



EVOLUTION

AND MULTIDIMENSIONAL REFLECTIONS OF MALAYSIA'S

LOOK EAST POLICY

edited by

MD NASRUDIN MD AKHIR
MOHD IKBAL MOHD HUDA
ASMADI HASSAN

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PENERBITAN PERDANA



1013934



PENERBIT UNIVERSITI KEBANGSAAN MALAYSIA
BANGI • 2023
www.ukm.my/penerbit

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Diterbitkan di Malaysia oleh / *Published in Malaysia by*
PENERBIT UNIVERSITI KEBANGSAAN MALAYSIA
43600 UKM Bangi, Selangor Darul Ehsan, MALAYSIA
www.ukm.my/penerbit
e-mel: penerbit@ukm.edu.my

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MAJLIS PENERBITAN ILMIAH MALAYSIA /
MALAYSIAN SCHOLARLY PUBLISHING COUNCIL
PERSATUAN PENERBIT BUKU MALAYSIA /
MALAYSIAN BOOK PUBLISHERS ASSOCIATION
No. Ahli / *Membership No.* 198302

Atur huruf oleh / *Typeset by*
PENERBIT UNIVERSITI KEBANGSAAN MALAYSIA
43600 UKM Bangi, Selangor Darul Ehsan, MALAYSIA

Dicetak di Malaysia oleh / *Printed in Malaysia by*
PEWARIS GEMILANG SDN. BHD.
No. 27G, Jalan Putra 8
Taman Kajang Putra
43000 Kajang, Selangor Darul Ehsan, MALAYSIA



Cataloguing-in-Publication Data
Perpustakaan Negara Malaysia
A catalogue record for this book is available
from the National Library of Malaysia
ISBN 978-629-7547-31-2

Contents

List of Tables & Figures ... 7

Preface ... 9

- CHAPTER 1 Forty Years of the Look East Policy: An Overview ... 11
- CHAPTER 2 A Two-dimensional Approach to the Look East Policy:
Comparing and Contrasting ... 24
- CHAPTER 3 China as a Developmental Model for Malaysia's Look
East Policy 2.0 ... 41
- CHAPTER 4 India and Malaysia's Relations with Japan: Unpacking
the Look East Policy and the Act East Policy ... 58
- CHAPTER 5 Look East Policy and the New Southern Policy:
Convergence of Interests and Trajectories ... 70
- CHAPTER 6 Enhancement of the Study Abroad Program from Japan
to Malaysia: A Case Study ... 84
- CHAPTER 7 A Reflection on the Look East Policy: Issues in
Discourse Competency among Universiti Sains Islam
Malaysia Students ... 99

- CHAPTER 8 The Role of Non-profit Organizations in Empowering Japanese Language Education in Malaysia ... 113
- CHAPTER 9 Another Reality of Malaysian Academics in Invigorating the Spirit of the Look East Policy: Focusing on the Japan Studies Program at University of Malaya ... 128
- CHAPTER 10 Rethinking Malaysia–Japan Strategic Economic Cooperation and Liberalization ... 147
- CHAPTER 11 Japanese and South Korean Foreign Direct Investments in Malaysia: Motivation and Trends ... 164
- CHAPTER 12 Cooperation in Heavy Industry between Malaysia and Japan since the 1980s ... 179
- CHAPTER 13 Socio-cultural Aspects of Malaysia's Look East Policy in the Development of Human Capital: Korea and Japan ... 197
- CHAPTER 14 Challenges for Japanese Expatriates in Malaysia ... 220
- CHAPTER 15 The Story of a Look East Policy Family: Rozeriya Enterprise ... 234
- References ... 2497*
- List of Contributors ... 267*
- Index ... 277*

List of Tables & Figures

- TABLE 6.1 Course content of international fieldwork ... 92
- TABLE 6.2 Past activities in international fieldwork in Malaysia (2016–2020) ... 93
- TABLE 6.3 Malaysia-related course titles in the FILA curriculum for students who join collaborative research activities ... 96
- TABLE 9.1 Enrolment in the East Asian Studies Program ... 134
- TABLE 10.1 Trade with Japan 2013–2016 (RM million) ... 155
- TABLE 10.2 Trade with Japan 2017–2020 (RM million) ... 156
- TABLE 12.1 Japanese firms participating in MIHAS 2007 ... 190
- TABLE 13.1 Number of students sent by the Malaysian Government to Japan under the LEP ... 201
-
- FIGURE 11.1 Japanese and Korean total OFDI, 1970-2020 ... 169
- FIGURE 11.2 FDI inflows into Malaysia, 1970-2020 ... 170
- FIGURE 11.3 Japan and South Korea net FDI inflows, 2012-20 ... 171
- FIGURE 11.4 Chinese FDI in Malaysia, 2010-20 ... 173
- FIGURE 11.5 Japan's FDI in Southeast Asia by country, 1995-2008 ... 174
- FIGURE 11.6 Japan's FDI in Southeast Asia by country, 2010-20 ... 174
- FIGURE 11.7 South Korea's FDI in Southeast Asia by country, 1988-2000 ... 176
- FIGURE 11.8 South Korea's FDI in Southeast Asia by country, 2010-21 ... 177
- FIGURE 13.1 Yearly trend of Malaysian international students in Korea ... 204
- FIGURE 13.2 Approved manufacturing projects from Japan (2007-July 2014) ... 207
- FIGURE 13.3 Schematic diagram of strengthening economic cooperation between the two countries through human resource development ... 208
- FIGURE 13.4 Malaysian management style after implementation of the LEP ... 209

FIGURE 13.5 Korea's government-led technology transfer culture ... 213

FIGURE 13.6 The Korean model of development and effects on Malaysian society ... 215

Preface

This book was almost one and half year in the making. It is an academic contribution by 22 scholars from various fields of specialization from Malaysia, Japan, the Republic of Korea and India to commemorate the 40th anniversary of the Look East Policy (LEP). The policy has been continuously implemented since the administration of the fourth Prime Minister, Dr. Mahathir Mohamad to the ninth Prime Minister, Ismail Sabri, indicating its enduring significance to Malaysia. In fact, the agreement of the Japanese and ROK governments to jointly realize the implementation of the LEP illustrates how diplomatic relations and friendships forged in 1957 and 1960, respectively have been further strengthened.

The idea that led to several brainstorming sessions towards realizing this book took root and arose among the academic staff at the Japan Studies Program (JSP), University of Malaya and the executive committee of the Malaysian Association of Japanese Studies (MAJAS) in 2021. Efforts to expand activities as well as strengthen Malaysia–Japan relations in publishing, and organizing conferences and exhibitions, have become traditional joint endeavors of the JSP, MAJAS and, previously, the Malaysia–Japan Research Centre (MJRC). Therefore, the publication of this book is a manifestation of strategic cooperation between JSP and MAJAS.

This book addresses the evolution and multidimensional reflections of the LEP from four perspectives, namely international relations, education, political economy and socio-cultural aspects. Some key questions on the LEP are elaborated, such as what new dimensions of the LEP are actually served, which sectors should be emphasized in the new wave of the LEP, and whether 40 years have been adequate for Malaysia in inculcating the positive values epitomized by the policy. Although this book’s main focus is on Japan’s involvement in the implementation of the LEP, a comparison of the execution of its programs between Malaysia and the ROK and India is also included.

We are of the view that, since the LEP has been continuously implemented by retaining its title, the word “dimension” more accurately describes the transition that has taken place since 2012. Thus, the first

dimension of the LEP dates from 1982 when it was first implemented until 2012, while the second dimension started in 2012. However, contributors had the leeway to use “LEP 1.0 and LEP 2.0” or “first wave and second wave” because such interpretations do not make much difference. For this reason, certain chapters use the above terms or a combination of them and should be read within the contexts described here.

We would like to express our deepest gratitude to the Japan Foundation for funding this book project. The initial intention to publish this book was expressed to Seiya Shimada, the Director of the Japan Foundation Kuala Lumpur in September 2021 during a discussion regarding the activities to be organized by JSP, University of Malaya and MAJAS in conjunction with the 40th anniversary of the Look East Policy in 2022. We would also like to thank Sean Harley Lee Allen and Lee Ee Wern for their invaluable editorial assistance in the preparation of the final manuscript.

Md Nasrudin Md Akhir
Mohd Ikbal Mohd Huda
Asmadi Hassan

Chapter 1

Forty Years of the Look East Policy: An Overview

Md Nasrudin Md Akhir, Mohd Ikbal Mohd Huda &
Asmadi Hassan

Introduction

Soon after assuming the nation's premiership in 1981, Dr. Mahathir Mohamad began to identify its strengths and weaknesses and he did not take long to introduce various developmental policies and national agendas with their grand visions and big ambitions. The goals and ambitions set were not merely rhetorical but implemented not only to stimulate positive change towards sustainable economic growth but also aimed at shifting mindsets of workers and the people towards more positive ethical values. The ultimate goal was to achieve developed country status within the Malaysian mould. Not long after, Dr. Mahathir announced that Malaysia's foreign policy would focus on relations with members of the Association of Southeast Asian Nations (ASEAN), Organization of Islamic Cooperation (OIC), the Non-Aligned Movement (NAM), and Commonwealth nations. However, since December 1981, Japan's achievements in economic growth were an inspiration to Dr. Mahathir and served as a model of development for Malaysia since he was greatly impressed with the work ethics and discipline of the Japanese. Japan, which is not a member of any of the four organizations above, suddenly became a prominent actor in Malaysia's foreign policy. February 1982 saw the birth of the Look East Policy (LEP) with Japan and the Republic of Korea (ROK) becoming developmental models for Malaysia. His first overseas visit as prime minister was to Japan in 1981, and during the 22 years of his first administration until 2003, he tirelessly visited Japan more than 100 times, mainly to promote his LEP (Bernama 2018).

Japan, which was the world's second largest economic power at that time, and the only Asian state to be a member of the world's most developed industrialized league under the Group of 7 (G7), is a model for Malaysia's goals in achieving sustainable economic growth. The goal towards a developed nation that not only economically, but also politically, socially and spiritually set growth rates of not less than 7% per annum for a period of 30 years starting 1990. However, a developed nation without values and ethics is not something to be proud of. Thus, the moral and ethical values from Japan, coupled with Islamic values of cleanliness, efficiency and trustworthiness have been attempted to be inculcated into Malaysian society. The main driver of the government machinery towards this vision is none other than the civil service, and in preparing towards its implementation on a wider scale, involving the private sector as well.

Prior to the 1980s, privatization was not generally implemented because government agencies as a single corporate entity was something that was already accepted. The government controlled almost all the means of production until Japanese-styled incorporation was implemented into the government system to free institutions and organizations formerly under the public sector to develop more competitive and independent entities by applying effective Japanese management systems. Through privatization, organizations were transferred to new owners with completely different management systems from the government such as Jabatan Telekom which was privatized into Syarikat Telekom Malaysia Berhad in 1984 and Lembaga Letrik Negara (LLN) that was rebranded as Tenaga Nasional Berhad in 1990. While not all policies introduced by the government are good for society, it is undeniable that target groups will usually benefit more than before.

During the first dimension of the LEP from 1982 until 2012, major advances were achieved in addition to obstacles that did not bring commendable benefits. As a government policy that has been implemented for four decades, the transition to the second dimension of the LEP as announced by Najib Abdul Razak in 2012, was awaited as to how its content, involvement and implementation would take place. It is a very rare decision in Malaysia's foreign policy orientation where government policies such as the LEP can last for a period of 40 years continuously under six prime ministers from 1982 to 2022.

On the eve of the second dimension of the LEP, Malaysia's foreign policy was slightly skewed towards China under Najib's administration. Even though investments and trade opportunities provided by China are too valuable for Malaysia to disregard, ties with Japan and the ROK are still significant. Both Japan and the ROK have maintained good relations with Malaysia since 1957 and 1960 respectively, and the growing mistrust in Malaysia–China ties during the communist insurgencies and the Cold War created a vacuum for Japan and the ROK to capitalize on. However, since the restoration of Malaysia–China relations in 1985, as well as China's rise as an economic power over the past 20 years, these matters have paved the way for closer Kuala Lumpur–Beijing bilateral relations. The new dimension of the LEP is also likely to open up space for China as one of the actors playing an important role in the economic growth of Malaysia.

Structure of the Book

This book is structured into four main sections: international relations, education, political economy and socio-cultural. The first chapter provides an overview of the LEP and briefly covers the content of the book since the implementation of the LEP over the 40-year period.

International Relations

In chapter two, Md Nasrudin Md Akhir analyzes the evolution of the LEP from the first (1982-2012) and second dimensions (2012 until the present). The three primary focal points under the implementation of the first dimension of the LEP, namely inculcating positive ethical values, providing training as well as higher education and structural reforms are discussed. They include the importance of engagement, involvement and participation in adopting work ethics and values from Japan and the ROK as the central concerns with the government. Japan in particular, developed into one of the main actors in Malaysia's foreign policy and became an active trade partner, involving investment and human capital.

Although the aspirations of the LEP are ongoing, they have eased in intensity as the Japan lobby in Malaysia has slowly begun to fade while China, a new economic actor in Northeast Asia, begins to gain a foothold in Southeast Asia. Under Najib, Malaysia's foreign policy orientation toward China in trade and investment became increasingly apparent. In line with the Belt and Road Initiative (BRI) strategy introduced in 2013, China's advancement into Malaysia and Southeast Asia has been unstoppable. However, Malaysia's relations with Japan and the ROK still continue as both countries are among its major trading partners.

The implementation of the LEP over a period of 40 years showed significant differences in terms of approaches and areas of priority. As with many other policies, there are supporters and critics, and the LEP is no exception. Many wonder exactly what contents are to be manifested with this new dimension of the LEP. To some observers, it seems like a kind of rhetoric filled only with talk that appears well-founded but lacking in implementation. The enthusiasm for the new dimension of the LEP has become increasingly bland and the three main areas of focus that were once outlined by Najib have been somewhat neglected, in part due to the power struggle that shifted from Najib to Dr Mahathir, Muhyiddin Yassin and Ismail Sabri from 2018–2022.

Therefore, what does the new dimension of the LEP actually serve to fulfil, especially after 10 years of its implementation? How long should the LEP be continued? In what sectors do the new wave of the LEP need to be emphasized? Is 40 years still not long enough for Malaysia to inculcate the positive values envisioned, or will it take longer? If the LEP has a goal to inculcate ethical values, 40 years has already been more than enough. What is the evidence that shows these positive values being applied in the daily workplace? The author deals with these important questions and analyzes how these successive two-dimensional approaches implemented from 1982–2012 (first dimension) and 2012 onwards (second dimension) will benefit Malaysia.

In the third chapter, Ramli Dollah and Andika Ab. Wahab discuss the possibility of China as a model of development for Malaysia's LEP 2.0. They argue that when the LEP was introduced, China was the only East Asian country that was far behind in many respects with regard to early modernization. As a result, Malaysia did not view China as an example for the LEP model. However, recent decades have seen the rise of China as

an economic and military superpower with dramatic changes in regional and global politics. The authors suggest that the Malaysian government needs to design a new strategy that includes the identification of potential partners in LEP 2.0 in tandem with the fast-changing domestic context and global political environment. While acknowledging Japan as a model for LEP 2.0, the rise of China as a superpower in regional economic and military matters will compel Malaysia to recognize China as a new model for policies to adapt to the changing environment for Malaysia's economic development. In light of this discussion, this chapter highlights the importance of Malaysia–China bilateral relations. Therefore, Malaysia should reconsider the inclusion of China in its LEP 2.0 policy as a way forward to adapt to domestic and global politics.

The next chapter by Sudhir Kumar Singh and Geetha Govindasamy is entitled “India’s and Malaysia’s Relations with Japan: Unpacking the LEP and The Act East Policy.” The LEP and the Act East Policy (AEP) are initiatives that predominantly focus on Japan as a foreign policy partner in multiple sectors by both Malaysia and India. While the LEP was initiated in 1982 and focuses more on learning from Japanese economic successes, India’s LEP, established in 2014 and later renamed the AEP, was implemented mainly to emulate Japan as an economic and security partner. This is where the LEP and the AEP diverge in that the rise of China is viewed differently by Malaysia and India. Malaysia views Japan as well as China as its East Asian partners that could assist in the development of its economy. In contrast, India views Japan as a counterbalance to China’s rise and influence in the Indian Ocean region.

The final chapter in the international relations section, “LEP and The New Southern Policy 2017—2022: Convergence of Interests and Trajectories” is by Geetha Govindasamy. Generally, the LEP and the New Southern Policy (NSP) are considered the brainchild of Malaysian and South Korean leaders who took into account domestic issues as well as the international environments. While both policies were conceived for various reasons, factors like changes in government, leadership orientation, the rise of China and its consequences seem to converge and are significant enough to be examined. The chapter indicates that the leadership of Dr. Mahathir and Moon Jae In legitimized the LEP and the NSP. For Dr. Mahathir, Japan became the focal point in Malaysia’s foreign policy

while Moo Jae In saw ASEAN and India as having equal status in Seoul's foreign policy considerations. This was possible because both Malaysia and South Korea experienced a change in government which allowed for the reorientation of their foreign policies. The rise of China is indeed a factor in establishing the LEP; for Malaysia, it was more of a policy of diversifying economic partners without emphasizing strict dependence solely upon China. For South Korea, closer relations with ASEAN and India allowed for South Korean businesses to expand connections, rather than maintaining a relationship with China only. This does not mean that Malaysia and South Korea have abandoned China; rather the LEP and the NSP have allowed for greater diversification of economic partners.

Education

The next four chapters relate to education. Ichiro Sugimoto proposes a new educational collaboration between Japan and Malaysia in his chapter, namely, the enhancement of the flow of students from Japan to Malaysia through study abroad experience by utilizing the framework of the LEP. This chapter suggests that the asset of the LEP is that it serves as an important resource for enhancing bilateral collaborations. The assets mentioned by Sugimoto are the students who have obtained degrees in Japanese higher institutes and acquired a high level of Japanese proficiency and a deep understanding of the social norms and culture. These experienced students returned to Malaysia and became capable human capital in various sectors and were connected by the human heart and mind. Over the last 40 years, the flow of human resources has been only from Malaysia to Japan. However, the time has come to consider the value of Malaysia as a destination for gaining skills applicable to engendering globalized human resources with regard to Japanese youth. This study suggests utilizing existing assets, alumni of the LEP, for Japanese students to learn from Malaysia. The author argues that it is crucial to leverage and develop the soil of bilateral collaboration established by the LEP and draft a new page for the future.

The following chapter is on "A Reflection of the Look East Policy: Issues in Discourse Competency among USIM Students," explored by Margaret Anthoney and Roslina Mamat. The authors argue that the Japanese language was introduced as part of Malaysia's LEP, which aimed to pique

the interest of young people in learning the language. Students studying Japanese were taught not only the language, but also Japanese values. However, in the learning process, students faced oral communication problems or discourse competence. The authors found that the students did not use appropriate, cohesive devices and had a problem organizing their ideas. Their conversations lacked consistency and coherence and, due to that, they were unable to communicate effectively. As a consequence, those identified problems could disturb their cohesiveness and coherence in communication.

The next chapter on education is by Rokiah Pae and Roswati Abdul Rashid. The authors discuss the role of non-profit organizations in empowering and promoting Japanese language education in Malaysia, namely the Japanese Language Society of Malaysia (JLSM), the Malaysian Japanese Language Instructors Society (MAJLIS) and the Alumni Look East Policy (ALEPS). They argue that the introduction of the LEP has expanded the learning of the Japanese language and culture throughout Malaysia in both academic and non-academic settings. The policy is supported by various organizations, such as government-related agencies, companies, individuals, and non-profit organizations. Among the non-profit organizations are the JLSM, MAJLIS and the ALEPS which contribute to the strengthening of Japanese language education in Malaysia. The JLSM aims to foster deeper understanding and meaningful relationships between Malaysians and the Japanese through international cultural exchange. This aim is achieved by actively promoting Japanese language and cultural learning in Malaysia. The JLSM puts more emphasis on creating spaces that promote intercultural interaction between the Japanese and Malaysians.

Meanwhile, MAJLIS's focus is more on the development of Japanese language instructors in terms of enriching their knowledge in the Japanese language and its culture mainly through seminars, workshops, conferences, and publications. The establishment of the association is seen to be very much in line with the current development of Japanese language education in Malaysia which requires the development of Teaching and Learning (T&L) and is beneficial to improve the quality of T&L, particularly in the Japanese language. On the other hand, a different approach is employed by the ALEPS in supporting the LEP compared to other associations in Malaysia. It focuses on students that will be studying in Japan as well as gathering graduates from Japanese institutions. To ensure that the objectives of the organization are achieved, various programs, forums,

seminars, training and other specific activities tailored to its target group are organized by the ALEPS. This includes activities such as seminars on employment opportunities and tips to further improve employability and the longevity of a graduate's career. There are also programs that the ALEPS conducts whereby previous graduates who are eager to share their knowledge and experiences gained while living and studying in Japan can link with new students and aid them in better adapting to the Japanese language and culture. Overall, these three associations are significant supporters of the LEP to date. Although new organizations are increasing in number, their roles are still significant in the enhancement and development of Japanese language education today.

The final chapter in this section is by Kaori Kimura and Rohayati Paidi on the concerns of Japan Studies in Malaysia. The authors argue that compared to other ASEAN countries, Malaysia seems to have been experiencing delays in developing the field of Japan Studies. The authors identify several issues such as the ghettoization of the program related to the field of studies as well as policies that constrain the development of the institution concerned. Despite the challenges, the authors notice that academics belonging to the institution embraced the situations and eventually turned challenges into opportunities when circumstances permitted. The authors relate this matter to the theory of expansive learning by Engeström (1987) and consider it as the outcome of the LEP graduates. From the discourse conducted, it was determined that Malaysia would not need to bring the visible outcomes from Japan, such as certain methods of education and certain teaching contents.

The LEP graduates have already found the importance for Malaysia and the common learning targets in between Japanese and Malaysian societies. Since individual learning bridges organizational learning and will eventually contribute to societal learning, changing the values of society must begin with the individual. This involves the importance of the fields of social sciences, the arts, and humanities which cover a wide range of daily life, be it within the framework of humanity overall, individual behavior, society, communications, politics, economy, history, or any other capacity. In this chapter, the authors stress the need to encourage more graduates of the LEP to become educators and not merely engineers in order to prolong the effect of the LEP. They also suggest that the policymakers of Malaysia should reconstruct the Japan Studies program and encourage academicians to reserve it as a reference of organizational learning in Malaysia.

Political Economy

The first chapter of this section focuses on the economic cooperation of Malaysia and Japan and its liberalization under the LEP (1982-2012) as well as the new dimension of the LEP (2013 to present). This chapter entitled “Rethinking Malaysia–Japan Strategic Economic Cooperation and Liberalization” by Mohd Ikbal Mohd Huda, Siti Noor Adillah Masrol and Asmadi Hassan illustrates that while the core element of the first dimension focused on imbuing Japanese values and work ethics, the successive new dimension emphasizes bilateral economic relations by increasing investment and trade liberalization as well as developing new forms of cooperation that are able to help accelerate Malaysia’s adoption of the Industrial Revolution 4.0 (IR4.0). Through secondary data analysis, this chapter discusses both the rhetoric and the reality of this policy. The analyses found that the bilateral economic relations are mainly driven by economic cooperation under the Official Development Assistance (ODA) that predates the policy itself.

Even though the ODA has helped develop Malaysia’s economic growth, the amount of Yen loans extended is higher than the overall grant aids disbursed. The new emphasis on accelerating the IR4.0 requires more time because high technological transfer between Japan and Malaysia is difficult to materialize due to slow policy planning and adaptation which is accompanied by a huge digital gap, making productivity targets the high-hanging fruits of the policy. A structured analysis is also conducted on the investment and trade data to fully assess the real quality of economic liberalization and cooperation under the second dimension of the LEP. The negative relationship between exports and growth shows that Malaysian exports to Japan does not contribute significantly to Malaysia’s economic growth and development. Despite continuous trade surpluses and expansion, the annual trade deficit between Japan and Malaysia will be supported by various aspects of economic cooperation including the ODA, and the impact of international trade liberalization on economic development based on positive export factors will be offset by negative import factors. This chapter therefore proposes that Malaysia needs better export-promotion strategies and incentives to further liberalize protected sectors, and a review on its investment regime for long-term economic growth.

The second chapter in the political economy section is entitled “Japanese and South Korean Foreign Direct Investment (FDI) in Malaysia: Motivation and Trends” by Tan Soo Kee. The author discusses that over the past few decades, overseas foreign direct investment (OFDI) has become a crucial corporate strategy of MNCs to gain international competitiveness. South East Asian countries with abundant natural resources and low labor costs have offered huge incentives to Japanese and Korean MNCs to invest, and one of the major investment destinations in the region is Malaysia. As a small and open economy, FDI inflow has been crucial for Malaysia's economic growth, particularly since the mid-1980s during Dr. Mahathir's time in office. With the introduction of the LEP, Japan and South Korea have emerged as new and important partners to Malaysia politically and economically. This chapter begins with a short review of FDI's motivation theory, trends of Japan and South Korea's FDI in Malaysia, and Malaysia's FDI inflow position in comparison to other ASEAN countries. The chapter indicates that Malaysia had been a favorable FDI destination for Japanese MNCs from the mid-1980s to early 1990s, but the situation changed sharply after 1998. From the 2010s, FDI inflows from Japan and South Korea to Malaysia have continued to remain weak compared to Singapore, Vietnam, Thailand and Indonesia. Inconsistent FDI policies, business environments and various investment barriers are among the major factors driving the FDI's trend.

The third chapter in this section is authored by Alias Abdullah and Mohd Ikbal Mohd Huda and entitled “Cooperation in Heavy Industry between Malaysia and Japan since the 1980s.” Under Dr. Mahathir's administration, it was considered important to ensure that Malaysia should not depend only on two commodities, namely rubber and tin. In the meantime, the commodities were facing various obstacles due to fluctuation of prices. Dr Mahathir acted to focus on the development of export-based industries and heavy industries that use a lot of skilled manpower so that economic activities could be developed as well as to open many job opportunities to the community. Therefore, the Heavy Industry Corporation of Malaysia (HICOM) was established by the government around the 1980s. Within the field of heavy industry, HICOM assumes the task of identifying, initiating, implementing and managing projects.

Through these efforts, several government-sponsored projects in collaboration with foreign investors, such as Japanese companies, have been launched including cement, steel, and national car industries

which are considered to be capable of making Malaysia a new industrial country. Bilateral cooperation with Japanese investors was implemented to get expert assistance in employee training, operations, and project management so that technology transfer is orchestrated effectively. An example of the success of technology transfer in the local heavy industry is the automotive field. Starting from the LEP, the Malaysian automotive industry has grown from the use of passenger cars to the manufacturing of automotive spare parts and components. This technology transfer in the automotive industry has been successfully applied through Proton as it has been received from its partner, Mitsubishi.

Socio-cultural

The final portion involves the socio-cultural section and is addressed in the last three chapters of this book. The first chapter of this section reveals the relatively underestimated importance of human capital development such as student exchange, vocational training as well as technology transfer programs that matter for socio-cultural aspects of the policy. This chapter by Yoomi Kim and Julia Lim Pay Loo begins with how to measure the human capital and compressed growth of Korea and Japan as benchmarked by Malaysia. Generally, the bilateral economic ties of Malaysia–Japan have outweighed those between Malaysia–Korea. In the context of Korea, close cooperation was promoted in specific industries such as construction and information and communications technology (ICT), whereas in Japan, economic cooperation was achieved in overall industries. The authors argue that the LEP, however, relatively underestimated the importance of socio-cultural aspects that matter for the development of human capital such as student exchange programs, vocational training and the transfer of technology. Therefore, it is vital for its partners, Korea and Japan, to understand Malaysia's socio-cultural environment in order to transfer their management skills and practices, work ethic and discipline to the recipient. Meanwhile, Malaysia has to temper the resulting socio-cultural impacts and remain aware of their culture, traditions and customs to better absorb Korean and Japanese technology, ethics and values.

The next chapter in the section by Normalis Amzah and Nazrul Anuar Nayan discusses socio-cultural issues encountered by Japanese expatriates in Malaysia. Titled “Challenges for Japanese Expatriates in Malaysia,” it aims at answering questions such as “what challenges those

Japanese expatriates had encountered and what kind of values system are embedded in the effort to overcome those challenges.” Interviews with the respondents suggest that Japanese expatriates are still new in terms of reception towards cultural diversity and expatriating Japanese to host countries may involve strategic methods to train its population to accept cultural diversity. The authors add that national issues derived from low fertility rates has forced Japan to be more open to foreigners. The decreasing population is threatening Japanese economic prospects and one way to overcome this is to accept the entrance of foreigners to Japan as employees and students. Japanese, who have been a homogenous people for a long period of time, will eventually need to accept that they will require cultural intelligence for the sake of the country's future.

The last chapter by Rohayati Paidi and Mohd Najmuddin Suki explores the story of Rozeriya Enterprise and pragmatically analyses the impact of the implementation of the LEP. The chapter indicates that the LEP comes with multiple benefits, especially to the stakeholders directly involved with it. As shown by Rozeriya Enterprise, the opportunity to get to know Japanese culture and society more closely has inspired a number of Malaysians to inculcate the observed good values. The identity built as a result of intermixing the values within Malaysian society and the virtuous values of Japanese society leads to the development of an exceptional generation with upstanding morality. The LEP will enable the establishment of a support system that helps its graduates expand the benefits gained from the program in the local environment. For example, guidance and coordination for graduates to establish their own businesses will help Malaysia produce more entrepreneurs who are skilled and able to emulate the positive work ethics and culture of Japanese society. This indirectly contributes to the economic development of the country. Not only that, such efforts will help the recipients of the LEP scholarship to give back to the community as a sign of gratitude for the advantages they have gained as participants in the policy.

Conclusion

While there is a large body of literature on the first dimension of the LEP, analysis on its second dimension have not been widely published. In fact, the four different leaderships since 2018, from Najib to Dr. Mahathir, Muhyiddin Yassin and Ismail Sabri, have raised questions on the actual implementation of the LEP. What exactly is the new dimension of the LEP? What are the priorities in the new dimension of the LEP and what has been implemented during the period 2018–2022? In line with the 40th anniversary of the LEP, this book discusses matters related to this policy in the four areas of international relations, education, political economy, and socio-cultural aspects. More specifically, this book provides an understanding of the LEP through a comprehensive investigation on its evolution and a reflection on its multidimensional facets.

In addition to analyzing the operational approaches of the LEP implemented either during its first or second dimensions, there is also a chapter on a case study evaluating the extent to which aspects of positive values and role models from Japan are practised in the daily management of the corporation concerned. Three experts from Japan and the ROK debate the contribution of LEP in higher education and human resource development to strengthen Kuala Lumpur's relationship with Tokyo and Seoul. Although it is recognized that the LEP generally has the ultimate goal of increasing economic growth, India's strategy of getting along with Japan has a larger approach, not only for economic interests, but also as a counterbalance to China in the Indian Ocean. Overall, this book presents a comprehensive perspective on LEP covering four themes of specific focus as described above.

Chapter 2

A Two-dimensional Approach to the Look East Policy: Comparing and Contrasting

Md Nasrudin Md Akhir

Introduction

The year 2022 marks 40 years of Malaysia's Look East Policy (LEP) after it was announced by Dr. Mahathir Mohamad on 8 February 1982. The first administration of Dr. Mahathir from 1981–2003 showed that the LEP was carried out under centralized coordination when the implementing agencies in the public sector, which were also driven by the private sector in Malaysia, collaborated in various capacities through programs with both government and private agencies in Japan as well as the Republic of Korea (ROK). As a visionary leader, Dr. Mahathir was in search of a new model of development and other means for the growth of the nation to become a newly industrialized economy. The three primary focal points under the implementation of the LEP, namely inculcating positive ethical values, providing training as well as higher education and structural reforming are believed to be able to absorb not only technical know-how but Japanese discipline which includes the associated management techniques and hard-work principles required to increase productivity. Therefore, the importance of engagement, involvement and participation in adopting work ethics and values from Japan and the ROK became the central concern of the government. Japan, in particular, became one of the main actors in Malaysia's foreign policy which was actively engaged in trade, investments and human capital. Various projects implemented demonstrate an increase of commitments to participatory approaches rather than rhetoric.

Although the aspirations of the LEP are still continuing, it had been shrinking in magnitude as the Japan lobby in Malaysia slowly began to fade after China, a new economic actor in Northeast Asia, began to gain a foothold in Southeast Asia. Under Abdullah, Malaysia's foreign policy towards China assumed increasing importance. Najib Abdul Razak took over as Prime Minister in 2008 and Malaysia's foreign policy orientation toward China in trade and investment became increasingly apparent. In line with the Belt and Road Initiative (BRI) strategy introduced in 2013, China's advancement into Malaysia and Southeast Asia has been unrelenting. However, Malaysia's relations with Japan and the ROK still continue as both countries are among the major trading partners for Malaysia. Najib, who took over from Abdullah in 2008, continued the LEP although the drastic orientation in Malaysia's foreign policy towards China became more apparent with the development of mega investment projects in Malaysia involving Chinese interests. Thus, between 2008 to 2012 once again showed that the Japan lobby in Malaysia was fading.

Entering 30 years of implementation of the LEP, Najib then announced the 'New Dimension of Look East Policy' in October 2012. The implementation of the LEP over a period of 40 years showed significant differences in terms of approaches and areas of priority. Like many other policies, there are supporters and critics and the LEP is no exception. Many wonder what exactly are the contents to be brought by this new dimension of the LEP. To some observers, it seems like a kind of rhetoric that is only filled with talk that seems well-founded but lacks implementation. The enthusiasm for the new dimension of the LEP has become increasingly bland and the three main areas of focus once outlined by Najib have been somewhat neglected in part due to the power struggle that shifted from Najib to Dr. Mahathir, Muhyiddin Yassin and Ismail Sabri from 2018 to 2022. Therefore, what does the new dimension of the LEP actually serve to fulfil, especially after 10 years of its implementation? How long should the policy be continued? In what sectors does the new wave of the LEP need to be emphasized? Is 40 years still not enough for Malaysia to inculcate the positive values it dreams of, or will it take longer to cultivate them? If the LEP has a goal to inculcate ethical values, 40 years has already been more than enough. What is the evidence showing these positive values are being applied in the daily workplace? It is not a question of whether the LEP is still relevant or not, but what needs to be adjusted has to be clarified. This chapter deals with these important questions and analyzes

how these successive two-dimensional approaches implemented from 1982–2012 (first dimension) and 2012 onwards (second dimension) will benefit Malaysia.

Look East Policy 1982–2012

Historically, Malaysia's recognition of the rapid growth of the Japanese economy was originally voiced by Tunku Abdul Rahman, the first Prime Minister in 1957. During his banquet dinner speech on 24 November 1957 celebrating the visit of Kishi Nobusuke, the Prime Minister of Japan, to independent Malaysia, Tunku stated that Malaysia would learn from Japan as a model for economic and industrial development. He further stated:

Malaya would take steps to follow the example of Japan and tread along the path of advanced nations. There were plans to send many of our young men to Japan. They will tour Japan and take note of what Japan as a nation is doing by way of reconstruction and economic and industrial advancement, so that we here in time can follow the example of Japan. (*The Straits Times* 1957)

Tunku was aware that the rapid growth of the Japanese economy that was developed in the short time after the end of the Second World War could be emulated by Malaysia. As a major exporter of the world's most traded commodities such as tin and rubber, the manufacturing sector needed to be driven so that agro-based industries and the mining sector could be developed faster. Therefore, encouraging bilateral economic cooperation as well as sending students and workers for training to acquire expertise and technology from Japan was a step that has been done since the late 1950s. For example, on October 30, 1958, the Japanese Ministry of Foreign Affairs officially informed the Malaysian Embassy in Tokyo that the Japanese government had offered scholarships to two Malaysian students, Wee Suan Ji, who was pursuing an undergraduate degree program in electrical engineering and Dr. Sambanthanathan Underwood who was a research student in the field of plastic surgery (Ministry of Foreign Affairs Archives, Japan 1958). Dr. Sambanthanathan was the personal physician to HRH Sultan of Perak and a plastic surgeon-turned-general practitioner who received an MS from Tokyo University and a PhD from Nihon University in Tokyo under the Japanese government

scholarship (Ho 2000). Therefore, looking to Japan meant that investment was brought in and this included a new direction of management, highly-skilled professionals as well as an inspired workforce.

Soon after Dr. Mahathir announced the implementation of the LEP in 1982, various follow-up actions to emulate Japan were implemented such as training programs in Japan, higher education in Japanese universities as well as inculcating Japanese work ethics in Malaysia. The essence of the LEP that Dr. Mahathir aspired to was based in values, discipline and diligence that are believed to increase productivity with excellent working management. Diligence, efficiency and responsibility in performing duties were increasingly applied in the government sector through various programs such as leadership by example, the punch card system, the concept of clean, efficient and trustworthiness exemplified through mottos when rendering their services to the people. Thus, the Japanese model of development should be emulated as he argued:

True, Japan was eventually defeated by superior Western arms, including the atom bomb. But the post-war years saw yet another demonstration of Japan's capability. From almost total destruction, Japan rose to become the second most powerful economy in the world. Malaysia is perhaps less bashful and announced loudly that it intended to look east, to look at Japan mainly for inspiration and guidance. ... They are the patriotism, discipline, good work ethics, competent management system and above all the close cooperation between the Government and the private sector. And so, we tried to adopt these practices and instil these cultures in our people. And everyone now acknowledges that Malaysia has made better progress than most other developing countries. The fastest pace of Malaysia's progress and development took place in the last two decades coinciding with Malaysia's LEP. (MOFA Japan)

Dr. Mahathir has always been impressed with the values, ethics, morals and responsibilities of the majority of Japanese and he repeatedly mentioned this by giving examples of Japanese ethics that ultimately contributed to increased productivity. The relationship between morale and productivity as well as economic rewards as argued by him was confirmed when Japan emerged as the second largest economic power from 1960s until the 2000s when positive values were translated into practice. In short, whatever task the Japanese were entrusted with, they did it diligently. The relationship between disciplines in performing tasks, increasing productivity as well as building a harmonious nation is associated with positive morals and ethics, according to Dr. Mahathir. He stressed that the challenge of

creating a fully moral and ethical society, whose people are strongly religious with spiritual values and instilled with the highest ethical values is still an effort that needs to be nurtured. There are many times when someone who commits an offense is hailed as a kind of hero, while those who do good and defend the truth are blamed! Too many people show little apprehension and are not ashamed to commit offenses; consequently any violations of the law are done without shame. Although the situation has worsened, corrective measures still need to be taken. Proper educational methods need to be introduced. He also tearfully recalled the failure of his dream to see the minds of the people change to more positive values to drive economic growth on par with other developed nations and countries.

The admiration of Dr. Mahathir of the attitudes and values of the Japanese have actually been praised by many. For instance, the international media reported how Japanese football fans set a great example in the FIFA World Cup 2018 in Russia by staying back after matches to clean up the garbage left by spectators inside the stadiums, after Japan's victory over Columbia (*India Today* 2018). During a rugby match at the Malay College Kuala Kangsar, the Malaysian media also reported how players from the Shizuoka Seiko Academy team cleaned the competition ground and collected cigarette butts and garbage after the game. All these positive values are not done because of instructions from any party but arise from the awareness instilled in most of its citizens. The Japanese do not feel proud of slogans or mottos that are rhetorical; instead actions must be completed with a sense of responsibility, honesty and diligence in order to bring good results (Md Nasrudin Md Akhir 2020). While delivering his keynote address at the International Seminar on the 30th Anniversary of the LEP in June 2012, Dr. Mahathir emphasized the cultural aspects and positive values that need to be nurtured within Malaysian workers. He affirmed his belief that the value aspects serve as the main factors that have brought success to Japan and the ROK. He asserted that:

I hope the LEP will help us learn about the cultures of these two countries because it is the culture and value system that have propelled them so fast that they have now left most of developed countries in the world trailing far behind.

Although Abdullah's first visit abroad was to Japan where some interpreted that Japan would be an important player in Malaysia's foreign policy coupled with the joint statement of Abdullah and Junichiro Koizumi, the Japanese Prime Minister to continue with the LEP, follow-up

steps towards expanding the LEP continued to be implemented but with less emphasis. Abdullah's era showed that he himself was less concerned with the LEP programs, unlike Dr. Mahathir's strong hands-on approach where he was known to share with Malaysians and take regular excursions to Japan to give motivational speeches on the bilateral ties of Malaysia and Japan. Abdullah, whose wife Endon Mahmud is of Malay-Japanese descent, did not touch much on the positive aspects of Japanese values when announcing the continuation of the LEP under his administration from 2003–2008. The momentum for the application of positive values and ethics implemented during the administration of Dr. Mahathir increasingly eroded under Abdullah. Najib, who took over from Abdullah in 2008, continued the LEP although the drastic orientation in Malaysia's foreign policy towards China became more apparent with the development of mega investment projects in Malaysia involving Chinese interests. Thus, between 2008 to 2012 once again showed that the Japan lobby in Malaysia was fading.

New Dimension of LEP 2012 – Present

The first mention of the new dimension of LEP was by Mukhriz Mahathir, Deputy Minister of the Ministry of International Trade and Industry (MITI) when he delivered his speech to Japanese businessmen and investors on his working visit to Osaka in December 2011. The visit was in conjunction with the “Invest Malaysia Road Show” organized by the Bank of Tokyo Mitsubishi UFJ Berhad in Osaka, Nagoya and Tokyo (MITI 2012). It is highly possible that the announcement by Mukhriz was very much related to the wishes and desires of his father, Dr. Mahathir who wanted to reactivate the LEP following the fading influence of the Japan lobby. There is no denying that Japan remains one of Malaysia's main strategic trading partners even as China emerges as Malaysia's leading trading partner. To Mukhriz, the new wave of the LEP needed greater focus on Japanese investments in addition to increasing the number of professionals in Japanese firms in Malaysia. For example, his visit to UMW Toyota Integrated Quality Hub in Bukit Raja in Klang in 2012 where he met with over 50 Japanese-trained Malaysian engineers working there was a manifestation of his father's success of the LEP in producing a local professional workforce. There is a vast pool of Malaysians who have studied and trained in Japan absorbing not only

EVOLUTION AND MULTIDIMENSIONAL REFLECTIONS OF MALAYSIA'S LOOK EAST POLICY

Evolution and Multidimensional Reflections of Malaysia's Look East Policy is the result of nearly a year of hard work by 22 scholars from various fields of specialisation and countries. What makes this book interesting? First, the publication coincides with the 40th anniversary of Malaysia's Look East Policy, the most significant policy introduced by the Malaysian government since 1981. This book examines the policy from its inception to the present day. Second, it addresses multiple dimensions, including international relations, education, political economy, and socio-cultural perspectives. Readers will gain knowledge, broaden their perspectives, and gain a new perspective on the Look East Policy. Third, the readers will be able to make comparisons throughout the chapters between old and new perspectives of the Look East Policy, between the policies introduced in South Korea and Japan, the prospect of China as a model of development for Malaysia's Look East Policy, and India and Malaysia's relations with Japan through the Look East Policy and the Act East Policy. Overall, this book is suitable for students, policymakers, researchers, and general audience interested in the Look East Policy.

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