CHAPTER 1

Japanese Perspectives on Malaysia’s “Look East” Policy

Introduction

The “Look East” policy was publicly announced by the Malaysian Prime Minister, Datuk Seri Dr Mahathir Mohamad, in December 1981. This policy has gained momentum and has become an important part of Malaysia’s national policy. However, it has also probably created some misunderstanding, controversy, and disarray in policy-making in Malaysia as well as in Japan. The policy seems to aim at introducing Japanese work ethics and managerial systems in order to improve the economic performance and productivity of Malaysia. It is argued, for example, that the “Look East” policy, which proposes to combine Malaysia’s resource-based industrialization with Japanese technology and capital, might eventually form an important part of Malaysia’s New Economic Policy. Some people, however, also argue that this policy is ultimately unrealistic due to Malaysia being a heterogeneous society and Japan, a homogeneous society. They further argue that these two countries are totally different in culture, social values, and historical background which will undoubtedly create serious impediments for Malaysia to “Look East”.

This chapter examines the reactions to this policy from the Japanese government, the business community, academic circles, and the mass media.

Government and Diplomats

The Japanese government has shown special concern towards the Association of Southeast Asian Nations (ASEAN) following its
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formation in 1967. This was basically due to its immense increase in capital investment and trade in the region. ASEAN’s criticisms of Japan began to emerge gradually because of fears of possible economic domination by Japan. This anxiety was escalated by a tendency for a revival of Japanese militarism. In July 1972, the third Sato administration was taken over by Tanaka Kakuei after a decisive battle with Fukuda Takeo. Tanaka was aware that his predecessor, Sato Eisaku, had created a “hawkish image” in the ASEAN countries and he decided to improve the relationship between ASEAN and Japan. However, his good intentions were met with ASEAN’s anti-Japanese campaigns when he toured the region in January 1974. He was unable to devote himself to promoting Japan-ASEAN friendship partly because he was soon involved in the “Lockheed Scandal” and partly because he concentrated his attention on making his faction the most influential representative in the Liberal Democratic Party (LDP) of Japan. He was thus too occupied with domestic issues to pay much attention to Malaysia and the ASEAN region.

In December 1974, a compromise cabinet led by Miki Takeo emerged when he dissolved the Tanaka Cabinet with the indispensable support of Tanaka’s old rival, Fukuda Takeo. Miki did not even have an opportunity to tour the ASEAN countries simply because during his two-year premiership, domestic structural reforms and the “Tanaka Lockheed Scandal” consumed a great part of his energy. He was an enthusiastic reformist in Japan’s internal affairs but not much concerned with ASEAN.

Fukuda Takeo succeeded Miki Takeo in December 1976 after a fierce power struggle among LDP factions. During his two-year premiership, which was shorter than he had expected, he toured ASEAN in August 1977. He proclaimed his “heart-to-heart doctrine” (or the so-called Fukuda Doctrine) in the Philippines at the end of his ASEAN tour. His “heart-to-heart” efforts have, to some extent, eased ASEAN’s criticisms of Japanese economic domination in the region. However, in December 1978, his intention to remain in power was foiled by Ohira Masayoshi. Ohira managed to attend the United Nations Conference on Trade and Development (UNCTAD) in the Philippines in May
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1979 but did not get to tour ASEAN before his death in June 1980. A compromise administration, led by Suzuki Zenko, succeeded Ohira Masayoshi in July 1980. Suzuki’s tour of ASEAN in January 1981 attracted world-wide attention as he was the first Japanese premier to travel to this region before paying a courtesy visit to the United States of America (US). His extraordinary decision, however, did not create any widespread repercussions among the ASEAN countries. He seldom commented on ASEAN due partly to his reticent character. He was a comparatively less ambitious Japanese politician in his efforts to solve the numerous problems, both external and internal, which had piled up during the period of his administration. He was supposed to be re-elected as premier, with strong support from “Tanakasone” factions, but handed over power to Nakasone Yasuhiro in November 1982. Nakasone made unprecedented telephone calls to Reagan and leaders in the ASEAN countries, expressing his strong intention to improve relations with the US and ASEAN. Nakasone then toured ASEAN and Brunei in April-May 1983. He ended his tour on 9 May 1983 in Malaysia, as many observers had predicted he would, because of Malaysia’s officially proclaimed “Look East” policy.

Over the last ten years, six Japanese premiers, from Tanaka to Nakasone, have alternated in power. Apart from Miki and Ohira, four other Japanese premiers have visited ASEAN. They have all expressed great concern for improving economic co-operation, political harmony, and cultural exchange with ASEAN. They have also emphasized the need for both bilateral and multilateral relations with the region. Apart from Fukuda and Nakasone, however, the other former leaders who are still in parliament have not expressed any views on Malaysia’s “Look East” policy. The Japanese government’s reaction to Malaysia’s “Look East” policy has been deliberately dispassionate. It has tried not to be overly eager although it has welcomed Malaysia’s decision to “Look East”. It is generally acknowledged that under the LDP’s administration, Japan has accomplished rapid economic growth since World War II and the Japanese government welcomes appraisals of its economic miracle.

According to Fukuda:
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[the] “Look East” policy ... deserves serious great attention in the context of the Japan-ASEAN relationship. ...

Japan has voluntarily and actively adopted Western technology and knowledge, on the basis of its historical and traditional social system and work ethics. While the life style of the Japanese people has gone through rather drastic changes by the introduction of new technology, their traditional social system and work ethics have been preserved to date without impairment.

I am extremely happy that Japan is able to co-operate with Malaysia in its nation-building and human resource development efforts. But at the same time, it is my belief that Malaysia should make its own independent judgement on what should be learnt from the Japanese experience and that Japan should never meddle in that judgement. ... It is my great pleasure to see Japan help Malaysia in such a way in one of its major national programmes. Considering the epoch-making significance of this programme, I believe that we should watchfully wait for its success from a long-term perspective, regardless of its short-term results. As the “Look East” policy is something that will cause a fundamental effect upon the course of Malaysia’s economic development, I sincerely hope for its success and progress.1

From the above statement we understand that Fukuda considered the “Look East” policy as one of Malaysia’s major national programmes which deserved serious attention in the context of the Japan-ASEAN relationship. He stressed the willingness of Japan to help Malaysia in its nation-building but left the initiative and independent judgement to the host country.

This appears to be a cautious approach to the “Look East” policy by a Japanese politician, or at least a statement in principle. It was argued that the Malaysian government did not at the time provide Japan with a clear picture regarding concrete plans and measures for actualizing the policy. The Japanese side also did not work out any concrete measures to respond to the policy, although the Suzuki administration did not deny the importance of the trade relationship
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with Malaysia and of Japan’s investment potential in the country. However, externally, Japan faced economic and trade frictions with the US and European Community (EC); and internally, Japan was plagued by stagflation and financial crisis. Thus, Suzuki was unable to react positively to the “Look East” policy or to provide any substantial assistance, either financially or materially, to Malaysia. The Mahathir administration was supposed to meet the Japanese government but the plan was postponed due to Suzuki’s resignation from the LDP’s presidency in October 1982.

Dr Mahathir visited Japan two months after the formation of the Nakasone administration. When Mahathir invited Japan to react positively on the “Look East” policy, Nakasone, in the joint press statement issued on 25 January 1983, expressed his views by stressing that he

hoped that this “Look East” policy will contribute to a further broadening of relations between the two countries [Japan and Malaysia], particularly in the field of industrial and technical training, academic and technical studies and the transfer of technology, in addition to the existing close co-operation in the economic field.²

He also added that the Japanese government

intends to co-operate to the extent possible on this matter, recognizing that the implementation of the policy will be very important for the development of Malaysia and that the policy is in line with Japan’s policy of developing human resources in Malaysia.³

Nakasone promised Malaysia:

Firstly, to invite more Malaysians to be trained and educated in Japan. Secondly, to extend grant aid in order to construct a Japanese language school attached to the University of Malaya. Thirdly, to extend a loan of up to ¥21 billion to the Paka Power...
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Station Project and Sabah Gas Grid Project; to extend direct loans of up to ¥50 billion inclusive of the yen loan from the Overseas Economic Co-operation Fund and up to ¥40 billion to the Port Kelang Power Station (Phase II) Project.4

At a meeting with ASEAN journalists in Tokyo, in April 1983, two weeks before he came to Malaysia, Nakasone re-emphasized that Japan would co-operate on the development of human resources, extend economic co-operation through yen loans and also provide co-operation in science and technology in response to Malaysia’s “Look East” policy. On 9 May 1983, when Mahathir voiced that there were some people in Europe, America, and Malaysia who were criticizing Malaysia’s “Look East” policy, Nakasone emphasized that he had been deeply moved by Mahathir’s profound wisdom in encouraging Malaysians to learn not only from Western experience but also from Asian heritage.5

The Japanese government under Nakasone has also been trying to react positively to Malaysia’s “Look East” policy. Esaki Masumi, a powerful LDP politician and a former International Trade and Industry Minister, promised Mahathir that “Japan would further assist Malaysia in such fields as technology transfer, human resource development and small-and-medium size industries”, when he visited Malaysia on 1 August 1982.4 He further stressed that the “Japanese as a race have traits of responsibility. Since Malaysia is looking to Japan, we have to think seriously and respond positively to it. ... Japan should play an important role in helping Malaysia to construct infrastructure and to succeed in its Fourth Five-Year Plan”.7

According to the Japan Trade Centre in Kuala Lumpur, Japan has been the largest contributor of project loans to Malaysia for the past three years. In 1982, Malaysia obtained a total of M$3.5 billion project loans of which 33.5 per cent (or M$1.2 billion) was contributed by Japan. The amount disbursed by Japan to Malaysia was apparently even more than that by the World Bank (M$971 million). Japan also topped the list in 1980 and 1981 with project loans amounting to M$845 million and M$1.03 billion respectively. As for official yen
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loans, Japan had provided ¥216,000 million (M$2.16 billion) through nine loans.8 The data in Table 1.1 also indicate that yen credit cooperation extended by Japan to many Malaysian projects, centring on development of electric power, communications, and railways, has been increased substantially since 1981. Japan would not have extended this huge amount of project loans to Malaysia without special consideration, said a Japanese diplomat.9 He said Japan was not as rich as was seen by people from outside. More importantly, he argued that Japan was badly affected by the world-wide economic recession. He seemed to be quite confident that if there had not been a “Look East” policy campaign in Malaysia, the Japanese government would not have extended the huge project loans to Malaysia while Japan was plagued by severe stagnation and financial crisis.10 In fact, as early as October 1982, when Malaysia asked for large project loans, the Japanese Ministry of Finance expressed its unwillingness to help due to its own financial difficulties. However, the Ministry of Foreign Affairs and the Ministry of International Trade and Industry were more inclined to respond positively as they realized that Malaysia was implementing the “pro-Japanese ‘Look East’ policy”.11 The Ministry

Table 1.1
Annual Provision of Yen Credits to Malaysia

<table>
<thead>
<tr>
<th>FY</th>
<th>Yen Credit Program</th>
<th>Amount (¥1 billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1966</td>
<td>1st</td>
<td>18</td>
</tr>
<tr>
<td>1972</td>
<td>2nd</td>
<td>36</td>
</tr>
<tr>
<td>1974</td>
<td>3rd</td>
<td>36</td>
</tr>
<tr>
<td>1978</td>
<td>4th</td>
<td>21</td>
</tr>
<tr>
<td>1978</td>
<td>5th</td>
<td>21</td>
</tr>
<tr>
<td>1979</td>
<td>6th</td>
<td>21</td>
</tr>
<tr>
<td>1981</td>
<td>7th</td>
<td>21</td>
</tr>
<tr>
<td>1982</td>
<td>Special</td>
<td>33.6</td>
</tr>
<tr>
<td>1982</td>
<td>8th</td>
<td>21</td>
</tr>
<tr>
<td>1983</td>
<td>Special</td>
<td>40</td>
</tr>
<tr>
<td>1983</td>
<td>9th</td>
<td>21</td>
</tr>
</tbody>
</table>

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of Finance’s reluctant response might be understandable in terms of the relatively slow rate of growth of the Japanese economy — 2.7 per cent in the 1981 fiscal year, the lowest growth rate since 1974 and well below the official government projection of 4.1 per cent. The then Prime Minister, Suzuki Zenko, declared that Japan’s national finances were in a state of emergency, estimating that revenue shortfalls would amount to ¥5–6 trillion (about US$20–24 billion) in that fiscal year. Even in these difficult circumstances, the Japanese government (as expressed by Premier Nakasone on 25 January 1983) nevertheless extended ¥50 billion in direct loans to Malaysia because it wanted Malaysia’s “Look East” policy to be a success.

The Japanese government and Japanese diplomats in this region seem to project a kind of “moral responsibility”. This point was particularly emphasized by Japanese diplomats interviewed recently. One felt that the “Look East” policy had created an extra “mental burden” (seishin teki futan), although he tried to avoid the word “annoyance” (meiwaku). They suggested that Malaysia was expecting too much from Japan, and if Japan could not meet their expectations to their satisfaction, the “learn from Japan” campaign might change to an “anti-Japan campaign”, as had happened in 1974.

To sum up the views on Malaysia’s “Look East” policy as expressed by Japanese government officials and diplomats, the following are a few main points:

Firstly, the Japanese government welcomes Malaysia’s “Look East” policy and has decided to extend various forms of assistance. However, the Japanese seem to grow more worried day by day as they do not have any concrete policy in response to it.

Secondly, the “Look East” policy forms a very important part of Malaysia’s New Economic Policy which basically aims at improving the economic well-being of the bumiputras (indigenous community). Mahathir has regarded the “Look East” campaign as a kind of spiritual revolution aimed at introducing Japanese experience to Malaysia in order to improve the country’s productivity and work ethics. Some of the Japanese officials felt that this was a challenging policy and Mahathir could be risking his political career. He has been criticized not only
within the National Front Party, but also inside and outside Malaysia.\textsuperscript{18} The continuance of the “Look East” policy may be a problem.

Thirdly, the policy seems to have limitations. This is because (i) although it aims at upgrading work ethics and skills improvement, only the Malays seem to have been purposely mobilized (in terms of sending Malaysian students and trainees to Japan);\textsuperscript{19} (ii) the government has tried to achieve great results in a short time; and (iii) Malaysia is a heterogeneous society with different cultures, languages, and customs, while Japan is a homogeneous society.

Fourthly, Japan’s development process had been one of learning and improving on Western technology and experience. This process has taken almost 130 years since the Tokugawa Shogunate was forced to open its ports to the Western powers in 1854. Undoubtedly, Japan has accumulated valuable experience which would definitely contribute to Malaysia’s economic and social development. However, there are some shortcomings and weaknesses which should not be imitated by Malaysia.

**Business Community**

According to the Japan Trade Centre in Kuala Lumpur, as of March 1983, there were 720 cases of Japanese investments totalling M$1.76 billion in Malaysia. Its investments in the manufacturing and hotel sectors, amounted to M$595 million or 20 per cent of the total. In 1982, Japan’s exports to Malaysia amounted to M$5.75 billion while its imports from Malaysia totalled M$6.9 billion. From Japan’s point of view, its export and import trade with that country represented 1.8 per cent and 2.3 per cent respectively of its overall trade. From Malaysia’s point of view, these accounted for 21.1 per cent and 24.3 per cent respectively.\textsuperscript{20} On the other hand, by June 1983, it had been reported that there were more than 25 Japanese construction companies and 12 Japanese banks in Malaysia. As a result of Malaysia’s “Look East” policy, Japanese investment and trade have increased markedly, and the Japanese companies in Malaysia totalled 350 in June 1983.\textsuperscript{21} On 9 May 1983, Mahathir told Nakasone that Malaysia was trying to transfer
some public sector corporations (for instance, railways, the television broadcasting corporation, and communication companies) into the private sector and invited Japanese participation. Mahathir invited particularly the Japan International Corporation Agency (JICA) to conduct surveys on the feasibility of modernizing the railway line between Penang and Johore (750 km) and of building a new railway line between Kuala Lumpur and the East Coast of Malaysia.\textsuperscript{22} Understandably, Japanese businessmen in Kuala Lumpur are happy with the implementation of the “Look East” policy as they feel that it would be relatively easier to do business in Malaysia.\textsuperscript{23} However, the Japanese have also expressed their cautious approach to the policy. From my interviews with Japanese business representatives in Malaysia, their viewpoints on the policy can be summarized as follows:

Firstly, the business community has perceived and reacted to the policy more quickly than the diplomats. The businessmen have opportunities to communicate with numerous local staff in their day-to-day activities. Therefore, although the Japanese government might be able to provide some guidelines or instructions to Japanese firms, it is the businessmen who must take action in order to better contribute to the economic development of Malaysia. In short, the Japanese government should avoid over-interference and allow the Japanese enterprises to play a more important role in Malaysia’s “Look East” policy.

Secondly, Japanese firms should not “exploit” or be involved in purely “profit-seeking” (\textit{rieki tsuikyu}) activities under the guise of promoting Malaysia’s “Look East” policy. British colonialism has been severely criticized by Malaysia because of its exploitative policy and activities. Malaysia had an unhappy experience under Japan during World War II. Therefore, Japan should be cautious and must not be “overheated” (\textit{kanetsu}) over the policy.

Thirdly, the Japanese business community stress that this policy should be carried out consistently over a long period. However, they suspect that the next Malaysian government might not pursue the same policy. They perceive that the Deputy Prime Minister, Datuk Musa Hitam, has a different approach to the policy. Musa is also
regarded as being less enthusiastic than Mahathir. It is said that Mahathir has met with resistance to the “Look East” policy from British-educated politicians in his government.

Fourthly, the “Look East” policy will encourage Japanese investors to co-operate with the bumiputras in the implementation of the New Economic Policy. This will possibly alter the existing structure of ownership and control of certain sectors of the Malaysian economy. For instance, in the construction sector, big construction companies especially are overwhelmingly controlled by Malaysian Chinese but they would be rapidly replaced by the Japanese. Therefore, it is understandable that the Malaysian Chinese community does not support the policy. According to the view of a Japanese writer, the “brain drain” of some of the Malaysian citizens of Chinese descent might be a reflection of their non-co-operative attitude towards this national policy.

The Japanese businessmen foresee, with mixed anticipation and anxiety, that Japanese investment and economic expansion in Malaysia will be stimulated by the enthusiastic implementation of the policy. They perceive the Malaysian government as being “generous in giving special consideration” to them. For instance, a Japanese construction company has been assigned to construct the Dayabumi Building by the Malaysian government. The Japanese tender was ¥70 billion higher than a local tender, but owing to the shorter completion period and the expectation of the transfer of modern construction technology to Malaysia, the Japanese construction company was chosen.

Some Japanese businessmen in Japan, especially those who do not have any economic interests in Malaysia, have tried to sound a warning note to their counterparts in Malaysia by saying “do not take advantage of the policy and violate the commercial practices in the host country”. Japanese “over presence” in Malaysia has long been criticized by the various local communities. This has created several economic and trade frictions between the two parties, that is, the Malaysian and Japanese. For instance, at the end of April 1983, about two weeks before the Japanese Premier Nakasone visited Malaysia, the mass media in Malaysia criticized Japanese commercial practices and
business behaviour in the country. The Malay Chamber of Commerce accused Japanese companies of refusing to appoint local dealers for their exports. It said that “since the start of the ‘Look East’ policy, Japanese companies had won over M$3 billion worth of contracts in Malaysia but Malaysians had gained ‘practically nothing’ in terms of invisible trade with Japanese contractors. All shipping, insurance, and other invisibles were exclusively handled by the Japanese companies themselves, shutting out the opportunities for local companies”.

Obviously, the local organization raised these issues on the eve of Nakasone’s visit to Malaysia in the hope that the two governments would discuss them seriously and improve the situation. However, Mahathir rapped out at the critics of Japanese firms by saying that it was unfair to single out Japanese businessmen for criticism when other businessmen had also not given bumiputra (contractors) a chance.

Mahathir’s sympathetic consideration towards the Japanese companies created both excitement and anxiety in the Japanese business community in Malaysia. Some Japanese businessmen suggested that “it is almost impossible to say no if we are passionately loved”; “this policy will be a success if we can enlarge the pie for distribution”. Some other businessmen, however, revealed that their “mental burden has increased” and suggested a “cautious approach” to the “Look East” policy.

### Academics

Compared with the Japanese government and the business community, the academics in Japan have shown the least interest in Malaysia’s “Look East” policy. This is partly because they do not have any pragmatic or direct interest, compared with the business community in particular, in doing research on the “Look East” policy. There are also few Japanese scholars specializing in contemporary Southeast Asian studies and fewer studying specifically Malaysia. More importantly, in real terms, academics may find it difficult to obtain
substantial information or facts to carry out research on this specific topic, since the policy was implemented in December 1981.

Nevertheless, at least three research studies were conducted by Japanese academics in 1982–1983. The first was published by the Kokusai Kaibatsu Jyanaru [International Development Journal],32 the second was by Suzuki Yuzi of Kanagawa University,33 and the third, by Kimura Michio of the Institute of Developing Economies.34 The following is a summary of their findings:

1. Kokusai Kaibatsu Jyanaru’s View
   (a) The editorial staff’s view:35 The editorial staff frankly expresses its “embarrassment” (konwaku) that Malaysians are learning from the Japanese and regards the “Look East” campaign as “a little unexpected” (isasaka tototsu) by the Japanese in general. The aims of this policy are firstly, to fundamentally change the work ethics of the Malays in order to encourage them to participate more productively in the economic activities of Malaysia; and secondly, to foster a high economic growth modelled on Japanese development experience. This is regarded as an extension of the New Economic Policy. Economic frictions with Britain, and domestic economic difficulties and the unfavourable trade balance have also prompted Malaysia to “Look East”. However, the Japanese government has not formulated any concrete policy to co-operate with Malaysia in this campaign, especially in terms of receiving students and trainees sent by the Malaysian government.
   (b) Hanada Mitsuyo’s view:36 The “Look East” policy is seen as a plan to “look less to the West and more to Japan” in Malaysia’s effort to learn from Japanese industrial technology, education system, business management and work ethics. It cannot be regarded as having been influenced by Singapore’s “Learn from Japan” campaign, as Malaysia has had a tendency to have a cool attitude towards those policies carried out enthusiastically by Singapore. Malaysia is a typical heterogeneous society in which the government is forcefully introducing the New Economic Policy to help the bumiputras. It
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seems very difficult, if not impossible, for Malaysia to adopt the Japanese managerial system, although it would be easier in Singapore.

(c) **Araki Mitsuya’s view:** The “Look East” policy, as a “tactic” (*senjyutsu*), has been used to strengthen the Mahathir administration. This tactic is derived from Mahathir’s overall strategy based on the ideas expressed in his book, *The Malay Dilemma*. Mahathir is trying to improve the economic and social status of the Malays so that the Malaysian economy and politics will not be controlled by other races or foreigners (mainly British). In order to do this, Japan is seen as a model since it has achieved remarkable economic growth even when other economic powers are in stagnation. Malaysia has not, however, formulated any concrete measures to learn from Japan. Nevertheless, in reaction to Malaysia’s “Look East” policy, Japan has firstly to avoid seeking hegemony in Asia since people in this region are still aware of the “Greater East Asia Co-prosperity Sphere” which Japan tried to create during World War II; secondly, since the developing countries are expecting Japan to react positively to Malaysia’s “Look East” policy, Japan should help to create more “stable and peaceful countries” in the region through contributing to Malaysia’s economic development and social stability.

2. **Suzuki Yuzi’s View**

The “Look East” policy forms an essential part of Malaysia’s New Economic Policy which was launched in 1970, aimed at increasing the bumiputras’ participation in managerial levels, ownership, and employment to represent a share of 30 per cent of Malaysia’s national economy. Under the new leadership of the Mahathir administration, Malaysia is trying to do three things to fulfil this task: firstly, in order to reduce British and non-Malay control over Malaysia’s economy (for instance, control predominantly over rubber plantations and tin mines), Malaysia has to strengthen economic relations with Japan. This is based on the idea that Malaysia’s economic relationship with Britain is “unequal or dependent” while that with Japan is “equal or independent”; secondly, in order to change Malaysia’s industrial
structure, that is, from producing raw material centred around rubber and tin, to a more diversified and larger manufacturing sector, Malaysia has to improve its relationship with Japan since the latter has capital, technology, and a big domestic market; thirdly, it is easier for Malaysia to emulate Japan since the Japanese experience of industrialization is not tied with political ambition and military expansion. Besides, as a nation blessed with many natural resources, Malaysia will be able to reject Japan if any irrational demands are imposed on it. The “Look East” policy is being used to accomplish the New Economic Policy goal, and also, as a tactic, was used to stabilize the Mahathir administration during the general election in March 1982. Japan should respond positively to the policy from a broader viewpoint of North-South problems.

3. Kimura Michio’s View
Kimura concludes that the background and aims of the policy are as follows: Malaysia succeeded in carrying out its industrial policy in developing labour-intensive and export-oriented industries in the 1970s. In Peninsular Malaysia, the unemployment rate decreased from 8 per cent in 1970 to 5.6 per cent in 1980. This created a new situation: the attraction of high wages has increased the outflow of young labour from the rural to the urban areas. Malaysia worked out a new industrial strategy in the Fourth Malaysia Plan (1981–1985), by shifting from labour-intensive to capital-intensive industries. But in order to do so, Malaysia had to acquire experience and technology from the East. Secondly, since 1979, Singapore has been learning from Japan in order to improve its industrial structure. Obviously, Malaysia’s “Look East” policy has been stimulated by Singapore’s “Learn from Japan” campaign. Thirdly, as a nationalist, Mahathir is trying to improve the bumiputras’ discipline and work ethics so as to narrow the economic gap between the Malays and other races in Malaysia. Fourthly, Mahathir is devoting every effort to combine the “Look East” policy with Islamic doctrine. He is suggesting that Islamic doctrine teaches diligence and the pursuit of knowledge,
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which are also the aims of the “Look East” policy. The implementation of the policy is therefore expected to strengthen Islamic ideology and help to isolate Islamic extremists in Malaysia.

Japanese academics, especially economists and political scientists, try to explain the “Look East” policy based on Malaysia’s economic and social structure, its attitude towards British interests in Malaysia, the country’s unfavourable trade balance, and continuing economic slowdown. They are not optimistic about the implementation of the policy. This is partly because Japan is a homogeneous society and Malaysia a heterogeneous nation, and partly because the concept of the “Look East” policy is rather abstract and Japan has not worked out any plans to support it. Japan has been learning from Western countries but not from Southeast Asia.38 The Japanese are also very good at learning from others but not at introducing their own experiences to others. Japan does not have a “social equipment or policy” to transfer knowledge and technology to other countries.39 Therefore, Malaysia has to “rob” (ubaitoru) if it wants to get something from Japan.40 However, Malaysia should not learn “evil things” from Japan.41 Environmental pollution, housing shortages, a closed policy, an anti-foreign attitude, and exoticism must be avoided.42 A Japanese official reminded Malaysia that economic development in his country had been accompanied by military expansion (as had happened during World War II) and implied that Malaysia should not follow its example.43

Mass Media

There are many Japanese correspondents based in this region who write on Southeast Asia. Almost all major Japanese newspapers such as Asahi Shimbun, Yomiuri Shimbun, Mainichi Shimbun, and Nihon Keizai Shimbun have their offices in Singapore staffed with experienced correspondents, and reports on Malaysia have long been covered by correspondents stationed outside the country. Japanese reporters visit Malaysia only when they want to gather data or to cover certain events in the country. The Asahi Shimbun recently appointed a correspondent who was based in Singapore to cover Malaysia. He travels to Kuala
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Lumpur regularly and presents his observations and interpretations mainly on Malaysia’s “Look East” policy and Japanese economic activities to the Japanese readers. Apart from this, it is difficult for the Japanese to obtain regular information on Malaysia in Japan.

The Japanese mass media only focused on Malaysia when the Japanese Premier toured the country. Some documentaries have also featured Malaysia but do not seem to have provided a comprehensive understanding of the country. So it is rather unrealistic to expect the Japanese mass media to comment on the “Look East” policy on a more regular basis. Thus, the Japanese public have a very limited knowledge of Malaysia’s “Look East” policy. Surveys conducted in Tokyo recently revealed that Japanese students also have very little knowledge of Malaysia’s “Look East” policy (see Tables 1.2 and 1.3).44 Most of them either have not heard of the policy or, if they have heard about it, do not know the details. About one-quarter of the students interviewed expressed their limited knowledge of the policy which they acquired from local television and newspapers. Nevertheless, 52 per cent of the interviewees approved of Malaysia’s intention to learn from Japan. They suggested that Malaysia could learn from Japan’s experience in post-war economic and technical development, and also the effective and rapid modernization of its educational system. About a quarter of interviewees stressed it was “not necessary”, while 18 per cent suggested that “it is impossible” for Malaysia to learn from Japan. The former were critics of Japan’s “industrialization and modernization” and suggested that Malaysia should not follow Japan’s development process which did entail less-publicized but very substantial social costs. The latter emphasized the sharp differences between Malaysia and Japan in basic characteristics like religion, culture, and work ethics, which might not make Japan a suitable model for Malaysia.

In general, therefore, it could be argued that the Japanese might have heard this policy been mentioned but do not know the details. They might be impressed that there are more and more Malaysian students and trainees coming to Japan, and more and more project loans requested by Malaysia. However, the Japanese mass media
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Table 1.2
Level of Understanding of Malaysia’s “Look East” Policy

<table>
<thead>
<tr>
<th>Interviewees</th>
<th>Never heard of it</th>
<th>Have heard of it but do not know the details</th>
<th>To a certain extent do know the details</th>
<th>Total No. of Interviewees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seijo Univ.</td>
<td>5(25%)</td>
<td>10(50%)</td>
<td>5(25%)</td>
<td>20(100%)</td>
</tr>
<tr>
<td>AA</td>
<td>24(33.3%)</td>
<td>28(38.9%)</td>
<td>20(27.8%)</td>
<td>72(100%)</td>
</tr>
</tbody>
</table>

Table 1.3
Japanese Students’ Reactions to Malaysia’s Learning from Japan

<table>
<thead>
<tr>
<th>Interviewees</th>
<th>Not necessary</th>
<th>Worth learning</th>
<th>Impossible to learn</th>
<th>Others</th>
<th>Total No. of Interviewees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seijo Univ.</td>
<td>6(30.0%)</td>
<td>9(45.0%)</td>
<td>5(25.0%)</td>
<td>0(0%)</td>
<td>20(100%)</td>
</tr>
<tr>
<td>AA</td>
<td>14(19.4%)</td>
<td>43(59.7%)</td>
<td>8(11.1%)</td>
<td>7(9.7%)</td>
<td>72(100%)</td>
</tr>
</tbody>
</table>

Note: * (a) Students aged between 19 and 21.
(b) Students of Seijo University do not have a basic interest in or knowledge of Southeast Asia or Malaysia.
(c) Students of AA do have an interest in and knowledge of developing countries and some are learning Southeast Asian languages.

AA = Asia-Africa Linguistic Institute

makes no effort to explain why Japan must train more Malaysians, extend more project loans, and play a more important role in the “Look East” policy.

Some Japanese newspapers (for instance, Nihon Keizai Shimbun) have foreseen difficulties for Malaysia in its efforts to “Look East”. They have suggested that Malaysia’s universities, businesses, and the people in general have already been overly geared to the West which would make it very difficult for Malaysia to follow effectively the Japanese model.45 Another article explicitly suggests that the “Look
East” policy is aimed at “revolting” (banran) against Europe in order to “restore power” (fukken) to the bumiputra by implementing the New Economic Policy. It is also regarded as an attempt to search for “spiritual independence” (seishin teki dokuritsu) after gaining political and economic independence. On the other hand, the “Look East” policy is also regarded as “a racial policy closely related to a pro-bumiputra policy which is unlikely to gain full co-operation from the Malaysian Chinese”. The Japanese are also warned not to interpret the “Look East” policy as “Japanization”. Toyo Keizai further argues that Malaysia is a “tough fellow” (shitataka-mono) with strong pragmatism like other Asian countries. These countries maintain economic and political grievances and criticism against Japan. The Japanese military occupation during World War II is particularly regarded as the “potential mainstream” of the anti-Japan movement. It is therefore advisable, it is argued, to promote cultural exchange, to extend technological assistance, and owing to Malaysia’s current difficult economic situation, to open the Japanese market to Malaysia.

When Mahathir visited Japan in January 1983 and Nakasone in turn visited Malaysia in May 1983, reports on Malaysia increased. Between 21 and 30 January 1983, the Nihon Keizai Shimbun, the most influential Japanese newspaper on economic issues, published at least eight news items on Malaysia. The news was mainly on Malaysia’s requests for loans and Japan’s positive responses. Between 2 and 10 May 1983, reports on Japanese capital investment in Malaysia and technology co-operation between Malaysia and Japan occupied the major part of the Shimbun. This was also evident in the other newspapers, particular the Mainichi Shimbun, during that time. To a lesser extent, the Nikkei Sangyo Shimbun, the fyukagaku Kogyo Shimpo, the Nikkan Kogyo Shimbun, and the Asahi Shimbun also published similar news. Occasionally the Asahi Shimbun, through its correspondent in Singapore, also published a few comprehensive reports on the “Look East” policy and Japanese economic activities in Malaysia.

On 10 May 1983, the Nihon Keizai Shimbun published a relatively discreet editorial on “How Can Japan Survive in Asia”. It suggested
that Nakasone’s speech towards the end of his ASEAN tour in Kuala Lumpur emphasizing mutual concern and interests between Japan and ASEAN was presumably stimulated by Mahathir’s “Look East” policy. Secondly, it warned the Japanese government not to interpret Malaysia’s “Look East” policy as purely an attempt to emulate Japan’s identity or “indiscriminately adopt values from Japan”. It advised Japan not to conjure up the “revival of Japanese militarism” image for ASEAN, but to increase economic co-operation and to transfer technology to the ASEAN region. More importantly, it also argued that Japan should open its market to ASEAN, including Malaysia, in order to reduce the serious trade deficits. This would be a more friendly and productive response to Malaysia’s “Look East” policy. Therefore, it can be argued that, through the Japanese mass media, Malaysia’s “Look East” policy seems to the Japanese to be basically focused on economic issues. They realize that through the implementation of the policy, more economic aid will be expected by Malaysia and more Japanese capital will be flown into Malaysia. Malaysia’s business and government delegations sent to Japan can easily be regarded by the Japanese mass media as a practical way to promote economic co-operation through trade and investment, in order to implement the “Look East” policy.51

The mass media thus play a very limited role in introducing the background, aims, and impact of the policy. Furthermore, they hardly emphasize the need to encourage cultural exchange between the two countries for the purpose of better understanding which will definitely contribute to the implementation of the policy. Therefore, it is suggested that the Japanese should know more about Malaysia and its people at a time when Japan is actively trying to render substantive assistance as well as promote the Malaysian policy.52

**Conclusion**

The Japanese people are not much concerned about Malaysia’s “Look East” policy. This is partly because they are not well-informed by the
Japanese Perspectives on Malaysia’s “Look East” Policy

domestic mass media which has long been looking West and has paid less attention to this part of the world, and partly because the “Look East” policy has not had any direct impact on their daily lives. They thus leave politicians and businessmen to respond to the policy. The Japanese government, on the other hand, considers the policy to be a serious challenge from Malaysia, and it is expected that it will soon instruct and mobilize the Ministry of International Trade and Industry, the Ministry of Foreign Affairs, and the Ministry of Education to work out some concrete measures in response to the policy. Presently, the Japanese government, despite a reversing domestic financial situation, is increasing its economic aid to Malaysia as an immediate response to prove its favourable attitude towards the policy. Politicians and diplomats directly in charge of Malaysian affairs, although realizing that it is an “extra burden which is full of annoyance”, will try to understand fully the development and implementation of the policy and, hopefully, make timely suggestions for its success. The Japanese business community, which will benefit most from the policy among the various groups, will, with the strong support of the Japanese government and its representatives (for instance, business organizations such as the Keidanren, the Keizai Doyu-Kai, and the Nihon Shoko Kaigi-sho), find opportunities to participate in the implementation of the “Look East” policy. Having given an adverse impression of its notorious ambition of a “Greater East Asia Co-prosperity Sphere” to Malaysians during World War II, the Japanese community has to be particularly careful that it does not replace the British colonialists, who are presently being criticized by the Malaysian government. Japanese academics — although there is only a small group of “Malaysia watchers” — have expressed concern that there are some serious impediments in the implementation of the “Look East” policy. In theory, they agree that it is possible for Malaysia to learn from Japan; in practice, they caution the necessity to look into social costs incurred by Japan in its “industrialization and modernization process”. The “distortions” (yugami) emerging from the Japanese economic development process, for instance, environmental pollution, the
neglect of human aspects (ningen sogai) in factories, housing shortages, and capitalistic expansion, must particularly be avoided, if Malaysia wants to learn from Japanese experience.

There is no evidence to suggest that the “Look East” policy concept was formulated by Japan and imposed on Malaysia. It is widely regarded that this policy was derived from Dr Mahathir’s personal national development philosophy aimed at introducing Japanese values for the purpose of improving the economic performance and productivity of Malaysia. The “Look East” policy did, however, gain support and warm applause by Japan, or more precisely, by the Japanese government and business community, even at the very early stage when the Mahathir administration tried to introduce the concept to Malaysia. Although Japan worries about its lack of a concrete policy to respond to Malaysia’s “Look East” policy and about being criticized for taking advantage of the policy for its economic expansion, it welcomes the notion of being looked up to.

It is hard to predict to what extent or for how long the Mahathir administration will “Look East” or whether the next Malaysian government would continue to do so. However, the Japanese government will, regardless of who leads the Liberal Democratic Party in Japan, continue to co-operate with the implementation of Malaysia’s “Look East” policy so long as Malaysia maintains this policy. For the long-term, the Japanese government or Japanese business organizations should provide some guidelines in order to supervise Japanese business activities in Malaysia. A close monitoring of Japanese firms operating in Malaysia would contribute to minimizing any Japanese firms’ unacceptable commercial practices, thereby promoting cordial and productive relations between the local and Japanese business communities.

It is unwise to regard Malaysia as a pro-Japanese country. It would also be disastrous to formulate Japan’s foreign and economic policy towards Malaysia based on this notion. Malaysia’s “Look East” policy has undoubtedly created a better understanding and has enhanced more opportunities for economic co-operation between
Malaysia and Japan. Japan, however, should be cautious in taking advantage of this policy solely to further its economic expansion since its business activities and practices in Malaysia (or in Southeast Asia) have increasingly received serious criticisms. Malaysia should also avoid giving the impression to the Japanese that it is using the “Look East” policy as a means to wield bargaining power and gain more economic aid from Japan.

Learning from Japan — through the introduction of technology, managerial systems, work ethics, economic development experiences, and so forth — is understandably a painstaking task which needs years to formulate and implement. Presently, it appears that economic co-operation in trade and investment has received the most attention in Malaysia-Japan relations while cultural exchange seems to have been of lesser significance or given inadequate attention. Generally, although cultural exchange does not directly contribute to economic co-operation, it forms a necessary basis for the deeper understanding of a nation’s overall developmental achievements. Indeed, it is most essential to have a thorough appreciation of the Japanese social and cultural values, institutions, and practices at a time when Malaysia is attempting to learn from Japanese business and economic performance.

The Japanese image will depend very much on how it responds to the South.

Notes
1 Commemorative speech by Mr Fukuda Takeo at the Fifth Japan-ASEAN Symposium, Kuala Lumpur, 24 August 1982.
3 Ibid.
5 Address by Prime Minister Nakasone Yasuhiro in Kuala Lumpur on 9 May 1983. See also the *Nihon Keizai Shimbun* (Tokyo), 10 May 1983.
6 *Straits Times* (Singapore), 2 August 1982.
7 *APIC*, issue 54 (Tokyo: Kokusai Kyoryoku Suisin Kyokai [Association for the Promotion of International Co-operation], 25 September 1982).
8 *Straits Times*, 27 August 1983.
Interview with a Japanese diplomat in this region (Diplomat A) on 27 June 1983, but this argument was rejected by another Japanese diplomat (Diplomat B) whom I interviewed on 28 July 1983. Diplomat B made a general point that the Asian countries, particularly the ASEAN nations, are important recipients of Japan's project loans. Therefore, he tried to suggest that Japan had extended huge amounts of project loans to Malaysia through Japan's consistent policy to assist developing countries, and was not influenced by Malaysia's “Look East” policy.

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10 View of Diplomat A (see note 9).

11 Nihon Keizai Shimbun, 20 October 1982. It was reported that Esaki Masumi was asked by the Malaysian government to extend further yen loans on 1 August 1982. Esaki, however, stated that it would be difficult for Japan to do so as Japan was facing its own financial difficulties. See Straits Times, 2 August 1982.

12 Straits Times, 7 August 1982.

13 Straits Times, 13 September 1982.

14 It was also suggested that the Japanese government should pay special consideration to Mahathir's loans request since Malaysia was “carrying out the ‘Look East’ policy campaign and also it is one of the most pro-Japanese countries”. (See the Jyukagaku Kogyo Simpo [Tokyo], 3 September 1982.) However, Muto Ichiyo, Director of the Asia-Pacific Resources Centre of Tokyo, commented that this economic aid was given to get recipients to support Japan's rearmament (“The Sun Also Sets”, Far Eastern Economic Review, 8 September 1983). Another criticism of Japan's loans is made by the former Malaysian Prime Minister, Tunku Abdul Rahman. He stated that “although Japan furnishes loans, it takes back with its other hand, as if by magic, almost twice the amount it provides”. See Jomo Kwame Sundaram, ed., The Sun Also Sets — Lessons in Looking East (Kuala Lumpur: Institute for Social Analysis, 1983).


17 For instance, it was reported that Malaysia tried to send 140 trainees to Japan in Autumn 1982. The Japanese Embassy in Malaysia and the Kaigai Kensetsu Kyokai (Overseas Construction Association) in Japan were asked for cooperation. Since Nagano Shigeo was the President of the Japan-Malaysia Economic Congress and the Japanese Chamber of Commerce and Industry (JCCI), he had been appointed to the Secretariat of the trainee programme, but up to mid-April 1982, this Secretariat had not been set up by the JCCI. Furthermore, it was reported that the Ministry of International Trade and Industry (MITI), which had a close relationship with Japanese enterprises, had not been informed either by the Ministry of Foreign Affairs or the JCCI. Therefore, MITI was unable to instruct Kaigai Gijyutsusya Kensa Kyokai (Association for Foreign Trainees) which was under the jurisdiction of MITI, to accept trainees from Malaysia. See “Minami Kara no Kurosen Look East to Nihon no Kaikoku” [A Black Ship called “Look East” from the South and the Opening of Japan] in Kokusai Kaihatsu Jyanaru [International Development Journal] no. 311 (Tokyo, May 1982), p. 24.

18 See also “Learning from Japan”, Asiaweek, 8 July 1983. Hayashi Risuke suggested that Malaysia's “Look East” policy was opposed by some of the European, Chinese, Indian, and Malaysian entrepreneurs, and Malay politicians in PAS.
More importantly, it added that it was opposed by the “Malay conservative upper class”. See Hayashi Risuke, op. cit., p. 54.

The Malaysian government started by sending 135 Malay technical trainees to Japan in September 1982 and 238 in April 1983. (Malaysia, no. 38 [Tokyo: Perbadanan Persatuan Jepun/Malaysia, April 1983]).

As an indicator of the “Look East” policy, the number of Malaysian students studying in Japan increased substantially. Take, for example, Malaysian students at the International Students Institute, the largest Japanese language school for foreign students in Japan, based in Tokyo, increased from only 5 in 1981 to 15 in 1982 and 50 (nearly 20 per cent of the total number) in 1983. (Fiscal Bulletin of the International Students Institute, Tokyo, 1982 and 1983.)

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Japan and China


37 Araki Mitsuya, not cited, pp. 22–24.


39 Araki Mitsuya, not cited, p. 22.

40 Interview with a Japanese businessman on 28 June 1983.

41 Frank opinions expressed by Japanese scholars through correspondence.

42 Interview with a Japanese academic on 17 August 1983 in Singapore.


44 Questionnaire surveys conducted at the Seijo University and Asia-Africa Linguistic Institute (AA) on 2, 8, and 9 November 1983 in Tokyo.


47 “Toho wo Miyo”, in *Asahi Shimbun* (evening issue), 24 April 1982.


49 See Nihon Keizai Shimbun, 21, 22, 24, 25, 26, 27, and 30 January 1983. In March 1983, there were also many reports on this topic in the *Shimbun*.

50 Ibid., 2, 9, 10 May 1983.

51 For example, see “Kokusai Keizai, Kaigai Gigyutsu”, *Nikkan Kogyo Shimbun*, 21 August 1982.


53 See speech delivered by Nagano Shigeo, Chairman of the Japan Chamber of Commerce and Industry, at the Malaysia-Japan Economic Congress held in Kuala Lumpur on 8 February 1982; and speech delivered by Fukuda Takeo, former Prime Minister of Japan, at the Fifth Japan-ASEAN Symposium held in Kuala Lumpur on 24–26 August 1982. These two speeches were direct responses to the “Look East” policy when Mahathir elaborated on it at both meetings.