Malaysia’s security concerns
A contemporary assessment

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On the fateful day of 11 February 2013, an approximately 150-strong armed militant group calling themselves the Royal Security Forces of the Sultanate of Sulu and North Borneo breached the far-eastern borders of Sabah, Malaysia, and landed in Lahad Datu to assert what they claimed as their unresolved territorial rights in North Borneo. Dispatched by one of the self-styled heirs to the throne of the now-defunct Sulu Sultanate, the armed intruders camped in at the remote village of Tanduo, located in the dense oil-palm estate of Felda Sahabat, despite repeated appeals from both the Malaysian and Philippine governments for their peaceful withdrawal. Their defiant stance unavoidably led to a month-long bloody stand-off with the Malaysian security forces that saw seventy-seven casualties, including nine Malaysian servicemen and six civilians. Not only did the ‘Lahad Datu Incident’ shock the nation, it also served as a timely wake-up call for Malaysia to review its national security preparedness in the face of potential and real threats, from within and externally.

This chapter examines the various national security concerns, both real and perceived, that Malaysia encounters today. Although the issues at heart are predominantly oriented towards traditional security, non-traditional, ‘human security’ challenges are given equal emphasis to stress their growing importance in shaping Malaysia’s security assessment. The chapter is divided into three parts: the first provides a brief overview of Malaysia’s national security outlook and threat perceptions, from both historical and present vantage points; the second part delves into various traditional and non-traditional security challenges, while the third and concluding part deliberates on Malaysian authorities’ efforts towards defending and securing the nation.

Malaysia’s security outlook: an overview of the past and present

Most observers would agree that Malaysia’s traditional security concerns have been essentially internally oriented and ‘emanated from within’ (Tang 2010: 25; Ruhanas 2009; Sidhu 2009). From the outbreak of communist insurgency in 1948 until the signing of the 1989 tripartite peace accord among Malaysia, Thailand and the Communist Party of Malaya, the primary security threat facing the nation came from none other than the decades-long communist struggle to position Malaya (and subsequently, Malaysia) within the communist sphere of
influence (see Nathan 1990; Sebastian 1991). To be sure, the communist threat was a domestic manifestation of the Cold War’s structural logic, which saw the advent of global confrontation between the Western camp, led by the United States, vis-à-vis the Soviet-led Eastern bloc. Regionally, Malaysia was inextricably caught up in the ‘grand strategy’ of communist expansionism in Southeast Asia spearheaded by the People’s Republic of China, and thus served as a vital piece to facilitate the so-called ‘domino theory’ that became an overarching concern for both Western policy-makers and Malaysian state-elites (Sidhu 2009: 2). Obviously, the limited resources of the Malaysian security apparatus were primarily geared towards stemming the ‘Red Tide’ from within, while the country hinged its nascent foreign policy on the Western bloc during the era of rigid bipolarity.

Apart from the communist insurgency during the Cold War, Malaysia also faced imminent military threats from neighbouring Indonesia, which under the stewardship of the nationalistic Sukarno, launched the ill-founded Konfrontasi policy, in reaction to the formation of the Federation of Malaysia in 1963. Driven by Ganyang Malaysia (Sweep Malaysia) rhetoric, the Sukarno government waged a series of sporadic and limited-scale military campaigns that lasted until 1966, which not only saw skirmishes at the border between Bornean Malaysia (Sabah and Sarawak) and Indonesia (Kalimantan), but also the attempted infiltration by Indonesian paratroopers in Labis and Pontian, in the peninsular Malaysian state of Johor (Sidhu 2009: 2–3). Similarly, the formation of Malaysia courted controversy from the Philippines, which, like Indonesia, refused to recognise the newly minted federation because of Manila’s sovereignty claim over Sabah. Although the Filipino government did not pursue the military option, it demonstrated its displeasure vividly by severing diplomatic ties with Kuala Lumpur in 1963.

Despite the restoration of full diplomatic relations following the end of the confrontation in 1966, and the dawning of regional solidarity via the establishment of the Association of Southeast Asian Nations (ASEAN) a year later, Malaysia’s relationship with Indonesia has continued to be periodically blighted by both new and unresolved issues, ranging from cultural heritage to maritime-territorial disputes. Meanwhile, Manila’s cordial bilateral relations with Kuala Lumpur overshadow the fact that the Filipinos, which, like Indonesia, refused to recognise the newly minted federation because of Manila’s sovereignty claim over Sabah. Although the Filipino government did not pursue the military option, it demonstrated its displeasure vividly by severing diplomatic ties with Kuala Lumpur in 1963.

Apart from a waning communist threat, Malaysia’s other security concerns in the 1970s and 1980s came from the radicalisation of Islam, following global events, such as the Arab–Israeli conflict, the Islamic revolution in Iran and the Soviet invasion of Afghanistan, among others, which spawned radical and deviant Islamic groups that were deemed by the Malaysian government to be a threat to Muslim unity and national security (see Noraini 1989). The ‘Memali Incident’ in November 1985, when police laid siege to a village occupied by an Islamic sect led by the charismatic ‘Ibrahim Libya’, resulting in eighteen deaths, and the July 2000 Al-Ma’unah fiasco, when a group of militants from a Muslim fringe group raided an army camp and made off with a substantial cache of weapons, served as cases in point regarding the socio-political dangers manifesting from such radicalised Islamic movements. These incidents also somewhat justified the Mahathir administration’s robust policy in combating this festering domestic threat, and in sanctioning the allegedly ruthless actions of Malaysian security forces, including potential human rights violations.
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The demise of the Cold War not only saw some old issues persevering, but also precipitated new security concerns for Malaysia. Although Southeast Asia remains relatively peaceful, Malaysian security planners have been envisaging potential threats from unresolved maritime-territorial disputes, which, aggravated by uncompromising nationalistic impulses among claimant states, could trigger regionally destabilising inter-state conflicts. Likewise, the threat of radical Islamic movements from within has been exacerbated by the advent of global terrorism, championed by non-state extremist groups such as Al-Qaeda, Jemaah Islamiyah (JI) and Kumpulan Mujahidin Malaysia (KMM) that perpetrated global/regional acts of terror, for example the ‘September 11’ attack, as well as the Bali 2002 and Jakarta Marriot bombing incidents, in which Malaysian connections were implicated.

Meanwhile, other non-traditional security challenges have emerged and become increasingly problematic. The prevalence of ‘human security’ requires Malaysia adequately to manage non-military and asymmetric threats, such as illegal immigration and human trafficking, environmental degradation, piracy and drug smuggling, which are essentially trans-boundary in nature and scope (see KEMENTAH 2010). Indeed, Malaysia’s strategic outlook has become what Tang (2010: 25) calls ‘fuzzier’, as the country strives to re-examine and enhance its national security in the face of a globalised and fluid international environment that spawns both challenges and opportunities in traditional and non-traditional dimensions of security.

To be sure, ASEAN, of which Malaysia is a founding member, has almost always demonstrated a propensity to manage, if not peacefully resolve, disputes between member states since its inception. Guided by the so-called ‘ASEAN Way’, which promotes norms of non-intervention and constructive engagement, and aptly supported by a compendium of legal and institutionalised frameworks, ranging from the Zone of Peace, Freedom and Neutrality (ZOPFAN) and the 1976 Treaty of Amity and Cooperation in Southeast Asia (TAC), to various Track-I and Track-II mechanisms, not to mention the emerging ASEAN Security Community, it is reasonable for Malaysia to be cautiously optimistic towards ‘ASEAN’s commitment to resolving conflicts without the use of force’ (Tang 2010: 26; see also Caballero-Anthony 2005: ch. 2). Nonetheless, the 2008 border clashes and still ongoing territorial dispute between Thailand and Cambodia over an ancient temple site suggest the limitations of ASEAN and ASEAN states’ predominantly realist worldview, when it comes to managing issues of national sovereignty and territorial integrity. Obviously, the Thai–Cambodian conflagration has elucidated that existing ASEAN safeguards are not foolproof and member states like Malaysia are cognisant of the need to enhance their national security, unilaterally through defence build-up, while concurrently maintaining their participation in bilateral and multilateral security arrangements, or confidence-building measures.

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The global security environment of the twenty-first century is shaped as much by traditional security issues as by non-traditional threats that require national actors to adopt the concept of comprehensive security as the basis for their national strategic thinking. As such, Malaysia’s national security interests encompass both dimensions, ranging from safeguarding the nation’s maritime-territorial sovereignty to managing transborder crimes and environmental challenges. Both shall be examined in the following sections.

Malaysia’s contemporary national security thinking has continued to be primarily shaped by conventional security concerns, despite the salience of non-traditional challenges, which the national security community commonly acknowledges to be less of an ‘immediate threat’
In particular, two key concerns stand out, namely, safeguarding territorial sovereignty and securing maritime interests in exclusive economic zones (EEZ). These priorities tend to be correlated, in view of Malaysia’s geographical designation as a littoral state with extensive maritime boundaries.

To a large extent, Tang’s (2010: 28) observation that Malaysia’s security challenges ‘are predominantly territorial in nature’ is spot on, insofar as the country is riddled with a number of extant maritime-territorial disputes, due to unresolved land and maritime boundaries that have led to contestation and overlapping claims vis-à-vis neighbour states. These include both bilateral and multilateral disputes. The former involve Limbang and the islands and surrounding waters of Ko Kra and Ko Losin, with Brunei and Thailand, respectively; the Ambalat/Celebes Sea maritime conflict and periodical altercations at the Sarawak–Kalimantan border with Indonesia; and Manila’s latent historical claim over Sabah; while the latter refers chiefly to Malaysia’s overlapping claims in the South China Sea vis-à-vis five other claimant states over parts of the Spratly archipelago (Tang 2010; Emmers 2010).

The disputes over the aforesaid common boundaries with Brunei and Thailand have been latent, and thus far, peacefully managed by both disputant states via bilateral negotiations. For instance, after decades of diplomacy, Malaysia and Brunei finally reached a possible settlement of the ‘Limbang Question’, with the signing of the Letters of Exchange in March 2009. Both neighbours agreed comprehensively to demarcate their common border based on five agreements signed by Sarawak and Brunei between 1920 and 1939, of which two directly concern the disputed territory (Nurbaiti 2009). Meanwhile, the Ko Kra and Ko Losin dispute, which stems from a contest over the continental shelf boundary between Malaysia and Thailand, remains unresolved, but has been tabled by both countries in favour of joint development under the auspices of the Malaysia–Thailand Joint Development Area established in February 1979. The arrangement was subsequently strengthened by the formation of a joint authority in 1991 to administer the area on behalf of the two governments (see Prescott and Schofield 2001).

Although shelving a maritime-territorial dispute for the purpose of improving mutual relations has appeared feasible in the case of the Malaysia–Thailand arrangement, the effectiveness of such a modus operandi is not guaranteed, since unresolved disputes have the tendency to resurface and haunt the claimant states. The Philippines’ dormant territorial claim over Sabah has proved to be a compelling case. Manila’s repeated failure to renounce the claim formally since 1969 (Caballero–Anthony 2005: 66–68) has unwittingly led to its recent resurrection, when non-state actors in the semblance of Sulu Sultanate descendants launched the aforementioned armed intrusion, in the name of the Philippines. To be sure, the Filipino government led by President Benigno Aquino III demonstrated willingness to cooperate with its Malaysian counterpart to end the stand-off by appealing to the intruders to engage in dialogue to address their territorial grievance, while simultaneously reminding them of possible constitutional violations for instigating an act of war (see Official Gazette 2013). The stand-off inadvertently turned into a highly visible ‘nationalist’ issue, however, that saw Filipinos sympathising with their brethren’s cause, while netizens took their discontent to cyberspace, launching attacks on Malaysian websites (Australian Network News 2013). Coinciding with the period leading to their respective general elections in May 2013, rising domestic nationalist pressure made it difficult for both Malaysian and Filipino state-elites to adopt an overly conciliatory approach towards the incident. Although eventually subdued by Malaysia’s security forces after a protracted operation (Ops Daulat), the Sulu intrusion undoubtedly tested the spirit and solidarity of ASEAN. More significantly from the Malaysian standpoint, this national security breach exposed limitations of the country’s
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security apparatus, in terms of their level of preparedness, outlay and outreach, especially when it comes to securing the nation’s outermost border and territories. The establishment of the Eastern Sabah Security Command (ESSCOM) reflects the Malaysian government’s immediate and steadfast commitment to address these national security deficits.

Close to the shores of south-eastern Sabah lies another potential flashpoint that could undermine an already strained bilateral relationship between two so-called kin states, which has been aggravated by their clashing nationalisms and competition for national prestige and power (see Lai 2013b). The Malaysian–Indonesian dispute over the hydrocarbon-rich, deep-sea blocks located in the Ambalat/Celebes Sea is undeniably a key irritant for both countries. The seeds of this debacle were first sown when Malaysia laid formal claims over the Sipadan and Ligitan islands, following its unilateral declaration of the controversial Peta Baru 1979 (New Map of 1979), which included an extended maritime boundary and jurisdiction overlapping with those of Indonesia (Mak 2006: 141–43; Sutarji 2009: 188). The overlapping claims led to a territorial dispute vis-à-vis Indonesia that was subsequently referred to the International Court of Justice (ICJ) for arbitration. The Sipadan–Ligitan dispute was officially resolved on 17 December 2002, when the ICJ ruled in favour of Malaysia, much to Indonesia’s chagrin. The episode, however, did not end, but has instead fed into the Ambalat dispute, when Malaysia decided to reconfigure its boundaries by making the legally acquired islands the new baseline to establish its extended maritime border in the Celebes Sea, which encompasses parts of the Ambalat deep-sea blocks (Lai 2013b: 133).

To date, the Ambalat/Celebes Sea conflict has seen two volatile episodes. The first involved provocative manoeuvres and face-offs between vessels of the Royal Malaysian Navy (RMN) and Tentera Nasional Indonesia–Angkatan Laut (TNI–AL) at the disputed waters that led to a ship collision incident between RMN’s KD Rencong and Indonesia’s KRI Tedong Naga on 8–9 April 2005, which almost triggered the first Malaysia–Indonesia armed conflict since Konfrontasi (Tempo 2005). The second episode took place between May and June 2009, and reached its climax when an RMN vessel, KD Baung–3509, was accused of venturing deep into the Ambalat waters and aggressively manouevring (zigzagging) so as to endanger Indonesian warships in the vicinity (Lai 2013b: 157). Although conflict was avoided when the RMN vessel left the disputed area, it was learnt that the shadowing Indonesian warships had assumed combat readiness, with the captain of one of the ships revealing ‘that Indonesia was moments away from firing its first shot in anger’ (Amir 2009; cf. Lai 2013b: 157). The highly charged nature of the Ambalat dispute suggests the necessity for both claimant parties to demilitarise the contested waters in favour of a mutually beneficial diplomatic resolution. Conversely, such high-sea altercations also emphasise the pressing need to bolster the RMN’s capabilities, to effectively defend Malaysia’s extensive maritime claims.

Another of Malaysia’s maritime-territorial concerns is the Spratly archipelago, which it claims in part, vis-à-vis five other claimant states, namely China, Vietnam, Philippines, Brunei and Taiwan. This group of South China Sea islands/reefs/atolls is not only the epicentre of competing maritime-territorial, geo-economic and geo-strategic interests, but also a potential hotspot for great power politics, because of its abundant natural resources (i.e. fisheries and hydrocarbon deposits) and its strategic location, straddling the world’s busiest sea lines of communication. The archipelago is claimed en masse by China and Vietnam, while the Philippines officially lay claim to fifty–three features. Malaysia entered the fray in 1978 via its invocation of the principle of continental shelf extension, making it the only party to stake claims over the area without a historical basis (Catley and Keliat 1997: 35; Emmers 2010: 69). Malaysia claims sovereignty over a total of twelve geographical features in the southern part of the disputed archipelago, and moved to occupy Swallow Reef (Pulau
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Layang-Layang in 1983, followed by the Ardasier (Terumbu Ubi) and Mariveles (Terumbu Mantanani) Reefs three years later (Emmers 2010: 69; Sutarji 2009: 174). After a thirteen-year hiatus, Malaysia increased its Spratly profile in 1999, by erecting structures in the Investigator Shoal (Terumbu Pemnjau) and Erica Reef (Terumbu Siput) (Kuik 2013: 23).

The Spratly dispute has witnessed the use of force by claimant states on several occasions to stake claims that periodically threatened the stability of the region. As the most militarily preponderant, China has been criticised over the years for adopting ‘gunboat diplomacy’ to pursue its ‘creeping invasion’ of the archipelago. In March 1988, the People’s Liberation Army-Navy (PLAN) clashed with the Vietnamese navy in ‘the deadliest [Spratlys] armed conflict to date’ near Fiery Cross Reef, to wrestle control over six adjacent features (Shepard 1996: 5). In 1994–95, Manila ceded control of Mischief Reef following ‘strong-armed’ diplomacy from Beijing. Meanwhile, Chinese fortification of Mischief Reef in the late 1990s had sceptics raising the spectre of a ‘China threat’ (Lai 2001). Fear of China’s forceful dominance had been exacerbated earlier by the promulgation of its 1992 Territorial Waters Law, which not only reaffirmed Chinese sovereignty over the Paracel and Spratly islands, but also laid China’s claim to more than 80 percent of the South China Sea (Emmers 2010: 71). Although the Chinese had maintained a status quo presence in the disputed archipelago since 1999, the extended Chinese–Filipino stand-off at Scarborough Shoal in mid-2012 has again resurrected concerns regarding China’s growing assertiveness in managing the South China Sea dispute. Compounding the unease among regional states, including Malaysia, has been the strengthening of Chinese military presence and power-projection capabilities in recent years, as indicated by the establishment of the Sanya naval base on Hainan island and the huge outlay of the PLAN’s South China Sea Fleet, which included commissioning China’s maiden aircraft carrier, Liaoning, and a sizeable fleet of submarines, purportedly to assert Chinese sovereignty over the troubled waters.

To be sure, Malaysia has neither been on the receiving end of China’s military assertions, nor been compelled by the Chinese forcefully to defend its Spratly outposts. For instance, Beijing’s response to the Malaysian occupation of the two Spratly reefs in 1999 was low-key, possibly a sign of Chinese goodwill toward Malaysia’s ‘deferential’ China policy that has fostered their relatively ‘benign and reciprocally productive’ bilateral relationship (Kuik 2013: 23). Indeed, unlike its Vietnamese and Filipino counterparts, the Malaysian government, from Mahathir to the Najib administration, has never officially declared China a security threat, but rather, has chosen to view its rise as an opportunity. Nevertheless, Kuik (2013: 38) sees Malaysia, like other ASEAN states, as becoming ‘increasingly concerned about rising tensions in the South China Sea’, especially following unusually strong Chinese protestation against a Malaysia–Vietnam Joint Submission to the United Nations Commission on the Limits of the Continental Shelf (UNCLCS) in May 2009. Hence, while Malaysia continues its pragmatic policy of engaging China and opting for diplomatic means to manage the South China Sea imbroglio, it has also sought to hedge against the uncertainties of the regional strategic environment by ‘quietly supporting a United States military presence’ (Kuik 2013: 37) (i.e. the US ‘pivot’ to Asia) and maintaining traditional military links with the Western powers, notably the United States and members of the Five Power Defence Arrangement (FPDA), as a critical dimension of its national strategic policy (see also Kuik, this volume).

Closely intertwined with Malaysia’s maritime-territorial interests is safeguarding the nation’s aforementioned extensive maritime border, which, based on the Peta Baru 1979, encompasses approximately 450,233 square kilometres of territorial sea and EEZ, an area much larger than its total land mass of 332,800 square kilometres (Sutarji 2009: 188). Malaysia’s maritime zones are both strategically and economically salient to its national
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security and well-being. From fisheries to hydrocarbon reserves, the nation’s EEZ contributes substantially to the sustainability of its food and economic security. Meanwhile, the Straits of Malacca, South China Sea and Celebes Sea are vital sea lines of communication for Malaysia and other trading nations, as they serve as an ‘artery through which a huge proportion of global trade is transported’ (Sutarji 2009: 189). Securing and enhancing the safety of its EEZ is therefore a key national security priority, especially in view of the proliferation of trans-boundary maritime threats such as illegal fishing and encroachments, piracy, maritime terrorism, illegal immigration and human trafficking, which endanger the nation’s well-being.

Among the most pressing maritime security challenges is the rise of piracy or high-sea armed robbery, with the Straits of Malacca gaining international notoriety during the early 2000s as amongst the major sea routes suffering from a relatively high incidence of pirate attacks. With some 62,000 ship movements transporting more than a quarter of global commerce and half the world’s oil supply passing through this narrow waterway annually (Sutarji 2009: 189), it is no coincidence that the Straits have become a hotbed for modern-day sea piracy (see Liss, this volume). In 2004 alone, the International Maritime Bureau (IMB) reported some thirty-eight cases of pirate attacks, prompting marine insurers like Lloyds to classify the Straits of Malacca as a ‘war zone’ (Tang 2010: 31). In fact, its high-risk environment had led then US Pacific Command Chief Admiral Thomas Fargo to suggest in April 2004 that the US Marines and Special Forces would assist the littoral states of Malaysia and Indonesia in patrolling the troubled Straits (Mak 2006: 152). Concerned by the potential ‘internationalisation’ of Malaysia’s security, and recognising the urgent need for counter-piracy measures to convince users regarding its safety, the Malaysian authorities ‘went so far as to offer naval escorts at no cost for “high-risk” vessels transiting the [Malacca] Straits’ (Straits Times 2004; cf. Mak 2006: 153). More significantly, they began working closely with Indonesia and Singapore to stem piracy in the Straits under the auspices of the Malaysia–Singapore–Indonesia Coordinated Patrol (MALSINDO CORPAT), launched on 20 July 2004 (Mak 2006: 155). With the subsequent incorporation of aerial surveillance under Thailand’s Eye-in-the-Sky programme, Tang (2010: 31–32) sees Malaysia and its littoral neighbours as having efficaciously ‘reversed the tide of piracy’ in the Malacca Straits since 2004; indeed, the IMB’s first quarterly report in 2009 identified only one of 102 piracy incidents worldwide occurring in the Straits.

Apart from in the Malacca Straits, piracy and maritime terrorism have manifested intermittently in the nation’s far-eastern EEZ, most notably in the form of hostage and abduction cases. Infamous incidents include the April 2000 abduction of twenty-one victims from a diving resort in Sipadan Island by the Abu Sayyaf Group (ASG) and a similar case a year later, at Pandanan Island in east Malaysia, by its splinter group. In November 2012, two cousins were abducted from a plantation in Lahad Datu, Sabah, and held ransom by their ASG abductors in nearby Jolo Island. The incident ended uncannily nine months later, following the escape of one of the victims; the other reportedly died in captivity (Lee 2013). Like the recent Sulu armed intrusion, these debacles clearly expose the limitations in Malaysia’s maritime surveillance and capabilities.

The involvement of the Al-Qaeda-linked ASG in these abductions reveals yet another national security concern in the form of Islamist extremism and global terrorism, which since the September 11 terror attacks, has recalibrated Malaysia’s security perceptions to include viewing seriously the potential threat posed by radical Islamic movements, such as KMM and JI within its shores. Although Malaysia has never directly experienced the menace of terrorism, the role of Malaysian citizens in the earlier mentioned Bali and Jakarta bombings
is indicative of the clear and present danger posed by these allegedly Al-Qaeda sponsored local extremist groups, whose transboundary activities/movements have to be diligently monitored and curtailed through effective joint counter-terrorism measures with neighbour states. As such, Malaysia's establishment of the Southeast Asia Regional Centre for Counter Terrorism (SEARCCT) in 2003 was a proactive step in the right direction.

The transboundary nature of terrorism is, indeed, profoundly manifested in the Malaysia–Indonesia–Philippines 'tri-border' area, which is seen as a hub of terrorist and related criminal activities in Southeast Asia (Rabasa and Chalk 2012). Despite current trends suggesting an overall improvement in the regional security situation vis-à-vis terrorism, following the fragmentation and attrition of key militant groups as a result of concerted counter-terrorism efforts (Rabasa and Chalk 2012: ix), the Malaysian authorities have remained vigilant over the tri-border area, which they still consider a hotbed for terrorist activities. Their preoccupation is understandable, since the demographic make-up and proximity of Sabah to the southern Philippines (Mindanao/Sulu) makes the tri-border a suitable rear area for militants, who can blend into and develop support networks undetected among large migrant populations’ (Rabasa and Chalk 2012: 5). The onus is thus on Malaysia to continue strengthening its coastal-cum-naval surveillance and operational capabilities, while simultaneously pursuing trilateral/multilateral maritime security cooperation in the tri-border area, to deal effectively with terrorism and other transnational criminal activities.

Malaysian security planners are also highly concerned with other human security issues. Illegal immigration, drugs smuggling and human trafficking are considered priority areas, since Malaysia considers itself on the receiving end of such transnational criminal activities (Sato 2010: 144), owing to its porous border and strategic geographical location, as well as its vibrant economy. Indeed, Malaysia is a favoured transit point for movement of illegal migrants and victims of human trafficking from Indonesia, the Southern Philippines, Bangladesh, Myanmar, Vietnam and China, among other places, and for narcotics from the Golden Triangle. According to the Immigration Department's records, Malaysia has a 1.85 million-strong foreign workforce, many of whom are undocumented, and whose presence has exacerbated social problems, such as rising crime, spread of diseases, and culture/identity clashes, that threaten public security (KEMENTAH 2010: 11–12).

Besides increasing border surveillance and security, the Malaysian authorities have also launched periodic crackdowns (for instance, an initiative dubbed Ops Nyah) to curb illegal immigration, including offering amnesty and deportation, while imposing stiffer penalties on perpetrators. In late 2011, the government launched the Illegal Immigrant Comprehensive Settlement Programme or ‘6P’ to allow illegal migrants to register and be either legalised or deported back to their home country without prosecution. About 1.3 million illegal foreign workers have since registered, of whom 500,000 were legalised and 330,000 repatriated (Gangopadhyay and Lim 2013). It is noteworthy that Malaysia's handling of illegal immigrants has occasionally become an issue of contention in its relations with Indonesia and, to a lesser extent, the Philippines.

Last, but not least, environmental threats like transboundary haze and marine pollution have highlighted the dire need for Malaysia to work closely with ASEAN member states to comprehensively manage these borderless security challenges. Transboundary haze, for instance, has become a regular problem in Southeast Asia since the 1990s, as a result of unscrupulous open burning by small farmers and large plantation firms alike, to clear land for commercial purposes. It became a contentious issue in 1997, again in 2006 and recently in 2013, following severe degradation of air quality, which forced national authorities to issue public health warnings and businesses and schools to close in Malaysia and Singapore. Since
the forest fires were started and hotspots recorded mainly in Sumatra and Kalimantan, the
Indonesian government has been taken to task, time and again, for its apparent lack of convic-
tion in combating the issue. Nonetheless, allegations concerning the involvement of
Malaysian-owned plantation companies in large-scale land clearing in Indonesian provinces
have had Jakarta playing the ‘blame game’, as well, resulting in what has increasingly appeared
to be a diplomatic conundrum when it comes to collective management of the haze debacle.
To be sure, ASEAN has, since 2003, enforced a regulatory framework based on the
Transboundary Haze Agreement to manage the problem. Indonesia’s conspicuous absence as
a signatory, however, remains the major obstacle in realising the agreement’s full potential
(Tang 2010: 34). To make matters worse, Malaysia reportedly ‘struck a deal’ with Indonesia
in September 2013 ‘to withhold critical information on forest fires in Sumatra, which cause
the annual haze in the region’ (Zachariah 2013). This bilateral arrangement cast serious
doubts on the viability of the ASEAN-proposed Haze Monitoring System, due to be launched
shortly thereafter (Zachariah 2013). The spectre of transboundary haze will continue to
haunt Malaysians in years to come if no concerted inter-governmental effort is made to tackle
the root causes of the problem.

Enhancing national security: modernisation of the
Malaysian Armed Forces

These myriad traditional and non-traditional security concerns require a sustained moderni-
sation programme for the Malaysian Armed Forces (MAF), which not only involves the
procurement and maintenance of advanced military hardware and technologies, but equally
emphasises improving the standards of military personnel in terms of training, equipment,
morale and welfare. Indeed, prior to the 1997 Asian financial meltdown, Malaysia was
amongst the biggest defence spenders in Asia. In 1996, it was ranked the world’s eleventh-
largest arms importer (Sidhu 2009: 23). Since the late 1990s, however, the MAF’s develop-
ment has assumed an irregular pace, as a result of political, economic and fiscal constraints
(Dzirhan 2012). Confounding the matter has been the dire need to replace extensive ageing
MAF military equipment, which has strained the capacity of its services (army, navy and air
force) to accomplish their missions effectively. For instance, the defence sector enjoyed
consecutive annual budget increments between 2006 and 2008, but suffered a 10.46 percent
contraction in 2009, owing to the global financial crisis (Tang 2010: 35). In 2013, the Defence
Ministry received a budget of RM15.2 billion – an increase from the RM13.7 billion allo-
cated the year before. The bulk of these annual defence allocations went to operating expen-
ditures, while the portion for development (including procurement) was meagre, at best. This
irregular pattern of expenditure, nonetheless, blurs the fact that Malaysia’s annual defence
spending, which averaged 2 percent or less of its gross domestic product (GDP), was compar-
avtively higher than that of most ASEAN states during the period 2008–12, Singapore, Vietnam
and Brunei notwithstanding (see World Bank n.d.). Yet, the gloomy economic outlook has
raised doubts about the ability of the government to finance the MAF’s modernisation agenda.
In 2012 alone, all three services of the MAF took significant cuts to their procurement
funding; the army requested RM1.16 billion, but was given RM541 million; the navy asked
for RM4.39 billion, but received only RM759 million; and the air force was allocated
RM983 million, despite requesting RM2.49 billion (Dzirhan 2012).

Despite its shoestring budget, the MAF has strived to beef up its capabilities by initiating
a number of strategic procurement programmes over the last decade, to meet the operational
requirements of its three services. These included, among others, the army’s acquisition of
257 indigenously produced AV–8 8x8 AFVs; the navy’s procurement of two French-built Scorpene submarines, six Kedah-class offshore patrol vessels (OPVs) and another six second-generation patrol vessel–littoral combat ships (SGPV-LCSs) to enhance its maritime capabilities; and the air force’s purchase of twelve EC–725 Eurocopters and Russian-made SU–30MKM multi-role combat aircrafts (MRCAs), as well as the planned acquisition of another eighteen MRCAs as replacement for its MIG–29N fleet, scheduled for decommissioning in 2015 (contenders include the Boeing Superhornet, Eurofighter Typhoon, Dassault Rafale and Saab Gripen) (see Asian Military Review 2013). It is worth noting that while Malaysia’s defence spending has generally decreased over the last few years, acute awareness of the limitations of the country’s security apparatus in dealing with the likes of the Lahad Datu intrusion ensures that force modernisation will remain a priority area in years to come.

Conclusion
The demise of the Cold War precipitated a fluid international security environment that has left Malaysia facing myriad security concerns, in both the traditional and non-traditional senses. To be sure, the country has thus far enjoyed relative peace and stability, both internally and externally, and the security concerns outlined in this chapter have yet to pose any clear and present danger to national security. Nonetheless, from maritime-territorial disputes to transboundary haze, these security challenges require the Malaysian authorities not only to be continuously vigilant, but also comprehensively to review and recalibrate the country’s national strategic policy better to manage the nation’s security. To this end, the government has continued to emphasise the time-proven, ‘skilful use of diplomacy’ (via bilateral and multilateral channels) as ‘the first line of defence’ (Sidhu 2009: 29), while simultaneously seeking to strengthen the country’s military-security option to serve as a credible deterrent against sources of threat. Although the lacklustre global economy has held back the MAF’s modernisation agenda, the necessity to replace near-obsolete capital equipment to enhance force operability and reduce the gap with other regional armed forces will ensure outlays for security are given due emphasis for the foreseeable future.

Notes
1 The Malaysian government’s threat perceptions of radical Islam were underlined by the publication of a white paper entitled ‘The Threat to Muslim Unity and National Security’ in the late 1980s (Noraini 1989: 146; see also Sidhu 2009: 12).
2 For instance, Deng Xiaoping’s shelving of the Japanese–Chinese Senkaku/Diaoyudao islands dispute in 1978 has not stopped the conflict from becoming a potential flashpoint in their contemporary bilateral relationship, especially since a resurgence of domestic nationalism in both countries has rendered the issue non-negotiable (see Lai 2013a: ch. 6).

Bibliography
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