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ONE BELT ONE ROAD (OBOR) AND MALAYSIA: A LONG-TERM GEOPOLITICAL PERSPECTIVE

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Abstract

The Chinese Government has embarked on a new strategy, known as “One Belt, One Road” or OBOR. This paper concentrates on the maritime part of this development policy, which entails heavy infrastructure investments in ports and railroads, but also property developments like satellite cities or condominiums, offered for sale mainly to Chinese citizens. There will be obvious commercial benefits to economies along the Southern Silk Road, but also geo-political effects like increasing political dependency due to Chinese capital investments and acquisition of property rights in ports and condominiums. Regarding these developments, a Malaysian maritime policy is called for to match OBOR and the Indonesian Maritime Fulcrum, as well as ASEAN integration.

Keywords: OBOR; Maritime Policy; Geopolitics; ASEAN Integration

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Maritime Policy: OBOR and the Maritime Silk Road

The geopolitics of Asia is changing fast. Whereas after World War II the “Asia Pacific region” captured the attention of political analysts, the land and maritime silk-road connection from East Asia to South Asia, Europe and the Middle East gained in importance and gave rise to the geo-political concept of a continent “Eurasia” (Evers and Kaiser 2001).

The term “silk road” was “invented” by the German geographer Ferdinand Freiherr von Richthofen (1833-1905), who after travelling around China for five years started his academic career as a professor of geology at the University of Bonn, where he produced a massive 5 volume work on China and outlined his idea of the “Seidenstraße” in a widely-read journal article (Richthofen 1877).



Figure 1: Ferdinand Freiherr von Richthofen

This article concludes that after the 7th century, when silk production became known in Europe, the silk roads stopped functioning. “Der Begriff transkontinentaler Seidenstrassen hat für die fernere Zeit seine Bedeutung verloren” (the concept of transcontinental silk roads have lost its significance for the distant future). This “distant future”, Ferdinand Freiherr von Richthofen talked about in his lecture in 1877 has arrived now.

In a departure from earlier policies of maintaining a coastal line of defence, militarily and economically, along China’s long coast, the Chinese-claimed territory now extended across the South China Sea within the so-called nine-dotted line. The sea, however, is protected by the United Nations Convention of the Law of the Sea (UNCLOS), which grants free passage to all shipping and air traffic beyond a narrow 12 miles’ strip from the coast. Free passage is guaranteed even within the 200 miles of the Exclusive Economic Zone (EEZ) that grants exclusive rights to a coastal state for the exploitation of maritime resources. To extend its territory, the Chinese government has turned rocks in the South China Sea into small islands, apparently treating them as extended territory, within an imaginary roughly drawn red dotted line on official maps.

Extending its territorial boundaries into the South China Sea is one move, but proclaiming a new maritime policy is another. China has embarked on a large-scale development programme under the name “Maritime Silk Road” or “One Belt, one Road (OBOR)”, where the “road” is the maritime silk road. Massive investments are planned and construction has started on several mega projects: Deep water harbour construction, land traffic infrastructure projects like roads and railroads, and large scale urban development projects.

In greater detail, this policy can be described as follows:

In 2013, Chinese premier Xi Jinping announced a pair of new development and trade initiatives for China and the surrounding region: the “Silk Road Economic Belt” and the “Twenty-First- Century Maritime Silk Road,” together known as “One Belt, One Road “(OBOR). “Along with the Asian Infrastructure Investment Bank (AIIB), the OBOR policies represent an ambitious spatial expansion of Chinese state capitalism, driven by an excess of industrial production capacity, as well as by emerging financial capital interests” (China-British Trade 2017:1).

From a Chinese perspective “the official ideology behind OBOR ... is peaceful development—to sponsor infrastructure investments and facilitate economic development, promoting cooperation and minimizing conflict. There is no doubt that peaceful development is more sensible and sustainable than American-style militarized “security”; poverty and injustice are hotbeds for extremism” (Wong et al 2017).

Economists by and large welcome the plans for massive investments in maritime and land transport, but also caution the possible increase of differences of economic development between maritime countries and the rest of ASEAN (Jetin 2017). As the China-British Business Council observes in their recent report (China British Business Council 2017:11) the land route along the Northern Silk Road is days shorter than the sea route and cheaper than the air route. Several “corridors” will link specific Chinese regions with countries throughout Asia. A massive “Silk Road Fund” will finance infrastructure projects, like deep water harbour construction, satellite towns and fast railroads. Financial and business circles are by and large enthusiastic about the OBOR project and expect high profits for banks and the construction industry.

The maritime Silk Road (the Belt in OBOR) runs all the way from major Chinese port cities through the South China Sea and the Straits of Malacca to the Arabian Peninsula, Eastern Africa and through the Suez Canal to the Mediterranean and the North Sea. In Hamburg, Rotterdam and London the northern and the southern silk road will meet again.

Figure 2: China's One Belt One Road Initiative



Note: All figures in this paper are taken from slides presented by Hans-Dieter Evers during a lecture on *Connecting Oceans: Malaysia as a Maritime Nation*, 12th Pok Rafeah Public Lecture, Universiti Kebangsaan Malaysia, Bangi 12 May 2017.

Figure 3: OBOR – One Belt One Road, Chinese Map



Along the Maritime Silk Road several major projects stand out. Deep water harbours are constructed in Kuantan and Melaka and are under construction in Sri Lanka, Yemen and Greece in the Mediterranean. In addition to these harbours that will mostly owned and/or operated by Chinese companies there will be other infrastructure developments, like the new fast railroad line from Malaysia's East to the West Coast, enabling Chinese goods to bypass Singapore and parts of the Straits of Malacca.

The OBOR initiative is seen differently by other regional powers. Russia has been indifferent so far, but business interests and business friendly governments in the European Union have seen merits in the OBOR initiatives. Eventually transaction costs in trade between Europe and China (and the rest of Asia) would be reduced und trade facilitated. In Malaysia MCA president Datuk Seri Liow Tiong Lai remarked: “.... the Obor initiative will give us a tremendous advantage in the growing global competitive market” (New Straits Times 21-04-2017)

Figure 4: MCA president Datuk Seri Liow Tiong Lai



The United States has reacted first cautiously under Obama and now more aggressively under Donald Trump's "America First" policy, which seeks to reduce the trade imbalance between China and the United States. No clear position on OBOR has so far emerged from the White House. Whether peaceful development is maintained in the long run will have to be seen. So far China is not (yet) a strong naval power, but expanding its naval presence in the South China Sea. Building military bases on artificial islands can no longer be seen as "coastal defence". The increasing dominance of the Chinese economy throughout ASEAN and beyond is, however, clearly visible. A cartoonist has forcefully depicted the situation:

Figure 5: Cartoon: Chinese President Xi Jinping driving OBOR



Most harbour projects will be combined with the creation of massive satellite towns in Johore and Malacca, like Iskandar Malaysia in Johor and Melaka Gateway including a newly constructed port. In Malacca, there will be four artificial islands of reclaimed land, devoted to (1) tourism, entertainment and property development Island, (2) free trade economic zone island (3) Melaka Gateway port island and (4) maritime industrial park.

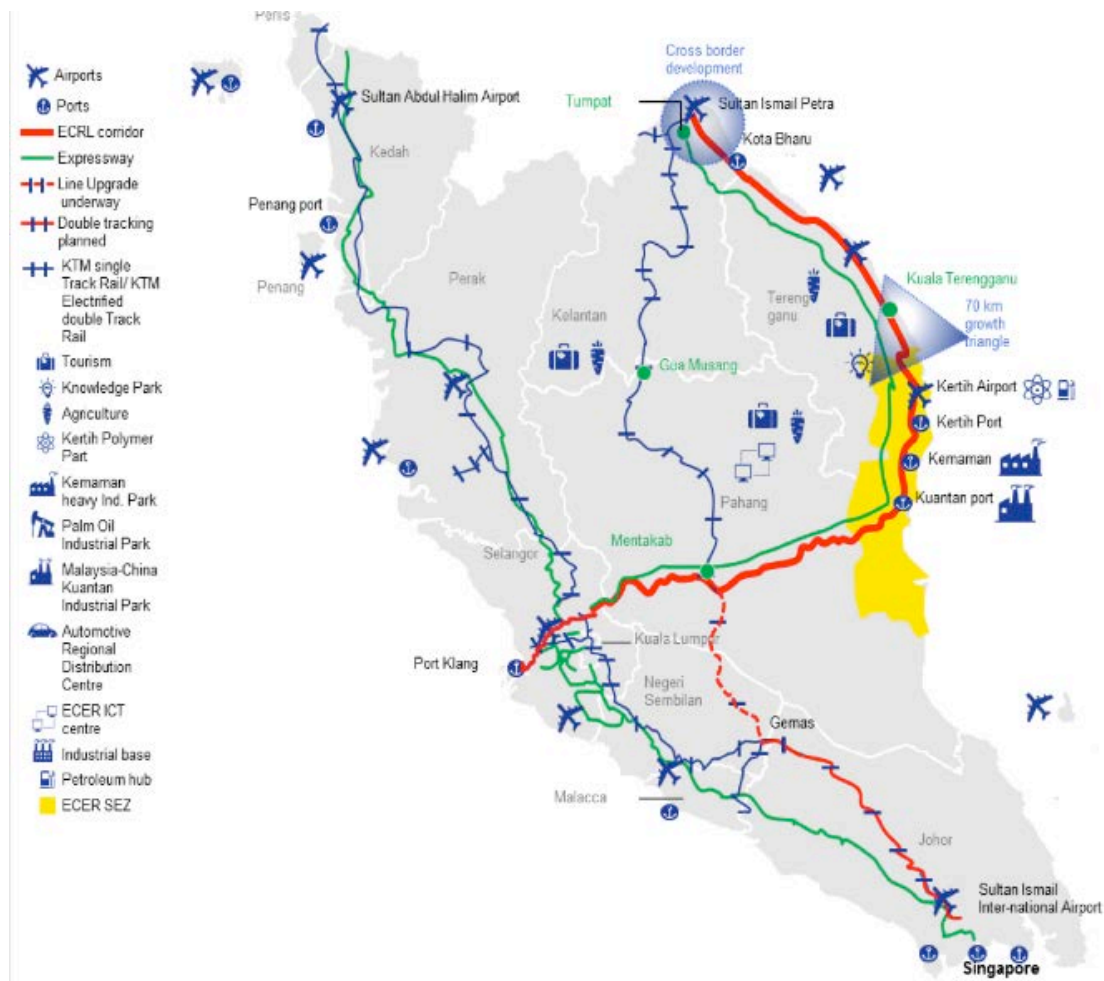
Figure 6: OBOR Project Melaka Gateway



In Kuala Lumpur, at one end of the proposed Singapore-KL fast railway line the construction of Bandar Malaysia, a multi-billion-dollar city is already in the planning stage. The China Railway Engineering Corporation (CREC) will invest two billion US\$ in the 1MDB project and own a majority (60%) of the shares. The properties will be mostly owned and managed by Chinese property companies, though low cost housing for Malaysians will also be included. In 2017, deals to let buyers of two flats in Shenzhen have one flat for free in Malaysia are said to be advertised in China already. The satellite cities are likely to create Chinese occupied special diasporas, catering to Chinese needs and following a distinct modern Chinese conception of space (Evers 2015). As of today, Chinese nationals are already the largest group under the Malaysia My Second Home (MM2H) scheme, which entails privileges for buyers of residential property. Many flats in residential condominiums in Penang or Selangor have been bought by Chinese nationals, but remain un-occupied. This trend is likely to continue with property development under the OBOR umbrella.

Another part of the infrastructure development plan concerns the building of a network of fast railway lines, connecting China with Central Asia, Southeast Asia, India and eventually Europe. Deutsche Bahn, the German government owned railway company already runs a cargo service from China to Duisburg, Rotterdam and London, but still on the old and slow lines that have been in existence for a long time. As soon this line has been modernized, China will have completed another part of the Northern Silk Road under its OBOR scheme.

Figure 7: OBOR Connectivity: Ports and Railways across Peninsular Malaysia



In Malaysia two contracts for fast rail connections have already been signed and construction is to begin in 2017. One fast line connects Singapore with Kuala Lumpur, the other line is a fast line connecting new deep water ports in Kuantan and Malacca. Transshipment across this line will allow Chinese shippers to avoid passing Singapore with its US naval base as well as the narrow Eastern part of the Straits of Malacca.

Figure 8: Kuantan Port Development, Connected to OBOR



Construction of ports and railroads is largely financed by loans of Chinese banks. These loans will eventually have to be repaid by the Malaysian government. Majority ownership of the new ports and railway lines will stay with Chinese (mainly state owned) companies. As reported in the Straits Times daily newspaper, in December 2016 in Beijing, “Mr Najib's government signed an agreement to award the construction of the East Coast Railway Line (ECRL) to state owned China Communication and Construction Company, in a deal to be financed by a soft loan from the Export-Import Bank of China. Kuantan port is owned by IJM (a Malaysian construction company) and Beibu Gulf Port Group (a Chinese company). The nearby industrial zones are earmarked specially for Chinese manufacturing companies” (*Straits Times*, 22 December 2016).

Figure 9: Malaysia's Prime Minister Najib meets Chinese President Xi Jinping in Beijing



The deal struck with China is obviously seen positively by the Prime Minister's office, but criticized harshly by independent observers. As Wan Saiful, a journalist with the business weekly "The Edge" pointed out, "the deal is very good for China. It came with the understanding that the Malaysian government will contract out the job to another Chinese state-owned enterprise, the China Communication Construction Company (CCCC). There are conditions that they must subcontract to local firms but they remain as the tier one contractor.

That means we borrowed money from China in order to pay a Chinese company to do the job, and, after seven years we still need to pay back the loan plus interest, again, to China. Not only does China get back their money immediately in the form of payment for work done by CCCC, they will get more money from us when we repay the loan. We shoulder all the risk while China gets guaranteed profit" (Wan Saiful 2017).

There will probably be short term profits for Malaysian companies. Malaysian employment will rise, even if foreign workers will be imported to complete the project. The railway line will not only get local freight from the East to the West coast, but will also profit from container through-traffic on the way from East Asia to the West, thus impacting Singapore's position, a problem noted in Singapore, especially as Singapore was not invited to attend the

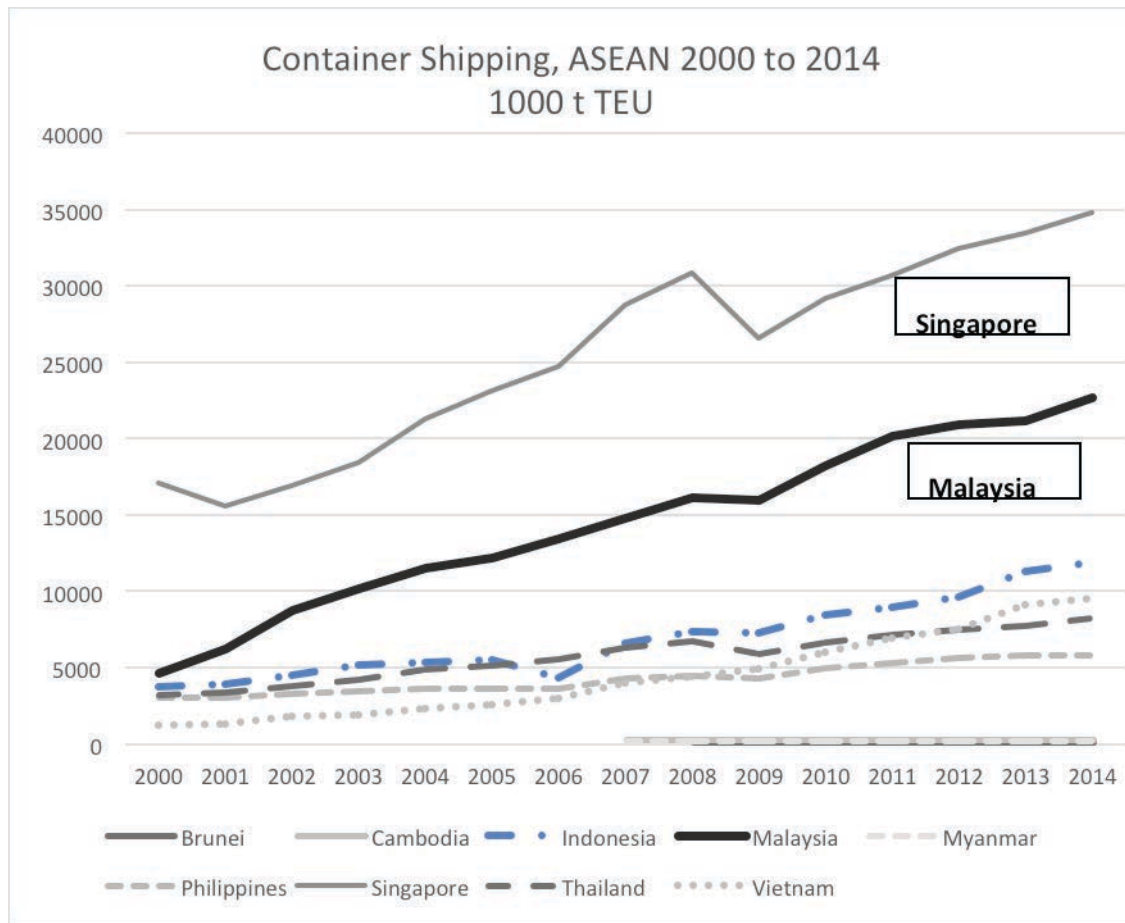
OBOR meeting in May 2017. Adopting a view along the *longue durée* of history, a different picture may emerge. There will be long-term predictable and un-predictable outcomes for Malaysia as a maritime nation, for Malaysia's political system and Malaysia's multi-ethnic population.

Port Cities and Maritime Connectivity

The maritime economy is divided into four major sectors: food production (fishing), transport (shipping), industrial production (ship yards and related industries, harbour construction, sea lane maintenance etc.) and maritime services (like stevedoring, ship supplies, shipping agencies, insurance companies, maritime research and other services). Most of these economic activities one way or another enhance "connectivity" by connecting harbours, countries and regions. Moreover, enhanced connectivity is essential for ASEAN's way towards a true community (Zen and Anandhika 2016). ASEAN has therefore announced a Master Plan of ASEAN Connectivity that also includes (but does not emphasize) maritime connectivity. An ASEAN single shipping market is planned and as well as an integration of land and maritime transport.

The Malaysian long-term development plan is also concerned with the maritime sector and focuses on the development of selected ports and port facilities. Both plans, the ASEAN and the national Malaysian plan are not integrated. The maritime sector is lagging behind land-based planning in the agricultural, urban and land-transport sectors. This is surprising, as especially container shipping is growing world-wide. Malaysian and Singapore ports have become the central hubs in the ASEAN region, with an ever-increasing throughput of containers mainly filled with manufactured goods. Malaysia in particular has outgrown most other ASEAN countries and has matched Singapore's growth rates. The dynamics of container shipping is shown in figure 1, where the dominance of Singapore and Malaysia is evident.

Figure 10: Container Shipping, ASEAN 2000 to 2014



Ports and port cities are, indeed, nodal points in maritime networks of differing rates of connectivity. The success of a maritime policy can therefore be assessed not only by measuring the contribution of the maritime sector to GNP, but also by the increase of connectivity.

The concept “connectivity” requires some further explanation and definition. In general terms “connectivity” refers to the number and strength of connections between points of a surface. In the previous PRC lecture I used an indicator on scientific cooperation to show changing connectivity between universities in the ASEAN region (Evers 2016:22, Evers and Gerke 2012a).

In this paper “Maritime Connectivity” refers to the number of ports connected by shipping services. The strength of the maritime connectivity is measured by the amount of cargo (in tons or TEU) transported between ports or alternatively by the number of sailings between ports, measured by the number of ships or the combined DWT of ships.

What is the position of each of the Malaysia's official ports within the network of ports in ASEAN and how do these positions change over time? In other words, which Malaysian ports improve their relevance to Malaysia as a maritime nation or which are surpassed by their competitors like Singapore or Surabaya?

Port cities have a long history in the Nusantara. Before and after the advent of European traders and their companies, three well documented "Malay" port cities stand out: Malacca, Aceh and Banten (Guillot 2005). They were nodal points in a widespread commercial trading network with a high degree of "connectivity".

"Formerly, as far as we know, old trading cities were actually made up of two distinct towns built along the same river; such was clearly the case with Pasai, Banten, and Malacca, where royal compounds and harbour settlements were located several kilometres apart, each town sometimes bearing a different name. This physical split reflected a peculiar perception of society: the harbour population on the shore was turned towards the sea and the sea activities, whereas the king faced landward, indicating that he wanted to be considered as the necessary intermediary between inland and coastal populations. A neat boundary specified the different roles. The king had political power over the land and its populations. The harbour population, of foreign extraction, had the right to settle in the kingdom and to trade in exchange for taxes paid to the king. But as guests of the country, they had no say in political matters" (Guillot 2005:44).

Modern Malaysia has many ports along its long coastline. Most are recognized as official ports, administered by a port authority or port management company. These ports differ greatly in their capacity of cargo handling and their function within the shipping networks (Soon and Lam 2013, Jeevana et al 2015).

Only two ports, Tanjung Pelepas in Johore and Port Klang in Selangor qualify as major nodal points of international sea traffic. Both serve as harbours for major transshipment throughout the Straits of Malacca and South China Sea areas.

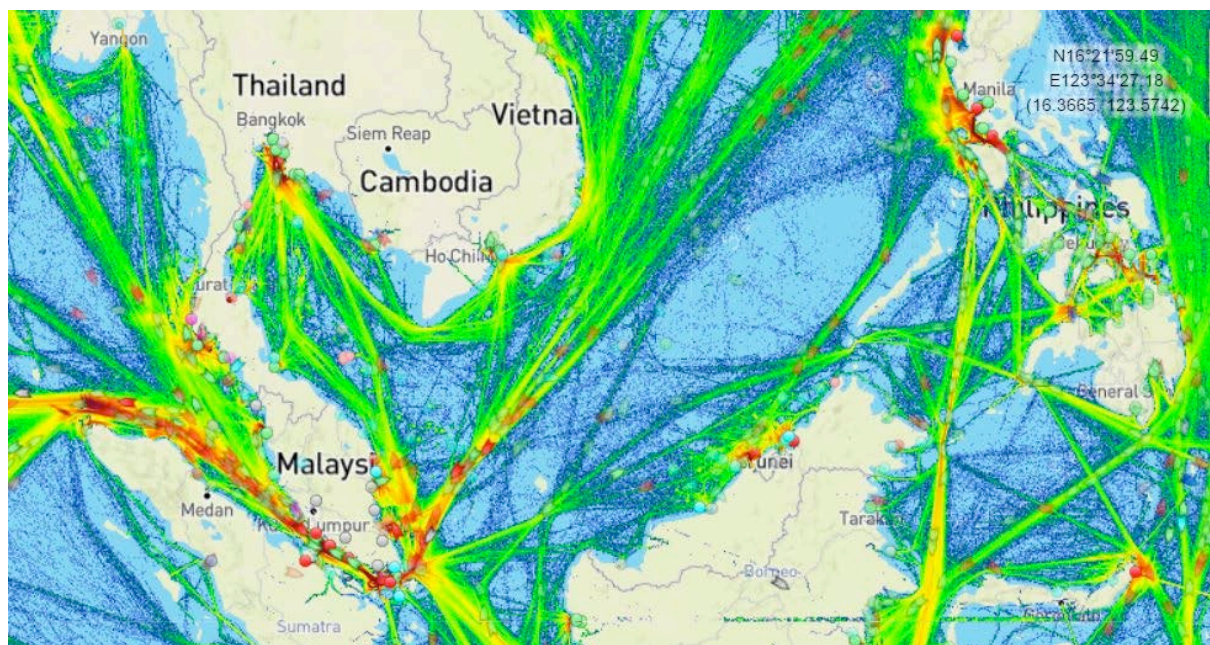
Port cities also have inherited specific social characteristics from their historic past (Guillot 2005). The distinction between government offices, mainly staffed by Malay civil servants and a multitude of workers of different ethnic origin populate the port cities. As the result of their historic role and as points of entry for migrants (now largely replaced by airports) they

have a greater ethnic diversity than surrounding areas. Their diasporas interact commercially and privately with other countries, thus enhancing the connectivity of port cities. An interesting side-aspect is also the fact that ports tend to have a higher rate of biodiversity than surrounding areas. Biologists talk about the “invasion of foreign species” through shipping, a term that should better not be applied to human immigration!

A high degree of diversity accounts for the high productivity of port cities and coastal areas. Not all, but most “silicon valleys” or high tech hubs are found in coastal areas. Trying to create a Cyberjaya (Evers and Nordin 2016) far away from the coast has proven to be more difficult than locating high-tech industries and research labs in Butterworth, Penang island or Singapore. We are not advocating a geographical determinism, but rather the “value of diversity” for productivity and innovation.

The changing connectivity of Malaysian ports among themselves and ASEAN and the rest of the world will be an essential aspect of Malaysia’s move towards a truly maritime nation. A glimpse of the current situation is shown on the following screen shot from the density of shipping in the ASEAN region as of April 2017 (next figure).

Figure 11: Density of Shipping, Maritime ASEAN. May 2017

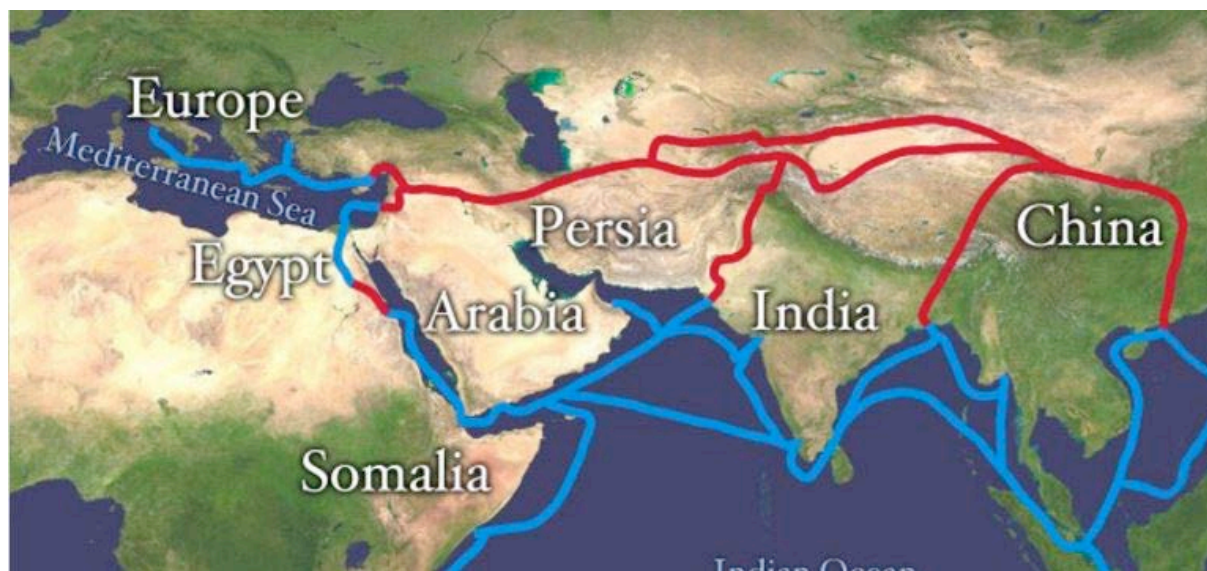


This density map shows the dominance of maritime connectivity of shipping across the South China Sea from and to China and through the Straits of Malacca. Another dense connectivity is seen on a N-S axis from the Gulf of Thailand along the Eastern coast of Peninsular

Malaysia towards Indonesia's Java Sea. A relative low density of shipping is visible between Peninsular and East Malaysia and the Philippines. Overall, the maritime connectivity between ASEAN countries is not yet intense. This points to the necessity for a stronger ASEAN maritime policy. Indonesia with its Maritime Fulcrum and China with its OBOR policies are set to consolidate and consolidate their maritime connectivity.

More detailed research will be necessary to follow trends and open opportunities for a closer maritime cooperation and integration of ASEAN. A closer look at the new Chinese maritime policy and its possible impact on Malaysia will follow.

Figure 12: The Northern and Southern Maritime Silk Roads



Outline of the OBOR Policy

The OBOR initiative of the Southern Maritime Silk Road can be described as follows: The Chinese government through its Investment Bank and the Silk Road Fund supports the construction of ports, port facilities, roads and railroads. Chinese government linked companies acquire equities in port management companies, railways and estate development. In Malaysia, the ports of Kuantan on the Malaysian East Coast and the Westcoast port of Malacca are developed into deep-water ports, allowing the docking of the new generation of container ships. The two ports are connected through a fast track railway line that would allow the trans-shipment of containers, thus avoiding the narrow Singapore Straits and the shallow part of the Straits of Melaka. The geopolitical aspect is the circumvention of the port of Singapore and its US American naval base.

Port development from Sri Lanka to Gwadar in Pakistan to some gulf state ports to Piraeus in Greece provide a string of valuable pearls in the form of harbours from which adjoin areas can be serviced through feeder vessels or railway lines. The long-term financial risks are enormous. “It is no secret that Sri Lanka has run into a huge debt trap by welcoming Chinese funded projects. Sri Lankan debt exceeds \$60 billion, more than 10 percent of that is owed to the Chinese. To resolve its debt crisis, the Sri Lankan government agreed to convert its debt into equity. This may lead to Chinese ownership of the projects finally” (India Times 25-05-2017). Malaysia may head into the same direction.

Chinese Ambassador Liu noted how the OBOR initiative is being misinterpreted by some as confirming Mackinder’s (1904) heartland theory—that China is seeking to control the “pivot area” of Eurasia for geopolitical domination. Instead, he stressed the shared benefits of “development and prosperity” from China’s ongoing foreign policy engagements, arguing that “the Chinese mind is never programmed around geopolitical or geoeconomic theory” (X. M. Liu 2015, 9. Cited in Sideaway and Chih 2017). This assertion has been met with some scepticism, as the geo-strategic aim of the Chinese government is quite visible in its combined efforts to secure access to the European, Middle Eastern and African markets both in terms of importing energy supplies (oil and ore) and exporting manufactured goods. Going back to the age-old silk roads the new OBOR strategy entices the vision of a mutually beneficial two-way trade and the, in Western eyes, a romantic and mysterious East. Combining an emotional vision and romance of the East with the hard exigencies of access to markets is, indeed, a masterpiece of cultural policy, serving the national interest of China.

Another important aspect of the OBOR policy is the development of large property estates, like Malaysia Gateway in Kuala Lumpur, creating partly extraterritorial zones, owned The OBOR initiative of the Southern Maritime Silk Road can be described as follows: The Chinese government through its Investment Bank and the Silk Road Fund supports the construction of ports, port facilities, roads and railroads. Chinese government linked companies acquire equities in port management companies, railways and estate development. In Malaysia, the ports of Kuantan on the Malaysian East Coast and the Westcoast port of Malacca are developed into deep-water ports, allowing the docking of the new generation of container ships. The two ports are connected through a fast track railway line that would allow the trans-shipment of containers, thus avoiding the narrow Singapore Straits and the

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Back-casting into Malaysia's History

The Maritime Silk Road will be managed and economically, possibly also militarily secured by a string of Chinese controlled properties and harbour facilities. This policy brings up reminiscences of British imperial policies from the 18th century onward. British commercial and later colonial bases were developed in Gibraltar, Malta, Suez, Colombo, Malacca, Singapore and Hong Kong. These strongholds securing and controlling the sea route from Britain to China follow the same geographical pattern as the new Chinese OBOR policy, only from East to West instead. Buying land from local rulers, heavy investment in harbours and roads and railroads secured commercial interests.

After the demise of the British East India Company, the British government eventually annexed the territories adjacent to the port cities and extended the British Empire. While it created an improved infrastructure, and created an economic boom from which also local business profited, it also impoverished the local peasantry and exploited local and immigrant labour. Local wars were fought and the new British colonies were militarily secured.

The Chinese government insists that their intentions are peaceful and directed at one aim only: economic prosperity for all countries along the Northern and the maritime Silk Roads. In a keynote speech in March 2015, "China's Foreign Minister Wang Yi emphasized that OBOR is **not** a tool of geopolitics" (Godement and Kratz 2015: 6, cited in Steinberg and Chih 2017), a statement regarded with some scepticism by political scientists.

History will show what is going to be implemented and whether historical precedents will not be repeated.

Figure 13: The British Empire around 1917



Figure 14: OBOR Economies 2017 – Chinese Map



This has been an experiment in back-casting, looking into the past, analysing the present and, somewhat vaguely, forecasting the future by looking back at the *longue durée* of history (Braudel 1993). There is reliable information on the past one hundred years of world history, backed by thousands of carefully researched scholarly studies. The present is visible as it evolves and made transparent by the flow of “big data” of our information society. Still forecasting is much trickier. Will history repeat itself? Do past developments predict the future or is “past performance no indication of future developments” (as declared on flyers of cautious stock brokers and banks)?

The Chinese initiated One Road One Belt (OBOR) may turn out to bring economic benefits, as promised by the initiators of this grand scheme. But the dangers are obvious if we engage in back-casting (Miller 2017). The British Empire has brought advantages and prosperity, it has made some people very rich, it has elevated cooperating feudal elites to new heights, if

not necessarily politically, but socially through added respectability. British rule and administration created Weberian-type bureaucracy, a reasonably well off middle class of teachers and professionals, introduced English as a lingua franca (partly replacing Malay in Southeast Asia and beyond), provided education and healthcare, but also inflicted colonial violence, loss of political power and independence and led a large part of the population to poverty and suffering. Will OBOR have similar effects on states participating in the various economic programmes propagated by the Chinese government and supported by the financial sector of practically all countries along the Silk Roads? Even if one tends to accept in good faith the benign intentions of the current Chinese communist government, will the *longue durée* of history produce unintended consequences, like loss of sovereignty, loss of culture, loss of political and/or economic independence? To return to an earlier theme: will OBOR entail the demise of Nusantara culture, of diversity of languages and ways of life? The colonial system is not likely to recreate itself, and cultural assimilation and loss of ethnic identity is only a remote possibility, given the strength and flexibility of the Nusantara civilization.

Considering China's maritime development strategy and Malaysia's current political system, the following two contrasting theses emerge:

Thesis 1: China's heavy investments in land and maritime infrastructure is an opportunity for Malaysia's economic development. Malaysia will make use of its geopolitical position by "connecting oceans". This presents a win-win situation for both China and Malaysia.

Thesis 2: China's massive investments will reduce Malaysia's sovereignty, strangle its own socio-economic development and lead to a sinicization (中国化; Zhōngguóhuà) of Malay Nusantara culture. Malaysia's once powerful geopolitical position of "connecting oceans" will be reduced to just a link in China's production chain.

The *longue durée* of history is, as the term implies, a very long process. None of us, reading these lines will live long enough to see the outcome, but will probably experience some turbulences on the way for sure.

The world order is changing, climate change will certainly have an impact, but the human mind appears to be the most unpredictable factor in human history. Cautiously weighing facts, carefully employing concepts and theories and showing alternative ways to achieve

positive outcomes (by following Kant's moral imperative) appears to be the only viable "way forward" of the social scientist.

Outlook: Who is going to benefit in the long run?

Looking at the long range (Braudel's *longue durée*) of history, the door is open for speculation. Are Peking and Tokyo equivalent to Rome and Carthage? Is Singapore the Venice of the South China Sea? Is Penang the Malta rather than the Pearl of the East? Will the US empire, controlling the Pacific Ocean, also try to govern the mediterranean South China Sea, or will China take over this role? Has the tide now turned and is expansion now coming from the East, from China, which is investing heavily, as the East India Company and the British Colonial Office before, in infrastructure like ports and railroads? And what will happen, after the infrastructure projects have been completed? Will history repeat itself and will the domination over ports and port cities eventually be followed by colonising the hinterland as well? "Will China as the new global power behave the way western imperialist powers behaved in the 19th and 20th centuries, or will China behave differently" (Embong 2017)? These are speculations, indeed. Much more detailed research would be necessary to answer these queries, before a comparative picture would emerge or political strategies could be formulated.

All Mediterranean seas experienced periods of intensive trade relations, exchange of knowledge, economic prosperity and the flowering of science, religion and innovation. A common Mediterranean culture emerged around the Mediterranean Sea, centred at times on Athens, Alexandria, Rome and much later Venice. The same cultural integration took place around the Java Sea and later the Straits of Malacca, known in Arab sources as the "Sea of Melayu" (Andaya 2000). This "Austronesian" and later "Nusantara culture" extended to the shores of the South China Sea. It did not encompass all the areas surrounding the South China Sea, which only hesitatingly are developing into a mediterranean civilization. Extensive trade, naval expeditions, like those of Srivijaya or much later the Bruneian *thalassocratie* (de Vivienne 2012) in the 16th century, or the short-lived Japanese Greater Co-Prosperity Sphere, massive migration and economic modernisation and ASEAN integration increasingly unified the Southeast Asian mediterranean seas, including the South China Sea to become a culturally mediterranean region and civilization. What will be the impact of the Chinese OBOR initiative? Will Malaysia become part of yet another greater co-prosperity sphere (*co-prosperity*, an aspect of OBOR emphasized by Xi Jinping)? "One of the

ASEAN countries that has forged not only close political and diplomatic relations, but also economic relations with China is Malaysia, a country which in the last several years seems to have been in the forefront in terms of aligning itself closer with China and obtaining massive investments and loans from the latter, especially since the launching of the New Maritime Silk Road” (Embong 2017).

The South China Sea and the Straits of Malacca have been important shipping lanes for the past 2000 years. Its rich fish resources have provided livelihood for the surrounding countries for centuries. But the discovery of oil and gas reserves in the South China Sea “is producing a new geography of conflict in which resource flows rather than political divisions constitute the major fault lines” (Yee 2011). The positions of the governments of surrounding states have hardened, negotiations have largely failed and a solution is not in sight. Why has it not been possible to come to agreements between contending states as has been the case in the Baltic or Mediterranean Seas? As we have argued in another paper (Evers 2017), deep-seated cultural perceptions and core values (“arch-types”) of Nusantara and Sinic civilizations may play a greater role than a short-term political science analysis is able to reveal.

Malaysia is a country that because of its geo-political position is destined to “connect oceans”. Its political position in terms of relative power and of its economic position will depend on the strength of its connectivity across seas and oceans. The connections northward may gain some importance with new railroad and road connections towards China, but the maritime connectivity appears to be more viable, now as in the past. Malaysia therefore needs a clear and forceful maritime policy to match those of Indonesia and China.

How could such a maritime policy look like? This question can only be answered by intensive comparative research on the maritime policies of other countries, especially Indonesia’s “Maritime Fulcrum” and China’s Southern Silk Road policies. Earlier studies have usually bemoaned the absence of a Malaysian maritime policy. “It can be seen that existing policies to develop comprehensive ocean governance have not received the full attention they deserve. Organizational structures governing the ocean for implementing national policies are well in place but in a fragmented and uncoordinated fashion. As a result, sectoral and intersectoral management problems were created such as multiple-use conflicts, overlapping of jurisdiction and duplication of efforts. Environmental problems have also not been properly addressed” (Saharuddin 2001:427).

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