



Across The Causeway

A Multi-dimensional Study of Malaysia-Singapore Relations

edited by **Takashi Shiraishi**

CONTENTS

<i>The Contributors</i>	vii
1. Introduction <i>Takashi Shiraiishi</i>	1
2. British Policy Across the Causeway, 1942–71: Territorial Merger as a Strategy of Imperial Disengagement <i>A.J. Stockwell</i>	11
3. Politics Divided: Malaysia-Singapore Relations <i>Ooi Keat Gin</i>	27
4. Seeds of Separation <i>Mohamad Abu Bakar</i>	52
5. Political Relations <i>Carlyle A. Thayer</i>	80
6. The Politics of Becoming “Malaysian” and “Singaporean” <i>Albert Lau</i>	92
7. Johor in Malaysia-Singapore Relations <i>Kamarulnizam Abdullah</i>	125
8. Politics and International Relations: The Singapore Perspective <i>N. Ganesan</i>	139
9. Malaysian Constitutional Perspectives on the Admission and Separation of Singapore <i>Abdul Aziz Bari</i>	152
10. Security Relations <i>Carlyle A. Thayer</i>	163

“Ethno-religious Conflict and Security in Southeast Asia”, in *India and ASEAN: Non-Traditional Security Threats*, edited by V.R. Raghavan (Chennai: EastWest Books (Madras), 2007); “Southeast Asian Security Challenges: A Strategic View from ASEAN”, in *ASEAN-Korean Relations: Security, Trade and Community Building*, edited by Ho Khai Leong (Singapore: Institute of Southeast Asian Studies, 2007); and “Trends, Problems and Challenges in Managing Piracy Threats in Straits of Melaka”, *Journal of International Studies* 3 (June 2006).

Albert Lau is Head and Associate Professor at the Department of History, National University of Singapore, and Chairman of the Editorial Board of the *Journal of Southeast Asian Studies*. He is the author of numerous books, including *The Malayan Union Controversy 1942–1948* (Singapore: Oxford University Press, 1991), and *A Moment of Anguish: Singapore in Malaysia and the Politics of Disengagement* (Singapore: Times Academic Press, 1998).

Lee Poh Onn is Fellow, Institute of Southeast Asian Studies. He specializes on research related to political economy of the environment and natural resources in Southeast Asia using New Institutional Economics. His recent publications include a co-edited volume with Aris Ananta on *Aceh: A New Dawn* (Singapore: Institute of Southeast Asian Studies, 2007).

Linda Low is Head, Strategic Planning, Department of Planning and Economy, Abu Dhabi, United Arab Emirates and Adjunct Professor, United Arab Emirates University, College of Business and Economics. Her academic areas of specialization include public sector economics and public policy, public enterprises and privatization, social security and retirement, health economics, human resources development and manpower policies, international trade and regionalism including free trade agreements, international political economy, development economics and macroeconomic public policies related to economies in Asia-Pacific, the Association of Southeast Asian Nations (ASEAN) and the Middle East. In policy-related areas, her specialization is in strategic planning for economic development and growth which *inter alia* includes planning for manpower, education, human resources development (HRD) and continuous educational and training for employability. Related to HRD, other policy areas in health and housing for socio-economic welfare are part of her policy work. Her latest publication is “A Case Study of Singapore’s Bilateral and Crossregional Free Trade Agreements”, in *Cross-Regionalism: Trade Agreements*, edited by Saori N. Katada and Mireya Solis (Berlin, Heidelberg: Springer-Verlag, 2008), pp. 47–70.

1

INTRODUCTION

Takashi Shiraishi

This book considers Malaysia-Singapore relations from a range of disciplinary perspectives. The chapters on history, politics, regional security, law, and economics collectively aim at a multidimensional study that seeks to convey the density and complexity of connections “across the Causeway”.

But this book also demonstrates the fact that the challenges of undertaking such a project are not confined to soliciting and assembling contributions from scholars in the field. The fraught legacy of historical entanglement, political union, and subsequent separation not only continues to cast a shadow over ongoing transactions and negotiations between the two countries, it also imposes burdens on scholars of Malaysia-Singapore relations. Politics is in part a matter of language, or to be more precise, loaded language. The Singaporean leadership’s call for “meritocracy” was taken by the Malay leadership as an attack on the political entitlements of Malays. Lee Kuan Yew is often described as “assertive” and “temperamental”; economic success is said to have made Singaporeans “condescending” towards Malaysians. Accounts of what happened (or is happening) between Malaysia and Singapore — whether advanced by the political actors themselves or by witnesses or by those whose lives are affected by events and their consequences — thus encode standpoints and carry emotional overtones that may provoke positive or negative responses far in excess of their literal meanings. While scholarship strives to maintain critical distance from these accounts, it can only do so by working within, rather than outside of, language. If to write at all is to

the soil) policy anchored in a communally-organized alliance/national front system. Singapore's multi-ethnic and multi-religious People's Action Party draws heavily on the discourse of meritocracy and citizenship. The success of these two competing models of politics is at once the point of divergence and the principal sore point of contention between the two. Because both formulas worked, competition between these two models cannot be resolved in favour of moral judgments or the simple assertion of the superiority of one system over the other.

Third, the mirror in which Malaysians and Singaporeans have viewed themselves and each other was not only created out of the tumultuous history of contact, union, and separation between Singapore and Malaysia, but out of the personal, remembered experiences of their leaders, in part because in no other country has the decisions and actions of so few leaders shaped their countries' politics so powerfully. The careers of Tunku Abdul Rahman, Tun Abdul Razak and Mahathir Mohamad of Malaysia, and Lee Kuan Yew of Singapore span the periods covering the political creation of their countries and their current histories. Moreover, the loaded language with which the Malaysian and Singaporean leaders uphold their own systems or models of nation building *vis-à-vis* the other has contributed in no small end to the contentiousness of Malaysia-Singapore relations.

And yet, despite the fraught nature of Malaysia-Singapore relations, and this is the fourth point, both countries have been economically dependent on each other, and will continue to be beneficial for each other even though their economies are becoming more competitive rather than complementary in recent years. Cooperation rather than rivalry is increasingly becoming more important in such areas as security, especially in the anti-terrorism campaign, even though Singapore and Malaysia differ in their attitudes toward the issues of alignment with the United States, multilateralism, ASEAN region making, and the presence of foreign troops for enforcing maritime security in the region.

Finally, both Malaysia and Singapore are now becoming more embedded in the market-created East Asian region. As is commonly understood, Malaysia and Singapore have succeeded in their economic development and national building by relying on their export-oriented developmental strategies and on foreign direct investments. This happened, at least in part because the post-Plaza Accord currency realignment forced Japanese, South Korean and Taiwanese firms to relocate their production facilities abroad, resulting in the expansion and deepening of production and finance networks and spurring regional economic development. Regional economic development highlighted the role of "developmental states" in the East Asian Economic Miracle (as the

optimism that pragmatism will prevail as clashes of personalities and political style become things of the past.

In Chapter 6, Albert Lau identifies the fundamental issues which worked against the merger of Malaysia and Singapore. Key among these “strong centrifugal forces” was the fact that under British rule, Singapore experienced dramatic growth which greatly elevated its status not just within the Straits Settlements, but also within British Malaya itself. Lau traces the struggle during the 1920s and 1930s among successive governors to decentralize and recentralize Singapore’s control over Peninsular Malaya. The challenges of creating a postwar regional security system had initially favoured the idea of common citizenship, which was construed by Malays as an abandonment of the pro-Malay policy. The replacement of the Malay Union with the Federation of Malaya in 1948, however, signalled British affirmation of Malay political supremacy. While the British had no problems with transferring power to Malaya, they were apprehensive about Singapore’s ability to resist Communist takeover, and therefore advocated merger. Singaporean advocacy of merger was not only dictated by the fear of Communist takeover, but by Singapore’s need to industrialize and gain access to the common market of Malaya. Disagreement over what kind of Malaysian nation — a Malayan Malaysia or a Malaysian Malaysia? — was compounded, or more accurately refracted, by the rivalry between the PAP and the Alliance Party. The trauma of separation, argues Lau, became the founding myth of Singapore, and was kept alive because both Malaysia and Singapore proved successful in pursuing divergent approaches and solutions for their nations.

In Chapter 7, Kamarulnizam Abdullah looks at cross-border sub-national dynamics and their impact on bilateral relations between Malaysia and Singapore. Johor’s regional ties with Singapore extend back to history, but its current connections with Singapore cover important areas and issues such as the provision of labour and water, land reclamation, infrastructure building, and airspace. This close connection to Singapore has not only shaped Johor’s relationship with Singapore, but crucially defined Johor’s relationship with the Malaysian federal government. Johor’s negotiations with both Malaysian and Singaporean authorities have enabled Johor to benefit from the economic spillover of Singapore’s rapid growth while allowing it to make its voice heard in bilateral negotiations between Malaysia and Singapore.

In Chapter 8, N. Ganesan identifies geographical and historical considerations, ethno-religious issues, developmental plans and designs, and political leadership as the four major factors that have deeply informed the Malaysia-Singapore bilateral relationship or its perceptions. Malaysia’s geographical size and position in maritime Southeast Asia have heightened

economic policy actions and responses. He argues that export-oriented policies and foreign direct investments laid the groundwork for the economic development of Malaysia and Singapore. While the two countries compete for export markets and foreign direct investments, they also complement each other in trade, investment, and factor endowments. They differ in their policy actions and responses to inflationary pressures and the 1997–98 crisis and in their post-crisis policy directions, largely because of differences in openness. He notes the challenges posed by the rise of China and India and concludes that cooperation between Malaysia and Singapore ultimately deepens their trade and investment ties with other parts of the world and strengthens their position in global economy.

Mahani Zainal Abidin in Chapter 14 traces the colonial basis of the economic interdependence of the various Malay States and Straits Settlements and argues that this legacy formed the bedrock of post-independent Malaysia-Singapore economic relations. Analysing the relationship from the perspectives of trade, investment, and the macro- and micro-level relationship between two sovereign states, and between firms and peoples, Mahani states that during the first phase, this relationship was basically complementary, a form of partnership in which Malaysia served as the main hinterland for Singapore, while the latter provided trade logistics and services for the former. But as the two economies expanded over the decades, they became more competitive. This challenge is further complicated by the fact that economic issues tend to be braided with political and security issues. The Asian financial crisis of 1997–98 marked a turning point in Malaysian and Singaporean symbiosis. Singapore initiated bilateral trade talks with countries like Japan and the United States outside the framework of ASEAN, while Malaysia expressed fears that Singapore's moves would put less emphasis on the ASEAN integration process. However, close, stable, and complementary business links between the private sectors of the two countries remain in place, even as both countries need to meet head-on the challenges of globalization and the emerging new economies of China, India, and Vietnam. Rather than competition, Mahani advances the idea that the relationship now is more a case of "co-petition."

Finally, in Chapter 15, Linda Low and Lee Poh Onn argue that "Malaysia and Singapore function better as part of a wider grouping or when faced with a common external threat than economic twinning, complementation and cooperation would suggest." The authors point to politics as the main source of division between two economies, noting that, in fact, Malaysian strategies and policies "consciously or unconsciously mimic" those of Singapore. The bilateralism of Malaysia-Singapore relations is viewed as "non-exemplary and distract more than gel the region to be internationally competitive". Now that

the regional dimension carries weight, even Malaysia is negotiating bilateral free trade agreements with countries like Japan. Rather than seeing politics as the solution to the contentiousness of Malaysia-Singapore relations, the authors hold up the market as “the only true honest broker in helping the two parties to see a way through”.

NOTE

I would like to thank Caroline Sy Hau, associate professor at the Center for South-east Asian Studies, Kyoto University, and my partner, for her careful reading of, and commenting on, this introduction.