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EXECUTIVE SUMMARY

Malaysia's historic change of government in May 2018 returned former prime minister Mahathir Mohamad to office supported by an eclectic coalition of parties and interests under the Pakatan Harapan (Alliance of Hope) banner. This raised questions about how the self-declared Malaysia Baharu (New Malaysia) would engage with the rest of the world.

After the election, it was generally assumed that Malaysia's foreign policy would largely stay the course, with some minor adjustments. This trajectory was confirmed with the September 2019 release of the Foreign Policy Framework of the New Malaysia: Change in Continuity, the country's first major foreign policy restatement under the new government. Analysis of the Framework and other signals from Mahathir's Pakatan Harapan government confirms that while there may be some course-corrections in Malaysia's foreign and security policy, it will not stray far from the approach of previous administrations.

Continuities will include Malaysia’s focus on neutrality; its non-aligned status and pragmatic dealings with the United States and China; ASEAN centrality and a disdain for great power hegemony; the development of Malaysia’s economy through its trading relationships; and the promotion of human rights issues — particularly those concerning Muslims. At the same time, the government is refreshing its earlier “Look East” policy, planning to upgrade its defence capabilities in the South China Sea, and taking a more consultative approach to foreign policy-making.
INTRODUCTION

After nearly six decades in power, Malaysia’s Barisan Nasional (National Front) was voted out by simple majority on 9 May 2018. It was the country’s first change of government since independence, heralding an era of what many Malaysians termed, “Malaysia Baharu” (New Malaysia). Given that Pakatan Harapan was an odd coalition of parties and interests that had reportedly been taken aback by its own win at the polls, there was considerable speculation about the kinds of policies that could be expected under the new administration.¹ There were also questions about the extent to which policies would change under a prime minister who had led the country for more than two decades and shaped much of its course.

This Analysis assesses Malaysia’s foreign and security policy direction under the Pakatan Harapan government. Reviewing the history and trajectory of Malaysia’s foreign policy in the post-colonial era, it uncovers strong threads of continuity in the revamped Mahathir administration’s policy, affirmed most recently with the release of the Foreign Policy Framework of the New Malaysia (Framework) — aptly titled “Change in Continuity”.² The Analysis will examine the key security and defence challenges facing Malaysia and concludes with brief observations about the way ahead for its foreign and security policy under the Pakatan Harapan government and the country.

POLICY AND PRIORITIES: A RECAP

Malaysian foreign and security policy has usually been the preserve of the elite — decided at the highest levels, with a leader’s heavy imprint. This policy has been articulated in official statements as well as key documents including the country’s 2017 National Security Policy.³ Under the Pakatan Harapan government, Malaysia’s global engagement approach was recently restated in the Ministry of Foreign Affairs’ and the Information Department of Malaysia’s Framework document.⁴ Malaysia’s position has also been evident in conduct, past and present. Because of Mahathir’s strong personality and lengthy first term in office from 1981 to 2003, it is difficult to separate the man from the policy. However, although Mahathir determinedly pursued an independent foreign and security policy for Malaysia that sometimes galled political and diplomatic sensibilities, the country’s engagement in these areas has been anchored by certain constants.

As a small, diverse, trading nation located amid strategic trade and shipping routes, how Malaysia relates to other countries as well as how it views its internal and external security challenges are a function of its size, geography, and demography. This outlook is complemented by political judgment, hard-nosed pragmatism, and an openness to change.

The country’s alignment with the West in its early years as Malaya and then as post-colonial Malaysia coincided with the existential threats it faced — both domestically from a long-running communist insurgency, as
well as externally from its neighbours. The nascent Malaysian federation was challenged at birth as a “neo-colonialist and neo-imperialist” project and violently opposed by Indonesia which declared a policy of Konfrontasi (Confrontation) in 1963. This was augmented not only by calls from President Sukarno to “ganyang (crush) Malaysia” but also by cross-border incursions. Jakarta’s position drew support from Peking, which co-opted communist resistance groups in Malaysia with offers of moral and other support. Despite the persistent internal communist threat and notwithstanding China’s alignment with Indonesia on the latter’s Konfrontasi policy, Malaysia became the first Southeast Asian country to normalise relations with China in 1974.

Malaysia’s relations with major powers have historically waxed and waned but its treatment of its larger neighbours on an “equidistant” (or “equiproximate”) footing has generally ensured the country’s ability to balance, hedge, and remain neutral as geopolitical competition for influence and leverage plays out in the region. These relations have also remained stable at the bureaucratic level notwithstanding high-level political differences, even during the rambunctious Mahathir years.

In Mahathir’s first tenure as Malaysia’s fourth prime minister, he charted the country’s foreign policy course driven by domestic developmental considerations, a disdain for those “who wield a big stick”, and solidarity with the global South. Bucking convention, this Southeast Asian leader of a small, then-backwater agricultural nation championed the concerns of countries from Asia to Africa and emerged as a spokesman for the developing world. He railed against the indignities and inequities perpetuated by the existing global governance architecture. He fumed at the unilateralism of powerful states and institutions. He sought to fashion a vision not only for the country in its own mould — Vision 2020 — but also for the region based on an East Asian identity. Returning to power as Malaysia’s seventh prime minister, Mahathir is revisiting some of these earlier ideas in his official statements and speeches.

FOREIGN POLICY IN A NEW MALAYSIA: MORE OF THE SAME?

An early indication that the new government’s foreign policy would include some important threads of continuity was contained in a speech Mahathir made in Tokyo in June 2018, upon returning as Malaysia’s prime minister. He assured the audience that:

“… although our government has changed, our policies towards other countries are still the same. We want to be friendly with all the countries of the world irrespective of ideologies, and we want to ensure that we can keep on trading and have access to all the
markets of the world […] because we depend on trade in order to grow our country.”

Amid speculation abroad that Malaysia would tilt one way or the other in a contest for regional primacy among the major powers, the prime minister’s message was clear: friendly relations with all would remain the mainstay of Malaysian foreign policy in order to facilitate trade, development, and economic progress.

This message is reiterated throughout the Framework, launched by the prime minister in September 2019. The Framework is based on four directional components — policy guidelines contained in Mahathir’s 2018 United Nations General Assembly (UNGA) speech, empowerment of the ministry of foreign affairs, greater inter-agency coordination, and increased public participation in foreign policymaking.

The Framework outlines three elements of the national interest underpinning Malaysian foreign policy: security, economic well-being, and identity. These elements are safeguarded at the international level by the same fundamentals the country has always proclaimed in its conduct of foreign relations – open ties, free trade, and the rule of law. This friendliness, however, should not be mistaken for meekness, especially under Mahathir’s leadership.

At the UNGA in September 2018, Mahathir picked up where he left off 15 years earlier. In 2003, he had lambasted a unipolar world, the breach of international norms, and manipulation of international organisations leading to “economic chaos, political anarchy, uncertainty and fear.” In 2018, he lamented a world “far worse” than it had been the last time he addressed the UNGA as prime minister. In his UNGA address in September 2019, he slammed the veto power of the five UN permanent members, criticised “war-like European countries” for provoking and prolonging wars, singled out Israel as the origin of terrorism, and called out the hypocrisy of free trade against the backdrop of inequitable conditions. Mahathir’s tirades against powerful countries from global platforms such as the UN are often criticised as being dated, emotional, and anti-Semitic. Yet, it is his audacity in challenging power in words and action that has not only earned Malaysia respect among the developing world but also contributed to perceptions that the country punches above its weight in the international arena.

HUMAN RIGHTS AND PRINCIPLES OF INTERNATIONAL LAW

In a distinct shift in tenor from the past, the Pakatan Harapan government undertook shortly after its election to champion human rights and sustainability more explicitly than before. This agenda, largely attributable to several cabinet ministers’ own interests and background, indicates a more progressive slant. Yet it is also rooted in his long-held aspiration to transform Malaysia into a developed nation, not just visibly through changes in the country’s skyline but also in the attitude and mindset of its

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people. This activism, as will be described below, has so far met with mixed results.

Human rights feature prominently in the Framework as an element of Malaysia’s national identity guiding the country’s foreign policy. The decision to spotlight this as part of foreign policy stems from what the Framework describes as changes in domestic political discourse. In responding to these developments, “the Government is resolute in making human rights an important agenda in its administration.”

Malaysia has long had a human rights advocacy agenda, ranging across a number of causes from apartheid in South Africa to the protection of Muslims in Bosnia and Kosovo in the 1990s. The Framework states that the New Malaysia will be more active in contributing to humanitarian missions in post-conflict or post-disaster situations around the world, in part by engaging and strengthening the capabilities of appropriate Malaysian civil society organisations.

Whereas internecine crises like Bosnia and Kosovo have subsided, the Palestinian issue has remained intractable, and Malaysia’s support for the Palestinians has been unstinting through the decades. In 2003, Mahathir claimed at the UNGA that many global problems could be attributed to the expropriation of land in Palestine to create the state of Israel. In his 2018 speech at UNGA, he cited the issue again as a root cause of terrorism.

Mahathir’s stance on Israel’s treatment of its Palestinian population is shared by Malaysia’s majority Muslim population, which tends to view the Palestinians’ situation primarily through a religious lens. At the international level, however, Malaysia has championed the Palestinian cause from the standpoint of human rights and dignity, and condemned Israeli breaches of international law. In the face of accusations of anti-Semitism against Malaysia and particularly Mahathir, the Malaysian foreign ministry has tried to convey more nuance in its public diplomacy messaging. The ministry’s protestations are focused on Israeli territorial occupation and expansion and alleged associated violations of international law.

Malaysia is unyielding in relation to the Israeli-Palestinian situation. It has twice drawn international opprobrium recently for refusing entry to Israeli athletes competing in sporting events in Malaysia. Malaysia has now hardened its stance further, declaring it will not host any event involving Israel in the future.

The new government is also focused on the Rohingya. Malaysia began calling attention to the persecution of the Rohingya through the ASEAN and OIC frameworks even before Pakatan Harapan’s win at the polls. With almost 100,000 Rohingya refugees in Malaysia, the issue has had a significant impact and has chilled bilateral relations with Myanmar. Malaysia views the Myanmar government’s treatment of the Rohingya from numerous perspectives: as a gross human rights violation, a domestic political matter, and recently, a national security issue.
Myanmar’s intransigence over the Rohingya has been a slap in the face for its neighbour Malaysia, which supported Myanmar’s 1997 entry into ASEAN despite widespread objections. Malaysian foreign minister Saifuddin Abdullah has even urged Malaysian lawmakers to reconsider the ASEAN norm of non-interference with respect to Myanmar.33

By contrast, the government is unlikely to be as vocal on the treatment of the Uighurs. Late last year, the foreign minister declined to respond directly to questions in Parliament on China’s handling of the issue.34 Although refraining from overt criticism, Malaysia did release 11 detained Uighurs on humanitarian grounds and sent them to Turkey. It disregarded Beijing’s request to hand them over, prompting a rebuke from China.35 Whether such defiance will be repeated — particularly in light of growing reports of China’s restrictions on the practice of Islam — and at what cost to the bilateral relationship, is unclear.

The government’s muted approach towards the Uighurs notwithstanding, Mahathir’s pledge at UNGA that Malaysia would ratify all six remaining core UN human rights instruments was a surprising break from the past. Previous administrations had demurred, on the basis of domestic political sensitivities stemming from the country’s diverse ethnic and religious make-up.

However, the task of persuading a skeptical, or even suspicious and fearful, domestic audience about the benefits of implementing these
treaties proved too much for the Pakatan Harapan government. Within two months of Mahathir’s announcement in New York, Malaysia retracted its promise to ratify the International Convention on the Elimination of All Forms of Racial Discrimination (ICERD) after significant push-back from a large section of its Malay-Muslim population. The government simply made assurances that it would continue defending the Federal Constitution as well as the “social contract” between Malaysia’s different ethnic groups embedded in it at the creation of the nation.\textsuperscript{36}

In April 2019, faced again with strong political and, unusually, royal pressure, the government capitulated and withdrew from the Rome Statute of the International Criminal Court (ICC).\textsuperscript{37} Even though the jurisdictional ambit of the ICC is confined to four serious international crimes — genocide, war crimes, crimes against humanity, and crimes of aggression — the resistance to accession was vehement. Opposition to ratifying the treaty fixated on the exposure of the country’s constitutional monarch as head of state to international prosecution.\textsuperscript{38} Accession also had ramifications for the wider Malay population given the monarch’s constitutional responsibility to “safeguard the special position of the Malays.”\textsuperscript{39} The emotional public debates on the issue left the government little choice but to concede, despite a reported 90 per cent of Cabinet in favour of ratification.\textsuperscript{40}

The government’s U-turn on the ICERD and the Rome Statute was revealing. First, it highlighted the chasm between the aspirations of Pakatan Harapan — and those who voted it into government — and a reticent but influential minority intent on preserving the status quo. Second, it underscored the constraints imposed by domestic dynamics on foreign policy. As the Framework recalls, the agreement that brought together Pakatan Harapan as a political coalition is one that commits to the provisions of the Federal Constitution of Malaysia. This includes protecting the status of the Malays and \textit{Bumiputeras} (literally, “sons of the soil”, referring to the indigenous population of Malaysia) as well as the interests of other races.\textsuperscript{41} As the Framework makes clear, the agreement also binds Pakatan Harapan to preserve the role and responsibility of the constitutional monarchy. While constitutional obligations bind any political entity seeking to govern, this balance between the interests of the dominant ethnic Malays and those of other groups often translates into a complex contestation of wills. In this particular case, it rather embarrassingly forced the government to backtrack on its pledge to ratify international human rights instruments. Third, it exposed the naivété of the government in seeking change so quickly without fully appreciating the domestic forces of opposition.\textsuperscript{42} This was somewhat surprising given the political experience of both the prime minister and the foreign minister.

Notwithstanding domestic opposition on this issue, the Framework makes clear that the New Malaysia will strongly advocate “the issues of democracy, freedom, human rights and the rule of law.”\textsuperscript{43} The Pakatan Harapan government may be in a rush to fulfil the expectations of its
increasingly impatient voter base. It may also sincerely want to ‘do the right thing’. Yet, as well-intentioned and as aware as the government may be of the backlash against democratic reform, it is clear that it will still have to manage vested interests delicately, even in a seemingly benign area such as foreign policy.

DEMOCRATISING FOREIGN POLICYMAKING

A key shift in foreign policymaking under the Pakatan Harapan government has been the degree to which it has engaged with other parties through the Ministry of Foreign Affairs, and the urgency with which their participation has been sought. While there have been consultative efforts in the past to address some of the institutional challenges of foreign policymaking, Saifuddin Abdullah, Malaysia’s foreign minister under the Pakatan Harapan government, recommitted to greater engagement with others in the process within his first few months of taking office.

The Framework is an example of this new level of engagement, produced after six months of foreign ministry consultations with government and non-government entities. The ministry received inputs from a 15-member Consultative Council on Foreign Policy, comprising government and non-government experts in various fields. But it also cast a wider net to include feedback from stakeholders that have not always aligned with the government in the past. These included the Human Rights Commission of Malaysia, the Coalition of Malaysian Non-Government Organisations (COMANGO), the Association of Former Malaysian Ambassadors, as well as academics, young professionals, and university students. Of course, such consultative processes are not unique to the Pakatan Harapan government. However, they do appear to have become more institutionalised as part of the foreign and defence ministries’ policy review processes under this government.

Additionally, the Framework proposes the establishment of a Parliamentary Select Committee. The Framework argues that Parliament, as the “ultimate voice representing the people,” should have a group of members “well versed and interested in foreign policy matters” who can provide “valuable insights” to the ministry.

The Framework is expressed as being truly “people-centric” and devotes a section to increasing public and civil society participation in the formulation of foreign policy. This is, no doubt, intended to display the Pakatan Harapan government’s commitment to principles of democracy and good government. It also acknowledges two obvious but perhaps underestimated realities. First, the power of the voters who elected the Pakatan Harapan government. Second, that globalisation and technology have made everyone, from trader to tourist, a stakeholder in foreign policy. As the Framework recognises, “foreign affairs are no longer the exclusive domain of the appointed few.”
REALIGNING RELATIONS

Amid speculation as to where Malaysia stands in the current period of geostrategic competition, the Framework pointedly reiterates Malaysia’s non-aligned status. It states that Malaysia “will practise the non-aligned policy and approach” in its relations with the major powers, and cooperate with “all like-minded countries” to ensure countries are able to participate in global affairs on an “equal basis without pressure from any major power.”

As a matter of geography, Malaysia’s most important relationships lie with its closest neighbours. As a matter of demography, it makes sense for Malaysia to connect with other Muslim-majority countries and to leverage, where appropriate, its population’s ancestral ties to China and India. However, in the Asia-Pacific Malaysia is surrounded by much larger, more powerful states. In order to assert an independent foreign policy and preserve its own national interests, Malaysia is focused primarily on preserving and advancing its own interests in the global order. It is also strategically invested in multilateralism and the principles of international law. As such, the centrality of the Association of Southeast Asian Nations (ASEAN) and the integrity of the global rules-based order binding all equally are of utmost importance to Putrajaya.

LOOKING EAST AGAIN

Mahathir instituted the ‘Look East’ policy in the 1980s, early in his first tenure as prime minister. He was vexed by what he saw as sustained Western imperialism and inspired by the economic success of Japan and to a lesser extent, the newly industrialising economies of South Korea and Taiwan. They presented economic models for Malaysia’s own development not only because of their post-war transformations but also for the preservation of their cultural identities and “Asian values” in the process. At the time, the policy represented a paradigm shift from Malaysia’s traditional Western-orientation to one that modelled growth on its neighbours’ successes instead.

It was no surprise, then, that Mahathir’s first trip abroad after assuming office in 2018 was to Japan, given his long-standing affection for the country and its work ethos. It was an unofficial visit, in which Mahathir was honouring a pre-existing commitment to attend a conference, illustrating the esteem in which Mahathir holds Japan.

Under the Pakatan Harapan government, Malaysia’s Look East orientation has expanded to include China. This was inevitable, of course, given China’s remarkable rise and its increasing economic and geopolitical importance.

Before Malaysia’s general elections of May 2018, Mahathir had persistently criticised the Najib government about Chinese foreign direct investment. This led to some speculation that Malaysia would
dramatically alter its relationship with China if Mahathir were elected. This, however, was wishful thinking rather than sober analysis.

Mahathir’s position should be understood from an inside-out perspective. His opposition to Chinese direct investment (FDI) had less to do with Chinese strategic influence or China’s place in the world than it did with protecting Malaysia’s own interests, image, and integrity vis-à-vis any external power. This position is unchanged today. Mahathir likes to point out that China — unlike the Portuguese who colonised the Malay Peninsula within two years of arriving in 1509 — has never “conquered” Malaysia despite being its neighbour for nearly two thousand years. Notwithstanding his earlier invectives about the inequitable nature of the Malaysia-China relationship under the Najib government, Mahathir recently reconfirmed his full support for the Chinese-led Belt and Road Initiative, just as his predecessor had done.

These apparent paradoxes between rhetoric and reality underline several important points. First, Malaysian foreign policy complements its trade policy in ensuring open and friendly relations with as many countries as possible to maximise market access, investment, and technology transfer. Accordingly, the Pakatan Harapan government has opted to retain the Alibaba-led Digital Free Trade Zone in Malaysia, negotiated under the Najib administration to support Malaysian small and medium enterprise exports and attract regional e-commerce to the country.

Second, just as Mahathir looked past Japanese war-time transgressions in Malaya in setting the country’s Look East agenda, he has decoupled political commentary on Chinese security challenges from China’s economic appeal. In an interview shortly after his election win, he recalled a letter he had sent to Xi Jinping ‘long ago’ suggesting that the Silk Road be improved by leveraging technology and having ‘super-trains’ traverse China and Europe. In the same interview he emphasised the need for China to keep maritime routes open in its Belt and Road drive and avoid creating tensions by “having battleships and all that there.” This was classic Mahathir, supporting in the same breath the economic potential of the Belt and Road Initiative, while cautioning against intimidation, chokepoints, and conflict. Speaking at the Belt and Road Forum on International Cooperation in April 2019, he reiterated the importance of keeping these routes free, open, and safe — a subtle hint at the middle path that Malaysia treads in an era of growing strategic competition between China and the United States.

Third, while it is tempting to frame Malaysia’s relations with China within a construct of great power competition, Mahathir’s stance is first and foremost a defence of Malaysia’s own interests rather than an expression of fealty to one power over the other. The Pakatan Harapan government’s review, cancellation, and suspension of mega-projects in Malaysia involving Chinese investment have been characterised as examples of...
Malaysia avoiding Chinese debt-traps. However, official statements have clarified that the scrutiny of these infrastructure projects has been driven more by domestic exigencies than by any strategic distancing from China. This interpretation is underscored by the resumption of the East Coast Rail Link after the terms of the agreement were renegotiated to bring costs down and raise the local participation rate in the project’s civil works to 40 per cent. Further, the government has not reviewed, halted, or reversed course on other established BRI-linked infrastructure projects such as the Malaysia-China Kuantan Industrial Park and the Kuantan Port expansion on the east coast of peninsular Malaysia, the China Railway Rolling Stock Corp (CRRC) centre in the western state of Perak, and the Gemas-Johor Baru electrified double-tracking rail project in the southernmost state of Johor.

These decisions hark back to the earlier Mahathir era when investment relations with external partners had to be premised on equitable rather than exploitative terms. In a 1983 memorandum to senior government officials, Mahathir made clear that “Looking East … does not mean buying all goods from, or granting all contracts to, companies of the East, unless their offer is best.”

MAHATHIR VERSUS THE WEST, REVISITED?

Given Mahathir’s historical antipathy for the West and his “Asia first” outlook, there has naturally been some apprehension about whether Malaysia’s foreign policy under this new Mahathir-led government would reflect the same truculence.

Certainly, Mahathir retains a preference for all arrangements Asian. He has refloated a number of his Asian-centric ideas from previous decades — an East Asian Economic Caucus (EAEC) that would now also include Central Asia and India as well as a gold-pegged Asian currency as an alternative to the fluctuations of the US dollar.

His legendary defiance of the West also persists. Responding to Australia’s proposal in late 2018 to relocate its embassy from Tel Aviv to Jerusalem, Mahathir castigated Australia, claiming that its intervention in the Israeli-Palestinian conflict would inflame tensions and heighten the risk of terrorism. This prompted a sharp rebuke from Australian leaders for his history of anti-Semitic comments.

The broader Middle East has similarly been a long-standing point of contention between Malaysia and the United States. These differences were papered over during Barack Obama’s presidency, largely due to Washington’s own policy shifts on the Middle East at the time. Under current circumstances, however, the Middle East is likely to return as a sore point in Malaysia-US relations. In March 2019, the foreign ministry issued a strongly worded condemnation of the United States’ recognition of Israel’s sovereignty over the Golan Heights, calling it “hypocrisy at its
worst … invalidat[ing] the United States’ own argument on Crimea … [and] demonstrat[ing] the US’ total disregard for international law.”

Mahathir has also blamed the United States for ratcheting up tensions with Iran, warning that miscalculations could trigger a world war. He criticised the US sanctions strategy as “forcing other countries to comply with the big power’s decision [and] totally undemocratic…This is bullying.”

In an effort to avoid the policy fluxes that can flow from changes in political leadership, Malaysia and the United States had entered a Comprehensive Partnership in 2014. In 2017, the Partnership was enhanced between President Donald Trump and then-Prime Minister Najib Razak in celebration of the 60th anniversary of US-Malaysia ties. Under the Pakatan Harapan government, however, developments under this Partnership have been more in the manner of low-key maintenance rather than high-profile shifts.

There has been little indication so far of a meeting between Mahathir and President Donald Trump. During his first period in office, Mahathir showed scant enthusiasm for an early meeting with the US president. He has shown a similar lack of interest now, expressing doubts about Trump’s decision-making style and consistency.

Mahathir has also expressed caution about the immediate future of the Malaysia-US economic relationship, particularly with the US-China trade war heating up. Bilateral trade figures for Malaysia and the United States have been lacklustre for the past decade. Current US policy favours private sector investment, and it seems this will continue to carry the US–Malaysia economic relationship. The United States was the largest source of foreign investment into Malaysia last year, accounting for 20.0 per cent of Malaysia’s total foreign direct investment. Hong Kong came in a very close second at 19.6 per cent. The US Treasury’s recent decision to place Malaysia on its “Monitoring List” of potential currency manipulators invited a measured response from the Central Bank of Malaysia which explained that its current account surplus was the result of a diversified Malaysian economy rather than any currency manipulation.
More positively, the bilateral defence relationship with America looks set to endure under the Pakatan Harapan government. Malaysia–US defence relations, solidified through the Bilateral Training and Consultation Group agreement in 1984, have remained stable despite political caprices. These long-standing, if unassuming, ties were described as a “well-kept secret” by former defence minister Najib Razak and are evident to this day through practical cooperation, joint training and exercises, and capacity-building initiatives. Under the United States’ Maritime Security Initiative, for example, the Royal Malaysian Navy is expected to receive a total of 12 ScanEagle Unmanned Aerial Vehicles (UAVs) from the United States in order to boost Malaysia’s maritime domain awareness in and around its territorial seas. The interests of the United States and Malaysia may not precisely overlap in this regard, with the United States’ focus on strategic competition being at odds with Malaysia’s refusal to take sides. However, it is evidence of the maturity of defence ties between both countries that their interests align well enough for practical purposes. Both parties share the goal of ensuring safe, secure, and open sea lanes.

RETURNING TO THE ‘MIDDLE’ IN THE MIDDLE EAST

One of the starkest policy retreats by the Pakatan Harapan government was the decision to recall Malaysian military personnel stationed in Saudi Arabia since 2015. The troops had been deployed ostensibly for military exercises in the Persian Gulf and to evacuate Malaysians caught in the Yemen conflict. Allegations of Saudi involvement in the 1Malaysia Development Berhad (1MDB) corruption scandal surfaced at around the time of the Saudi bombing campaign of Yemen, prompting intense debate in Malaysia about the need for Malaysian troops in Saudi Arabia. Both the foreign affairs and defence ministries had advised against their deployment, and the issue had never been raised in Cabinet for information or approval. The Pakatan Harapan government made assurances there would be no repeat of such deployment in the future, and in late 2018, promised a special parliamentary committee investigation of the issue.

Comments by the Malaysian minister of defence, however, suggest that the scandal is unlikely to taint Malaysia’s relations as a whole with Saudi Arabia. The bilateral relationship is an important one for Malaysia, given its dependence on the Saudi haj quota for Malaysia’s majority Muslim population. Yet the Pakatan Harapan government knew that it was a domestic political necessity to signal a course correction in relations with Riyadh for a number of reasons: to move past the alleged Saudi links to 1MDB; to steer clear of involvement in conflict or controversy abroad; and to avoid being embroiled in a geopolitical contest between the Gulf states and Iran. In April 2019, Malaysia’s defence minister travelled to Iran on an official visit to meet with his counterpart. Whether this was a calculated show of Malaysia’s independent policy is questionable; however, the net effect is that the country’s approach to the Middle East seems back to

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MULTILATERALISM

Many, if not all of Malaysia’s external relations are anchored by some form of multilateral framework. Malaysia’s international activism within the UN system has already been touched on above. Within the Asia-Pacific or Indo-Pacific region, however, ASEAN forms the cornerstone of Malaysia’s foreign policy. The grouping forms the basis for all other networks of relations with its dialogue partners. These include the economically-driven ASEAN Plus Three institution with China, Japan, and South Korea; the 27-member ASEAN Regional Forum (ARF) (the only regional platform that engages North Korea); and the strategically-focused East Asia Summit, which brings all the Asian nations together with Australia, New Zealand, India, Russia, and the United States.

The importance of ASEAN and its collective voice has been a constant theme for Malaysia since the formation of the grouping in 1967. The Framework makes clear that this will not change under the present government or indeed, anytime soon. It sees ASEAN as providing “important platforms to address security issues”. However, for Malaysia, the grouping’s promise is brightest in its economic potential. The Pakatan Harapan government will continue prioritising ASEAN economic integration to ensure Malaysia and the region reach their full potential.

Malaysia’s multilateral relationships

Source: Foreign Policy Framework of the New Malaysia: Change in Continuity, June 2019
The Framework also revives discussion of a few multilateral frameworks and issues from the previous Mahathir years: South–South cooperation, reform of international governance architectures, and the Organisation of Islamic Cooperation in the context of the travails of the Muslim world. The Framework’s references to the concept of “Maqasid Syaria’ah” (higher objectives of the Syariah) and Malaysia’s aspiration to position itself as “an exemplary Islamic country, which is inclusive, developed and progressive” are a direct appeal and reassurance to the country’s majority-Muslim population. They also respond to domestic criticism and conspiracy theories about the Pakatan Harapan government being overrun by ethnic Chinese Christian politicians seeking to change the country’s identity and outlook.

MANAGING INSECURITY, DEFENDING BORDERS

In articulating its ‘New Malaysia’ foreign and security policy, the Mahathir government pledged a renewed commitment to protect Malaysia’s land and maritime borders. The country’s security and defence priorities address a mixture of issues: recurrent flashpoints such as terrorism; unresolved territorial disputes; and rapidly evolving threats in cyberspace that defy traditional conceptions of borders.

Terrorism remains a concern, of course, for the Pakatan Harapan government — but no more so than it did for previous governments. Since 2001, the Royal Malaysia Police has arrested nearly 1000 Malaysians and foreign citizens in Malaysia for terrorism-related activities. Most of these arrests have been related to support for Jemaah Islamiah, Daesh and Al-Qaeda but as it has for decades past, the police continues to monitor extremists associated with all terrorist groups. However, the evolution of networks evident in the siege of Marawi, and of tactics such as suicide attacks, present a disturbing outlook for the region. The fall of Daesh’s self-proclaimed caliphate and loss of geographical territory in Iraq and Syria have fragmented the group’s support base across the world. Malaysia, along with many other countries, now has to contend with returning fighters, supporters, and sympathisers who pose varying degrees of threat to the nation.

While these are to some extent domestic issues, the Framework notes that Malaysia will play an active international role in countering violent extremism and militancy in the region and beyond, given the transnational nature of these crimes. Within the ASEAN context, Malaysia will rely on established institutions like the ASEAN Institute for Peace and Reconciliation (ASEAN-IPR) and it will promote the role of the Southeast Asia Regional Center for Counter-Terrorism (SEARCCT) as an ASEAN project.
There are, however, evolving challenges of a different nature involving powerful players in Malaysia’s immediate backyard. As the Framework acknowledges, the South China Sea territorial dispute is a major security test for Malaysia. The Framework outlines the prime minister’s proposal for “the non-militarisation of the South China Sea”, acknowledging that a resort to the use of force would have dire consequences, particularly for the smaller ASEAN claimants.\textsuperscript{101} This aligns with the ASEAN notion of a Zone of Peace, Freedom and Neutrality (ZOPFAN), as well as repeated proclamations by South China Sea disputants to adhere to the Declaration on the Code of Conduct pending a completed Code of Conduct. However, Malaysia’s calls for a stay on warships entering the South China Sea are unlikely to be met, given realities on the water. The South China Sea and its surrounds have changed irrevocably since Mahathir first instructed the Royal Malaysian Navy to occupy certain features at sea, including Layang-Layang island in the Spratlys, in the 1980s. Malaysia’s options, in light of the size and scale of the occupation and build-up in the South China Sea, are now much more limited. Recognising these challenges, the Royal Malaysian Air Force plans to upgrade its aircraft fleet with full-spectrum maritime patrol capabilities, complemented by UAVs, in order to better patrol Malaysia’s maritime zones in and around the South China Sea.\textsuperscript{102}

This enhanced focus on defence force capability and posture reflects a better quality of government deliberation and parliamentary debate on security issues such as the South China Sea dispute. With an opposition now populated by experienced members, many of whom served in the last government’s Cabinet, there is now agreement across the aisle for Malaysia’s security and defence forces to be better resourced, equipped and maintained. That said, Malaysia’s defence budget will likely remain modest over the next few years given the size of the country’s national debt. Despite an increasingly complex security environment, Malaysia’s defence modernisation plans remain largely dormant and its security strategy underdeveloped. Faced with resource constraints, entrenched domestic attitudes, global economic uncertainty, deepening geopolitical complexity, as well as rapidly evolving technological challenges, Malaysia will need to find creative approaches.

The Ministry of Defence is currently reviewing the national defence policy in light of the evolving threat landscape and the government’s New Malaysia platform. A defence white paper and capacity-building plan for the Malaysian Armed Forces are also on the agenda.\textsuperscript{103} It will be Malaysia’s first ever defence white paper and will draw input from expert stakeholders from outside the establishment, in line with the more engaging and democratic bent of the Pakatan Harapan government in policy formulation.\textsuperscript{104} The government hopes that its new openness will achieve two ends: first, to convey the importance of ‘total defence’, a concept traced back to the first Mahathir administration engaging all Malaysians in the defence and security of the nation.
Military engagement will also be sustained with partners, old and new, throughout the region. These outside partnerships will be particularly important as more of the country’s security challenges straddle the kinetic and digital spaces. With its relatively advanced digital footprint in the region, Malaysia is vulnerable to threats emanating through cyberspace. Accordingly, the Framework makes a specific, though cursory, reference to cybersecurity as a priority issue. The unconventional challenges of cyberspace will test the orthodoxy of government monopoly on matters of national security. So far, however, the government’s openness to working with others is an encouraging sign that it will continue to do so in formulating a multi-stakeholder approach for security and stability in cyberspace. As the government looks to protect the nation’s critical infrastructure from crippling lines of code such as Wannacry and NotPetya, it will have to closely collaborate with industry and the private sector within the country and beyond.

Additionally, as Malaysia navigates the strategic competition playing out between China and the West in the race for 5G, it will also have to rely on foreign partners to provide the backbone of its digital leap to the much-touted Fourth Industrial Revolution that the Framework also mentions. Mahathir raised eyebrows by asserting that Malaysia would use Huawei technology as much as possible despite the risk of spying by a foreign power. The reality is that for many countries which lack the size and scale of indigenous technology such as that of Huawei, Nokia, or Ericsson, there are few alternatives to accepting the inevitable risk of espionage. Finally, as the interests and actions of state and non-state actors collide in cyberspace, Malaysia will have to demonstrate agility and leadership in order to contribute to the norms and rules-based structure of a dynamic ecosystem.

These are weighty expectations for a small country with resource constraints. As the Framework admits, “the effective conduct of diplomacy remains the differentiating factor that distinguishes successful countries from mediocre ones.” The document dedicates a whole chapter to empowering the foreign ministry, its agencies, and its personnel. Another chapter addresses inter-agency collaboration to consolidate the government’s efforts. These are clear-eyed approaches for optimising existing competencies at minimal cost. While a Framework is not the appropriate platform for a detailed discussion of the resources needed to operationalise these ideas, the results of such an exercise be interesting to observe.

Finally, the Framework benchmarks foreign policy success against the three determinants of national interest it sets out: security, economic wellbeing, and identity. Success in terms of security will be demonstrated when the country’s territorial integrity is protected, and the country remains peaceful and not at war with any other country. Economic success will be measured through growth in exports, foreign direct investment (FDI), and other relevant indicators. Success in the protection
and promotion of identity will be gauged through media coverage of the country, representation at international organisations, as well as credible international rankings. The vagaries of foreign relations and mutable notions of prestige or notoriety mean that these measures are imperfect. Yet, as relative rather than absolute indicators, they should provide a qualitative and quantitative sense of Malaysia’s performance in the international arena.

CONCLUSION

The Pakatan Harapan government has achieved much in its short time in office. Yet it faces operational and structural challenges that will be hard to overcome in the immediate term. At the operational level, the foreign ministry will have to meet its goal of empowering its organisation through creative means and despite limited resources. Structurally, there have been many points of flexion and resistance in the Malaysian domestic landscape that have compelled the government to reassess, recalibrate, or roll back the changes it pledged to institute. The government is also still coalescing as a team of individuals setting aside ideological differences for the greater goal of political change.

The democratisation of the policymaking process, efforts at greater transparency, and leadership in the area of human rights at the global level are all welcome moves under the Pakatan Harapan government. However, these will have only limited international impact if unaccompanied by domestic reform.

It is premature to predict the impact of the Pakatan Harapan’s government on Malaysia’s foreign and security policy. However, while domestic and external constraints may compel some recalibration of Malaysia’s strategy, the evidence suggests that these course-corrects will not stray far from the approach of previous administrations. What is certain is that the country’s foreign policy will continue to draw on a combination of pragmatism, flexibility, and strategic acumen. This will be one constant in a world of disruption.
NOTES


6 Indonesia was the first country in Southeast Asia to establish formal relations with China in 1950. Ties were suspended in 1967 and reinstated in 1990.

7 During the question and answer session of his keynote address at the Shangri-La Dialogue in 2011, then prime minister Najib Razak recounted how his father’s decision to establish diplomatic relations with China in 1974 was still remembered and appreciated in modern-day China; According to Najib, Chinese former premier Wen Jiabao had extended a special invitation to Najib’s mother at a private dinner for Wen during a visit to Kuala Lumpur, “because [Najib’s] late father was the man responsible for establishing diplomatic relations with China.”


8 Scholars such as Johan Saravanamuttu have used the term “equidistance”; the alternative term “equiproximity” is sometimes preferred given the difference in connotations. See, e.g., Johan Saravanamuttu, Malaysia’s Foreign Policy: The First Fifty Years (Singapore: ISEAS Publishing), 2010.


FOREIGN AND SECURITY POLICY IN THE NEW MALAYSIA


13 Mahathir, “Keeping Asia Open”.

14 Foreign Policy Framework of the New Malaysia, 15.


21 Foreign Policy Framework of the New Malaysia, 24.

22 See, e.g., Abdullah Ahmad, Dr. Mahathir’s Selected Letters to World Leaders (Singapore: Marshall Cavendish, 2015).

23 Foreign Policy Framework of the New Malaysia, 25.


31 Waves of Rohingya refugees have been smuggled into Malaysia under highly dangerous conditions, including several strandings on shore after being released at sea by smugglers, despite a government crackdown on smugglers in 2015, “Dozens of Rohingya Muslims found on Malaysian beach, officials say”, Reuters, 1 March 2019, https://www.reuters.com/article/us-myanmar-rohingya-malaysia/dozens-of-rohingya-muslims-found-on-malaysian-beach-officials-say-idUSKCN1Q4S3. The United Nations High Commission for Refugees (UNHCR) estimates that as of 31 May 2019, 93 138 or 53.6 per cent of Malaysia’s 173,731 registered refugees and asylum seekers are Rohingya: Wan Azizah Wan Ismail, Hansard, Parliament of Malaysia, D.R.01.07.2019, 1 July 2019, 10-11. Many refugees have lived in Malaysia for numerous years, with some spanning three generations.

32 In Malaysia’s first Rohingya-related terrorism incident in May 2019, police arrested four suspects, two of which were Rohingya and one a UNHCR registered refugee who claimed membership of Arakan Rohingya Salvation Army (ARSA). They had planned attacks on Hindu, Buddhist, and Christian houses of worship as well as high-profile personalities. See, e.g., Ali Nufael and Hadi Azmi, “Etnik Rohingya Antara Empat Suspek Pengganas Ditahan Malaysia”, BeritaBenar, 13 May 2019, https://www.benarnews.org/malay/berita/my-hamid-terrorist-190513-05132019174013.html. Two years earlier, then-Minister of Home Affairs Shahidan Ahmad Kassim had reported that there were no terrorist-related cases traced to Rohingyas in Malaysia. C. Sheila Rani, “Taida kes keganasan dikesan terhadap Rohingya di Malaysia”, Utusan Malaysia, 13

39 Article 153 (1), Federal Constitution of Malaysia.
42 Comments by the foreign minister suggest inadequate preparation by the government for accession to the two treaties. As it presses to accede to other international human rights agreements, the government will have to balance between conservative and progressive forces in Malaysian politics and society or come down in favour of one or the other. See Zurairi AR, “Foreign Minister: Withdrawal of Rome Statute due to Risk of ‘Coup d’Etat’ triggered by ‘Deep State’”, 7 April 2019, https://www.malaymail.com/news/malaysia/2019/04/07/foreign-minister-withdrawal-of-rome-statute-due-to-risk-of-coup-detat-trigg/1740575.
43 Foreign Policy Framework of the New Malaysia, 19.
44 Foreign Policy Framework of the New Malaysia, 12.
45 This is mirrored by the Ministry of Defence in its outreach to academics and non-government stakeholders as it prepares to release the country’s first ever


47 Foreign Policy Framework of the New Malaysia, Annex 3.

48 The Ministry of International Trade and Industry, helmed by Mustapa Mohamed under the Barisan Nasional (National Front) government, embarked on a nation-wide consultation drive with numerous stakeholders, including antagonistic ones, during Malaysia’s negotiations of the Trans-Pacific Partnership agreement.

49 Foreign Policy Framework of the New Malaysia, 44; Saifuddin Abdullah, D.R.15.10.2018, 37.

50 Foreign Policy Framework of the New Malaysia, 43-46

51 Foreign Policy Framework of the New Malaysia, 14.

52 Foreign Policy Framework of the New Malaysia, 27.


54 In the 1990s, Mahathir, along with Singapore’s prime minister, Lee Kuan Yew, became a chief proponent of ‘Asian values’, which prioritise rights and interests of communities over those of individuals, and consensus over dissent, and were seen to sit uncomfortably with Western liberal values. See, e.g., T.N. Harper, “‘Asian values’ and Southeast Asian histories”, The Historical Journal 40, No. 2, (1997), 507-517.


56 “It is not about being anti-foreign or anti-Chinese. It is about being pro-Malaysia”, Mahathir Mohamad, “FDI from China.”


Zuraidah Ibrahim and Bhavan Jaipragas, “Mahathir Mohamad Q&A.”

Zuraidah Ibrahim and Bhavan Jaipragas, “Mahathir Mohamad Q&A.”


These include the East Coast Rail Link (ECRL) connecting the east and west coasts of peninsular Malaysia as well as a high-speed rail (HSR) link between Malaysia and Singapore. While the Pakatan Harapan government has cancelled a number of infrastructure projects involving Chinese corporations, others have been suspended or postponed pending further review or renegotiation. Replying to a question in Parliament, the Deputy Minister of Rural Development clarified that the government had decided to suspend the HSR for two years. Sivarasa Rasiah, Hansard, Parliament of Malaysia, DR.6.12.2018, 6-7.


The Malaysia-China Kuantan Industrial Park is twinned with the China-Malaysia Qingzhou Industrial Park, both of which are bilateral government initiatives to increase trade, manufacturing, and investment. Exports are facilitated by the Kuantan and Qingzhou ports located within the two parks.

The rolling stock centre, established in 2015, is the first and only train manufacturing centre in the ASEAN region. The Malaysian transport minister has expressed hopes that technology transfer will filter through to the 85 per cent of workers there who are local. See, e.g., John Bunyan, “With China’s help, Malaysia can build trains too, says Loke”, The Malay Mail, 3 January 2019, https://www.malaymail.com/news/malaysia/2019/01/03/with-chinas-help-malaysia-can-build-trains-too-says-loke/1708725.

The Gemas-Johor Bahru project was awarded to a Chinese consortium comprising China Railway Construction Corp, China Railway Engineering Corp
and China Communication Construction Consortium. The major sub-contractor for the project is a local joint venture consortium.

69 Saravanamuttu, *Malaysia’s Foreign Policy*, 188.

70 Mahathir’s “Buy British Last” boycott from 1981 to 1983 just six months after he first took office was a response to what he saw as a long line of British policies that prejudiced Malaysia. Relations with the United States and Australia were also tenuous at times during Mahathir’s premiership, sparked by differences over issues such as Iraq and Afghanistan but also over what Mahathir saw as the West’s patronising, bullying attitudes. Mahathir’s leadership style and Malaysia’s domestic developments, particularly over the treatment of Deputy Prime Minister Anwar Ibrahim from the late 1990s, exacerbated tensions.

71 In 1997, Mahathir unsuccessfully proposed the establishment of an East Asia Economic Grouping, later referred to as an East Asia Economic Caucus (EAEC), a regional arrangement comprising the 10 ASEAN member states along with China, Japan, and South Korea, intended to balance against the European Union and North Atlantic Free Trade Agreement (NAFTA) in international negotiations on trade and financial regimes. Regional responses to the proposal were lukewarm, with stronger objections from the United States. Last year, Mahathir proposed that Malaysia revive the EAEC rather than joining the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP or TPP-11), on which he was never keen: “Limit E Asian Community to ASEAN, Japan, China, S Korea”, Dialogue session with Mahathir Mohamad at the International Conference on the Future of Asia, Japan, 6 May 2006, http://www.nikkei-events.jp/future-of-asia/2006/mohamad.html; “We’d rather have EAEC than TPPA”, *The Star*, 12 June 2018, https://www.thestar.com.my/news/nation/2018/06/12/pm-wed-rather-have-eaec-than-tppa/.

72 Mahathir raised the same idea in the late 1990s as a bulwark against currency speculation and manipulation in the aftermath of the Asian financial crisis: “Malaysia’s Mahathir proposes common East Asia currency pegged to gold”, *Reuters*, 29 May 2019, https://www.reuters.com/article/us-malaysia-currency/malaysias-mahathir-proposes-common-east-asia-currency-pegged-to-gold-idUSKCN1T00FX.


Wain, Malaysian Maverick, 242.


The Framework sketches 14 Malaysia’s multilateral memberships spanning the globe.

Ministry of Foreign Affairs Malaysia, “Malaysia’s Foreign Policy”, par. 3; Foreign Policy Framework of the New Malaysia, 19.

Foreign Policy Framework of the New Malaysia, 22-23.

Foreign Policy Framework of the New Malaysia, 27; Saifuddin Abdullah, “New Malaysia’s Foreign Policy.”


Saifuddin Abdullah, D.R.15.10.2018, 34.


SEARCCCT was established shortly after the terrorist attacks of September 11, 2001 and placed under the purview of the foreign ministry because of partner nation support for the Center in many forms. Although envisioned as a regional initiative, recasting it as an ASEAN project will be somewhat novel.


This would accord with the foreign ministry’s goal of being proactive in international discussions to influence outcomes.

Foreign Policy Framework of the New Malaysia, 21.

Foreign Policy Framework of the New Malaysia, 21 – 22.

Foreign Policy Framework of the New Malaysia, 30.

Foreign Policy Framework of the New Malaysia, 49.
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