dilemma and The Challenge. Mahathir was looking for a way to change the values of the Malays, which would allow them to be able to compete with the successful Chinese. Mahathir stressed the need for a change of values and believed that Japanese values were the ones the Malays should aim for. When the "Look East" policy was initiated, it remained vague and there was no real document available. This makes it difficult to fully understand the implication of the "Look East" policy and also to assert successes or failures of the policy. However, it was known that it was looking to emulate the successful countries, Japan and Korea. This meant a shift in international politics that did not aim at the traditional West, but at the East. However, more importantly, the policy intended to emulate the work ethics and values of those countries. To realize this, the government subsidized studying in Korea and Japan and sought joint-venture with those countries. Mahathir was also inspired by the *Sogoshoshas*, which were state-led enterprises, that could help Mahathir with reaching his goal.

The believe that Japan was the best example to follow was because of the economic success Japan had enjoyed after the second world war. Mahathir saw the reason for the economic success to lay within the work ethics and values of the Japanese. Believing that the Malays were lacking the motivation and nationalism to work as a group towards the development of Malaysia and thus delaying the process. However, taking Japan as an example for Malays to follow, was somewhat problematic. Japan shares few similarities with Malaysia and proved to be mainly involved with Malaysia for profitability. Thus the Japanese companies would not be focusing on a change of values or technology transfer, but more logically on securing their profits. This left negative feelings with some of the Malaysians.

Mahathir was very keen on making the Malays able to compete with the Chinese, but therefore made choices that were somewhat discriminatory against the Chinese. He preferred Malays in his state-led projects and caused unequal competition against the Chinese who were not enjoying government sponsorship. Furthermore, he chose to create projects in areas where the Chinese were most prominent and chose to increase his political aim towards the Islam. In a country where the Chinese consist of notable percentage, it is somewhat interesting that there have not been a repetition of the riots in 1969.

In conclusion, the Look East policy was not very effective in changing the Malays values into Japanese values simply by sending students to Japan or creating joint-venture with Japanese companies. Though it can't be argued that it was completely unsuccessful, the amount of students that underwent the LEP program was rather limited. The joint-ventures as well, did not prove to transfer the Japanese values of the managers to the Malaysian employees. There was however a change in direction from Western oriented politics, towards Eastern politics. Thus Malaysia did indeed look East thanks to the policy and has become a very successful South-East Asian country.

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