

THE HISTORICAL AND GEOGRAPHICAL DYNAMICS OF CHINA-MALAYSIA RELATIONS: REALISM AND LIBERALISM PERSPECTIVE

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ABSTRACT This study examines the historical and geographical dynamics of China-Malaysia relations through the theoretical lenses of Realism and Liberalism. Historically, interactions between China and the Malay world date back to early trade networks and diplomatic missions, reflecting deep cultural and economic exchanges. In the modern era, the relationship has evolved within the shifting geographical landscape of Southeast Asia, marked by colonial legacies, Cold War tensions, and contemporary strategic partnerships. While Malaysia holds a strategic position along critical maritime routes in the South China Sea, this underscores its significance in China's Belt and Road Initiative (BRI), while simultaneously exposing the relationship to challenges over territorial disputes and regional security concerns. This article adopts a qualitative methodological framework, integrating historical-analytical and comparative approaches to examine the evolution of China-Malaysia relations. Primary and secondary sources, including archival materials, government policy documents, treaties, and scholarly works, are systematically reviewed to trace the historical trajectories and geographical underpinnings of bilateral interaction. From the suggested perspective, this study highlights how national interest, security dilemmas, and power asymmetry continue to shape bilateral ties. Malaysia navigates between cooperation and cautious balancing, ensuring its sovereignty while accommodating China's rising influence. The perspective also underscores the role of interdependence, economic integration, and institutional cooperation, particularly through ASEAN in fostering stability and mutual benefits. By analysing both dimensions, this research argues that China-Malaysia relations cannot be understood solely through a single theoretical framework. Instead, the interplay of Realist competition and Liberalist cooperation provides a more comprehensive understanding of their historical continuity and contemporary relevance.

Keywords: China-Malaysia Relations, Dynamics, South China Sea, Liberalism, Realism.

INTRODUCTION

Bilateral relations between China and Malaysia are rooted in a history of trade and cultural exchange, tracing back to the era of the Malacca Sultanate and British colonial rule, developing significantly following Malaysia's independence in 1957 and formal diplomatic relations with China in 1974 (Mingjiang, 2017). Historically, Malaysia has shifted from strategic alignment towards pragmatic engagement, particularly under Mahathir's leadership, marking a shift from ideological alignment to multi-vector diplomacy to navigate great power dynamics (Lee, 2015).

Malaysia is situated in a strategically significant location along the Strait of Malacca, a critical shipping lane that plays a key role in global energy security and trade movements. This enhances its significance in China's geopolitical strategy, especially the Belt and Road Initiative (BRI) (Pantucci & Lain, 2016). This geographical advantage presents Malaysia with both potential benefits and challenges as it navigates the advantages of infrastructure development alongside the strategic risks associated with Chinese investments. Theoretical interpretations of the relationship between China and Malaysia often draw upon conflicting frameworks. From a Realist viewpoint, this interaction is marked by differences in power, national priorities, and security concerns, leading Malaysia to adopt a cautious approach while safeguarding its sovereignty (Yusof, 2019). On the other hand, Liberalism focuses on the economic ties, institutional connections, and collaborative efforts within ASEAN and the regional trade framework, underscoring the potential for stabilizing shared economic and diplomatic goals (Shahar, 2021).

Beyond bilateral ties, the relationship between China and Malaysia is increasingly integrated into larger regional and global contexts. The emergence of the Belt and Road Initiative (BRI), the escalation of disputes in the South China Sea, and Malaysia's involvement in multilateral organizations like ASEAN and RCEP illustrate the complex landscape within which their bilateral connection functions (Doshi, 2021; Zhang, 2021). This development emphasizes Malaysia's dual position as a middle power managing unequal relations with China while also acting as a regional actor influencing collective responses in Southeast Asia. Thus, exploring this relationship offers a valuable opportunity to assess the relevance of Realist theories like hedging and balance-of-power strategies, along with Liberal ideas of interdependence and institutional collaboration. By placing Malaysia within these overlapping theoretical and empirical discussions, researchers can gain a deeper understanding of how historical influences, geographic vulnerabilities, and domestic political decisions converge to create a uniquely flexible foreign policy approach.

This article examines the historical development of relations between China and Malaysia, starting with the establishment of diplomatic relations in 1974 and continuing through recent changes under the Belt and Road Initiative (BRI), with a specific focus on how geography and strategic positioning have influenced their bilateral interactions. Using a qualitative methodology, it applies the theories of Realism and Liberalism to assess both the conflicting and cooperative aspects of their relationship. This paper is organized into several sections: the initial section explores the historical and geographical bases of relations between China and Malaysia; the second section utilizes Realist theory to evaluate security concerns, issues of sovereignty, and power imbalances; the third section applies Liberalist views to examine aspects of interdependence, diplomatic relationships, and institutional participation; and the concluding section integrates the findings, emphasizing the interaction of Realist and Liberalist elements in shaping the changing strategic environment of Southeast Asia.

LITERATURE REVIEW

Research on China–Malaysia relations has expanded significantly since Malaysia became the first ASEAN nation to establish formal diplomatic ties with Beijing in 1974. Earlier studies emphasize the historical and geographical roots of this relationship, noting how Malaysia's non-aligned stance gradually evolved toward practical engagement with China (Balakrishnan, 2006; Baginda, 2016). Malaysia's strategic position along the Strait of Malacca heightens its relevance in China's regional strategy, especially in addressing the “Malacca dilemma,” where

dependence on maritime trade routes motivates China to diversify its regional logistics and investment initiatives (Yeoh et al., 2018; Lim, 2019).

A large segment of the literature interprets Malaysia's foreign policy towards China through a Realist lens, focusing particularly on the concept of hedging. Kuik (2008) defines hedging as a calibrated strategy that blends engagement, selective bandwagoning, and risk management, enabling smaller states to pursue cooperation without compromising autonomy. In Malaysia's case, hedging represents a deliberate attempt to navigate the structural asymmetry between a rising China and a middle-power state seeking to safeguard sovereignty. Subsequent studies (Kuik, 2012; Lai & Kuik, 2023) refine this idea by introducing the notion of "low-profile hedging," where Malaysia subtly balances its deep economic cooperation with China against underlying security apprehensions. This approach minimizes overt confrontation while maintaining strategic flexibility, reflecting Malaysia's effort to extract economic benefits without becoming politically beholden to Beijing.

Empirical analyses of Malaysia's foreign policy under the Mahathir administration (2018–2020) further illustrate this duality. While economic pragmatism drove Malaysia to embrace Chinese investments and Belt and Road projects, the government simultaneously exercised caution through policy recalibrations, such as renegotiating the East Coast Rail Link (ECRL) and reviewing large-scale infrastructure deals (Jeshurun, 2007; Ngeow, 2019). These actions reveal that Malaysia's foreign posture is not merely reactive to external pressure but also informed by domestic political calculations and public sentiment. In this sense, hedging operates not only as a Realist mechanism of external balancing but also as a domestic governance tool for legitimizing foreign policy decisions in a politically plural environment. This synthesis of internal and external factors demonstrates how Malaysia strategically aligns Realist security concerns with pragmatic engagement to preserve both economic opportunity and national autonomy.

In contrast, Liberal-oriented scholarship focuses on interdependence and the stabilizing effects of trade and institutions. The establishment of the ASEAN–China Free Trade Area (ACFTA) and later the Regional Comprehensive Economic Partnership (RCEP) strengthened economic connectivity between the two nations, with China becoming Malaysia's top trading partner (Yean, 2018a; 2018b; 2018c). Despite political frictions, trade resilience supports the Liberal argument that interdependence discourages conflict. Studies examining the Belt and Road Initiative (BRI) view projects such as the East Coast Rail Link (ECRL) and the Kuantan Port expansion as double-edged: they foster growth while sparking debate over sovereignty, transparency, and debt exposure (Chin, 2020; Alden et al., 2021).

Other research explores the evolving maritime security tensions in the South China Sea, particularly around Malaysia's Luconia Shoals where's repeated activities by China's Coast Guard have challenged Malaysia's resource claims and offshore energy exploration rights (Liang et al., 2021b). These incidents, though often conducted in a restrained manner, reflect China's attempt to assert its strategic influence and gradually normalize control over disputed maritime zones. In response, Malaysia has adopted what scholars describe as a strategy of quiet resistance. This approach allows Malaysia to continue diplomatic and economic cooperation with Beijing while progressively strengthening its naval surveillance and defence preparedness to protect national interests (Kuik, 2022). Such a measured response demonstrates Malaysia's awareness that direct confrontation could jeopardize trade and investment relations, yet passivity might erode its sovereignty and maritime rights. The policy therefore illustrates the Realist emphasis on safeguarding territorial integrity and strategic autonomy through

deterrence and prudent defense diplomacy. At the same time, it reflects the Liberal belief in dialogue and institutional cooperation, as Malaysia relies on ASEAN mechanisms, joint maritime initiatives, and regional confidence-building measures to prevent escalation. The coexistence of restraint and resistance in Malaysia's maritime conduct reveals how the state combines Realist principles of power preservation with Liberal ideals of engagement to manage asymmetrical relations with China while maintaining regional stability and economic continuity.

However, scholars also highlight several research gaps. There is limited integration between economic, political, and security dimensions, and few studies employ interdisciplinary or geospatial analysis to examine Malaysia's maritime vulnerabilities or the domestic impact of BRI projects (Saravananuttu, 2021b; Lai, De Silva & Wang, 2023). Addressing these gaps requires a comparative and cross-disciplinary framework that synthesizes Realist and Liberal perspectives to capture how Malaysia manages both structural pressures and domestic imperatives within an evolving regional order.

METHODOLOGY

This article adopts a qualitative methodological framework that combines historical-analytical and comparative approaches to examine the evolution of China–Malaysia relations. Primary and secondary sources are not only used as background materials but are systematically applied to different levels of analysis. Archival documents, government policy papers, and official treaties are examined to trace the transformation of diplomatic interactions from the establishment of formal relations in 1974 to contemporary developments under the Belt and Road Initiative (BRI). These materials are analysed to identify the continuity and change in Malaysia's strategic priorities, reflecting the influence of shifting regional and global contexts.

In addition, policy speeches, white papers, and official statements by both governments are assessed to interpret Malaysia's foreign policy behaviour through the theoretical lenses of Realism and Liberalism. Realist dimensions are explored through sources related to defence, maritime security, and national sovereignty, such as Malaysia's responses to the South China Sea disputes and China's strategic initiatives. Liberal dimensions are evaluated through economic data, trade reports, and ASEAN documents that highlight interdependence and institutional cooperation. Scholarly works including those by Kuik (2008, 2012) and Lai & Kuik (2023) are integrated to frame Malaysia's hedging strategy within both structural and domestic political contexts.

Comparative analysis is employed to juxtapose historical and contemporary cases, demonstrating how earlier diplomatic engagements inform Malaysia's current strategy toward China. The use of diverse sources allows triangulation between historical narratives, policy evidence, and theoretical interpretation. This approach ensures that the study does not merely describe events but analytically connects documentary evidence to theoretical claims, revealing how national interest, power asymmetry, and institutional cooperation intersect across different historical periods. In doing so, the methodology links empirical evidence with conceptual analysis, offering a holistic understanding of how Malaysia navigates its evolving relationship with China.

RESULT AND DISCUSSION

Malaysia and China have historically been seen as a model for relationships in Southeast Asia, marked by a generally positive and stable course in fields such as trade, economics, national security, politics, and regional economic collaboration (Baginda, 2016). The launch of the 21st Century Maritime Silk Road further highlights Malaysia's key role, with its participation anticipated to significantly influence the sustainability and stability of their bilateral relationship. In this framework, most academic discussions emphasize the advantages and prospects of Malaysia's involvement in the Belt and Road Initiative (BRI), especially regarding economic growth, trade enhancement, and infrastructure development (Lim, 2019; Yuen, 2017; Yean, 2018a, 2018b, 2018c). These studies indicate that Malaysia's strategic location and proactive involvement enable it to effectively capitalize on the benefits of China's global projects.

Nevertheless, other areas of research take a more reserved view, highlighting the dangers tied to Malaysia's geopolitical position amidst escalating competition among major powers in the Asia-Pacific region (Chin, 2020; Kuik, 2012; Lai & Kuik, 2023). In this view, the unequal power dynamics between Malaysia and an ascending China could leave Malaysia vulnerable in aspects beyond just the economic sphere. Detractors have also associated rising nationalist feelings with an increasing scepticism toward the BRI, raising fears that deeper engagement might result in forms of "neo-colonialism" or create unsustainable financial dependency, often referred to as falling into a "debt trap" (Alden et al., 2021). These discussions reflect the contrasting sentiments of hope and concern that continue to influence the academic and policy dialogues regarding Malaysia–China relations.

The conversation around Malaysia's participation in China's Belt and Road Initiative (BRI) has increasingly been framed by worries about "neo-colonialism" and the potential dangers of falling into a debt trap. These discussions resonate significantly with the area studies perspective, which highlights the importance of historical contexts, geopolitical locations, and socio-cultural factors in influencing foreign policy and domestic reactions to external projects. Critics (Ashraf, 2022; Chin, 2020; Mishra & Wang, 2021) contend that numerous BRI initiatives lack economic viability, leading to vulnerabilities through unmanageable debt and the possible forfeiture of strategic assets to China. Similar apprehensions have been expressed about issues such as transparency, corruption, environmental harm, and the likelihood of social unrest related to BRI projects (Akbar, 2019; Chakma, 2019b; Lai, De Silva, & Wang, 2023; Saputro et al., 2019).

In Malaysia, these concerns became especially heightened after the political shift in 2018, which prompted the re-evaluation of expensive projects like the East Coast Rail Link (ECRL) and Bandar Malaysia amid widespread scepticism about their long-term viability. Nevertheless, supporters argue that the BRI presents real advantages such as infrastructure improvements, job creation, and increased trade and investment prospects. From this viewpoint, the initiative is seen as a strategic path to mitigate Malaysia's infrastructure shortfall and foster sustainable economic development. Thus, the area studies framework serves as a vital tool to analyse Malaysia's mixed response to the BRI, placing it within broader regional and global power relationships.

The territorial and maritime disputes between Malaysia and China, in addition to the Belt and Road Initiative (BRI), continue to be a sensitive issue that could provoke renewed tensions if regional geopolitical dynamics escalate (Alatas, 2021; Liang et al., 2021a). However, multilateral institutions and regional frameworks play a crucial role in stabilizing the bilateral

relationship. ASEAN has historically been a fundamental element of Malaysia's diplomatic approach in the Asia-Pacific, at times even functioning as a structural dependency (Narine, 2008; Yeoh et al., 2018). Initiatives like ASEAN+3, which includes China, Japan, and South Korea, as well as the Regional Comprehensive Economic Partnership (RCEP) that officially began in early 2022, offer further layers of institutional protection in managing Malaysia–China relations (Chong, 2012; Liow, 2000). Collectively, these factors indicate that the future direction of Malaysia–China relations will be shaped by the interaction of economic ties, geopolitical rivalries, and the advancing role of regional collaboration.

THE HISTORICAL-GEOGRAPHICAL DIMENSION

The historical development of Malaysia–China relations is divided into three distinct phases to aid in the gathering and summarization of pertinent literature. The initial phase explores the early interactions between the Malacca Sultanate and imperial China, focusing specifically on the historical foundations of their bilateral relationship. The origins of Sino-Malaysian relations can be traced back to the Han Dynasty (206 BCE–220 CE), during which political and economic exchanges began to take shape through the tributary system (Balakrishnan, 2006, 2014). This longstanding historical connection highlights the deep-rooted nature of Malaysia–China relations within the broader regional context and establishes a basis for comprehending their further development. Furthermore, these early relationships not only exhibit a pragmatic approach to economic and political goals but also contribute to the establishment of lasting cultural ties and diplomatic practices that continue to influence Malaysia's current foreign policy behavior. Placing these historical interactions within a wider analytical context underscores the persistence of trade, diplomacy, and maritime collaboration patterns while also illustrating how historical narratives are frequently referenced to validate contemporary strategic endeavors such as the Belt and Road Initiative.

The creation of the Malacca Sultanate Factory (Guanchang) exemplifies the early formalization of these connections, representing one of the earliest indications of Sino-Malaysian relations and emphasizing Malacca's significance as a crucial hub for East–West maritime trade (Shicun, 2013). The journeys of Zheng He (Cheng Ho) during the Yongle period of the Ming Dynasty further enriched these exchanges, establishing foundations for lasting socio-cultural and commercial ties that continue to draw scholarly interest. (Lim, 2018) In modern times, the growth of Malaysia–China trade relations and the revitalization of maritime links through the 21st Century Maritime Silk Road have brought new relevance to historical area studies on these connections. These studies not only underscore the global importance of maritime capabilities but also place Malaysia–China interactions within the context of regional strategic and geopolitical dynamics.

During the colonial and early post-colonial era, the relationship between Malaysia and China faced significant disruptions, particularly following the 16th century, due to structural changes in China, the colonization of Malacca and various Malay sultanates by European powers, as well as the broader spread of European influence throughout East Asia which hindered previous connections. Although interactions between the two cultures were mainly interrupted, some scholars contend that shared political experiences and limited avenues for trade, commerce, and targeted political dialogue maintained a semblance of continuity in their bilateral exchanges (Alatas, 2021; Garrison, 1951; Mishra & Wang, 2021). Beginning in the 18th century, relations were reformulated in a new manner, not through direct diplomatic engagement but rather via large-scale migration. The influx of Chinese labourers, driven by the

economic demands of colonialism, saw many working in tin mines while others entered into business. Blythe (1947) pointed out that by 1850, migration from mainland China to Peninsular Malaysia had increased significantly. McGee (1964) noted that between 1880 and 1914, Chinese migration reached its peak, whereas Tregonning (1962) indicated that the Chinese population grew from 50,000 in 1880 to 200,000 in 1890, eventually exceeding 360,000 by 1927. By the dawn of the 20th century, over six million Chinese individuals had been recorded in the British colonial territories of the peninsula, significantly altering the socio-economic fabric of Malaya.

As noted by Lee (2010), the difficulties in enhancing the relationship between Malaysia and China during this time were shaped by the dynamics of Chinese political influence within Malaysia, as well as the country's consociational political system and electoral factors prevalent in the 1970s. Numerous scholars observe that Malaysia-China relations have progressed through various distinct stages, shifting from "engagement" to "disengagement," then to "moderation," and eventually leading to the "establishment of diplomatic relations." This evolution demonstrates the intricate interaction of both domestic and international factors that have impacted the bilateral ties over the years. Among these factors, the relationship between international and national security considerations has played a significant role in the growth of Sino-Malaysian relations (Jeshurun, 2007; Lai, De Silva & Wang, 2023; Ngeow, 2015, 2019a, 2019b; Ngeow & Jamil, 2022; Saravanamuttu, 2021b).

The social aspects of Malaysia-China relations represent a vast and intricate area of research that goes far beyond government-level diplomacy and economic interactions, involving academics from various fields such as religion, sociology, anthropology, and Asian studies (Idris & Abdullah, 2022; NAN, 2018; Nan et al., 2019; Ngeow et al., 2017; Yeoh, 2019; Yow, 2016). This body of research emphasizes the complex interaction of cultural, religious, and social dynamics that influence bilateral relations through individual interactions, cross-border networks, and cultural exchanges that either support or contest official perspectives. Among the various elements, Islam assumes a particularly crucial role, not only functioning as Malaysia's official religion but also significantly shaping its cultural identity, political authority, and foreign policy direction. The historical practice of Islamic governance in the Malay region, which dates back to the 15th century monarchy, established the legitimacy of the sultans and laid the groundwork for the integration of religion into Malaysia's political and social systems (Esposito & Voll, 1996). This historical influence continues to be evident in modern policymaking, where the interests of Islamic factions often influence Malaysia's domestic and international priorities (Nair, 2013). Domestically, Islamic policies lend political authority and moral justification, while on the international stage, religion drives the government's strategic use of diplomacy to assert religious orthodoxy, counterbalance internal opposition, and bolster Malaysia's international standing. (Liow & Pasuni, 2014, 2015)

Despite this, Chia (2013) notes that Muslims in China have not yet been organized to enhance the relationship between China and Malaysia or China and ASEAN. Several scholars suggest that by setting aside perceived ethnic and religious differences and viewing matters from a cultural standpoint, including Chinese Muslims in delegations to Malaysia could help alleviate mutual anxieties, thereby fostering a compatibility of values that may positively impact decision-making (Balakrishnan, 2010; Mak, 1985). However, the situation concerning Xinjiang and the Uyghurs has intermittently strained Malaysia-China relations, albeit to a limited extent. As a country with a majority Muslim population, Malaysia is especially attentive to the treatment of the Uyghur minority in Xinjiang, where ongoing concerns regarding cultural and religious repression have emerged. Although Malaysia enjoys significant economic

relations with China, these ties have often led to moderated official reactions to claims of maltreatment, resulting in a conflict between economic interests and religious unity.

Malaysia's diplomatic relations with China exhibit a combination of both submission and opposition. This approach is crucial for navigating unequal international dynamics, as Malaysia tailors its strategy to align with domestic objectives like security, economic growth, and independence. While there is public backing for China's Belt and Road Initiative, this is tempered by a degree of resistance, evident in the suspension of certain projects and the assertion of territorial rights in the South China Sea. Over time, Malaysia's stance towards China has evolved from opposition (1957-1969) to greater submission (1990-2018), a change influenced by internal political shifts and the requirement for elite validation (Kuik & Lai, 2023).

A salient feature of the social dimension in Malaysia–China relations lies in the historical and ongoing connection between the Malaysian Chinese community and China, where the presence of a significant ethnic Chinese demographic in Malaysia that maintains cultural traditions and, at times, family linkages with China, introduces further complexity into bilateral relations (Lai, De Silva & Wang, 2023). Scholars have examined how these ties influence mutual perceptions, policy orientations, and modes of interaction, particularly when considered through the lenses of identity, diaspora politics, and transnational linkages. At the same time, societal entities and public sentiment are increasingly recognized as influential in shaping the trajectory of Malaysia–China relations, with these interactions rendered more intricate by the multifaceted nature of the bilateral dynamic.

Economic engagement, particularly through China's large-scale investments in Malaysia under the Belt and Road Initiative (BRI), has provided new opportunities but also generated domestic contestation, as civil society groups and NGOs have mobilized around issues of environmental degradation, land rights, and economic sovereignty. Such concerns have, at times, triggered public demonstrations and grassroots campaigns, which in turn exert pressure on the government and feed back into the policymaking process, underscoring the role of societal voices in mediating Malaysia's engagement with China.

MALAYSIA-CHINA RELATIONSHIP BASED ON REALISM AND LIBERALISM PERSPECTIVE

The dynamics of Malaysia–China relations have been influenced by various economic, political, and strategic elements, which can be explored through the frameworks of realism and liberalism (Akhir et al., 2018; Baginda, 2013; Fa, 2018; Lai & Kuik, 2020; Rommel, 2008). While realism interprets Malaysia–China relations as a struggle for power and influence especially evident in the South China Sea disputes, thus liberalism provides a contrasting explanation that emphasizes cooperation through interdependence and institutions. Realism and liberalism are among the leading theories in international relations (IR), each presenting unique viewpoints on state behaviour and inter-state interactions. Realism thus explains why Malaysia adopts a cautious, hedging stance toward China, but Liberalism clarifies how this caution is balanced by efforts to preserve economic ties and diplomatic engagement. Realist theorists contend that states act out of self-interest and focus on increasing their relative power, which in the case of Malaysia, is reflected in the tensions arising from China's growing military presence and assertive approach to its maritime claims in the SCS, creating friction with neighbouring states, including Malaysia (Cha, 2014; Kuik, 2022; Lai, 2017b; Lai & Kuik, 2020; Liu, 2020; Ngeow,

2019; Ngeow & Jamil, 2022; Thayer, 2011). This conflict, when interpreted through a realist lens, is seen as a natural result of a changing balance of power in East and Southeast Asia, where China aims to strengthen its regional pre-eminence and establish greater territorial and strategic security (Mearsheimer, 2007, 2017).

This analytical juxtaposition highlights that Malaysia's foreign policy is neither purely defensive nor cooperative, but rather a strategic synthesis shaped by both theories. Liberalism stresses the idea that nations can collaborate to achieve common goals and enhance mutual benefits through interdependence and institutional cooperation (Mowle, 2003; Pohl & Willigen, 2015). In this context, China has emerged as Malaysia's biggest trading partner, with their bilateral relationship supported by deep economic integration, trade exchanges, and investment initiatives. Analyzing this through a liberal lens, such interdependence indicates a strategic assessment of national interests where mutual benefits take precedence: Malaysia gains from China's swift economic growth and influx of capital, while China gains access to Malaysia's vital resources and markets (Keohane & Nye, 1973). However, this cooperation is not absolute but rather conditional, as both nations continue to protect their fundamental interests and might take unilateral measures when conflicts occur. Therefore, liberal theory demonstrates how economic institutions and interdependence can reduce the likelihood of conflict, but it does not eliminate the underlying strategic frictions that realism highlights.

Mearsheimer (2007, 2017) contends that the increasing power and influence of China will inevitably incite strategic rivalry in the region, as countries, including Malaysia, strive to counterbalance Beijing's ascent. Similarly, Mahbubani (1995) argues that Malaysia and other Southeast Asian nations must maneuver through a complex landscape of strategic alliances, highlighting Malaysia's economic reliance on China while also emphasizing the necessity of maintaining security links with the United States. In addition, Goh (2005, 2008) points out that China's assertive actions in the South China Sea (SCS) have escalated tensions, placing Malaysia in a precarious situation where it must protect its territorial integrity while fostering economic cooperation, further complicated by domestic concerns regarding China's approach to its Muslim minority population. Supporting these viewpoints, Narine (2004, 2008) emphasizes that Malaysia confronts a dual challenge of reaping the benefits of closer economic relations with China while safeguarding its sovereignty and maritime rights, thereby reinforcing the realist perspective that Malaysia–China relations are influenced by an ongoing balancing act rooted in power dynamics and structural vulnerabilities.

The literature on Malaysia–China relations from a realist perspective (Liu & Lim, 2018; Liu & Dongen, 2016; Noor & Qistina, 2017; Zhou & Esteban, 2018) underscores the significance of power dynamics and strategic interests in influencing the bilateral relationship. Realist scholars contend that Malaysia is required to navigate a complicated network of strategic partnerships in order to handle the implications of China's growing power, balancing its economic connections with China against its security concerns and relations with other regional nations. Although realist theorists acknowledge the possibility for collaboration and interdependence within the relationship, they also emphasize the risks of conflict and rivalry as China's influence continues to expand. In subsequent analyses of the evolution and structure of power dynamics, the realist perspective has seldom focused on the unitary level, and when it has, it has primarily aimed to delineate the confines of that level in the context of international relations.

From a realist viewpoint, Malaysia's foreign policy decisions regarding China during the Cold War were primarily influenced by survival needs and the security of the regime. The

backing of the Malayan Communist Party (MCP) by China was seen as a fundamental threat to Malaysia's sovereignty and internal stability (Kuik, 2022). In this context, Malaysia's cautious approach illustrated the realist argument that the international landscape is anarchic, and nations must prioritize self-preservation over idealistic interactions (Mearsheimer, 2001). The eventual establishment of diplomatic relations in 1974 under Prime Minister Tun Abdul Razak, however, signified a practical adjustment of Malaysia's foreign strategy. From a realist perspective, this decision was driven less by trust and more by considerations of balance-of-power dynamics: acknowledging China's growing influence in Southeast Asia while simultaneously avoiding excessive reliance on Western security assurances. This accommodation, motivated by realist principles, demonstrates how smaller nations often adapt and strategize in response to the pressures of great power rivalry.

As Waltz (2000) posits, reductionism is a framework that interprets international relations based on variations in individual traits at the unitary level. Although it can elucidate various international phenomena, the origins of these phenomena are frequently complex and varied, resulting in inherent unpredictability. Consequently, reductionism alone does not fully account for international politics. However, certain realist viewpoints, such as defensive realism and neoliberal constructivism (NCR), do take domestic politics into account in their assessments. Nonetheless, opinions differ on the extent to which domestic politics can meaningfully influence international relations, with the defensive and offensive branches of structural realism holding opposing stances. To prevent misunderstandings, it is crucial to define "domestic politics," which pertains to the political dynamics and frameworks within a nation that inform its foreign policy choices. In contrast, defensive realism does not contend that anarchy leads to a lack of security; rather, it suggests that states can rationally decide to adopt either a defensive posture or a status quo approach. For states that engage in expansionist policies, defensive realism attributes this behaviour to domestic political factors. Walt (1987; 1988), for instance, in his examination of European security dynamics before and after the Cold War, asserts that factors such as democracy, social hierarchies, and elite governance play pivotal roles in sustaining peace in Europe.

In contrast to realism, liberalism represents a theoretical perspective that highlights the significance of internal political factors in the realm of international relations, both in basic tenets and theoretical frameworks. The central premise of liberalism is that individuals and groups serve as primary actors whose actions are shaped by their perceptions and contexts. The concept of rationality expands beyond merely the pursuit of self-interest, thereby paving the way for new opportunities and directions for research (Owen, 1994). When it comes to the state, liberals contend that the government is a political entity formed by individuals or groups, and it is influenced by the identities, power dynamics, and interests of people both domestically and internationally. As a result, factors at the unitary and individual levels inherently affect and can even dictate the state's preferences and policies. These liberal perspectives align more closely with international relations viewed through a domestic political lens, with many theoretical branches incorporating domestic political variables, often manifested through the lens of democratic pacifism (Ungerer, 2012).

Liberalism emphasizes collaboration, interdependence, and the advancement of common values, alongside establishing institutions that can aid in achieving these objectives. Liberals contend that international organizations and regimes play a crucial role in fostering cooperation and collective action among nations. The liberal institutionalist viewpoint posits that nations can attain mutual benefits through the establishment of international institutions that offer advantages to all participants, potentially resulting in lasting stability and

collaboration (Keohane & Nye, 2008). Furthermore, proponents of liberal theory suggest that democracy can foster peace, and the promotion of democratic institutions can enhance stability and tranquility within the global system (Doyle, 1986). As articulated by democratic peace theory, democratic nations are less inclined to resort to war against one another, as the shared principles and institutional frameworks inherent in democracy offer a means for peacefully resolving disputes (Kant, 2015).

Liberalism offers a different perspective on the diplomatic breakthrough of 1974. Rather than just balancing interests, Tun Razak's initiative aimed to establish bilateral cooperation through diplomacy and trade, based on the liberal notion that shared interests can transcend ideological differences (Keohane & Nye, 1977). The quick establishment of formal diplomatic relations soon led to an increase in trade, cultural exchanges, and the creation of embassies, which fostered ongoing dialogue. In the subsequent decades, the liberal aspects became progressively apparent as Malaysia and China deepened their economic ties, with China becoming Malaysia's biggest trading partner by the early 21st century (Ngeow, 2017). According to the liberal theory of complex interdependence, such economic integration reduces the likelihood of conflict, as the disadvantages of disruption surpass the advantages. Thus, Malaysia's policy decisions exemplify the liberal belief that cooperative structures can mitigate insecurity, even when they are rooted in a history of ideological mistrust.

From a liberal viewpoint, the relationship between Malaysia and China is marked by interdependence and collaboration, especially in the economic domain. Liberals argue that such cooperation and interdependence can lead to increased stability and peace, as nations recognize their mutual reliance. Malaysia and China have engaged in economic collaboration through initiatives like the BRI, which has afforded Malaysia opportunities for infrastructure improvement and investments. Liberal theorists maintain that this collaboration may yield broader political advantages, as it fosters enhanced understanding and trust between the two nations. Scholars who adopt a liberal perspective regard international relations as a cooperative endeavor and assert that countries can secure mutual benefits through collaboration and dialogue. The potential for economic collaboration and interdependence is a key concept in the liberal discourse surrounding Malaysia-China relations. According to researchers at the University of Malaya, Hutchinson & Yean (2021); Yean (2018a, 2018c), the economic ties between Malaysia and China can serve as a driving force for regional economic advancement and growth. They highlight that China's BRI offers Malaysia opportunities to strengthen its trade and investment connections with China, which can assist in fostering trust and collaboration between the two nations.

Numerous studies have been conducted from a liberal standpoint regarding Malaysia-China relations, concentrating on particular issues like human rights and environmental collaboration (Blanchard, 2017; Li, 2013; Yu, 2016; Zhao, 2020). Academics such as Rahim (2008) from the University of Sydney have noted Malaysia's potential to advocate for human rights in China, owing to its strong Muslim identity and dedication to human rights. The liberal discourse on Malaysia-China relations underscores the potential for collaboration and mutual advantage between the two nations through economic connections and dialogue, as they can foster trust and enhance regional stability. Nonetheless, liberal theorists also recognize the likelihood of conflict and rivalry, especially concerning territorial disputes, and understand that mere economic interdependence cannot settle all disagreements. They may also critique China's human rights record and its impact on Malaysian domestic affairs, particularly in light of concerns regarding China's expanding global influence.

The post-Cold War period introduced new complexities into Malaysia–China relations. China's economic reforms and subsequent emergence as a global power generated both opportunities and concerns. Realist scholars contend that China's increasing assertiveness, especially in the South China Sea (SCS), poses a direct challenge to Malaysia's maritime sovereignty and security (Mearsheimer, 2017; Narine, 2004). Malaysia's careful yet ongoing naval modernization, along with its defense diplomacy efforts, can be seen as methods of soft balancing against Chinese influence (Kuik, 2016). Unlike Vietnam or the Philippines, Malaysia has opted for a more subdued approach regarding SCS disputes, choosing not to provoke Beijing while still upholding its territorial positions. This behaviour aligns with realist theory as a smaller nation, Malaysia, seeks to enhance its autonomy by steering clear of confrontation while simultaneously bolstering its defensive capabilities. Consequently, the historical experience of vulnerability continues to shape a realist interpretation of Malaysia's security strategy with China.

Simultaneously, liberal dynamics have also influenced the course of Malaysia–China relations following the Cold War. The creation of ASEAN–China dialogue frameworks, the ratification of the ASEAN–China Free Trade Agreement (ACFTA), and Malaysia's active involvement in the Belt and Road Initiative (BRI) exemplify how institutional structures and common economic objectives can foster cooperation (Pohl & Van der Willigen, 2015; Ngeow, 2019). While these liberal frameworks do not resolve conflicts, such as the disputes in the South China Sea, they offer venues to address tensions through discussion rather than conflict. Malaysia's approach to foreign policy shows how smaller nations can use multilateralism to enhance their influence and lessen power imbalances. For example, Malaysia's proactive engagement in ASEAN–China collaboration demonstrates a liberal tactic of integrating bilateral relations within regional frameworks, thus reducing risks through interdependence and diplomacy based on rules. This illustrates the liberal perspective that institutions and economic collaboration can lessen the anarchic tendencies highlighted by realism.

Democratic pacifism is a key principle of republican liberalism, adding an important new factor to the analysis of foreign policy. Prior to its emergence, the "polity" variable had received limited attention, but the introduction of democratic pacifism established it as a common interest hypothesis in both disciplines. It aims to investigate the conditions necessary for international peace through the "polity" characteristic, which posits that democratic nations rarely, if ever, go to war (McDonald, 2015). Liberalism has significantly influenced the understanding of domestic political factors, not only by generating interest in the examination of institutional variables in domestic politics but also by reinforcing the significance of domestic actors, exploring the relevant variables of these actors, constructing a system of international relations shaped by their interactions, and offering a new viewpoint on the nature of international relations (Moravcsik & Legro, 1999).

While Realism captures the structural vulnerabilities and security dilemmas driving Malaysia's cautious engagement with China, Liberalism offers a corrective by showing how interdependence and institutional cooperation soften these tensions. In other words, Realism explains the persistence of strategic anxiety, whereas Liberalism explains the persistence of dialogue. The interaction between both theories suggests that Malaysia's engagement strategy is best understood as adaptive pragmatism that balancing survival within an asymmetric power structure while capitalising on economic opportunities. While liberal theorists highlight the significance of economic interdependence, trade, and institutional frameworks in promoting cooperation, realists warn that such interdependence may not be enough to resolve disputes primarily driven by security issues, strategic goals, and the quest for power (Mearsheimer,

2007; Keohane & Nye, 1973). The South China Sea conflicts illustrate how geopolitical tensions and sovereignty concerns can overshadow the advantages of economic connections, resulting in a nuanced relationship where cooperation and rivalry coalesce. As a result, Malaysia and China must navigate a precarious balancing act, weighing the pursuit of economic growth and stability against the necessity of protecting national sovereignty, addressing regional security challenges, and reacting to domestic political demands. In this context, the interaction between realism and liberalism not only underscores the multifaceted nature of bilateral relations but also strengthens the notion that Malaysia's foreign policy towards China will continue to be influenced by the need to align power dynamics with the requirements of regional cooperation and stability.

The evolution of Malaysia–China relations reveal the limits of each theory when viewed in isolation. While Realism explains Malaysia's vigilance toward China's strategic expansion, Liberalism demonstrates the channels through which cooperation persists despite asymmetry. This interplay indicates that Malaysia's policy behaviour cannot be fully captured by power calculations alone and instead, it reflects a continuous negotiation between Realist imperatives of security and Liberal aspirations of prosperity and institutional order. Realism emphasizes Malaysia's ongoing concern for sovereignty, regime stability, and disparities in power, showcasing how structural factors influence its cautious diplomatic maneuvers and hedging tactics. Conversely, liberalism highlights the importance of institutional collaboration, economic interdependence, and social connections in shifting the relationship from one marked by scepticism to a more pragmatic partnership. Collectively, these viewpoints indicate that Malaysia's strategy towards China has developed through adaptive pragmatism, balancing security needs with the prospects for economic advancement. The historical path reveals that Malaysia's foreign policy regarding China is not straightforward but is constantly adjusted in response to changes in the regional landscape, domestic needs, and global shifts. This dual perspective on history provides deeper insights into the intricacies of managing relationships with an ascending China, where the dynamics of conflict and cooperation exist together within an ever-evolving context.

The coexistence of Malaysia's hedging behaviour and its active participation in ASEAN institutionalism reflects the country's dual strategic identity as both a security-conscious realist actor and a cooperative regional partner. Hedging embodies the Realist logic of survival under uncertainty, allowing Malaysia to mitigate risks from China's growing influence without explicit alignment. In contrast, ASEAN institutionalism represents a Liberal mechanism that provides smaller states with diplomatic space and collective leverage through multilateralism. The interaction between these two logics reveals that Malaysia's foreign policy does not strictly conform to either theoretical paradigm. Instead, hedging operates within and alongside institutional frameworks, suggesting that Realist self-help strategies can coexist with Liberal rule-based cooperation when national interest and regime legitimacy require both. This intersection underscores the theoretical limits of viewing state behaviour through a single lens and highlights the need for hybrid or context-sensitive interpretations in International Relations theory.

CONCLUSION

The historical and geographical factors influencing China–Malaysia relations highlight the intricate nature of dealing with asymmetry in international relations. Malaysia's pragmatic foreign policy can be better understood through the interaction and not the coexistence of Realist and Liberal forces. Realism explains Malaysia's persistent concern for sovereignty and

strategic autonomy, whereas Liberalism clarifies its simultaneous pursuit of economic integration and regional cooperation. The tension between these two logics produces a dynamic foreign policy that oscillates between cautious restraint and cooperative engagement, reflecting Malaysia's ongoing effort to reconcile power politics with developmental goals. Realist theory addresses Malaysia's ongoing security apprehensions, especially concerning the South China Sea and strategic weaknesses associated with great-power rivalries, while Liberal theory sheds light on the significant economic interdependence, involvement in institutions, and multilateral cooperation that have strengthened bilateral relations. This combined approach illustrates that neither theoretical framework alone adequately captures the complex realities of China–Malaysia interactions; rather their integration offers a richer perspective on how historical contexts and geographical factors shape current policy decisions.

Looking ahead, the future of China–Malaysia relations will hinge on Malaysia's capability to balance its national interests with its regional obligations while adapting to China's changing role on the global stage. Growth opportunities exist within initiatives like the Belt and Road Initiative; however, they also pose risks of dependency, necessitating Malaysia to carefully navigate the line between engagement and strategic independence. The interaction of Realist caution and Liberal optimism implies that Malaysia's foreign policy will continue to be dynamic, influenced by geographic considerations and the requirements for economic and institutional collaboration. Consequently, this situation not only enhances the theoretical discussion between Realism and Liberalism but also provides broader insights into how middle powers in Southeast Asia address asymmetrical relationships amid a transforming global landscape.

Beyond the empirical case of Malaysia–China relations, this study contributes to broader International Relations theory by illustrating how small and middle powers navigate asymmetrical relationships through hybrid strategic logics. Malaysia's experience demonstrates that survival under asymmetry does not solely depend on balancing or bandwagoning as Realism suggests nor on institutional harmony, as Liberalism assumes. Instead, it relies on an adaptive synthesis that merges pragmatic hedging with institutional participation. This combination allows smaller states to offset vulnerability while preserving autonomy and legitimacy. The Malaysian case therefore extends theoretical discussions on the behaviour of secondary powers, offering an empirical foundation for understanding how agency, regionalism, and institutional flexibility function within an unequal global order.

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