

➤ Malaysia in the New Geopolitics of Southeast Asia

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Despite being one of the smaller states in Southeast Asia, Malaysia has been able to punch above its weight in foreign policy, and particularly vis-à-vis the major powers in the region. Ever since its foreign policy shifted radically from a pro-Western to a non-aligned orientation in the early 1970s, Malaysia has been at the forefront of policy innovation in the face of the region's ever changing geopolitics. Some of these ideas have rubbed off on its neighbouring states - sometimes positively, sometimes negatively. Malaysia was arguably ahead of the curve as the first Southeast Asian state to recognise the People's Republic of China in 1974. This recognition came on the heels of Malaysia's call for the "neutralisation of Southeast Asia" and its initiative for a Zone of Peace, Freedom and Neutrality (ZOPFAN), formalised in the 1971 Kuala Lumpur Declaration. Malaysia's first Foreign Minister Tun Ismail Abdul Rahman, was among the earliest proponents the idea. He was also credited with suggesting the neutralisation scheme. The broad policy of ZOPFAN was adopted by the Association of Southeast Asian Nations (ASEAN), of which Malaysia was a founding member, in 1967. Another Malaysian initiative was that of 'non-aggression' pacts in the face of the relentless spate of conflicts and wars in Southeast Asia throughout the 1950s and 1960s.

In terms of addressing inter-state and regional political issues, the formation of ASEAN was a most welcome development for Malaysia. Not only did it confirm the end of the Indonesian "Confrontation" from 1963-1965, but it also provided Malaysia with a major regional platform to initiate policies for regional order and stability. The Malaysian government would certainly like to take some of the credit, along with Indonesia, for the implementation of the seminal Bali accords and the inking of the Treaty of Amity and Cooperation (TAC) in 1976 by the then six ASEAN states (Indonesia, Malaysia, Philippines, Thailand, Singapore and Brunei). Malaysia's approach to geopolitics in the Southeast Asian region since the 1970s has remained a two-level approach of seeking to reduce or eliminate inter-state conflicts, whilst instituting minimalist engagement with major powers active in the region. Malaysia's policy of non-alignment and its promotion of ZOPFAN has meant that it would rather not have major powers like the US, China and Russia (in the past, the Soviet Union) having a significant political or military presence in the region, and certainly no military alliances involving regional states. This is somewhat different from Singapore's approach, which is to see the major powers' presence as a force for stability and developing into some kind 'balance of power' in the region.

Recently, however, Malaysia has not been averse to having military exercises with the US, participating for the first time in the Cobra Gold and RIMPAC exercises in 2010. Hosted by the United States, these exercises are the largest multilateral military exercises in the Asia Pacific region and include US allies and partners such as the UK, France, Australia, Canada, Japan, the Netherlands, Colombia, Chile, Peru, Thailand, South Korea and Singapore. They are significant as measures to resolve some of the issues of interoperability between the military establishments of the partnering states. China, unlike the US, has fared poorly in conducting military exercise with Southeast Asian states. Malaysia, together with

Singapore, also has had an ongoing annual military engagement with Commonwealth states, under the Five Power Defence Arrangements (FPDA), but while this is a legacy of history, it continues to serve as an important confidence building measure for military cooperation between these two states and their Commonwealth allies.

With regard to denuclearisation, Malaysia has promoted and fully backed ASEAN's Nuclear Weapon-Free Free Zone (SEANWFZ) since its implementation in 1995. The treaty calls for the signing of protocols by the major nuclear powers – US, UK, China, Russia, France – but has stalled because the United States has demurred from participating until 2009. In 2011 Indonesia in its role as ASEAN chair indicated that it made a technical breakthrough in negotiations. All the major powers are now signatories to the less exacting protocols of the TAC.

ASEAN CENTRALITY IN MALAYSIAN FOREIGN POLICY

Following the Vietnam War, there was a steady decline of US interest in the region. However, throughout the post-Cold War years and until today, ASEAN provided the basis for both inter-state stability and relations with major powers. It may be for this reason that for a time the US did not deem it necessary to provide too much of a guiding hand in Southeast Asian affairs. Despite its acknowledged weaknesses – such as its cumbersome consensual decision-making procedure and its reluctance to take positions and intervene on internal conflicts – ASEAN has remained central to Malaysian foreign policy.

This has been the case even in the most activist years of Malaysian foreign policy, under the tenure of Prime Minister Mahathir Mohamad. Mahathir's strident anti-Western stance and his Look East policy did not by any means derail the centrality of ASEAN as the main instrument of Malaysia's regional political relationships. Nonetheless, it was evident that Mahathir's Look East policy had favoured East Asian states leading to the exclusion of the Oceania states of Australia and New Zealand in the proposal for an East Asian Economic Grouping (EAEG) later to be turned into the East

Asian Economic Caucus (EAEC) within the Asia Pacific Economic Cooperation (APEC) formation. EAEC was abandoned after the establishment of ASEAN-Plus-Three in 1997, and later, the East Asian Summit (EAS) formed in 2005 included Australia and New Zealand.

As a moderate Muslim-majority state, Malaysia certainly places some importance in the Organisation of the Islamic Conference (OIC) but only as a complement to ASEAN. In the post-9/11 political climate, Malaysia advanced the moderate face of Islam during the short-lived tenure of Ahmad Abdullah Badawi, Malaysia's fifth Prime Minister and, with the encouragement of the US and ASEAN, Malaysia established the Southeast Asian Regional Centre for Counter-Terrorism (SEARCCT) in July 2003. More recently, under Prime Minister Najib Razak, Malaysia has been promoting the Global Movement of Moderates (GMM), with explicit US support. An international conference was hosted by Malaysia in January 2012 in Kuala Lumpur, which saw inclusion of 500 participants and speakers extolling the ethos and philosophy of moderation in dealing with global problems.

What, then, are the purported changing dynamics of the geopolitics in the region, particularly as we enter the second decade of the 2000s, and how have they affected Malaysia's foreign policy? Most observers have stressed that the economic rise of China and its concomitant ascendancy as a global and regional power as the crux of the geopolitical changes in Southeast Asia. A second factor has been the United States' supposed loss of interest in the region, with allies concerned about the reduction in US defence spending while the Pentagon's budget is expected to shrink by USD487 billion in the next decade. However, the Obama Administration has made it clear that Southeast Asia, and particularly the Asia Pacific region, remains a major priority for the US. A particularly important gesture was his administration's assurance of a US "return" to Asia and its new role as a "pivot" in the region. This was backed up by the announcement of the rotational stationing of 2,500 US troops in Darwin, Australia, with the first 200 marines having arrived on 4 April 2012. Malaysia, like its ASEAN partners, has been positive about a US re-engagement in Asia, whilst being careful to balance

this with an equally cordial relationship with China (detailed below). US engagement with Southeast Asia has been steadily be ratcheted up until the actual first appearance of a US president at an ASEAN Summit on 18 November 2011 in Bali, Indonesia, a development that has been welcome by all ASEAN states.

Malaysia has made various overtures to both China and the US over the past few years in an apparent attempt to address the changing geopolitics. Soon after assuming the reins of government in April 2009, Prime Minister Najib Abdul Razak visited Beijing to celebrate 35 years of diplomatic relations, a period begun by Najib's father Tun Abdul Razak. Chinese President Hu Jintao returned the favour by visiting Malaysia in June that same year. Malaysia is China's largest trading partner in Southeast Asian, with bilateral trade in recent years surpassing \$50 billion. This fact was underlined by Chinese Premier Wen Jiabao when he visited Malaysia and Indonesia in April 2011. The Chinese leader signed a number of agreements worth \$ 1billion, including contracts between China's Huanan Engineers and Malaysia's Janakuasa for a coal-fired plant, an agreement between China's ZTE Corporation and Malaysia's DiGi to supply telecommunications infrastructure, and a Memorandum of Understanding between the state government and Beijing's Urban Construction Group Company to build 6.5km tunnel between Penang Island and the mainland.

Whilst enhancing relations with China, the Malaysian premier did not leave relations with the United States unattended. There was a much publicised telephone conversation with President Obama on 26 June 2009. As disclosed by official sources, the two leaders discussed bilateral and global issues of mutual concern, particularly those pertaining to North Korea, Afghanistan and Iran. The newly anointed Malaysian Prime Minister was keen to demonstrate to a domestic as well as a regional audience his constructive engagement with the Obama administration. Most importantly, Najib Razak and Indonesian President Susilo Bambang Yudhoyono attended the 47-nation Nuclear Summit held in April 2010 to institute better safeguards in the non-use and use of nuclear materials.

While the Obama-initiated event did not achieve much that was concrete, it seemed fitting that the Summit saw the participation of the two Southeast East Asian states noted for their strong anti-nuclear stances.

Malaysia's foreign policy has been in tight synchrony with ASEAN's approach to regional politics over the years and in the changing geopolitics of the region in the 2000s, this has remained so. In engaging with the major powers in the political and economic realms, Malaysia has deemed it fit to act through ASEAN instrumentalities or forums such as the ASEAN Regional Forum (ARF), the ASEAN-Plus-Three, East Asia Summit (EAS) and more recently, the ASEAN Defence Ministerial Meeting Plus (ADMM Plus). These forums have allowed Malaysia and its ASEAN partners to enhance confidence building on security issues and build upon East Asian solidarity and economic cooperation. The 27-member ARF allows for the maximum play and airing of regional security issues while the ASEAN +3 and EAS are more focused on East Asian economic collaboration. ASEAN has touted the establishment in 2010 of the ADMM- Plus, which includes all its Dialogue Partners, as a move of effective regional cooperation for disaster relief, counter-terrorism, maritime security, peacekeeping, and military medicine.

GEOPOLITICS OF THE SOUTH CHINA SEA

Some of the most difficult issues in the region concern developments with respect to the South China Sea (SCS). Two sets of players are involved in these dynamics: the claimants to its territories, islands and features; and the outside powers and states that have an interest in maintaining sea lines of communications and freedom of navigation.

Malaysia is a major claimant in the SCS, along with China, Vietnam, the Philippines, Brunei and Taiwan. ASEAN as a group has attempted to engage with China through the 2002 Declaration on the Conduct of Parties in the South China Sea (DOC), which underscores universally recognised norms of international law based on the 1982 United Nations Convention on the Law of the Sea (UNCLOS). Not much progress has been made in resolving issues between the ASEAN

nations and China despite the setting up of a Joint Working Group that has held several meetings to date. The matter is further compounded by the vagueness of China's claims and the US insistence, although not as a claimant, to freedom of navigation in the South China Sea, on which China has remained silent. The annual value of US trade passing through the SCS is said to exceed \$1trillion and political analysts suggest that the US is increasingly concerned about China's recent assertiveness in the region. China's interest in the SCS is to be expected, given that it is, after all, *the* major littoral state to these waters. China's extravagant claims are based on its controversial U-shaped map drawn in 1947 extending to territories claimed by Malaysia and Brunei at its southern-most end. But what is particularly worrisome is the character of its claims, which remain rather vague, given that the nine dashed lines of its map at the southern extremity has never been explained in the lexicon of international law.

For its part, Malaysia has occupied a number of reefs and atolls, and stakes its claims based on its 1979 map, which extends its continental shelf along the Sabah and Sarawak coast into the Spratlys and Kalayaan area. To date, Malaysia has occupied eight features. In June 1983, Malaysia occupied Swallow Reef (Terumbu Layang Layang), which was subsequently turned into a tourist resort for bird watching and diving, complete with an airstrip. The Royal Malaysian Navy protects the islands with its vessels, anti aircraft guns and other military facilities. The Malaysian posture has drawn protest not just from the Philippines but also from Beijing and Hanoi. On occupying Swallow Reef, Malaysia deployed three F-5 fighters to Labuan to provide military backing to its claims. In 2004 Malaysia completed the Teluk Sepanggar naval base, which will house its two Scorpene-class submarines, the first of which, the KD Tunku Abdul Rahman docked into port in September 2009 while the second, KD Tun Razak arrived in July 2010.

Figure 1: China's U-Shaped Claims in the South China Sea



Malaysia's territorial claims in adjoining seas have resulted in serious encounters and minor military clashes with its neighbours. In recent years, since 2005, there have been naval clashes with Indonesia over overlapping claims in the "Ambalat" area of the Celebes Sea claimed by both countries. Malaysia has maintained consistent cooperation with Brunei, with a major agreement signed in 2009, while its most acrimonious relations in the past have been with the Philippines, which still has not formally withdrawn its claim to the Malaysian state of Sabah. The signing in 2006 of an agreement between PETRONAS, Malaysia's national oil and gas corporation, with China's Shanghai LNG company has interesting implications for Malaysia-China SCS relations and suggests that cooperation rather than confrontation could be the order of the day for the two claimants. To date, China has not entered into any joint development with Southeast Asian states in the South China Sea.

More recently, on May 6th, 2009, Malaysia-Vietnamese cooperation has taken the form of a submission to the Commission on the Limits of the Continental Shelf (UNCLOS) notifying the two countries' extended continental shelf claims in the SCS. The area covered was within the 200 nautical mile limit of the two countries and included part of the Spratly Islands and its adjacent waters. Malaysian Prime Minister Najib Razak said both countries had "more or less" sorted out the portions each country owned.

The very next day, on May 7th, China filed a note with the UN Secretary-General objecting that the area claimed was under Chinese sovereignty. Malaysia responded with a note asserting its legal right to claim the area and stating that it recognised the overlapping claims by various countries over the same territory. During his state visit to China in June, Razak intimated that China and Malaysia had reached an understanding and agreed to continue negotiations over all territorial disputes.

It is obvious, however, that the Malaysia-Vietnam joint submission would be problematic simply because of the multiple claimants to the SCS entities and, in particular, China's expansive U-shaped claim. The Philippines may have recently clarified matters for themselves by resorting strictly to an islands regime approach. However, the overall problem of multiple claimants also explains why the Joint Development Areas (JDAs) have been slow to take shape. Malaysia now has one major JDA with Brunei, which was agreed in 2009. According to Wisma Putra, Malaysia's Ministry of Foreign Affairs, the talks leading to the signing of the agreement represented the culmination of 20 years of tough negotiations. The two sides agreed to 'unsuspendable rights of maritime access', which guaranteed the right of movement by Malaysian vessels through Brunei territorial waters, provided Brunei's laws and regulations are observed. The Malaysian statement maintained that the settlement was premised on

Figure 2: Malaysia-Brunei Commercial Arrangement Area



UNCLOS principles, but it would appear that Malaysia has given up sovereignty claims to the Brunei Blocks of J and K in return for the establishment of a 40-year joint Commercial Arrangement Area (CAA) for purpose the exploiting of oil and gas. This development seemingly represents a new modality in the practice of JDAs. In the past, JDAs remained as disputed territories, with parties involved not agreeing to any finality of sovereign claims. In effect, Malaysia and Brunei may have taken the level of cooperation on disputed territories in the SCS to a new level but there remain elements of the bargain to which the public is not privy.

CONCLUSION

Every era creates new parameters for political actors in international relations. Malaysia, as a small state, sometimes aspiring to be a 'middle power', has been able to adapt its foreign orientations and policies over the years. In the mid 1970s, its leaders devised policies consistent with a non-alignment posture. Yet with the formation of ASEAN and its growing influence, Malaysia was able to fashion relationships, together with other regional states, to bring about a high level of peace and stability in Southeast Asia whilst maintaining stable relations with outside powers.

ASEAN and its various instrumentalities are likely to remain as the basis on which Malaysia seeks to address the new dynamics of relationships in the region, and in particular the role of the US in the face of a more political assertive China. Under the Obama Administration, the US has returned with a new sense of mission to balance China's enhanced influence and presence in the region. Moreover, the changing politics of Southeast Asia itself, such as the political developments in Myanmar and the problems arising from the South China Sea, have conspired to re-engage the US in Southeast Asia.

The challenge for states like Malaysia in the face the changing political economy of the region, is whether it will hitch its wagon to an emerging China-linked East Asian economic integration or the larger Trans-Pacific Partnership (TPP) led by the United States. Malaysia, while having just joined the TPP, is unlikely to abandon East Asian integration in the long run.

Malaysia has remained an active player in the region by continuing to act to enhance ASEAN's norms, policies and preferences in maintaining Southeast Asia as a zone somewhat autonomous of major power dominance, but with a measure of engagement. The idea of a Nuclear-Weapon Free Zone for Southeast Asia (SEANWFZ), has been something which Malaysia has always supported, and remains as one modality of maintaining an equidistant relationship with the major powers. In 2012 Malaysia hosted the inaugural conference of the US-inspired Global Movement for the Moderates in Kuala Lumpur, but such vague groupings are unlikely to replace the more time-tested ASEAN.

Malaysia, like most of its fellow ASEAN states, is certainly committed to the three pillars of regional community building, namely, a political-security community, an economic community and a socio-cultural community. However, most of these goals remain amorphous and will most certainly not be achieved in the short or medium term. While it could be argued that ASEAN has become a pluralistic security community, most observers do not believe that ASEAN could become a fully-fledged economic community by 2015. This said, ASEAN remains the bedrock for regional relationships and Southeast Asia's own 'pivot' for its relationships with outside actors and powers. ■