

BELT AND ROAD INITIATIVES (BRI) AND ITS IMPACT ON MALAYSIA

By MEJ NUR AMIRRUDIN BIN BAHARUDIN (3012399)
Royal Intelligence Corps

The Belt and Road Initiative (BRI) represents a monumental global development strategy to enhance economic collaboration and construct a comprehensive infrastructure network spanning Asia, Europe, and Africa. Through the promotion of policy coordination, facilities connectivity, unimpeded trade, financial integration, and people-to-people bonds, the BRI seeks to foster international cooperation and create shared prosperity among participating nations. China's ambitious global infrastructure and economic strategy have been reshaping geopolitical dynamics across continents since its inception in 2013. This ambitious initiative, inspired by the ancient Silk Road trade routes, comprises two main components: the land-based "Silk Road Economic Belt" and the sea-based "21st Century Maritime Silk Road". By reviving the ancient Silk Road trade routes, this comprehensive program aims to enhance global trade, stimulate economic growth, and strengthen international ties through an extensive network of maritime and land routes.

While the BRI's primary focus is on infrastructure development and economic cooperation, its strategic dimensions, particularly regarding participating nations' national security and defense postures, cannot be overlooked. Malaysia, located at the crossroads of major maritime trade routes in Southeast Asia, finds itself at the heart of the Maritime Silk Road. Malaysia is strategically situated in Southeast Asia; it emerges as a significant beneficiary and partner within the BRI framework due to its geographical location and economic potential. The strategic position augments Malaysia's significance within the BRI framework and has profound implications for its national defense strategy and security posture.

This essay explores the nuanced and complex impact of the Belt and Road Initiative on Malaysia's defense posture. It will also analyse the challenges and controversies accompanying these mega projects, such as issues related to debt sustainability, environmental concerns, and the strategic balancing act in Malaysia's foreign policy. Furthermore, this analysis provides a comprehensive overview of how China's grand vision recalibrates Malaysia's defense posture in an era of changing global power structures. It will discuss how the China increasing investment and infrastructure projects within Malaysia and the surrounding region have influenced the country's strategic calculations, military readiness, and bilateral security collaborations. In addition, the essay will analyse the broader security implications of the BRI, including potential shifts in regional power dynamics and the impact on Malaysia's relationships with traditional allies and regional partners.

Economic opportunities and political dynamics influence Malaysian national perspectives and challenges. Due to its involvement in the BRI, Malaysia is now more significant in regional and international supply chains. The nation is positioned as a critical marine and logistics hub within the BRI framework due to its location along the Strait of Malacca, one of the busiest maritime trade routes in the world. Due to its strategic importance, Malaysia may be able to exert more geopolitical influence in its dealings with China as well as other major countries like the US, India, and others who are interested in preserving access and balance in the region.

Malaysia has viewed the BRI as an opportunity to boost its economy through infrastructure development, increased foreign investment, and enhanced trade ties with China and other participating countries. Specific projects of the East Coast Rail Link (ECRL), Port Klang and the Melaka Gateway project, Malaysia-China Kuantan Industrial Park (MCKIP),

Forest City, and Kuala Lumpur – Singapore High-Speed Rail (HSR) were perceived as avenues to improve connectivity, stimulate economic development in less developed regions, and diversify Malaysia's economic partnerships. The East Coast Rail Link (ECRL) project in Malaysia is a major infrastructure initiative to connect the east and west coasts of Peninsular Malaysia. The project involves the construction of a railway line spanning approximately 640 kilometres, linking the states of Kelantan, Terengganu, Pahang, and Selangor (Joshi, 2024). The promise of job creation and technological transfer through these projects further underscores the economic allure of the BRI for Malaysia.

Malaysia's internal political climate has an impact on how it approaches the BRI. Changes in leadership from Mahathir Mohamad's government, which took a more circumspect and critical approach, to Najib Razak's administration, which first supported the BRI, demonstrate how internal politics can influence Malaysia's participation in the project. The present administration's policies persist in their attempt to strike a balance between resolving concerns about sovereignty, fairness, and economic viability and capitalizing on the economic advantages of the Belt and Road Initiative. Malaysia is cautious in its approach, aiming to ensure that its involvement aligns with national interests and sustainable development goals, even if the program offers substantial prospects for growth and development.

Despite the advantages, Malaysia's involvement in the BRI has had difficulties and worries. Chinese companies are dependable for funding and building the ECRL project, demonstrating China's total engagement in the infrastructural development of Malaysia. Although the ECRL project is anticipated to have a positive economic impact, several obstacles must be overcome, including concerns about the sustainability of the debt, transparency, and the terms of the agreements, which occasionally seem to favour Chinese labour and contractors

at the expense of local businesses and employees. Because of these concerns, specific projects, like the ECRL, have been renegotiated to provide Malaysia with better terms.

Malaysia's military perspectives on the Belt and Road Initiative (BRI) reflect a measured engagement approach that recognizes the economic potential of the initiative while being acutely mindful of the strategic and security risks it entails. Due to its location in a vital maritime area, Malaysia knows how the BRI would affect its ties with significant nations, military posture, and regional security dynamics. The progression of infrastructure with the potential for dual use, such as transportation networks and port facilities, is the focus of Malaysia's strategic alignment with the BRI. Although these advancements are mainly commercial and economic, they may also make military mobility and logistics easier. These enhancements could strengthen Malaysia's defense posture by facilitating the prompt deployment of forces in the event of a humanitarian crisis or other regional threat. The consideration of Malaysia's military viewpoints on the Belt and Road Initiative (BRI) is apportioned into security concerns and global power balance.

There are crucial security risks from the military perspective. Concerns have been raised regarding China's alleged "String of Pearls" strategy, which would allow it to use BRI projects for military objectives like building naval bases or intelligence gathering centres, ultimately expanding its strategic influence and reach throughout Southeast Asia and the Indian Ocean. As such, Malaysia continues to look for ways in which the Belt and Road Initiative (BRI) can modify the security framework in the area, thereby curbing its ability to act independently. The South China Sea, where Malaysia has territorial disputes with China and other nations, is another security concern. When viewed through the prism of these territorial conflicts, the BRI raises questions about the possibility that China may become more assertive

in the disputed regions because of increasing maritime activity and infrastructure development. On the other hand, Malaysia is forced to strike a compromise between its economic interests with China, its right to self-govern its territory, and the security of its maritime borders.

Malaysia's overall foreign policy strategy, which involves balancing affairs between significant countries, also shapes its military perspectives on the BRI. The BRI is seen with uncertainty and as a strategic threat to US interests in the region, as the US is a longstanding security partner of Malaysia and other countries in Southeast Asia. As a result, Malaysia must negotiate a challenging geopolitical environment while attempting to gain from Chinese investments without jeopardizing its security alliances with the US and other allies like Australia and Japan.

Malaysia's participation in the BRI entails a strategic approach aimed at optimizing economic advantages while reducing security threats. This entails pursuing diplomatic measures to guarantee that BRI initiatives do not jeopardize its security interests, sovereignty, or strategic partnerships with other nations. Therefore, the Malaysian Armed Forces' role in this situation is to adapt to the shifting geopolitical landscape while ensuring its coalitions and capabilities are strong enough to fend off attacks and safeguard its interests. Thus, Malaysia's strategy has been defined by its aim to balance its ties with China and other major world powers while upholding security and sovereignty, especially in the South China Sea. In the upcoming years, Malaysia's military strategies and policies will continue to be influenced by the BRI's evolving nature and regional dynamics.

Malaysia's political perspectives on the BRI are characterized by a pragmatic approach that seeks to leverage the initiative for national development while carefully managing the

associated economic, diplomatic, and domestic political challenges. The BRI is seen as a tool for economic growth and an element of Malaysia's foreign policy strategy. Nevertheless, it is cautiously approached to ensure that engagement does not compromise Malaysia's sovereignty, financial health, or regional strategic interests. From a political standpoint, Malaysia views the BRI as a significant opportunity to accelerate national development. The influx of investments into infrastructure projects like ports, railways, and industrial parks aligns with Malaysia's ambitions to enhance its economic infrastructure, diversify its economy, and improve connectivity. Political leaders have often highlighted how these projects can contribute to Malaysia's Vision 2030 goals of achieving a fully developed nation status. Thus, a political incentive exists to engage with the BRI to catalyse economic growth and development.

Malaysia's political perspectives on the BRI are also influenced by regional dynamics, including the Association of Southeast Asian Nations (ASEAN) and the broader Indo-Pacific strategy. Malaysia seeks to position itself as a critical player in the region advocating for ASEAN centrality and engaging in diplomacy that ensures the BRI aligns with regional stability and prosperity. This involves navigating tensions in the South China Sea and managing relations with other regional powers, notably the United States, which has its strategic interests in countering China's influence in Southeast Asia. China is Malaysia's largest trading partner, and the BRI has further cemented this economic relationship. Hence, Malaysia has carefully navigated its BRI political engagement, balancing its economic benefits against the need to maintain sovereignty and address concerns over dependency and debt sustainability.

Domestic political considerations significantly influence Malaysia's stance on the BRI. Changes in government have led to shifts in how BRI projects are perceived and handled. For instance, the transition from the Najib Razak administration to the government led by Mahathir

Mohamad saw a temporary suspension and review of BRI projects over corruption, debt, and national interest concerns. The subsequent government has continued to evaluate BRI projects through a lens that balances economic gains with national sovereignty and financial prudence. Moreover, public opinion and political opposition shape the government's approach to the BRI. Issues such as transparency, the environmental impact of projects, and the extent of benefits accruing to local communities versus Chinese companies are politically sensitive topics that influence negotiations and policy decisions related to BRI projects.

One of the most tangible impacts of the BRI on Malaysia is the boost in infrastructure development. Projects under the BRI umbrella, such as the East Coast Rail Link (ECRL) and the Melaka Gateway, aim to enhance connectivity within Malaysia and other countries. These projects are expected to stimulate economic activity, create jobs, and promote regional development, particularly in Malaysia's less-developed areas. The BRI contributes to sectors beyond infrastructure, including manufacturing, real estate, and technology. These investments provide a vital funding source for development projects, potentially leading to technology transfer and skill development for the Malaysian workforce. However, concerns about debt sustainability and the terms of investments have prompted discussions about ensuring these financial inflows contribute positively to Malaysia's economy. If Malaysia becomes heavily reliant on Chinese investments and loans, it could compromise its economic sovereignty and create vulnerabilities in its financial stability. Furthermore, Malaysia's involvement in the BRI has the potential to enhance its trade relations not only with China but also with other countries participating in the initiative. By improving infrastructure and connectivity, the BRI facilitate smoother trade flows, access to new markets, and diversification of Malaysia's trade portfolio to allow Malaysia's ambition to become a regional trading hub.

The BRI enhances Malaysia's strategic significance in Southeast Asia. The development of ports and rail links, particularly those that improve access to the Strait of Malacca, one of the world's busiest maritime trade routes, bolsters Malaysia's position as a critical player in regional logistics and trade networks. However, this increased significant concerns, such as heightened geopolitical attention, particularly from major powers interested in maintaining a balance of regional influence. The possibility that infrastructure projects could serve dual-use purposes, including military applications, raises security implications for the region. Although not explicitly stated, the BRI's military and strategic aspects concern Malaysia and its neighbours.

Malaysia also finds itself in a delicate position of balancing its relations with China and other major powers such as the United States. The BRI is a cornerstone of China's foreign policy, and Malaysia's participation aligns it closely with China's strategic interests. Nevertheless, Malaysia has historically maintained strong relations with Western countries, and it must steer these relationships carefully to avoid becoming overly dependent on any single partner. Hence, Malaysia must navigate these concerns carefully, balancing the economic benefits of the BRI against the need to maintain sovereignty and regional stability.

The BRI's focus on infrastructure can have significant socio-economic benefits for Malaysia, including poverty reduction in rural areas through improving access to markets, healthcare, and education. However, these benefits are not guaranteed and depend on the projects' inclusive design and implementation. The environmental impact of BRI projects in Malaysia has been a point of contention. There is a risk that large-scale infrastructure projects could lead to displacement of communities, loss of livelihoods, and social disruption if not managed carefully. Furthermore, large infrastructure projects, particularly those requiring

significant land use changes, pose risks to Malaysia's rich biodiversity and natural resources. Concerns, including deforestation, habitat destruction, and pollution, have sparked debates about the sustainability of BRI projects. The Malaysian government and Chinese investors have encountered calls to ensure that projects adhere to stringent environmental standards and sustainable practices due to the governance of BRI projects, including issues related to transparency, corruption, and public accountability. Negotiating contracts, project financing, and implementation has occasionally lacked transparency, leading to public scrutiny and criticism. Therefore, ensuring that BRI projects are conducted openly and transparently is essential for maintaining public trust and ensuring that the initiative's benefits are equitably distributed.

While primarily economic and infrastructure-oriented, the Belt and Road Initiative (BRI) has significant military and strategic implications for participant countries, including Malaysia. The initiative's expansive scope, encompassing maritime and overland corridors that traverse critical geostrategic locations, has the potential to reshape military dynamics, security considerations, and defense strategies in the region. Malaysia's strategic location along the Strait of Malacca, one of the world's busiest shipping lanes, places it at the heart of the BRI's Maritime Silk Road. This positioning offers opportunities and challenges for Malaysia's military and strategic outlook.

Developing ports and logistical infrastructure under the BRI can indirectly benefit Malaysia's military capabilities by improving maritime situational awareness and response capabilities. The BRI's expansion has raised several security concerns for Malaysia, necessitating a recalibration of its defense and security strategies. Modernized ports can facilitate naval logistics and operations, contributing to maritime security. Furthermore,

economic growth spurred by BRI projects can increase defense spending, allowing for modernization and enhancement of military capabilities. There is also concern about encroachment in disputed territories, particularly in the South China Sea, where Malaysia has overlapping claims with China and other countries. Increased maritime traffic and the presence of foreign vessels in Malaysia's waters heighten the need for enhanced maritime surveillance and security measures.

Furthermore, the digital component of the BRI, often called the Digital Silk Road, emphasizes the importance of cybersecurity. With implementing BRI projects, there is an increased reliance on digital infrastructure and technology. Total reliance on BRI can expose Malaysia to cybersecurity risks, including data breaches, hacking attempts, and potential espionage. Malaysia must strengthen its cybersecurity capabilities and ensure robust measures are in place to protect critical infrastructure and sensitive information. Malaysia must bolster its cyber defences against espionage, data theft, and other cyber threats associated with increased digital connectivity. Moreover, Malaysia must enhance its capabilities to address these challenges effectively and balance the economic development associated with the BRI, which could lead to non-traditional security threats, including piracy, smuggling, and human trafficking.

The BRI also influences Malaysia's defense diplomacy with China and other regional players. Malaysia's participation in the BRI necessitates a closer military-to-military relationship with China. The bilateral engagement includes joint exercises, defense dialogues, and cooperation in counterterrorism and maritime security. While this engagement can enhance understanding and cooperation, Malaysia must carefully manage its sovereignty and strategic autonomy. Furthermore, The BRI compels Malaysia to balance its defense relations

with other powers, particularly the United States, which views the BRI with scepticism. Therefore, Malaysia must pilot its defense diplomacy to balance its ties with China and its traditional security relationships, including those within the Five Power Defence Arrangements (FPDA) framework.

Balancing the impacts of the Belt and Road Initiative (BRI) on Malaysia requires a strategic approach that maximizes benefits while minimizing potential negative consequences. Malaysia has developed a thorough methodology for evaluating and managing the debt sustainability of BRI projects. This includes examining various funding options, including public-private partnerships (PPP), performing thorough cost-benefit evaluations, and negotiating agreements that guarantee financial viability without undermining national sovereignty. Moreover, Malaysia should promote local companies' participation in BRI initiatives by enacting laws that require or reward joint ventures and subcontracting agreements with Chinese enterprises. This strategy can guarantee that a sizeable amount of the economic gains stays in the nation, promote knowledge transfer, and develop local capability. To lessen economic reliance on any one nation and limit the risks brought on by geopolitical tensions, Malaysia should aim to diversify its trading partners and investment sources even as it strengthens its economic ties with China.

Malaysia has emphasized preserving its national interests and sovereignty when implementing BRI projects. It seeks to guarantee that these initiatives respect its long-term strategic objectives and are consistent with its national development plans. Malaysia works closely with its ASEAN colleagues to ensure that the BRI respects ASEAN unity and aligns with regional development objectives. Unifying ASEAN can strengthen its negotiating position with China and guarantee that projects are planned with the region's interests in mind. To

preserve the balance of power in the area, Malaysia maintains diplomatic relations with Indo-Pacific nations like the US, Japan, and India, which are not part of the BRI. This includes participation in alternative infrastructure and economic initiatives that complement Malaysia's strategic interests through strengthening maritime security and surveillance capabilities to protect strategic interests, particularly in the Strait of Malacca and disputed areas in the South China Sea (Hamzah, Leong and Forbes 2020). The cooperation involves investing in naval capabilities and enhancing cooperation with regional and global partners committed to maritime security. Furthermore, Malaysia has recognized the importance of cybersecurity in the context of BRI projects. It has enhanced its cybersecurity capabilities, including establishing dedicated cybersecurity agencies, promoting public-private partnerships, and strengthening information-sharing mechanisms with relevant stakeholders.

The Malaysian government has implemented firmer regulations and guidelines to ensure transparency, accountability, and proper risk assessment in BRI projects. The implementations involve thorough feasibility studies, financial viability assessments, and environmental impact assessments to reduce potential risks. In addition, Malaysia carries out social impact studies, interacts with the community to guarantee their wants and worries are met and puts policies in place to stop evictions without sufficient compensation and preparations for resettlement. Furthermore, Malaysia enforces compliance with international environmental standards, mandates stringent environmental impact assessments (EIAs) for all BRI projects, and advocates for using sustainable practices and green technologies in project execution. This commitment to environmental sustainability should be a non-negotiable element of all agreements. Engagement with civil society organizations in oversight roles can help ensure that projects adhere to best practices in governance and public accountability. Thus,

Malaysia can leverage the BRI for national development while safeguarding its sovereignty, promoting sustainable growth, and ensuring the welfare of its citizens.

Balancing the impacts of the BRI on Malaysia requires a multifaceted strategy that addresses economic, strategic, socio-economic, and environmental dimensions. Economically, it promises infrastructure development, investment inflows, and enhanced trade relations. Strategically, it positions Malaysia as a central player in regional dynamics but also brings concerns about sovereignty and geopolitical balancing to the fore. Socio-economically, while there is potential for significant benefits in terms of social development and poverty alleviation, environmental sustainability and governance issues remain areas of concern. It requires thorough planning, strong administration, and strategic diplomacy to navigate this route, emphasizing the significance of approaching the BRI with knowledge and initiative. Although the program presents the possibility of improved military infrastructure and financial resources for defense spending, it also produces security and strategic issues that Malaysia needs to resolve. For Malaysia's military and strategic planners, the dual-use potential of BRI infrastructure, cybersecurity, and sovereignty challenges are crucial factors to consider, in addition to the necessity to manage intricate defense ties. Malaysia must take a nuanced and balanced approach to reap the benefits of the Belt and Road Initiative (BRI) and preserve its strategic independence and national security objectives.

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