‘Look East Policy’ after 35 years from social sciences perspectives: A new paradigm for Japan-Malaysia relations 1982-2017

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Abstract: Malaysia had looked to Japan to search for a sustainable and efficient development model under the Look East Policy (LEP) initiative launched in 1982 by former Prime Minister Tun Dr Mahathir Mohamad. At the time, this ideal formula, intended for the betterment of the Malaysian economy, was designed to incorporate the Japanese attitude to work, their moral values, progressive norms, and work ethics. Since then, more than 15,000 Malaysians expatriated to Japan due to this very purpose, and bilateral relations between them have blossomed. In this paper, the LEP is revisited, and Japan-Malaysia relations will be analysed to understand the change and continuity aspects of this policy in the past 35 years. Furthermore, this paper will also seek to forecast the challenges Japanese and Malaysian institutions may face in establishing cooperation under the second phase of this policy after 35 years of success. Besides, exploring a new paradigm for Japan and Malaysia’s relations as proposed by the former Prime Minister, Mohd Najib Tun Abdul Razak.

Subjects: Public Administration & Management; Japanese Politics; South Asian Politics

Keywords: Look East Policy; 35 years; New Paradigm; Japan; Malaysia

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PUBLIC INTEREST STATEMENT
The Look East Policy (LEP) has become a household name in Malaysia for more than three decades, following the emergence of the former Prime Minister of Malaysia, Tun Dr Mahathir Mohamad in 1982. The policy was planned to improve the Malaysian economy within the South Asian corridor by incorporating the Japanese attitude to work, moral values, norms, and work ethics. The researchers believe that 35 years after the implementation, it is worthwhile exploring the successes, challenges and, importantly, examining the prospects for the policy’s second wave. The Malaysian and Japanese economies have improved through the policy. Also, work and attitudinal values have improved through the exchange scholarships and training schemes. Therefore, the researchers recommend shifting attention towards technology transfer and human capital development to further strengthen the bond between the two countries during the second wave.
1. Introduction
Japan-Malaysia relations have always been perceived to possess a certain appeal of exclusivity. On the other hand, the framework of interactions between these two nations is widely considered to be synonymous with desirable attributes of “harmony, stability and peace.” Though the Japan-Malaysia bond had existed for a long time, the good nature of the relationship was further significantly strengthened and solidified under the leadership of former Prime Minister Tun Dr Mahathir Mohamad (Lai, 2017). The relationship was further strengthened with the LEP, an active catalyst introduced by Mahathir on the 8th of February 1982 during his speech at the 5th Joint Annual Conference of Majeca/Jameca (Malaysia-Japan Economic Association and Japan-Malaysia Economic Association). This policy, which became a national agenda throughout his administration, came only seven months after coming into office in July 1981 (K. M. Khalid et al., 2015). Thirty-five years since its introduction, the question remains as to what exactly is the LEP? Given the future of the ever-evolving Japan-Malaysia relationship context, what are the achievements it could have attained and challenges faced over the years? These issues raised become consequential when considering the proposal of a new and improved dimension in the LEP 2.0 initiative by the former Prime Minister Mohd Najib Abdul Razak to preserve good Japan-Malaysia relations.

The information presented in this article is based on research that utilised a distinct methodological mix of both primary and secondary sources. The evidence is sought through interviews conducted with various officials, academicians, and students for the primary sources. Secondary source information was also obtained from existing documents via secondary material analysis, as is apparent in the first part of this article, to observe and examine the foundations and implementation processes of the LEP.

2. Past discussions on the look east policy
Previous studies have successfully examined the foundation, rationale and result of LEP through reliable literature; some are comprehensive, whereas others are more concise and specifically attuned to any one political or economic issue or the other. For example, Saravanamutty (2003) believes that “behind the LEP was the clear message that these late and newly industrialising success stories were the ones Malaysia should emulate.” Furthermore, he emphasises that “…the LEP and Vision 2020 essentially comprised national objectives as defined by Mahathir’s government and were used as the cutting edge of foreign relations and ventures.” In another work, states that “Mahathir’s “Look East” policy first propounded in 1981 and his notion of East Asian regionalism were clearly an attempt to ride the first economic wave that came with the so-called Japanese “miracle” and then the phenomenon of the “little dragons.” Lai (2017) also supported this economic view. He described the motive for LEP as a goal to transform Malaysia into an industrial country through the assistance of Japan and its multinational corporations.

posits that the foundation of LEP had begun much earlier than claimed when Malaysia’s first Prime Minister, Tunku Abdul Rahman, had attempted negotiations with Japan in May 1958 for provisions of ‘developmental aid. According to Denker (1994) the Japanese relationship with Malaysia precedes the LEP. The author noted that “by the end of 1968, there were 48 Japanese companies in Malaysia, 40 of which were joint ventures, with four holding pioneer status. By the end of 1969, total Japanese investments in Malaysia with pioneer status amounted to $32.2 million. Japan was listed fifth in 1969 among foreign countries investing in Malaysia.” Even after Merdeka, the author further highlights that Japanese investment in Malaysia grew conspicuously during Tun Abdul Razak and Tun Hussein Onn. He noted that “starting from the early 1970s, Malaysia adopted a policy to woo Japanese investors to Malaysia, e.g., through participation in the week-long exhibition sponsored by the Southeast Asian Promotion Centre for Trade, Investment and Tourism, with facilities provided by the Japanese External Trade Organization JETRO). This exhibition was the first for Malaysia and the third organised by the Centre for individual Southeast Asian countries. The then
Deputy Trade and Industry Minister, Musa Hitam, said that he hoped to discuss the possible joint industrial ventures between Malaysian and Japanese entrepreneurs.”

Similarly, the good nature of the relationship between Malaysia and Japan, as described by Hassan et al. (2012), has gone beyond the economic or value ties, which has culminated into a special bond. They state that “… bilateral relations between Japan and Malaysia can be classified as ‘a friend in need is a friend indeed’ in times of happiness and hardship …. The special bond in Malaysia-Japan relations is shaped by kokoro to kokoro no kankei (heart to heart relationship). The close relationship which began with a diplomatic agreement in 1957 and further reinforced by the LEP introduced in 1982 still continues today.” As Hassan et al. (2012) described, this relationship suggests a mutually beneficial relationship between the two countries as Malaysia was also ready to lend a hand to Japan during the 2011 earthquake crisis.

Among other scholars who have interrogated the subject matter of the LEP are Khalid (2003). She first claims that “… Malaysians and Japanese generally agree that Malaysia’s special ties with Japan since the early 1980s have been significantly linked to the strong personality and idiosyncrasies of Mahathir Mohamad” but then later argues that “… after more than two decades of ‘Looking East,’ Malaysians, and Malays in particular, have not fully adopted some of the so-called positive values associated with Japan, i.e., work ethic, discipline, and loyalty.”

Khalid and Ping (2003), in the debate and evaluation of this policy, had noted several points for contemplation: i) the structural and cultural conditions in Malaysia are significantly different from that of Japan; therefore, heterogeneous versus homogenous factors have to be taken into consideration; ii) management-worker relationships concerning the role of the trade/workers union are comparatively critical; iii) whether the Japanese investment pattern had shown any significant trend of continuous increase after the adoption of the LEP as compared to Thailand, Singapore, Indonesia and Philippines, and iv) whether those who were trained in Japan do believe in the LEP.

Ping, L.P (2003) found that “… the Japanese model has been greatly tarnished.” This was because, firstly, “… since the Japanese bubble burst in the early 1990s, the Japanese economy has undergone a decade of stagnation and recession”. Secondly, the “… Japanese model received a major blow from the Asian financial crisis.” Thirdly, the “… Malaysians are not sure that the Japanese model has worked.” Also, some factions assume that the ‘domestic and external factors influencing foreign policy decisions also affect Malaysia’s perspective on the East (David, 1994). Such as Furuoko’s (2007), he claims that “… the ‘Look East’ Policy was a product of Mahathir’s nationalism and anti-Westernism … the policy needed clear cut guidelines, a plan or blueprint as Malaysia Inc. was claimed to have had no particular model and had relied mainly on Dr. Mahathir’s political will. Secondly, Dr. Mahathir’s anti-Westernism stance had also put Japan in a very uneasy position”.

On the contrary, Sing (1984) outlined beneficial features of the LEP. He observes a few elements in the policy itself, including “a proposal to combine Malaysia’s resource-based industrialisation with Japanese capital and technology” and acknowledges arguments such as “heterogeneous Malaysia differs from homogeneous Japan”; “both countries are different in culture, social values and historical background.” Similarly, Kazuhiro (2014) utilised a survey to outline the mutually beneficial relationship between the two countries. He expressed that the Japanese business community was attracted to Malaysia as a destination for investment due to several factors: 1. Stability of politics; 2. Linguistic skills of employees and the general public; 3. Well-developed infrastructure; 4. Public security, and 5. Friendliness to Japan. Even so, many organisations still faced the issue of employee costs.

The Japanese Consul General, based in Penang also, mentioned the mutually beneficial nature of LEP. He states that LEP that the relationship has been beneficial to Malaysia and Japan most significantly influences the bilateral relations and social development. According to him, study and
exchange student programmes have especially been instrumental in the transfer or exchange of talent, economic development and the fostering of mutual understanding between both nations.

In a report by the Socio-Economic Research Centre Report (2012), the LEP was classified into three different categories, i) Change of structure; ii) Change of behaviour; and iii) Change in training and improvement.

K.A.B. Khalid et al. (2013), reporting their findings, claim that the LEP had been successful as “thirty years of policy implementation shows a strong foundation of trust and confidence in the Japanese organisational operating systems and these systems are well applied in most public and private agencies in Malaysia. Although expectations of how far Japanese culture and values will influence individual daily lives is a matter of personal preference, for thousands of workers at several Japanese MNCs, alumni of Japanese schools, government officials, entrepreneurs, and local private-sector workers, the Japanese work culture and ethics are part of their daily practices at work as well as in their personal lives.” Yamamoto (2012) suggested that “... before Tun Dr. Mahathir Mohammad proposed the idea to learn work ethics and cultural values from the Japanese, most of the Japanese never thought about these standards, since the Japanese adopted and lived with them over time. Only when outsiders pointed to them did the Japanese become conscious of their work ethics and cultural values.”

Therefore, existing literature suggests that there are divergent opinions and analyses regarding the motive, interpretations, and research carried out on the LEP that have contributed to a better understanding of the policy. However, what is important to note is that the policy has cemented a relationship between Malaysia and Japan, contributing to both the two countries’ social and economic profile.

Given the type of relationships and the associated benefits over time, the authors recommend that the policy’s second wave should primarily focus on innovating Net Technologies through the Malaysia Japan International Institute of Technology (MJIIT). Moreover, subsequently, pay attention to localising Japanese-Style Technology through the Alumni of the Look East Policy Society (ALEPS).

3. Definition and interpretation

Given the policy’s continuity factor now approaching 35 years since its inception, what exactly is the LEP? Do all factions have similar interpretations? Some believed that when it was introduced, the LEP was designed to emulate characteristics of the modernisation period during the Japanese Meiji Empire. Some had also thought that the policy was intended as an instrument to view and gauge the fast-paced progress of countries in the Eastern bloc, such as South Korea, Taiwan, Hong Kong and Singapore. Others had viewed it as purposeful in reinforcing Japan-Malaysia relations. Some had also argued that the LEP was structured to glorify a model signifying Japan’s rise after World War II (Khalid & Ping, 2003).

Mahathir exclaims that the ‘... LEP [w]as a result of what I observed in Japan (since 1945) in 1981 after I was appointed Prime Minister of Malaysia, I introduced “Look East Policy”. He rejected the view that the LEP was merely intended to fulfill economic agendas and requirements by saying that the focus on the east was “... directed not so much at investment from Japan but at acquiring the kind of policies, systems and work ethics that the Japanese have”. In illuminating his choice of Japan, instead of any other eastern country, he states that:

“... Malaysia identified what we believed to be the factors that contributed to Japan’s success. They are patriotism, discipline, good work ethics, a competent management system, and close cooperation between the government and the private sector. And so we tried to adopt these practices and instill these cultures in our people. And everyone now acknowledges that Malaysia has made better progress than most other developing countries. The fastest pace of Malaysia’s progress and development took place in the last two decades coinciding with Malaysia’s LEP.”
Mahathir also explains his decision further:

“... Psychologically, it was the Japanese who gave us the belief that even Asians could aspire to the same levels of technical and academic achievement as our former colonial rulers. The Japanese showed us how determination and the will to work hard for your nation could bring a spectacular recovery from the ashes of war. Japan also proved to the world that an Asian country could produce goods that were as good as or even better than the quality of goods produced in the West. Thus, the example set by Japan in the post-war period has been of enormous importance, not just economically, but also symbolically and psychologically.”

Such an opinion is also characteristic of the Japanese government’s perspective, differentiating its concept of bilateral relations from the LEP. Japanese Prime Minister Shinzo Abe. Abe (2013) has voiced out that “the foundation of Japan-Malaysia bilateral relations is the multi-layer ties of friendship based on the “LEP.” Referring to the webpage of the Japanese embassy in Malaysia, one gets the impression that the Japanese understand well Mahathir’s definition of the policy in contrast to a few other external actors. This may be due primarily to the perception on the LEP, where contrary to popular belief, the Japanese did not perceive Mahathir to have needed to create a Malaysia incorporated scheme as was already established in Japan at the time. They instead understood his efforts to support a strategic exchange of value systems (work ethics, discipline, loyalty) through the sponsorship of students and interns to Japan, who have now exceeded a total of 15,000 people (see Table 1. Some were sent for short term training schemes at various Japanese companies, while others were sent to pursue their tertiary education there. This scheme was to encourage and motivate students to further their study interests in Japan. The “Ambang Asuhan Jepun” (preparation facility for studying in Japan) was opened to all students at the University of Malaya.

In perspective, this article will pay close attention to Japan-Malaysia bilateral relations and the exchange initiatives under the academic programs and economic indices. Also, it will seek to discuss Najib’s proposed new and improved framework for the second wave of the LEP.

4. Japan-Malaysia bilateral relations

Over the years, the LEP has served many purposes, even beyond its initial conceptualisation of skills, work ethics, attitude, and loyalty. It has expanded over different sectors such as economic, businesses, education and jobs related. Historically, Japanese foreign direct investment (FDI) has been contributing to world FDI significantly to a level that Japanese multinational corporations (MNCs) have effective and strong investment reputations not only in Malaysia but in the US, Europe and other Asian countries (Anand & Delios, 1996). MNCs and Japanese FDIs have shaped Malaysia’s industrialisation policy over the years (Masron, 2016). For example, Japan has been Malaysia’s primary source of FDI since the 1980s. Over the years, Malaysia has placed a high value on FDI inflows to maintain and increase its development status. As a significant FDI destination since the 1980s, Japan has constantly served as the principal supplier of FDI. Since 2011, major Japanese MNCs have continued to retain Malaysia as a relevant destination, accounting for around 1% of total global Japanese FDI. As of the end of 2015, Japanese FDI to Malaysia has risen to about RM 74.8b (Japan International Cooperation Agency Malaysia Office, 2017).

This status could not have been achieved without the LEP. As noted by Abe, he believed that the LEP provided a strong foundation for structuring Japan-Malaysia bilateral relations. It was, according to him, “... an opportunity to elevate the Japan-Malaysia relations, which have developed on the basis of the LEP, to an ‘evolutionary new partnership’ that captures the needs of the times.” (Abe, 2013).

Economically, Japan-Malaysia partnerships have been steadily flourishing in terms of economic productivity. As a result, bilateral trade volume rose significantly. Since the 1980s and beyond,
Table 1. Number of Malaysian students in Japan sent by the Malaysian government under the LEP

| Study Program       | Training Program       | 1982–1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---------------------|------------------------|-----------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|      |
| Univ                | TC                     | GS        | JLPMT | Total | JLPMT | Total | JLPMT | Total | JLPMT | Total | JLPMT | Total | JLPMT | Total | JLPMT | Total | JLPMT | Total | JLPMT | Total | JLPMT | Total |
| 914                 | 485                    | -         | 67    | 1,466 | 2,508 | 151   | 1,642 | -     | -     | 4,301 | 5,767 |
| 123                 | 89                     | -         | 17    | 229   | 79    | 28    | 150   | -     | 149   | 406   | 635   |
| 128                 | 88                     | -         | 11    | 227   | 81    | 35    | 150   | -     | 150   | 416   | 643   |
| 145                 | 96                     | -         | 10    | 251   | 76    | 42    | 150   | -     | 150   | 418   | 669   |
| 143                 | 94                     | -         | 6     | 243   | 68    | 20    | 150   | -     | 146   | 384   | 627   |
| 127                 | 84                     | -         | -     | 211   | 47    | 42    | 149   | -     | 149   | 387   | 598   |
| 107                 | -                      | 18        | -     | 125   | 50    | 40    | 92    | -     | 156   | 338   | 463   |
| 147                 | 47                     | 17        | -     | 211   | 68    | 39    | 140   | -     | 140   | 387   | 598   |
| 149                 | 56                     | 16        | 4     | 225   | 74    | 40    | 150   | -     | 148   | 412   | 637   |
| 148                 | 69                     | 19        | 10    | 246   | 41    | 40    | 117   | -     | 111   | 309   | 555   |
| 172                 | 79                     | 18        | 10    | 279   | 40    | 34    | 111   | -     | 130   | 315   | 594   |
| 182                 | 61                     | 18        | 10    | 271   | 70    | -     | 93    | 120   | 283   | 554   |
| 154                 | 71                     | 9         | 8     | 242   | 78    | -     | 72    | 84    | 234   | 476   |
| 168                 | 76                     | 11        | 6     | 261   | 84    | -     | 83    | 77    | 244   | 505   |
| 165                 | 74                     | 11        | -     | 90    | 73    | 287   | 537   |      |      |      |      |      |      |      |      |      |      |      |      |      |

Discontinued in 2008

| 250                 | 124                    | -         | 90    | 73    | 287   | 537   |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |

| 2010                |                        | 130       | 72    | 6     | 208   | 128   | 73    |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| 2011                |                        | 158       | 71    | 10    | 239   | 145   | 50    |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| 2012                |                        | 132       | 58    | 12    | 202   | 153   | 50    |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
| 2013                |                        | 126       | 40    | 9     | 175   | 106   | 49    |      |      |      |      |      |      |      |      |      |      |      |      |      |
| 2014                |                        | 109       | 91    | -     | 200   | 120   | 47    |      |      |      |      |      |      |      |      |      |      |      |      |      |

(Continued)
| Year | Univ | TC | GS | Sub | ITTP | BMT | JICA Training | EPP Training | Youth | Sub | Grand Total |
|------|------|----|----|-----|------|-----|--------------|-------------|--------|-----|-------------|
| 2015 | 102  | 76 |    |     | 178  | 93  |              |             |        | 43  |             |
| 2016 | 123  | 76 |    |     | 199  |    |              |             |        |     |             |
| 2017 | 138  | 77 |    |     | 215  |    |              |             |        |     |             |
| Total| 4,086| 2,084 | 193 | 159 | 6,522 | 4,845 | 3,151 | 338 | 2,248 | 9,525 | 14,431 |

Source: The Malaysian Look East Policy.  
Univ: University  
TC: Technical College  
GS: Graduate School  
JLPMT: Japanese Language Programme for Malaysian Teachers  
ITTP: Industrial And Technical (In-Plant) Training Programme (Ittp)  
BMT: Business Management Training  
EPP: Economic Partnership Training Programme
numerous Japanese firms established operations in Malaysia, resulting in the massive expansion in the electric and electronics industries. The Malaysian government’s foreign direct investment (FDI) policy and the quick appreciation of the Japanese yen in the foreign exchange market contributed to this. As a result, trade and investment contribute mainly to the relationship between the two countries. During this period, Malaysia successfully turned from an exclusively agriculturally based economy to an exporter of industrial products, with manufacturing products accounting for more than 80% of total exports (Japan International Cooperation Agency Malaysia Office, 2017).

For instance, the total amount of trade with Japan in 2013 was USD 47.03 billion, which was approximately 13.6% out of total trade that year (RM 1.369 trillion) with an additional investment of USD 22.25 billion from Japan in the Malaysian manufacturing sector. Also, there are presently about 1,400 Japanese companies and organisations conducting their operations in Malaysia. In addition, the number of Japanese tourists visiting Malaysia increased to 470,000 people with a cash inflow of RM 1.36 billion from 343,000 people the previous year. Similarly, in 2016, Malaysia was Japan’s 10th largest trade partner with trade volumes exceeding RM 120 billion for export and imports, mostly industrial goods, agriculture, fishery and forestry. In a similar circumstance, the Japanese and Malaysian retail trade scene saw an increase in the expansion rate from 5.5% in 2012 to 6.2% in 2013 (The Malay Mail, 2013). Malaysia has also been a recipient of a financial rescue package and Japan’s assistance to respond to the financial crisis. Similarly, Japan helped Malaysia avoid the IMF loan bailout through a combination of selective capital control and financial aid of about USD 2 Billion (Lai, 2017).

Over the years, the manufacturing and general businesses in Malaysia of Japanese origin have expanded their operations through increased cooperation and collaboration between the two countries. In 2018, a survey by the Malaysian Chamber of Commerce and Industry between January and March 2018 with a valid response of 40% of the total Japanese manufacturing firms in Malaysia affirmed their intention to continue and expand business operations in Malaysia, which is an increased percentage from the previous year (Hiroyuki, 2018).

During the “Look East Policy—A New Dimension” conference on the 10th of October 2012, had posited that Japanese investment supported 2,360 projects in Malaysia over the past thirty years. Major companies such as Mitsubishi, Honda, SONY, NEC, Toyota and Matsushita put down roots here and have expanded and diversified their operations. Initial forays into petroleum, chemicals and metals led to more advanced electronics manufacturing and services. As a result, Japanese investments in Malaysian manufacturing last year were the highest since 1980, reaching US$ 3.2 billion. Technology projects approved in 2011 included Panasonic Energy Malaysia, a US$ 578 million company making solar photovoltaic technology; a US$ 906.3 million investment by Ibiden, making advanced computer components; and a US$ 63 million integrated quality hub in Selangor, as part of a US$ 300 million three-year expansion plan by Toyota Motor Corporation. Projects like these will ensure the Look East partnership always faces forward.

The LEP as an instrument for building intergovernmental trust has helped Malaysia attract investment and has strengthened and diversified its bilateral relations with Japan. Abe has expressed support as well for any kind of effort to further expand the LEP. In his words, “…there is a strong bond between Malaysia and Japan, which has evolved on the basis of the LEP for more than 30 years. In addition, the Japan-Malaysia Economic Partnership Agreement, which came into effect in 2006, created a closer bilateral economic relationship” (Masahiko, 2014).

The initialisation of LEP 2.0 in a parallel perspective indicates the start of a new phase in Japan and Malaysia’s bilateral relations, which fits perfectly well with Najib’s era of grand transformation and Abe’s persistent need for economic change in Japan. In the Malaysian context, it is crucial to realise a high-income society’s vision to increase mobility within pre-existing social stratification, especially among the middle classes. The free transfer of knowledge and information in this era of innovation and technology is paramount in culminating sustainable and consistent progress rates.
The objective of the second phase of the LEP gives priority to this element that there may be a smooth and efficient transition from middle-income economy status to an advanced economy status, reaching US$ 15,000 per capita annually before the year 2020.

Though certain factions are satisfied with the fortification of bilateral relations between these two nations as a result of a 35 year LEP engagement, there seems to be an inherent dilemma that affects the LEP’s conceptualisation. It is so rarely mentioned that the LEP was never intended to better economic cooperation per se but for far more outstanding purposes, such as adopting the culture and emulating work principles as mentioned previously (Mahathir, 1982). However, it cannot be denied that the LEP did serve as a platform for the ascent or induced escalation toward better international relationships.

Najib (2013) had reiterated the success of the LEP in the past 35 years, which has explicitly led to the second wave of the same initiative, thus “… can we safely say that to understand the second wave of the LEP; how both countries can gain in expanded areas including managing eco-systems with safe, renewable energies, improving water supply management and small medium-sized enterprises (SMEs), areas where Japan has gained expertise over a long period also depend on Japanese companies which have made a strong contribution to Malaysia’s infrastructure development especially in the automotive sector, green and biotechnology industries.” Thus, the LEP effectively takes the form of a cliché that tightens and reinforces bilateral relations due to its profound fundamentals. This accommodates Malaysia’s view of Japan as a success model regarding work ethics, policies and other relevant systems.

However, the challenge is if Malaysia has already realised these important aims to continue unimpeded with LEP 2.0. Did Japan-Malaysia relations overly rely upon the LEP for progress, or did it flourish naturally, as did the other Japanese-sided bilateral partnerships? How exclusive is the LEP to be seen as an essential ingredient and feature of the intimacy shared between Japan and Malaysia?

The Academic Exchange Program is one of the many success stories in the LEP chapter of the Mahathir administration. According to Dr Mahathir, the policy’s human capital aspect has ensured a prolonged connection between the two countries. Through this target group of students, Malaysia has become more capable of emulating and infusing work ethics, principles and values that may advance its progress. Upon returning to Malaysia after their studies, many of the graduates take up high positions in both the Japanese companies and the Malaysian government setting. This move has over the years, successfully bridged the gap between the countries through active participation and negotiations (Hiroyuki, 2018).

Table 1 refers to the successful achievement of the LEP. In addition, it describes the official statistics of the students and trainees that were expatriated to Japan for exposure.

Do these statistics explicate a sense of achievement in the LEP objectives in the past 35 years? What may material contributions of this program be considered positive points in the LEP initiative’s rationalisation? Such arguments are valid when advanced by the individuals involved in the programme, such as the students and trainees earlier mentioned. Also, the questions served as mechanisms that help gauge the need for continuous improvement so that the LEP may remain relevant to Japanese and Malaysian development following the changing international environment. The success of the LEP from the view of the students who were engaged in the programmed can also be confirmed from the evaluation of the government. Although, the education programme is one of the many initiatives under the LEP, its impact contributes to the overall evaluation of the programme. The impact of the education programme was to make Malaysians studying in Japan copy and emulate Japanese culture of discipline and ethics, and domesticate such to the Malaysian society.
Najib as stated in Perimbanayagam (2017), the LEP program has helped over 16,600 Malaysians by allowing Malaysian students and employees to enroll at Japanese universities and institutes of technology in order to get experience and training in a variety of fields. Datuk Seri Najib further stated that these Japan-trained individuals represent a segment of the talent pool that meets or exceeds the minimal standards of the business and academic community, particularly those of Japanese businesses operating in Malaysia (Perimbanayagam, 2017). As evidenced in the ex-post evaluation of the Malaysian government survey of ex-students of the LEP in Japan, majority of the respondents respondend positively to the ethics and values of Japan as helpful in their career. Based on the survey, “… eighty percent of employers observed that ex-students of the LEP Program have applied Japanese work ethics (‘discipline,’ ‘an appropriate attitude to their assignments’ and ‘punctuality/time management’) to their routine work” (Kita, 2011, p. 7).

Mahathir (2012), in his blog, stated that “… I would like to claim that the LEP was good for Malaysia. Those trained under the programme seem to have imbibed some Japanese characters and values. Actually the LEP was not so much about getting Japanese investments or technologies as it was about learning Japanese work ethics and the discipline of the work place. I believe strongly that the success or otherwise of a person, a race or a nation is dependent on their values, their work ethics and their discipline when doing whatever they have to do.”

Japan’s resilience is literally astounding and is closely related to its people’s values and way of life. After the war, Japan did not start anew but relied on centuries of culture and practices preserved well and have been continuously adopted generation after generation. Even the modernisation process during the Meiji and Edo empires still provides structure to and complements Japan’s capabilities in general, something Malaysia strives to emulate in its bid to conceptualise the LEP.

5. From Mahathir to Najib: A new paradigm for Japan-Malaysia relations—The way forward

The “second wave” phrase gained momentum after Mahathir (2012) posited that “… Malaysia should separate the socio-cultural and developmental aspects of the model from the dimensions that were supposed to bring about high economic growth; the conquest of markets and technological and managerial innovations”.

This could be because the six years (2003–2009) that Malaysia was under the stewardship of Mahathir’s successor Abdullah Ahmad Badawi, the LEP was described to have experienced stagnancy without any prescribed changes or adjustments. Besides, many observers had questioned after the national leadership shift if the new prime minister would “continue Mahathir’s legacy on the LEP?” In response to such prevailing uncertainty, Abdullah had promptly introduced a few changes in the programme to suit the economic, political and social environments at the time. Among these strategic adjustments were the cancellation of soft loans for Malaysian students from the Japanese government5 and the introduction of various new courses such as nanotechnology and agriculture, not prematurely to depend on medical, science and engineering students. Moreover, even the social science students were no longer sent abroad to Japan from 1999 onwards.4

Nevertheless, the Abdullah era saw the LEP take its own pace autonomously, unlike Mahathir’s strong “hands-on approach where he was known to take regular excursions to Japan to give motivational speeches on the two countries” bilateral development. On the 23rd of April 2012, Mahathir’s son, Mukhriz Mahathir, former Chief Minister of Kedah state and former Deputy Minister of International Trade and Industry, said “second wave LEP will woo more investment from Japan; the second wave to us means a renewed level of activities to attract more investment from Japan”. As a Business Administration graduate from Sophia University in Japan, he may be considered an LEP product. Indirectly he understands that after the “escalation” and “take-off” period of the policy due to his father’s efforts, Malaysia must now concentrate its efforts on enriching and expanding the level of cooperation between Japan and Malaysia.
The former Prime Minister, Najib, is on the same wavelength as Mukhriz on this matter. According to him, “Malaysia’s move to strengthen the second wave of the Look East Policy which focuses on high technology and highly skilled workers, will help the country’s economy move up the value chain and on to high-income status. “Not only has the Look East policy continued under my tenure, but also in line with our transformation programme for Malaysia. Japan’s reputation for economic leadership is well known and well deserved” (Najib, 2014).

The transformation of LEP from Mahathir to Abdullah and then to Najib was done smoothly. Both of them would not oppose the LEP because they feel indebted to Mahathir for allowing them to become prime minister. As former Deputy Prime Minister Musa Hitam argues, Prime Minister Najib’s determination to cling to power despite being criticised from all sides shows he is a very good student of his now most vocal critic, Mahathir Mohamed (Yahoo News, 2015). Unfortunately, since 2015, Najib and Mahathir’s good relationship had deteriorated when Mahathir began to criticise Najib’s administration. However, the second wave of LEP had been successfully implemented because Najib and Mahathir were on good terms during the beginning of his Premiership. Today, the friendship has turned sour due to differences in their political stances, although Mahathir had been dubbed Najib’s mentor. In reality, the former Malaysian Prime Minister has the power to create, maintain, and dissolve any government policy, which is redundant.

Najib’s message was clear. The second wave would involve structural and managerial changes, as supported by Mukhriz. Referring to Najib’s speech at the “Look East Policy—A New Dimension” conference held in conjunction with the 31st Majeca-Jameca on the 10th of October 2012, there were three prominent factors that had made the main index in helping the LEP become more progressive. First, we must do more of the same. The acquisition of skills, knowledge and values was central to the success of the LEP; so let us apply them further, by widening the net. I am particularly fired up by the idea of getting more SME’s involved …. Secondly, I think future LEP programmes should be more targeted, and more closely linked to specific outcomes. We need to ask the hard questions; What kind of skills do we want to acquire? In which areas? At what levels? … Third, we should concentrate on building not just stronger graduates, but also stronger institutions.’

On the 13th of December 2013, at the 32nd Majeca-Jameca joint conference at the Imperial Hotel, Japan, Najib had further elaborated six areas (dimensions) that the LEP 2.0 should focus on 1. cutting-edge technologies (increase research & innovation), 2. high-tech skills development (new knowledge-based skills development), 3. high-end services development (building on Japan’s services: hospitality and healthcare), 4. management of eco-systems with safe, reliable and renewable energies (Japanese sustainable energy); 5. modernisation of small and medium-sized enterprises (technology transfer and management input); 6. senior citizens (focusing on healthcare and lifestyle).

What about Japan in this grand arrangement for improvement with the LEP 2.0? Abe appears to be highly supportive of the Najib plan and exclaims that “I believe this will allow the policy to move further forward to capture the needs of the times. Japan intends to actively cooperate with Malaysia so that the LEP will continue to function for an extended period as the basis of our bilateral relationship” (Najib, 2013). Japan may even seek to emulate Malaysia’s globalisation strategies as her demography now reflects a more multi-ethnic society than before (Masahiko, 2014).

Abe became prime minister for the first time in 2007. In 2012, he was re-elected for his second term after a 5-year hiatus. From 2007 to 2012, there were two prime ministers from Abe’s party and three from the opposing side. Ironically, LEP’s mission never changed, even though the leaders kept changing within a short period. This scenario showed that the Japanese Prime Minister had no power to act arbitrarily concerning government policy. The powerful persons who controlled the government system and policy were zoku, party elders and bureaucrats (Syed Sopi, 2017). These powerful elements were a source of stability not only for policy-making but also for the Japanese political system.
Though diverse opinion and interpretation are prevalent in the current events, such a situation may be characterised as the “Strategy in the second LEP Age.” In a conference with Najib at the Japan-Malaysia Summit Meeting on the 21st of May 2014 in Japan, Prime Minister Abe had expressed his encouragement for the programme, “On the LEP 2.0, Prime Minister Abe welcomed the progress in the discussions to establish a framework for bilateral consultations which was agreed on last December. Underlining that the LEP 2.0 would mark a new era for Japan-Malaysia partnership, the two leaders pledged to continue to work together to identify the best way to enhance cooperation.”

Continued reinforcement and enrichment of Japan-Malaysia bilateral relations are deemed possible and necessary via the LEP’s advancement. Therefore sustainable progress must require an occasional element of change in the pursuit of continuity.

6. Forecast and challenges
Japan and Malaysia’s bilateral partnership is progressing at an encouraging pace. However, it needs proper consolidation plans for a more purpose-driven and beneficial approach in the current international context. Both countries should align their goals and visions with a common doctrine, presumably one expounded by the renewed LEP initiative, creating with it a strong directional force that would propel both nations into the future of stronger economic, political and social ties. The multifaceted policy has been proven to accommodate all angles necessary for building a lasting Japan-Malaysia relationship since that was and is still its most fundamental and principal objective. The LEP 2.0 must make people its primary concern and transfer hardware and technology, as was the case before. Thus, the socio-cultural element that was the initial dimension developed under this policy should remain as the pillar to continuously transfer to the people and at the same time focus on the economic growth and technological innovations that will benefit both countries. However, agreements and engagements involving human capital are profoundly complex compared to ‘imports and exports. Also, power disparities between governments and ranks of professionals may disrupt the smooth flow of ingenuity, these difficulties have to be expected and accounted for in the renewed LEP 2.0 doctrine propounded by Najib.

With the second wave being wholly based on a new dimension, interactions among the newcomers are different than what took place among the founders then. However, they may be simplified if the fundamental strategic logic remains. It is a noble agenda for the nation, as different interpretations make it difficult to function fully, even though the author would argue that it is a successful functional policy that will further deepen the nature of existing bilateral relations. It is a distinct cliché among Malaysia’s foreign policies today in the name of nationalism and will remain one for some time. Malaysia’s daunting challenge is in its competition in the region. Kazuhiro (2014) quotes from the JETRO survey in 2013 that almost half of all Japanese companies are willing to expand their businesses to Malaysia. However, they also receive invitations from other ASEAN countries such as the Philippines, Indonesia and Myanmar. As former Japanese Ambassador to Malaysia H.E. Masihiko Horie had said, “… all ASEAN countries are equally important for Japan as a bloc”.

The LEP may also act as a significant tool for preserving strategic political power balances in the East Asian region, possibly alleviating backlash against Malaysia in feuds such as the undisguised competition between Korea and Japan with China. Also, suppose the policy is to play a major role in assisting Malaysia in reaching her developed country status by 2020. In that case, the six new dimensions proposed by Najib, which were mentioned earlier, are equally pertinent in boosting investment and precipitating future Japanese business interests. This will help Malaysia achieve her high-income status by 2020 and work wonders as well in the modernisation of the nation’s foreign policy initiatives and strategic regional efforts.

Being precise, Najib emphasises the need for this policy to be put into practice (Tojo, 2010). Programmes, projects and campaigns must be mechanised as soon as it is possible. Students must
be encouraged to enrol in a variety of new and alternative academic courses such as ones involving research for newer, greener and renewable technologies, biotechnology, ICT technology and alternative energy sources. The government must feel the need to influence the young students on the importance of social science, international politics and security studies courses to divert their attention away from more traditional methods of thought where the focus has always been on the science, medical and engineering courses. Collaborative efforts and research between MJIIT and other institutions in Japan should encompass research and development projects and extend beyond that. This will not only ensure better collaboration and produce far more advanced results from the previous phase of the LEP but will allow Malaysia to create with Japan a successful list of cost-effective training programmes. Enrichment of human capital within the Asian region itself is indeed an attractive idea.

In order for the current working committee on the second wave of the LEP to be successful in its endeavours, it must first establish proper coordination between participating ministries and government bodies. For example, interrelation is pivotal between the Public Services Department, which was initially responsible for the first wave of the LEP and its human capital element. The Ministry of International Trade and Industry whose portfolio deals with the nation’s major imports and exports. The officials and members of the staff designated for the advocacy, delegation and implementation of the policy have to be people who understand the policy’s significance and are fully capable of evaluating the performance and shortcomings of the systems previously used in the first wave. It is also imperative that Mahathir’s interpretation is applied as a general framework without any deviation from the original agenda that was intended for the LEP.

It is also beneficial that the former students and workers trained under this policy during the first wave be invited to assist and participate in the culmination of the second wave of the LEP. This may include former higher-level administrative officers and leaders from embassies and government ministries who had engaged directly with the students and authorities involved. A town hall meeting with students from all over Japan is an effective example of an attempt to understand the public perception on the policy and how the target group (students and staff) could contribute to the vision and mission of LEP 2.0. This target group must understand how they may deliver as “mediator agents” between policymakers or “formulators” and the bodies that implement these policies and programmes. Once the LEP 2.0 framework is in working order, it will be the responsibility of the agencies involved with the respective officers in Japan to have continuous dialogue sessions and conferences with the business community. Also, dialogue with the human capital involved so that all factions understand the LEP thoroughly and adapt to changes and evolving global economic requirements.

The importance of the element of human capital in the LEP scheme must be emphasised. The people involved must be offered proper training modules and successful career paths that may reflect the LEP’s achievement. Students must also be advised to select courses that would enable them to be employed in Malaysia, especially in local companies and organisations. These students are not confused with conditionality requiring them to contribute to Japan or be bonded with Japanese organisations because of participation in the LEP. To allow for such a scenario, the government has to construct strategic bonds with local agencies and companies that are already familiar with the operational capacity completely. Also, a more tactical and cost-efficient programme in this situation would be the construction of a training centre or a university with a learning environment similar to the facilities in Japan but only in a more macro context. A local micro example would feature the Ambang Asuhan Jepun in the University of Malaya and MJIIT. The culture and targeted values may well be adopted and learned by many more, including those who may not have the opportunity to go to Japan.
7. Conclusion
The LEP came about from the belief of Mahathir to seek for a means to improve on the Malaysain values. Mahathir emphasized the importance of a shift in values, and he believed that the Malaysians should strive after Japanese values. With the implementation of the policy several decades ago, different initiatives were embarked upon from businesses to cultural attachment and education programmes, however, it successes and challenges still remain contentious.

Different arguments abound to claim the success of LEP over time, through ODAs, cultural fluidity between Japan and Malaysia as well as infusing the work ethics. Therefore, with the end of an era in LEP, there is a move for a second wave. However, a smooth transition from the first wave of the LEP to the second wave may well depend on how well both the formulators and the implementers correctly understand its processes and potentials.

The six new dimensions of interest previously mentioned by Najib would encounter many difficulties in their operational capacities should there not exist a prerequisite of overall advancement in the country’s quality of human capital. Thus, human capital is one of the many serious challenges facing the second wave of the LEP. The human capital must be determined and highly motivated to learn, cultivate and practice this value system in daily life to see better outcomes from LEP 2.0 soon. In his blog, Mahathir (2012) explains that “the one single most important aspect of the LEP is the development of a value system, a work culture and ethics that is compatible with success. And among them should be the cultivation of a strong sense of shame when delivering results which do not give pride to the person, the people or the country. This feeling of shame will make us work hard to deliver the best in everything that we do. That is the essence of the LEP. May it continue for the next 30 years at least”.

How can Dr. Mahathir’s statement above during the first wave of the LEP be combined with the proposition of division among the socio-cultural and developmental aspects to better economic development, innovation and technological advancement? How can this new and refurbished plan bring more achievement and success to Japan and Malaysia via long-standing reciprocal relations between them? It may all depend on both countries’ leadership to move forward together across time. The harmonious partnership between Japan and Malaysia may be continued and preserved for the betterment of generations to come.

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Notes
1. Interview with HE Masahiko Horie, former Ambassador of Japan in Malaysia.
2. According to the officer from the Embassy of Malaysia in Japan, the government had spent almost RM520,000.00 per student for the duration of their education in Japan.
3. To avoid confusion, Malaysia only took soft loans from Japan during the 1997-1998 economic crisis, confirmed by HE Masahiko Horie, former Ambassador of Japan in Malaysia (January: 2008).
4. According to the officer from the Embassy of Malaysia in Japan, social sciences courses are less popular compared to other courses among the students.
5. Interview at Ministry of Foreign Affairs, Tokyo.

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