

Quest for Peace: A Game Theory Approach to Malaysia's Foreign Policy

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Introduction

Modern-day Malaysia, originally Malaya, took shape as a relatively small, militarily weak country with formidable ethnic cleavages and substantial underdevelopment. A succession of Malayan/Malaysian leaders have responded to these challenges with two main foreign policy platforms: alignment with the West from 1957-1970, and non-alignment and neutralism from about 1970 to the present. During the first period, a newly-independent Malaya relied on the former colonial power, the United Kingdom, to provide for its defense. From about 1970 on, however, the withdrawal of British and American forces from the region, coupled with the impact of the 1969 race riots, forced Malaysian leaders to craft new foreign policies of non-alignment and neutralism. Since 1970, Malaysian foreign policy has emphasized strong diplomatic and economic ties with many countries in the region and beyond, notably China.

The Historical Roots of Malaysia and its Foreign Policy, 1403-1957

Malaysia's historical roots lie with the Malacca Sultanate founded in the early 15th century in what is now Peninsular Malaysia. The foreign policy of the Malacca Sultanate was oriented toward its far larger neighbor Ming China from the very start (Kuik, 2013). From 1403-1433, the first three sultans established a productive vassal-suzerain relationship with China. Strategically located on the strait that bears its name, Malacca was of tremendous importance for trade between the Indian Ocean to the west and the South China Sea to the east. By entering into a friendly vassal relationship with China, Malacca sought to gain trade benefits and secure Chinese support against its regional rivals Siam (modern-day Thailand), and Java (now part of Indonesia) (Kuik, 2013).

During the period from the early 15th century to the early 16th, Malacca profited from its strategic location athwart the trade routes connecting China and India. However, this selfsame strategic advantage made it a tempting target for a new imperial power in the Indian Ocean in the early sixteenth century: Portugal. In 1511, the Portuguese captured Malacca, making it an important part of their budding Indian Ocean

dominions (Kuik, 2013). Malacca's strategic location with respect to major trade routes between India and China drove the Dutch to oust the Portuguese in 1641, and the British to oust the Dutch in 1795 (Kuik, 2013).

The period of British rule in particular profoundly affected the culture, institutions, and demographic composition of what would become Malaysia. Before the arrival of the British the two main groups were the Malays themselves and the marginalized Orang Asli, a disparate and heterogeneous category comprising various indigenous peoples of Borneo and the Malay Peninsula. Under British rule, Malaya specifically was subject to massive immigration from both China and British-ruled India during the 19th and 20th centuries. The British brought in Chinese workers to develop the tin mines and Indian workers as agricultural laborers in the plantations. By the time of independence, the Federation of Malaya had 2.3 million Chinese inhabitants, 700,000 Indian inhabitants, and 3.1 million Malay inhabitants (Dhillon, xyza).

The British managed these disparate colonial subjects with an ethnic separation policy, one that has left a lasting imprint on Malaysian society. Under British rule, the Malays generally remained in rural areas as subsistence peasants (Dhillon, xyza). The traditional Malay feudal aristocracy was coopted by the British into the civil service, from which the two main immigrant groups, the Chinese and the Indians, were excluded. The Indians generally remained in the plantations, which were kept quite separate from rural Malay peasant society, and the Chinese stayed near the mining areas, which grew into urban and commercial centers (Dhillon, xyza).

In League With the West: Malayan and Malaysian Foreign Policy 1957-1970

After more than four hundred years of European rule in the key city of Malacca, the Federation of Malaya, modern-day Peninsular Malaysia, gained independence from the United Kingdom in 1957 (Kuik, 2013). This long-lasting colonial legacy left a deep imprint on post-colonial Malaysia's foreign policy and strategic priorities. From the very start, Malaya adopted a pro-Western foreign policy, relying on the United Kingdom to provide for its military security. The two nations

signed the Anglo-Malayan Defense Agreement (AMDA) in 1957, promising mutual aid in the event of any armed attack against either Malaya or remaining British possessions in the Far East, i.e. Sarawak, North Borneo, Brunei, and Singapore (Saravanamuttu, 2010).

The AMDA underscored the dependence of Malaya on the United Kingdom. Upon independence the Malayan government did not possess so much as a complete army division, only several battalions of the Malay Royal Regiment (Saravanamuttu, 2010). Malaya had neither a proper army nor a proper navy. For Malaya, maintaining strong ties with Britain was an imperative if the country was to preserve its sovereignty and be able to pursue a path of economic development and prosperity. British support was particularly valuable against Malaya's own domestic communist insurgency, that of the Malayan Communist Party (MCP), which had been waging an armed struggle to gain control of Malaya since 1948 (Harun, 2015; Kuik, 2013; Saravanamuttu, 2010). The 1963 merger of Singapore, Sabah, and Sarawak with Malaya to form Malaysia brought the newly-expanded nation into conflict with Sukarno's Indonesia (Weiss, 2010). Denouncing the merger as an imperialist, neo-colonial plot, Sukarno deployed a policy of Konfrontasi, low-level, undeclared war and brinkmanship. Sukarno was backed by the Soviet Union, and maintained friendly ties with Beijing and Hanoi. Konfrontasi ended with Sukarno's ouster in 1966, and relations between the two countries have improved tremendously since (Weiss, 2010).

Cold War rivalries, then, defined early Malayan and (from 1963 on) Malaysian foreign policy. During this period Malaya/Malaysia was one of a number of states in Southeast Asia allied with the West against the advance of communism in the region. In 1958, Prime Minister Tunku Abdul Rahman made his first official overseas visit to South Vietnam, pledging solidarity with President Ngo Dinh Diem. In Malaya itself, the MCP were receiving support from the People's Republic of China (PRC) under Mao, leading Tunku and other Malayan leaders to denounce China as the foremost threat to their country. They even refused China's offer to recognize Malaya's independence in 1957, concerned that a Chinese embassy in the heart of Kuala Lumpur would become the center of a network of communist propaganda and subversion (Harun, 2015; Kuik, 2013; Saravanamuttu, 2010).

During this period, then, Malaya's foreign policy was one of pure balancing against the forces of communism (Kuik, 2013). From a game theory standpoint, Malaya/Malaysia had much to gain by siding with the West. Malayan elites had inherited and preserved a particular social and political order handed down to them from the departing British, one that vested

Muslim Malay elites with political power. Unlike in North Vietnam and Indonesia, Malaya's post-colonial elites had not fought an anti-colonial war to wrest their independence from their former colonial master.

Therefore, in the bipolar world order of the Cold War, Malaya took the side of the West against the communists, particularly China and the various communist states and active movements in Southeast Asia. Malaya sharply criticized China for suppressing the revolt of the Tibetans in 1959. In 1962, Malaya responded to the India-China border war by again criticizing China and launching a Save Democracy Fund on India's behalf. The Malayan government also took great lengths to sever links between its own large Chinese community and their mother country. Malaya banned publications from China, imposed travel restrictions, and closed all branches of the Bank of China in Malaya (Harun, 2015; Kuik, 2013)

Strategic Shocks and Domestic Tensions, 1967-1970

During the late 1960s and early 1970s, however, the strategic landscape in the region changed entirely. The first major strategic upset came from Malaysia's own long-time security guarantor, Britain. In 1967, the United Kingdom announced its intentions to withdraw all British forces east of the Suez Canal, especially those stationed in Malaysia and Singapore, by the middle of the next decade (Kuik, 2013). In 1968 financial pressures forced Britain to move up the timetable to March of 1971. The United Kingdom did away with the AMDA, and replaced it with the Five Power Defense Arrangements between itself, Malaysia, Singapore, Australia, and New Zealand. While the Five Power Defense Arrangements involved more countries, they were much weaker. In the event of any external aggression against Malaysia or Singapore, all five powers were to consult with each other. However, none would be obliged to act (Kuik, 2013; Harun, 2015).

The second strategic shock came in July of 1969. While on a visit to Guam, the American President Richard Nixon announced a departure in U.S. strategy. The U.S. would continue to honor its treaty commitments, Nixon stated, but in cases in which the United States did not perceive a crucial security issue for itself it would expect any nation threatened by outside aggression to be primarily responsible for defending itself. There could be little room for ambiguity regarding Nixon's meaning, given the extent to which the United States was militarily engaged in the Vietnam War. Following the new Guam Doctrine, the U.S. began to reduce the numbers of its ground troops in mainland Southeast Asia that very same year (Koon, 2015; Harun, 2015; Kuik, 2013; Weichong, xyza).

At the same time, domestic tensions were also pushing Malaysia in a new direction. Thanks to the profound demographic and cultural legacies of British colonial rule, Malaya and, after 1963, Malaysia, took shape as a nation ruled by Muslim Malays, but with a very large and economically successful Chinese community. Indeed, Chinese Malaysians have generally enjoyed a much higher standard of living than the more numerous and politically dominant Malays. Tensions and animosity between ethnic groups, particularly the Malays and the Chinese, led to massacres of the latter during the Japanese occupation and to Chinese support for armed communist movements (Dhillon, xyza). This history has long complicated relations with majority Chinese Singapore, expelled from Malaysia in 1965 in order to constrain the numbers and political influence of the Chinese in Malaysia (Nathan, 2010).

Racialized tensions between the Chinese and the Malays reached a breaking point in 1969, when the dominant coalition of the Alliance Party was threatened by a rising political opposition led by two new parties, the Democratic Action Party (DAP) and the Parti Gerakan (Dhillon, xyza). These parties were dominated by ethnic Chinese, who were turning from the more moderate Malayan Chinese Association (MCA). At the same time, many Malays were turning from the United Malays National Organization (UMNO) to the Islamic Party of Malaysia (PAS). On the 10 May election, the Alliance government lost the two-thirds majority it had enjoyed. Both the Malay and Chinese opposition parties held victory rallies, leading to the infamous 13 May race riots, in which hundreds were killed and several thousands, mostly Chinese, left homeless (Dhillon, xyza).

The government responded to the riots with a massive crackdown on the rioting and on the political opposition, followed by a bevy of political and economic reforms. The Alliance retained its hold on power, amending the constitution but also adding ten new parties and turning itself into The National Front. The National Front coopted the Malay Muslim PAS, Gerakan, a Chinese party, and the People's Progressive Party (PPP), a majority Chinese party with a history of Indian leadership (Dhillon, xyza). Recognizing that the considerable economic disparities between the Malays and both Chinese and Indians played a key role in fueling the animosity that drove the riots, the government also implemented a wide range of economic and social reforms, notably a very strong program of affirmative action, aimed at increasing Malays' share of the economy (Dhillon, xyza)

New Directions in Malaysian Foreign Policy, 1970-Present

Since about 1970, Malaysia has pursued a very different direction in foreign policy. Abandoning the country's long-standing pro-Western stance, Malaysian leaders and policymakers adopted a foreign policy of non-alignment and regional neutralization. In the year 1970, permanent secretary of the foreign ministry Ghazali Shafie called for neutralization in the broader region of Southeast Asia, and for the People's Republic of China, the Soviet Union and the United States to collectively guarantee that the region remained free from interference by external powers. A founding member and prominent participant in the Association of Southeast Asian Nations (ASEAN), Malaysia also advocated for all members of ASEAN to acknowledge and accommodate any legitimate interests of the major powers, but stressed the importance of maintaining 'equidistance' with all of them (Kuik, 2013).

Malaysian foreign policy since 1970 has been characterized by independence, neutralism, and generally peaceful, positive-sum games with its neighbors and with other powers. Malaysian relations with China have seen the most dramatic improvement, as Malaysia has sought closer ties with China even as the latter has gained greater power in the region and on the world stage (Chang, 2014; Kuik, 2013). Prime Minister Mahathir Mohamad (1981-2003) in particular sought closer economic and political ties with China, often commenting on the so-called "eastern values" he believed the two countries shared. China is now Malaysia's largest trading partner, and their bilateral trade is worth about \$60 billion. While economic factors have been crucial to this relationship, particularly as both countries pursued development policies in the 1980s, better relations between the two countries have also helped to improve Malaysia's own internal tensions with regard to Malaysia's large Chinese community (Chang, 2014; Kuik, 2013).

From a security standpoint, Malaysia's overall foreign policy since 1970 has emphasized peace and cooperation above all else. Malaysia has maintained a commitment to peace and stability, and shown an aversion to brinkmanship and rivalry. A strategic plan for 2009-2015 released by the Ministry of Foreign Affairs (2009) emphasized close diplomatic and economic ties across the world stage as essential for helping the nation to achieve its goals of economic development. Relations with Singapore have been complicated by ethnic tensions to some degree, but are generally positive (Nathan, 2010). Relations with Indonesia include some disputes over seaways, but are generally very positive (Weiss, 2010). With its

“Prosper thy neighbor” policy, Malaysia seeks strong bilateral relations with a variety of its Southeast Asian neighbors, notably Cambodia, Laos, Myanmar, and Vietnam, and the East Asian economic titans, China and Japan (Chang, 2014).

Conclusion.

Malaysian foreign policy originally took shape to protect the small, militarily weak, developing nation of Malaya from its foes. During the Cold War, Malaysian foreign policy evolved from a pro-Western stance to a neutralist, non-aligned stance. From a game theory perspective, from about 1970 on, Malaysian leaders such as Mahathir have emphasized positive-sum productive diplomatic and economic ties with other countries in the region and beyond, notably China, to help Malaysia develop and keep it secure.

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