

## **MALAYSIA-SINGAPORE RELATIONS UNDER MOHD. NAJIB TUN RAZAK<sup>1</sup>:**

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### **ABSTRACT**

Malaysia and Singapore enjoy and share a special relationship due to their geographical, historical, familial, cultural, political, economic and strategic features. Their relationship is characterized by interdependence. The competitive world has brought about a close neighborly cooperation between the two nations to build resilience and strength. This article will examine the state of bilateral relations between these two countries under Malaysia's Prime Minister Mohd. Najib, and will analyze the future prospect of Malaysia and Singapore under his era. Under his era, Malaysia has been embarking on a series of initiatives in improving her relationship with Singapore, leaving tensions that took place during Mahathir era. Looking at the history of relations between the two countries, the role of leadership has played important role in the up and down of relationship. Under new generation of leaders in these two countries, we expect that they have new visions and put more efforts to nurture good relations. Personal contacts involving leaders and government officials of both countries still become the bases of relations between these two closed neighbors. The understanding reached by the leaders of the two countries has been and remain the fundamental to preserving long term mutual benefits. Leaders of both countries can play significant roles in overcoming conflicts and finding solutions to the problems that besieged the relations between the two countries. If both countries could maintain the momentum and capitalize the benefits of these initiatives, we foresee

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that both countries will not enter into troubled relationships like the previous periods, but it augurs well for strengthened relationships in the future.

## INTRODUCTION

The aim of this study is to examine the state of bilateral relations between two sovereign countries under Najib. Both countries have experienced a common colonial experience but have failed to achieve a successful unification on gaining independence. Malaysia and Singapore relations are unique and special due to factors such as geography, history, politics, ideology, economy, culture and ethnicity. These factors sometimes have created tensions between both countries. The uniqueness of the relationship is perhaps reflected by the various terms used to describe the state of rivalry between the two countries such as “Siamese twins”, “sibling rivalry” or “family quarrel”, suggesting a complex love-hate relationship that has grown out of a shared common history and cultural background, coloured by political differences and, ironically, by economic competition and interdependency.<sup>2</sup>

Both countries have emphasized from time to time their economic interdependence and defence indivisibility. Even though they have been characterized by competition in economic and social matters, because of a very high level of economic interdependence as major trading partners, the geographical proximity of the two causeway neighbours have made their economic, security, and prosperity indivisible.<sup>3</sup>

Since Singapore’s independence from the Federation of Malaysia in 1965, the bilateral relationship between Singapore and Malaysia has been described as symbiotic and interdependent. However, this mutually beneficial relationship has been marred by a number of problems that threaten this cooperation. In explaining this relationship, the

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<sup>2</sup> Rusdi Omar, et. al. (2005). *Hubungan Malaysia-Singapura Era Mahathir*. Sintok: Penerbit Universiti Utara Malaysia. p. 2.

<sup>3</sup> K.S. Nathan. (2002). Malaysia-Singapore Relations: Retrospect and Prospect. *Contemporary Southeast Asia*. 24(2), p. 388.

then Singapore First Deputy Prime Minister Lee Hsien Loong says: *'its relationship with Malaysia was one of its most important and complex foreign relations'*.<sup>4</sup> Whereas, the former Malaysian Prime Minister, Tun Dr. Mahathir remarked that: *'It's impossible to be friendly with Singapore because of the neighbouring city states unfriendliness towards Malaysia. Singapore gets into that kind of mood that they reject anything that comes from Malaysia. We try to be as friendly as possible but it's impossible'*.<sup>5</sup>

Despite the inherent tensions between Singapore and Malaysia, their inter-connected histories resemble the complex relationship of *'inseparable twins'*.<sup>6</sup> There are various underlying reasons for this alternating relationship of cordiality and tension between both countries. It proceeds from the assumption that many factors combine to make the Malaysia-Singapore relationship a special as well as "a complicated and delicate one".

The period stretching from 1997 to 2002 under Mahathir administration was by far the most stressful in the short history of relations between Singapore and Malaysia, with a number of issues reaching confrontational level and thus rendering them more difficult to resolve. The impasse came to an end when Abdullah Badawi becoming the Prime Minister of Malaysia on 30 October 2003. Since Abdullah Badawi became Prime Minister, there have been enhanced contacts and cooperation between the governments and peoples of the two countries. He is to revive and inject the G-to-G relations between both countries with a heavy dose of sensitivities and sensibilities, which, in turn, has had an immediate spill over effect in the enhancement of the P-to-P relations, which were bereft of the kind of sensitivities and sensibilities that formed the P-to-P relations during the Mahathir era. During Najib's era, he does the same things like Abdullah did. He emphasize of G-to-G relations and P-to-P relations for strengthening the bilateral

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<sup>4</sup> *New Straits Times*. (2003). May 5. p. 22.

<sup>5</sup> *Asian Economic News*. (2002). 14 October 14. p. 19.

<sup>6</sup> Ghazali Shafie. (1990). "Singapore and Malaysia: Inseparable Twins", in Trends, Institute of Southeast Asian Studies, *Straits Times*, December 21.

relations between two countries. Joint venture companies also played a major role in building good relationships between Malaysia and Singapore.<sup>7</sup>

The rapprochement between the two countries should also be viewed against the background of changing local and international developments. These include the rise of religious extremism, the spread of international terrorism and the threat of epidemics such as Severe Acute Respiratory Syndrome (SARS) and the avian influenza. These common cross-border problems brought home to the leadership of both countries the necessity and wisdom of maintaining good relations. The move towards greater contacts and cooperation was also dictated by globalization and the rise of China and India as well as the slowdown in the flows of foreign investment to both countries.

### **THE ROLE OF THE LEADERS**

Leaders as social actors play an important part in determining the direction of conflict. They must play an effective role in overcoming conflict and finding solutions to the problems. If they know their function, they can play their role correctly and contribute to the preservation and stability of peace.<sup>8</sup> The role of the leaders of Malaysia and Singapore are crucial in determining the future relations between the two countries. The failure of diplomacy suggests the failure of the instruments of foreign policy. Patterns, channel and devices of communication must be made readily available to encourage close rapport between leaders of the two countries. The traditional wisdom occurred when once leadership change. It can augur general changes will happen, either for the better or for worse. Although the foreign policy does not change in total, but some how rather there is little substantive change. It could be seen when the transition of leaders taken place in both countries.

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<sup>7</sup> *New Straits Times*. (2010). May 25.

<sup>8</sup> Chandran Jeshurun, et. al., *Op.cit.*, p. 11.

Singaporean leaders like Mr. Goh Chok Tong and Mr. Lee Hsien Loong are widely perceived as merely continuing Mr. Lee Kuan Yew's policy and as such there will not be major changes in the direction of Singapore's foreign policy towards Malaysia. Meanwhile Malaysia's foreign policy has been redirected to suit the priorities of the current leaders. Tunku Abdul Rahman was understanding and sympathetic towards Singapore. Tun Abdul Razak was more aggressive with Singapore, while, Tun Hussein Onn was just continuing the prevailing policies at the time. The biggest paradigm shift in Malaysia-Singapore relations could be seen during the tenure of Dr. Mahathir. His vision 2020 policy was more challenging to Singapore than other neighbouring countries.

The leadership styles of Mahathir and Lee Kuan Yew have been a strong influence in the manner bilateral issues between the two countries. Both leaders were aggressive in dealing with the issues. Both were also influenced by their past experience and the pre and post separation political baggage. Mahathir's view towards Singapore may have been coloured by his experience as a medical student in Singapore whilst Lee Kuan Yew's views towards Malaysia were mainly coloured by his involvement in Malaysian politics during the short period Singapore was in the Malaysian Federation and relations with Malaysia during the period immediately after the separation.

Nevertheless, after the retirement of Dr. Mahathir in 2003 and under Abdullah Badawi and Najib as Malaysia's Prime Ministers, it may show a better result of the bilateral relations in future. Malaysia, with Abdullah at the helm, has set a very different tone at the personal level, which carry over into institutional level. In January 2004, during his first visit to Singapore as Prime Minister of Malaysia, Abdullah spoke of working through all of the outstanding bilateral problems. Under his era, he tries to move forward to improve the relations with Singapore, and then Malaysia has been embarking on a series of initiatives to improve her relationship with Singapore. Similar with Najib's era, he has been working with his counterpart of Singapore in resolving all the outstanding issues with a win-win situation approach. There were several visits and meetings have been done by both leaders in tackling these issue. As a result, they have finally agreed to

settle the KTM land issue in Singapore during their recently meeting in Singapore.<sup>9</sup> So under his leadership, he tries to move forward in improving her relations with Singapore and then Malaysia has made several efforts to improve her relationship with Singapore in future. Despite the outstanding issues, the tone of relations has changed for the better in recent time with the rise of new leaders on both sides- Prime Minister Najib Tun Razak in Malaysia and Lee Hsien Loong in Singapore. There is strong political will to improve bilateral relations, especially in bilateral economic relations.

### **INITIATIVES/EFFORTS IN IMPROVING THE BILATERAL RELATIONSHIP**

Singapore-Malaysia relations are marked by close inter-dependence. Singapore and Malaysia have always shared strong economic and people-to-people linkages. From Singapore's standpoint, the relationship should be based on mutual respect, mutual benefit, and adherence to international law and agreements. Singapore will continue to seek new areas of cooperation to strengthen bilateral relations with Malaysia even further. From Malaysia's side, the relationship must be on "win-win" situation approach, which means both countries will get benefit from that relationship.

From my point of view, both Malaysia and Singapore know the importance of their relationship towards the development of their respective countries. We can not deny that we are interdependent in terms of economic, security and social aspects. For example, in term of economic aspect, most Malaysians know Singapore is one of the biggest investors in Malaysia and vice versa.

There are several initiatives/efforts that will improve the relationship between both countries, such as intensifying official visits (government-to-government relations); developing people-to-people (P-P) contacts; deepening public sector economic links; expanding private sector economic links ; and renewing educational and sporting events.<sup>10</sup> If both countries could maintain the momentum and capitalize the benefits of

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<sup>9</sup> *The Malaysian Insider*. (2010). September 20.

<sup>10</sup> Saw Swee-Hock & K.Kesavapany. *Op.cit*. 2006.

these initiatives, I see that both countries will not enter into troubled relationships like the previous periods, but it augurs well for strengthened relationships in the future.

The first initiative that will improve the relationship between two countries is to intensify official visits of both countries. Official visits by heads of government, ministers, senior officials and etcetera must be intensified from time to time. Under the current leadership of both countries, many efforts have been taken to overcome these problems, for example, regular meetings that incorporate informal social activities such as annual golf and sports meetings between cabinet members of both countries, and the holding of joint cultural and religious festivals that involve the leaders from both sides of the causeway (e.g. Hari Raya and Chinese New Year celebrations held in Johor). Also, the number increase of visits between two countries at ministerial, senior officials and technical levels. All these efforts are designed to enhance peoples' relationships so they can withstand the possible turbulence created by political and other friction that might surface from time to time. Thus, it creates the necessary goodwill and positive atmosphere conducive to resolving issues and problems.

The visit of Singaporean political leaders to Malaysia to meet their counterparts of Malaysia is a right time and very important event for both countries. May be from this visit, both countries can achieve some approaches in handling and resolving the unsettled issues, although I know it is impossible to settle all their problems which have long roots in history. The current infomal meetings and talks of the leadership of both countries for example is one approach for both countries to design a pathway to resume talks on bilateral issues. Although, I am sceptical that the recent informal meetings would achieve some tangible solutions on outstanding bilateral issues between the two neighbours, the existing meetings show us that both countries are now more open towards each other. Both leaders currently express their desire to improve bilateral relations of both countries and seem to have adopted a positive attitude towards each other. If both countries practice the principles of "win-win" situation, both will achieve outcomes which are mutually beneficial, whether politically, in security matters or in the economic sphere, we think both sides can resolve the outstanding bilateral issues in future.

Secondly, both countries must develop people-to people contacts. We should encourage more visits, more tourist arrival from Singapore and Malaysia and vice versa and also explore ways to develop these contacts. Thereby, they will create the necessary goodwill and tolerance among their peoples. In promoting greater P-P contacts, both countries introduced the student exchange programs and the joint overseas youth exchange program and etcetera. These programs were for important for the new generations to know each others and they help to enhance understanding among the younger generation in the two countries. Mass media is an important instrument to flow information to the peoples. Mass media from both countries must be professional in flowing information about their people life and no to be emotional in flowing information of their sensitive issues. The information will help people on both sides to keep up with developments in the two countries and foster better understanding and bilateral ties.

Thirdly, both countries must expand the public sector economic links. The current leadership in both countries made it a point to send the right signals to the business communities in sector both the private sector and the public sector with government-linked companies. Encouraged by the new political and business atmosphere, both of government and private sector have moved quickly in areas such strategic investments, corporate purchases and joint business ventures. From 2004, there was a surge in investment activities led by government-linked companies of both countries. The emergence of Temasek Holdings, the embodiment of Singapore Inc., as a strategic stakeholder in Malaysia's largest listed company could mark a watershed in often-strained relations between the neighbours. It acquired 5 percent of Telekom Malaysia for RM2.9 billion, its first major direct investment in Malaysia.<sup>11</sup> This was followed by other government-link companies such as GIC Real Estate Pte Ltd bought 100 percent stake in Johore Bahru City Square Mall, it made investments in Sunway Pyramid Mall, Sunway City Berhad, Menara Standard Chartered, RB Land Sdn Bhd and bought 5 percent stake in Gamuda Bhd and Malaysia's Shell Refining Co. Mapletree Capital Management,

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<sup>11</sup> "AMMB in Talks to Buy Out of Fraser Securities", *New Straits Times*. (2005). February 2.



Aranda Investments and Keppel Energy companies invested in Malaysia. One of the more significant investment flows from Malaysia was the purchase of a stake in Singapore's Mobile One Ltd in August 2005 by Sun Share Investments Ltd, a joint venture between Khazanah Nasional and Telekom Malaysia.

Fourthly, both countries must develop the private sector economic links. The private sector from both countries took advantage made investments in both sides under the current leadership. A lot of Malaysian private companies invest in Singapore and vice versa, such as Sime Darby, MISC, Berjaya Group, CIMB, AMMB Holdings, OSK Holdings, MCL Land, Parkway, United Oversea Land and etcetera. The close ties between the private sectors of both countries are important in globalizing world. The companies from both countries could collaborate and cooperate to tap opportunities arising from deeper economic integration. The leader's positive stance towards better economic cooperation between the two countries was another reflection of the improving relations between the two neighbours since Abdullah Badawi and Najib took over the leadership of Malaysia government.

Fifthly, both countries must take initiative in renewing educational and sporting events. First initiative was undertaken by the University of Malaya (UM) and the National University of Singapore (NUS) in introducing the exchange program of students and staffs between them. These joint programs will create a healthy environment in forging close ties among students and staffs of both countries. We must create linking among industry sectors and the institutions such as a unique cooperation between the NUS and KUB Malaysia Berhad. The establishment of joint programs for student exchange program for secondary school of both countries and etcetera. Yet, the traditional sporting activities between officials of the two countries, such as golf, football, tennis, badminton and etcetera need to continue. Under current leadership, the sport activities have play pivotal role inculcate the people's goodwill. These series of sport activities will renew friendly and build a good relationship among the peoples of both countries.

The intensity of cooperations in various areas has been made possible by the warming of the relationship between the two countries in recent years. Yang di-Pertuan Agong of Malaysia (Malaysian Head of State) during the officials visit to Singapore in 23 January 2006 has said that;

*“ No doubt, the positive political environment, growing trade figures and investment flows, increasing exchange of visits and strengthening cooperation in various areas, augur well for the future outlook in our bilateral relations”.*<sup>12</sup>

### **PROSPECT OF MALAYSIA AND SINGAPORE UNDER NAJIB**

Currently, it appears that both leaders in Malaysia and Singapore have shown some lights of cooperation and mutual understanding between them in accordance to the principle of *prosper thy neighbour* or to prosper its neighbours through economic aspects in order to realization their potential.

Although having the outstanding issues, both countries will be able to remain friendly and cordial. According to *Democratic Peace Theory*, this states that democratic countries do not go to war with other democratic countries. According to this theory, democratic countries would refrain from using force against each other, because they are accountable to their citizens. In the context of Malaysia-Singapore relations, both countries do not go to war because they are democratic countries and prefers to resolve the outstanding issues either through diplomacy talks or the third parties involvement.

In case of bilateral relations between Malaysia and Singapore, although these two states do not implement complete aspects of liberal democracy such as full freedom of speech and freedom to form organizations, they also do not use military force to settle their problems. They use dialogs and other peaceful measures to negotiate their bilateral

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<sup>12</sup> Ibid., p. 20.

issues. Therefore, despite the many bilateral issues that have surfaced in the course of Malaysia and Singapore relations, armed conflict is very unlikely to be a possibility, and certainly not when both countries are practising democratic forms of governance.

Given this situation, we need to search for additional factors to explain the no war situation between Malaysia and Singapore. As in many newly independent countries, the role of leadership is one factor that can bring a country to be a war-prone or peace-prone state. The new regimes of leadership will play important roles in fostering the relationship of both countries in relation to democratic peacekeeping. If Malaysia and Singapore did become engaged in a full scale war, we would have to discount the popular argument that democracies are not likely to go into war against each other, given the fact that both Malaysia and Singapore are governed on democratic principles. It may be argued that the apparent flaws in their brands of democratic system of government would be given as the reasons. However, both governments are led by rational and pragmatic leaders who understand the extent of the negative consequences of war to both countries, and therefore this worst-case situation is not possible.

In connection with improving Malaysia-Singapore relationship, economic interdependence is very significant for both countries in terms of their development process. With the importance of Singapore as a centre of commerce for most of Southeast Asia region, and in particular Malaysia, has much to gain in terms of trade and commerce. Similarly, Singapore, because of its own lack economic resources, will look towards Malaysia for its economic needs, such as investment in Malaysia, water and labour supplies etcetera. Such economic interdependence has long been recognized as important by both states as being important, and is arguably a reason that trade and investment between them remained substantial for several decades. The volume of bilateral trade between them has increased remarkably over the years. As it stands today, Singapore and Malaysia have somewhat established themselves as largest trading partners in ASEAN.

In future, we foresee that bilateral relations between two sovereign countries will augur well and confident it will be built a better future for the two neighbours in resolving other issues for the sake of their people based on the above-mentioned facts.

## **CONCLUSION**

The intensity of cooperation in various areas has been made possible by the warming of the relationship between the two countries in recent year. There is some concern about the enormous scope and advantage of working together for mutual benefits even as they compete where they must and collaborate where they can. Nevertheless, as with any two neighbours, the prospect of downturns in bilateral relations, arising often unforeseen circumstances, cannot and should not precluded. It is in the interest of both nations and their peoples to guard against such downturns by careful management of the relationship, and this has certainly been made easier by the goodwill and cooperative spirit engendered under Najib. In fact, one of Najib's achievements in the area of international relations is the much-improved bilateral ties between the two close neighbours.

In conclusion, Malaysia and Singapore enjoy and share a special relationship, due to their historical and cultural linkages, and their geographical proximity. The current challenging world has brought about a close neighbourly co-operation between the two nations to build resilience and strength. Both Malaysia and Singapore, are acutely aware of the mutual importance of each other, and continually look for ways and means to improve relations between the two countries. It should however be implemented based on the principles that would lead to a "win-win" situation, and adhering to the rules of International Law. Singapore's well being is important to Malaysia as Singapore is one of its largest trading partners. The establishment of good relations with Singapore is therefore economically vital to Malaysia.

The win-win situation can only be achieved if both parties are willing to accept the fact that the key to solving the outstanding bilteral issues is their willingness to compromise.

Malaysia would argue that this is something that has been commonly practiced by Malaysia and therefore an act that is not difficult to get into. Singapore on the other hand is beginning to realize its economic and social vulnerability. It is aware of the importance of regional goodwill and cooperation in combatting issues such as the outbreak of Severe Acute Respiratory Syndrome (SARS) and the avian influenza, terrorism and religious extremism issues etcetera. The realisation by both nations that compromise is the key to better relations could eventually lead to its adoption and therefore better relations.

Despite the differences in the approaches taken by both countries in resolving their bilateral issues, it is obvious that Malaysia and Singapore are mutually dependant on each other. Looking at the history of relations between the two countries, the role of leadership has played important role in the up and down of relationship. Under new generation of leaders in these two countries, we expect that they have new visions and put more efforts to nurture good relations. Personal contacts involving leaders and government officials of both countries still become the bases of relations between these two closed neighbours. The understanding reached by the leaders of the two countries has been and remain the fundamental to preserving long term mutual benefits. Leaders of both countries can play significant roles in overcoming conflicts and finding solutions to the problems that besieged the relations between the two countries.

Future direction in the relations should be focused on developing more cordial and tactful relations. Instead of competing, there is always the possibility of entering a smart partnership venture in a fast developing regional economy. This would definitely create a win-win situation for both countries instead of perpetual conflict. Under Najib Tun Razak the current Malaysian Prime Minister, there are signs of better bilateral relation in the future. With several good initiatives has been done by both countries leaders in resolving some legacy issues between them, such as Malaysia-Singapore Points of Agreement of 1990 (POA), over the issue of the future of railway land owned by the Malaysian government through Malayan Railways (Keretapi Tanah Melayu or KTM) in Singapore. I foresee that bilateral relations between two sovereign countries will augur well in the

future and confident it will be built a better future for the two neighbours in resolving other issues for the sake of their people.

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