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Domestic Affairs Influence on Malaysia’s Relations with Saudi Arabia and Iran

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Abstract
Recent development shows that diplomatic relations between Malaysia with the two biggest economic players in Arab-Persian Gulf, Saudi Arabia and Iran, has been growing. There have been active engagements between Malaysian leaders with the leaders from Saudi Arabia and Iran. At the same time, leaders from those countries have also been giving particular attention to their diplomatic relationship with Malaysia. It is widely known that Saudi Arabia’s relationship with Iran is constantly intense in the Middle East, with both countries are expanding their influence in the Middle East. Given the aforementioned background, this article seeks to analyse how Malaysia’s domestic affairs influenced Malaysia’s relations with Saudi Arabia and Iran. It is argued that, the domestic affairs are very much related to Malaysia’s high dependence on both countries’ oil resources and the possible spread of Wahhabism and Shi’a ideologies among Muslim community in Malaysia. The article is constructed by answering the following questions; Does Saudi’s and Iran’s interests in Malaysia aim at expanding their influence in South East region, particularly over the Shi’a and Wahhabis’ ideology? How Malaysia responds to it without jeopardizing its overwhelming relations with these states? On the other hand, this article will also analyse the presence of Saudi Arabia in Malaysia on how it affects the regional security threat. Overall discussion, the study findings have shown how Malaysia is able to maintain her relations with both countries by balancing between the needs for oil petroleum as well as containing the spread of Wahhabism and Shi’a ideologies in Malaysia.

Keywords: Malaysia’s Foreign Relation, Saudi Arabia and Iran, Economic Interests, Wahhabism-Shia’ Ideologies
Introduction
This study analyses the influence of significant domestic affairs on Malaysia’s relations with Saudi Arabia and Iran. The domestic affairs here are closely related with Malaysia’s high dependence on both countries’ oil resources and the possible spread of Wahhabism and Shi’a ideologies among Muslim community in Malaysia. It is widely known that Malaysia has further strengthened its relations with Saudi Arabia and Iran, especially since the post-1997 Asian economy crisis which hit many ASEAN economies including Malaysia, to look for new markets in the Middle East region. Nevertheless, in augmenting the relations, Malaysia is facing with possible spread of Saudis’ Wahhabism and Iranians’ Shi’a ideologies which may influence Sunni-Shafiite religious practices in Malaysia (Idris, 2015; Idris & Yusoff, 2016).

A number of previous studies had been made on Malaysia’s relations with Saudi Arabia and Iran, particularly on the importance of both countries’ oil resources and the possible influence of Wahhabism and Shia’ ideologies. These studies include, for instance, (Abu-Hussin & Salleh, 2016; Idris, 2013, 2015; Idris & Yusoff, 2016), and others. The scope of the studies, however, is mainly focused on Malaysia’s relations with Saudi Arabia and Iran respectively, and not put together as a case study. Besides, there are other studies which attempt to link the possible connection of religious terrorism in Malaysia with the influence of Salafist-Wahhabism ideology such as (Hamid, 2016; Haron & Hussin, 2013; Nor Hafizi et al., 2017; Riviere, 2016; Saat, 2016). Meanwhile, on the issue of Shi’a ideology in Malaysia, most studies criticized the Malaysian government policy for declaring this ideology as one of the deviant teachings in Malaysia (Alatas, 2014; Haji, 2014; Musa, 2013).

Based on the above-mentioned studies, they indicate that there are economic opportunities as well as possible religious influences in Malaysia’s relations with the two countries. In dealing with these two contrasting issues, Malaysia has applied a ‘double-edged sword policy’ which found to be workable to maintain the relations. The policy is to lure with plenty of economic opportunities, and enhance security cooperation, especially with Saudi Arabia, and simultaneously explaining the policy of containing Wahhabism and Shi’a ideologies as merely part of Malaysia domestic policies. Thus, the main contribution of this study is to show how Malaysia is able to maintain her relations with Saudi Arabia and Iran by balancing between the needs for oil petroleum as well as containing the spread of Wahhabism and Shi’a ideologies in Malaysia.

Early Interactions
By tradition, Malaysia’s diplomatic relationship with Saudi Arabia began as early as 1957 (since the independence of Malaysia or formerly known as Malaya), meanwhile, the relation with Iran did not begin until 1968. The early foundation of diplomatic relations that laid off by the Malaysian leaders with Saudi Arabia’s and Iranian leaders continues with remarkable achievement particularly in the area of economic and trade relations. Malaysia’s economic relationships with Saudi Arabia and Iran are predominantly determined by energy resources. Saudi Arabia for example is the largest supplier of Malaysia’s crude oil imports. In 2012, Malaysia spent almost US$1.4 billion on imported oil and that was such a heavy dependence on Saudi oil which has led to a continual trade deficit with the Kingdom. Although producing its own crude
oil, Malaysia also exports it to the international market and leaving insufficient for domestic consumption and this has contributed to the deficit.

Iran acquired 20% of Malaysia’s trade with the countries in the Middle East (Idris & Yusoff, 2016), the third largest behind UAE and Saudi Arabia. It was reported that the total value of Malaysia’s trade with Iran in 2012 reached US$1.4 billion with exports valued at US$1.14 billion and imports at US$3 million billion. Since 2013, however, Malaysia’s trade with Iran had slightly decreased with the total trade of US$1.0 billion in 2013, and it was only US$5 million in 2015. This has been largely argued due to US unilateral economic sanctions against the Islamic Republic over its nuclear program (Kaur, 2013). Malaysian exports to Iran include palm oil, crude rubber, chemical and chemical products, wood products, rubber products and machinery, appliances and parts. Meanwhile, about 83 per cent of Malaysia’s imports from Iran consist of crude petroleum and petroleum products (GE15 Organization, 2008; MATRADE, 2013).

**Domestic Affairs’ influence on Malaysia’s Diplomatic Relationship**

Malaysia’s engagement with the countries in the Arab-Middle East world has been largely driven by the economic interest and as a source of investments. At the same time, religious affiliation too plays an important role for the connection between Malaysia and the Arab-Middle East world. However, the cultural and religious identity in Malaysia is rather different from those countries, although they are Muslims. Among the social and cultural repercussion of the close ties between Malaysia and those countries in the Arab and Persian Gulfs is the issue of religious ideology and sectarianism i.e; Wahhabism and Shi’ism. Since Saudi Arabia is known as the ground of the Wahhabi’s ideology while Iran is a home of Shi’a, closer engagement beyond economy with these countries would give some influences on the Malaysian society and hence affect the domestic politics.

With strong diplomatic relationship between Malaysia and Saudi Arabia as well as Iran, better understanding on people’s mobility and migration has been developed. On the other hand, with current understanding on education, scientific and labour exchange, security etc, it is expected for Malaysia to receive people from those countries to come to Malaysia. People from most of the Arab countries are entitled to enter Malaysia with 90 days visa upon arrival that gives them advantage to do business or visit Malaysia for a quite a long time. This 90- day-visa is enough for them to stay longer in Malaysia by passing over Singapore or Indonesia and come back to Malaysia for a visa renewal. Reports also show that, to get long period visa in Malaysia is much easier for them than other countries in the world. This specially for the Iranian people whereby they are facing difficulty to travel outside the country in which there are only 40 countries allow them to have visa upon arrival and yet very few countries are significant to them to enter. Country like Malaysia is among the significant destination to the Iranian to travel, either as a visitor, businessman, or student (Bani Kamal & Hossain, 2017). It was a right time for the Iranian back in 2011 when Malaysia was projected to be an international educational hub and this opportunity was not missed by the Iranian students to come to Malaysia to further their studies.

There is no reliable source about the exact number of Iranian in Malaysia. However, it is roughly estimated that there are around 200,000 Iranian studying or working in, or waiting for visas to Malaysia (Bani Kamal & Hossain, 2017). Other source claims that, the number was
approximately around 80,000 Iranian plus with 15,000 Iranian students in Malaysia (Idris & Yusoff, 2016). Although the number is hard to determine, the figure suggests that the Iranians form one of the largest diaspora in Malaysia. It also suggests that Malaysia is hosting the largest Iranian community in East and Southeast Asia. Meanwhile, reports by Iranian Embassy, as of 2015, there are around 5,000 Iranians students in Malaysia, while only 15 Malaysian students in Iran (BERNAMA, 2015, October 12).

One might argue that the influx of Iranians in Malaysia was not motivated by the country’s attraction, but rather an escape for the Iranians from their disappointment in the local politics and their disagreement with the previous President, Ahmadi Nijad (Bani Kamal & Hossain, 2017). Thus, lack of interest from the Iranian to closely engage with the local Malaysian. Their presence in Malaysia in some way leaves unwelcoming remark from the local.

Therefore, a question arises on how could the presence of Iranian badly influence the Malaysia’s religious affair? Although Malaysia is a Sunni Majority country and the presence of Shi’a followers is rather minimal, the issue of Shi’a in Malaysia is relatively significant. The Shi’ism is banned in Malaysia and in fact, any effort to spread the Shi’a teaching will be prosecuted. Despite of this fact, there are still Shi’a followers in Malaysia and it was argued that Shi’a ideologies have been spread into Malaysia through diplomatic means, marriage, education and culture (Mastura, 2015, June 09). Malaysia is portrayed as a modern and liberal Muslim country. Nevertheless, when it comes to religious tolerance especially concerning the religious sectarian, action taken has been rather defensive and any effort to spread different religious ideologies apart from the Sunni Shafi’ite thought would be considered as threat. With regard to Iranian presence in Malaysia and their Shi’a’s practice, the minister in the Prime Minister’s Department, Jamil Khr Baharom, who is responsible on the religious matter at once quoted that, “We never harass Shi’a followers!” Baharom said, “but it’s just that they are banned from spreading the ideology” (McCartney, 2013). Tun Mahathir, former Prime Minister was also quoted saying quoted as saying: ‘If in Iran, they [Iranians] want to follow their religion [shiism], it’s up to them but if they come here, please don’t disturb us’ (Majlis e Ulama e Shia Europe, 2013).

On the other extreme, the spread of Wahhabism ideology, which is associated with Saudi Arabia, has also been a concern among the Malaysia’s religious authority. Wahhabism is ultra conservative and fundamental Islamic “movement” aiming at restoring “original” Islamic practice, and named after 18th century Saudi born scholar Muhammad ibn Abd al-Wahhab. The ideology is largely portrayed by the western media as the root of global terrorism and causes the rise of radical Muslim in the recent years. Nevertheless, the direct influence of Wahhabism and radicalism is always open for debate. It could be safely argued that Wahhabism is a “facilitator but not a direct contributor to extremism” (Dillon, 2009) as the factors for religious violence can be varied. As a precaution, in which Malaysia has always been, the religious authority is keeping the influence of Wahhabism at the minimal level.

Despite of the fact that Malaysia is intensifying its relationship with Saudi Arabia at various level of cooperation, this does not mean it is also importing Wahhabis’ ideology into the local religious sphere. On the other hand, Saudi’s government has been consistent to support religious activities and institutions in Malaysia. The support comes in various forms and means including funding on religious and educational institutions, dissemination of the copy of the al-Quran and Islamic books to providing scholarship to Malaysians to study in Saudi Arabia. There are several Malaysian religious movements and educational institutions that are allegedly
associated with the Wahhabi ideology (Abu-Hussin & Salleh, 2016). In fact, in some occasions, the government of Saudi Arabia gives its support towards religious movement by giving scholarships, education funding and it is quite recently a Medina based University has been established in Shah Alam, Selangor. Doesn’t it seem that the government of Saudi Arabia is slowly exporting the ideology?

Having said that, claims regarding the direct connections of these religious movements and institutions are difficult to validate (Idris, 2013). Although the establishment of Saudi based university in Malaysia has created worrisome for some especially non-Muslims and Malaysia’s neighbouring countries, because of it, Malaysia was perceived to start breeding Wahhabism domestically. For Malaysia religious matters purely domestic, controlled by His Majesty the King (YDP Agong) and religious council. Therefore, religious authority has been keeping an eye to those activities with a fear of the influence of the Saudi’s Salafi-Wahhabi Islam in the country. Malaysian Religious Agency sees Wahhabism as an equally dangerous threat to Malaysia’s security as Shi’ism and closely monitors it, where possible, to ensure there is not a growth of extremism (Manimaran, 2011). Unlike the Shi’a’s teaching which is totally banned in Malaysia, Wahhabi’s ideology was only treated as a threat to the national security and there was no single person was convicted because of this ideology. However, National Fatwa Council of Malaysia (it is an Islamic edict council) discourages the practices or spreading of Wahhabism ideology in Malaysia (Sinar Harian, 2015). This is despite the fact that most of the practices of Wahhabism are more or less similar to Hanabalite school of thought which is the major school of thought practised in Saudi Arabia.

It is clear that the Malaysia’s government and local Muslim are less-welcoming these two ideologies that both majority of Saudis and Iranian are subscribed with. Religious understanding and practice in Malaysia is shaped by Shafi’ite sect and very much influenced by Sunni school of thought and practice, other than this school of thought is highly discouraged and prohibited (Abu–Hussin et al., 2018). Undeniably, these two issues, Shi’ism and Wahhabism, could become the thorn in the flesh in relation to Malaysia’s harmonious relations with Saudi Arabia and Iran. How has been Malaysia dealing with these issues in maintaining its close relationship with the countries in the Arab gulf? Meanwhile, Malaysia’s policy has also been favourable towards Saudi Arabia and how this effects its connection with Iran? The following discussion answers these questions.

Balancing the Interests
Malaysia’s commitment to its cooperation with Saudi Arabia has also been extended on the security issue. Malaysia was also extended in its pledge to support Saudi Arabia in Bahrain during the civil unrest there in 2011 (The Borneo Post, 2011). Malaysia even offered to deploy its military as peacekeepers if requested. This commitment reflected not only a favourable attitude to Saudi Arabia, but also a strong undercurrent of anti-Shi’a sentiment that has been particularly manifest since the Arab uprisings and is also played out in Malaysian domestic politics (Abu–Hussin et al., 2018). Besides, year 2013 was a turbulent year in this respect with arrests often citing violations of a fatwa issued in 1996 which banned the promotion if not, at least technically, the practice of Shi’a Islam in Malaysia (Fernandez, 2013).

There were repercussions in terms of Malaysia’s relationship with Iran over these incidents, resulting in a boycott on Malaysian goods launched by a group of unhappy Iranian
traders (Sulong, 2014). Although the boycott was not officially from the Iran’s Government, the campaign caused a wobble in Malaysia’s relations with Iran and at the same time appeared to suggest a strengthening of the Saudi-Malaysian relationship. However, the Malaysian ruling party has subsequently been very careful to closely engage with Iran in order to alleviate tensions around the issue of unpleasant sentiment toward Malaysian Shi’a. Nevertheless, Iranian officials in Malaysia denied that there had been a boycott campaign despite the fact that trade between Malaysia and Iran declined in early 2014. Since then, Malaysian officials are extra cautious over anti-Shi’a issues in order to maintain their usual and ongoing relationship with Iran.

Therefore, it is clear that, without a careful approach, and being moderate in Malaysian foreign policy in particular, the bright climate of the relations might be changed into cloudy. Thus, in dealing with this issue, the government of Malaysia seems to apply a double-edged sword that is, being stricter at home, and at the same time looking appeasing and wise in justifying its domestic policy in the eyes of the Iranian and Saudi’s counterparts (Idris, 2013).

Maintaining the Regional Stability

Since years ago, economic dimension has been the driven factor behind Malaysia’s relationship with Iran and Saudi Arabia. However, the current geopolitical situation such as tension between US and China, and uncertain political situation in South China Sea, relationship between Malaysia and Saudi goes beyond economic interest. Saudi’s announcement for the establishment of the King Salman Center for Global Peace in Malaysia and both countries agreement in military cooperation by developing areas of joint training and exercise, and exchange of military experiences could be seen as a strategic partnership in balancing the influence of powers in South East Asia. At the same time, the establishment of the King Salman Centre for Global Peace portrays both countries commitment in countering extremist ideologies and misconceptions about Islam while at the same time change the narrative of extremism that is associated with Islam in the long run. The issues of religious extremism in South East Asia in general and particularly religious extremist in Philippines and Southern Thailand are among the major concern of Malaysia and its neighbouring countries. In the same note, Saudi Arabia has also given commitment with Indonesia to cooperate in tackling terrorism issue. Both have agreed to get their military officers trained in each other’s countries to counter Daesh militants (Whiteside, 2017). While the perception towards extremism is highly associated with Islam and radical Islam is very much influenced by the extreme Wahhabi’s ideology, Saudi Arabia gives strong commitment to tackling the radical issue in the South East Asian region. It could also be safely argued that the presence of Saudi Arabia in Malaysia would give positive impact to the regional security threat.

Meanwhile, with the current initiatives of Saudi Arabia in the South East Asia by having Malaysia as a strategic partner in South East Asian region and both countries agreement in expressing concern over “the growing Iranian interference in the internal affairs of the Arab countries” (Ali Khan, 2017), would these recent moves affect Malaysia’s relationship with Iran? For Malaysia, to assure global peace is very much important, it stands to be non-aligned in international politics re-affirms its foreign policy. Without scarifying the economic interests and diplomatic relationships, Malaysia as possible balances its economic interests in the Arab-Persian Gulf as it has always been in neutralising economic interest in the Far East. With the uplifting UN economic sanction on Iran, there have been emerging interest from Malaysia to expand its
relationship with this country. Rouhani’s visit in 2016 was so important in enhancing both countries economic relationship and it marked as new era of Malaysia’s relationship with Iran. Both countries agreed to boost economic ties in which Malaysia is seeking its new market for the palm oil export and Iran is seen as a potential market for Malaysia’s palm oil industry. Interest towards these two conflicting countries, Iran and Saudi Arabia, is meant to gain economic benefit.

Concluding Remarks

In a nutshell, it is quite convincing to say that Malaysia has been consistent with its foreign policy since the era of the second Prime Minister, Tun Razak who introduced a ‘Non-Alignment’ policy, a big swing from the Tunku Abdul Rahman’s old pro-Western policy to befriend all countries irrespective of differences in ideology or systems of government. This policy had also been nurtured by the longest Malaysian Premier, Tun Dr. Mahathir who threw strong support behind the idea of ‘prosper thy neighbour’ as he had put into: “....we realised that the best way to help ourselves was to help others. By doing so you don’t simply generate gratitude and goodwill, you also create partners and friends” (Mohamad, 2011). In short, pragmatism will continue to dominate Malaysian foreign policy in matters pertaining to the Malaysia’s interest abroad. Malaysia’s relations with the Muslim world and its strategy to expand economic relation with Muslim countries might assist to further boost Malaysia’s bilateral relation with those countries in the Arab-Persian Gulf in the future.

In addition to that, Malaysia continues to pursue an independent, principled and pragmatic foreign policy, founded on the values of peace, humanity, justice, and equality. The overarching thrust of its foreign policy has been to safeguard Malaysia’s sovereignty and national interests as well as to contribute meaningfully towards a just and equitable community of nations through the conduct of effective diplomacy. As a member of the UN, Malaysia is fully committed to multilateralism in advancing global peace, security and prosperity. Malaysia’s record in peacekeeping operations under the UN is a testimony of its dedication in carrying out the mandate of the international community in advancing global peace and security. At the UN and other international arena, Malaysia will continue to actively participate in the deliberations and efforts toward finding solutions to various global issues. Malaysia will continue with the principles of engagement and cooperation rather than isolationism and unilateral action.

In regards to Malaysia’s relations with Saudi Arabia and Iran, this case study has contributed to the importance of being pragmatic and moderate in a state’s relation with others that involving two contrasting issues. While Malaysia is being offensive (pro-active) in enhancing her economic interactions with Saudi Arabia and Iran but at the same time, it is being defensive in containing the spread of Wahhabism and Shi’a ideologies among the local Muslim community. By having a double-edged sword policy, Malaysia’s relations with the two countries are well-maintained. This study would be a future reference for a state’s relations with two different countries that facing two contrasting issues or interests.

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