

## **Centre for International Governance Innovation (CIGI) Blogs**

## Friends with Benefits: Why Malaysia can and will maintain good ties with both the United States and China

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Dato Sri Anifah Aman (front centre), Minister for Foreign Affairs of Malaysia, speaks to journalists following his country's election to a non-permanent seat on the Security Council, October 16, 2014. (UN Photo/Loey Felipe)

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As regional dynamics pivot and rebalance and new models of relationships are formulated in the Asia-Pacific, Southeast Asia's relative importance as a strategic middle ground has risen, not least in part due to developments in the South China Sea. A claimant state in the dispute, incoming ASEAN chair in 2015, and newly-elected non-permanent member of the United Nations Security Council, Malaysia's foreign policy direction and conduct has drawn renewed interest among observers at home and abroad.

The country, by its own accord and unwittingly, has been propelled onto the international stage in the last few years. It turned the page on its previously fractious diplomatic relationship with the United States to institutionalize long-standing ties through a comprehensive partnership. This was jointly announced by both Prime Minister Najib Razak and President Barack Obama during the latter's much anticipated first visit to Malaysia in May 2014. In the same breath, Malaysia also expanded relations with China to become the latter's largest trading partner in Southeast Asia. Ties look set to grow even further,

especially in the trade and investment sectors, with a comprehensive strategic partnership launched between the two during President Xi Jinping's visit in October 2013.

Malaysia's handle on regional and international affairs, from real and apparent provocations in its own backyard to unprecedented airline tragedies abroad, has drawn a host of responses — commendation, respect, curiosity, even bewildered frustration — from observers at home and abroad.

As alliances in the region are reinvigorated and strategic interests are prioritized against the backdrop of acutely evolving major power dynamics,

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the question has often been asked whether Malaysia can continue to remain friends with both the United States and China. Notwithstanding the unhelpful, zero-sum nature of the question, here are at least four responses and an affirmation that Malaysia will indeed remain friends with both dominant behemoths in the Asia-Pacific.

The first relates quite simply to national interest and realist pragmatism. Malaysia is conscious of what it can affect (the risks of major power entanglement) and what it cannot (its size and neighbourhood). As a relatively small, geographically proximate country facing a country more than 40 times its size in terms of population, Malaysia's relations with China have to be placed in a realistic context. This does not mean that Malaysia should or will be subservient to an awakening dragon, but that the cost-benefit calculus militates against provoking it. Equally, Malaysia's location and posture make it a strategic partner for China in Southeast Asia. In a region that is increasingly wary, if not explicitly distrustful, of Chinese assertiveness, China will need all the genuine friends it can amass as it rises.

Second, even when there are disagreements blighting Malaysia's ties with either the United States or China, these have not marred relations as a whole nor should they in the future. Differences are, in fact, to be expected and these may turn out to be complex and drawn out. However, it is the mark of a mature and solid friendship when overall relations are not held hostage to single-issue disagreements. The Malaysia-US relationship has demonstrated this clearly. Even when political ties between both countries soured in the late 1990s into the early 2000s, defence and security as well as trade and investment relations remained fundamental anchors at the working level. Similarly, overlapping claims in the South China Sea should not, if managed well, stultify cooperation between Malaysia and China in other

areas of the relationship. For a developing country with high-income and knowledge-economy ambitions like Malaysia, the show must go on.

Third, the question of how Malaysia will balance China and the United States presupposes an either/or element between the two. After all, the status quo is being challenged with a rising power contesting the space and influence of the incumbent. There is undoubtedly competition between both powers but it is not the only element of the relationship. The US-China bilateral relationship may be complicated but it is promisingly pockmarked with cooperation. Trust deficit notwithstanding, both governments deserve credit for communicating directly with each other on difficult issues through the US-China Strategic and Economic Dialogue, among other initiatives. Beyond the state of their own ties, improved US-China relations will amount to a public good for smaller countries in the region, minimizing pressures to tilt one way or another.

Fourth, bilateral relationships should not be considered in isolation. They are, in today's world and particularly in the Asia-Pacific, simply one part of an intricate web of multilateral relationships that noodle through and over each other, largely flavoured by ASEAN. The regional architecture is replete with acronyms and frameworks like the ASEAN Regional Forum (ARF), East Asia Summit (EAS), ASEAN Defence Ministers Meeting Plus (ADMM), CAFTA (China-ASEAN Free Trade Arrangement), and Regional Comprehensive Economic Partnership (RCEP).

There are, as well, sub-and greater-regional frameworks, some of which include China but not the United States, and vice-versa. The controversial Trans-Pacific Partnership (TPP) is a perfect example. Perceived as a US-driven trade pact, one of the domestic arguments leveled against Malaysia's participation in the ongoing TPP negotiations concerns the absence of China and the fact that the process includes only four of ten ASEAN member states and a US treaty ally without the Chinese counterweight. The reality, however, is that Malaysia's relationship with China and the United States is not dependent on either. The presence or absence of one or the other in a multilateral framework should not dictate Malaysia's participation. Nor should the country's ties with either power be matched quantitatively. A reductionist approach to this effect speaks nothing of the qualitative nature of the relationship Malaysia enjoys with both countries separately.

As Malaysia prepares for a more prominent role in ASEAN and the United Nations over the next couple of years, it will maintain this even-tempered approach to relations with these major powers and others. Rather than calibrated, cunning acumen, the foreign policy astuteness the country has demonstrated in the past has rather been the result of functional pragmatism sprinkled with a powdering of idealism. Unless developments change drastically, Malaysia's relationships with the United States and China will remain equidistant and equi-dynamic as power shifts in the landscape.

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