

# MALAYSIA

## THE SECURITY ENVIRONMENT

In its four decades of independence, Malaysia (Malaya before 1963) has faced a variety of external and internal security threats, most notably confrontation from Indonesia (1963–66) and a long-standing internal communist insurgency. The country was also rocked by serious ethnic tensions in 1969. But years of good relations with its neighbors, outstanding economic performance, and continued social and political stability have created an environment in which Malaysians generally feel quite sanguine about their security environment.

Externally Malaysia faces no direct or immediate threats. Regional trouble spots do cause some concern, but these are generally regarded as distant or largely contained. Despite the conflicting territorial claims in the South China Sea, where Malaysia is one of the claimants, Malaysian analysts have tended to discount the likelihood of a serious regional conflict there. The longer-term political stability in Cambodia is another concern, but that should not involve or draw in the outside powers. Other potential regional trouble spots—the Taiwan Straits and the Korean Peninsula—are more distant.

This optimistic view stems in part from a positive assessment of the benefits of interdependence and in part from Malaysia's positive experience with regional cooperation. Economic growth and interdependence, it is believed, have increased the costs of conflict and given the established governments a stake in a peaceful order. The creation of the Association of Southeast Asian Nations (ASEAN) after the Indonesian confrontation has provided a cooperative framework involving Malaysia with all of its near neighbors. The political and ideological problems and threats that existed in the past are hardly discernible. Thus the external challenges facing Malaysia today are more economic than military in nature. These include increased international competition, the growth of protectionism in Malaysian markets, and the impact of currency volatility. As noted below, these could affect internal economic well-being.

Like other countries in Southeast Asia today, Malaysia regards its more significant security threats as being essentially internal. This does not because internal threats have become more serious, but because in a more benign external environment they are relatively more prominent. Three categories of challenges—political, economic and social—affect Malaysian security. These are discussed below in ascending order of concern.

First, there is the prospect of internal disturbances by politicized extremist elements or sectarian groups. Whether acting on their own or by proxy, such groups constitute a potential threat through agitating and/or seeking to create divisions in Malaysia's multiracial and multireligious society. The Communist Party of Malaya (CPM) was the principal open insurgency the Kuala Lumpur government has faced, but the main forces of the CPM retreated in Thailand in the 1960s and could only mount occasional harassment efforts across the border in the years since. In the 1970s, Kuala Lumpur normalized relations with Beijing, the CPM's external source of support. Further demoralized by the collapse of communism in East Europe, the remnants of this movement finally renounced armed struggle in December 1989. The CPM has so completely collapsed, and other insurgent or separatist groups have been so insignificant, that domestic insurgency is of low concern even as a potential threat. The state security apparatus and legal system are fully capable of isolating and containing such groups and ensuring that they never reach critical mass.

Second is the threat of a loss of long-term economic competitiveness. It is widely believed in Malaysia that national unity and harmony depend on continued economic growth and an equitable distribution of wealth. To continue strong economic growth Malaysia needs to enhance labor productivity, improve infrastructure capacity, and further develop its human resources. While concern over the possible failure of the country's economic system is not a strategic threat in the classical sense, the danger is no less real and could have severe internal and external consequences. Malaysia's possible lack of sustained economic competitiveness is viewed as a potential, but still manageable, problem.

A third concern arises from the opposite scenario—that rapid economic development could erode cohesive societal values. Increased materialism may cause an erosion of humane and moral values, resulting in a rise of corruption, crime, conspicuous consumption, drug abuse and idleness. Another socially disturbing consequence of Malaysia's prosperity is the rapid increase in immigration, much of it illegal. While these issues again are not military security threats, they are of growing concern for Malaysia's quite traditional and religious-oriented society.

As these security concerns are domestic in nature, their solutions lie principally at the national level. They are, however, common in the region. When appropriate, as in the cases of drug enforcement and the suppression of piracy and smuggling, the Malaysian government seeks coordination with outside countries. Obviously, however, these issues do not require international alliances and only may rarely involve the military forces.

## DEFENSE POLICIES AND ISSUES

**Defense Objectives.** Malaysia has adopted a doctrine of Comprehensive Security which seeks to bring to bear a number of security assets—diplomacy, sound socio-economic policies, and military capabilities—in a positive, pro-active approach to build the foundations of peace and stability. Malaysia's Collective Security approach encompasses economic and social forces, including nongovernmental organizations, as well as more traditional diplomatic, political and military components. Along with its partners in ASEAN, Malaysia also shares the concept of "regional resilience," that is, creating regional strength through national unity and regional cooperation.

Diplomacy is an essential tool of Comprehensive Security and serves as the country's first line of defense. Malaysia has long sought to establish fraternal relations with all countries, regardless of differences of ideology, economic or political system, a policy which has been greatly facilitated by the country's non-aligned status. Other tools of Comprehensive Security are Malaysia's internal efforts to strengthen national unity through the cultivation of good citizenship and its economic and social policies to increase and better distribute wealth.

In the military field, with the end of the CPM insurgency, there has been a dramatic re-orientation of Malaysia's defense orientation from counter-insurgency warfare (CIW) capabilities to a more conventional, externally-directed posture. In keeping with this notion, Malaysia has recently purchased more sophisticated weapons systems. It is a something of a paradox that Malaysia has adopted a more traditional externally-oriented conventional defense posture just when external threats appear to be at their lowest ebb. As pointed out, this does not reflect increased external security concerns nor reduced reliance on diplomacy. Rather, Malaysia, as an internally peaceful and still relatively small nation, can now afford to concentrate on making "deterrence" the cornerstone of its military defense policies. As part of an increasingly successful and confident Southeast Asia, Malaysia seeks to outgrow its earlier dependence on great powers outside of the region.

**Defense Spending.** For ten years (1982–91) Malaysia's defense budget and arms imports dipped during a time of global recession, but they have risen since. The increases in military expenditures in the 1990s corresponded with the shift toward strengthening conventional deterrent capability. Recent purchases of fighter jets and offshore patrol vessels and the decommissioning of dated equipment are consistent with this shift. Other defense expenditures have been made to more extensively train personnel for peacekeeping operations. The govern-

ment has also sought to improve terms and conditions for its military personnel consistent with increased opportunities in the private sector.

There is little internal debate on defense spending issues. Within the ranks, differences occasionally arise over issues such as whether the Royal Malaysian Navy needs a submarine fleet. Differences of opinion have also surfaced over staff allowances and the merit of converting the Royal Malaysian Air Force's C-130 Hercules aircraft into tankers. These differences derive largely from budgetary criteria and do not reflect debate on basic strategic direction.

**Personnel.** In line with the reorientation in Malaysia's defense capabilities, its troops need increased training with the more sophisticated weapons being purchased and increased combat readiness. There is also a shift toward more reliance on technology and less on manpower. It is anticipated that the Army will be reduced by 6 percent in coming years.

To meet new defense needs, special military and police units—such as the Rapid Deployment Force and the *Unit Tindakan Khas* (Special Action Force)—have been formed. Because of the past emphasis on counter-insurgency, there has been little practical distinction between Malaysia's regular military and its police forces. This may change. Existing units, such as the paramilitary Police Field Force—a hybrid entity of police and army elements designated for counter-insurgency operations—may be reassigned, or at least will likely face declining utility. The Federal Reserve Unit, reputed for their tough and uncompromising riot control methods, have lately incorporated a women's section.

Joint operations with counterpart forces from other countries in the region for the purposes of countering smuggling, piracy and illegal migration have growing priority. Malaysia's frequent participation in United Nations Peace-keeping Operations also puts a premium on training troops for multi-country operations.

**Equipment and Procurement.** A combination of factors have affected Malaysia's procurement policies in the 1990s. These include the re-orientation of national security doctrine towards a conventional defense posture requiring greater capital expenditures, the availability of cheap Russian equipment, and the increased economic capability of the country, giving it a substantial procurement budget. Nevertheless, increases in the procurement budget (as distinct from the larger defense budget) were still relatively measured, particularly when competitive counter-offers to proposed Russian arms sales are considered (when Russia offered to sell MiG-19 Fulcrums to Malaysia, the United States countered with F/A-18D Hornets). This strong competition contributes to the diversification in Malaysian defense procurement and helps constrain procurement costs.

Traditionally, Malaysia has been a good customer of British arms. The British link—a legacy of the colonial era—is also symbolized by the Five Power Defense Arrangement (FPDA). In recent years, however, Malaysia's pragmatism and desire for increased independence combine to encourage diversification of procurement and defense ties more generally. Although diversification makes sense in terms of value and decreasing sole-source dependence, there are concerns over complementarity and inter-operability.

Parallel procurements from different sources do not signal a trend in Malaysia. The trend rather can be found in the country's new linkages. An important one is South Africa. Two contracts for South African military equipment were secured in early 1995, with the prospect of parts supply for Malaysian military aircraft still to come. There is also continuing discussion with Johannesburg on joint training for officers and pilots, with an overall emphasis on complementary activities. It has been said that Malaysia can contribute infrastructure and telecommunications know-how to South Africa, while South Africa offers advanced technical skills to Malaysia.

## **CONTRIBUTIONS TO REGIONAL AND GLOBAL SECURITY**

Malaysia's foreign and defense policies are characterized by pragmatism. Pragmatism, however, is tempered with a sense of ethical duty in the conduct of international relations. This has resulted in a commitment to contribute to the construction of a more just, peaceful and stable regional and world order.

**Peacekeeping Efforts.** On regional issues, such as the multi-party dispute over ownership of the Spratlys, Malaysia sees an important role for institutions like the ARF and prefers that such matters be dealt with multilaterally. In an extreme case involving open conflict, Malaysia would deem an appropriate United Nations role desirable. Such peacekeeping operations would need to be genuinely multilateral to be credible and legitimate. Malaysia would be prepared to contribute its share so long as these operations were handled proficiently and had a reasonable chance of success. Malaysia has a consistent record of contributing to UN forces and observers overseas—from the Congo (early 1960s) through Cambodia (early 1990s) to its more contemporary participation in UN operations in Angola, Bosnia, Iraq/Kuwait, Liberia, Mozambique, Somalia and Western Sahara. Malaysia is deeply involved in UN-related peacekeeping activities, in various other multilateral fora including ASEAN, and in bilateral arrangements for training, foreign assistance and other purposes. Despite its modest size and developing country status, Malaysia is the world's 7th largest contributor to UN peacekeeping activities.

**Arms Transfer Policies.** Malaysia has no policies on the sale or transfer abroad of weapons and is unlikely to adopt any. It is a net importer of weapons and weapons systems and only lately has developed the prospect of establishing a limited small arms manufacturing capacity. However, Malaysia remains open to proposals for viable joint-ventures in all sectors. These proposals have to make good economic sense and not alarm others in the region, while they should also complement Malaysia's needs and offer useful transfers of technology.

**Multilateral Cooperation.** For Malaysia, regional cooperation with neighboring countries is seen as the key to security and defense concerns. Such cooperation ranges from constructive engagement to partnership in groupings like the FPDA, the Organization of Islamic Countries, the G-15, the G-77, the Non-Aligned Movement, the Commonwealth and a host of ASEAN and UN-related activities. Malaysia's membership in the FPDA, despite its dated colonial concept, is testimony to the importance it accords to international cooperation. Malaysia's openness to inclusive economic, diplomatic and social exchanges with all countries in the region is consistent both with its non-aligned status. The Malaysian government repeatedly voices its commitment to peaceful negotiations as a means to settle outstanding disputes. To strengthen the ties of peace through cooperation, Malaysia fully supports moves to engage Myanmar and China, while also embarking on military cooperation with North Korea. In so doing, Malaysia hopes to demonstrate its goodwill and faith in being a good regional neighbor and global citizen.

The Malaysian government has generally been very positive toward supporting a variety of regional security initiatives. Mindful of its ASEAN obligations, Malaysia has been fully represented in all regional security fora. It also has been cognizant of the interests or sensitivities of its ASEAN partners and has occasionally muted its own views to maintain regional solidarity. The regional security initiatives most favored by Malaysia are ones that are truly multilateral.

Malaysia will work with other countries in seeking to overcome some obstacles to better security cooperation in the Asia Pacific region. These obstacles include:

- Defense support conditioned on or linked to political objectives, as evident, for example, in the U.S. suspension of the military exchange and training (IMET) program for Indonesia on the basis of alleged human rights violations. Politicization of defense issues and relations, especially when it involves internal affairs, creates misunderstandings and

suspicious that undermine the basis for improved regional security relations.

- The lack of transparency in military affairs. This absence may be cultural and deep-seated or a product of an incomplete transition of traditionally closed societies toward a more open global order. The introduction of regional and international arms registers should help encourage greater transparency. More important measures, however, include cultivating positive relations through constructive engagement and avoiding unnecessary tensions.
- The incomplete dialogue on regional security. Malaysia is working with its ASEAN partners to strengthen and widen the ASEAN Regional Forum, but the ARF is still in its infancy. Complementary dialogue that is neither contradictory nor diversionary with respect to ARF may also be helpful. For example, greater initiatives could be undertaken with regard to the multilateral dispute over the Spratlys, particularly at a time when all claimant states appear to endorse more diplomatic efforts to resolve the problem. All such dialogues need to be frank and deal with the issues of central concern to regional peace and security.

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