

MALAYSIA-PHILIPPINES BILATERAL RELATIONS: THE ISSUE OF SABAH ISLAND

Naureen Nazar Soomro*

Abstract

The claim over Sabah by the Philippines is a disquieting issue for Malaysia and the Philippines' bilateral relationship. The claim over Sabah or the North Borneo dispute as it is often referred to, is the claim of both states over much of the eastern parts of Sabah, one of Malaysia's thirteen states. The Philippines declared its claim over Sabah in 1962 under the leadership of Diosdado Macapagal, the then Philippine President. The claim was communicated to the United Kingdom, which had possessed the area formerly. The article attempts to describe the origin of the dispute as well as diplomatic efforts made by Malaysia and the Philippines to resolve the issue. The conflicts that had occurred between the two parties over the issue and diplomatic efforts by both and by the international community at large would be explored and discussed.

Keywords: The Philippines, Malaysia, bilateral relations, Sabah Island

Introduction

The territorial jurisdiction over the Sabah is one of the disquieting issues between Malaysia and the Philippines' bilateral relations. Usually referred to as North Borneo dispute is the claim of Malaysia and Republic of the Philippines over much of the eastern part of Sabah. The two neighbors who belong to a common regional grouping have developed contentious diplomatic issue because of Philippines' claim over Sabah, one of Malaysia's 13 states. The Peninsular Malaysia achieved its independence in 1957 which formally emerged as Malaysia when inclusion of Singapore, North Borneo (Sabah) and Sarawak took place in 1963 (Liu, Lawrence,

* Assistant Professor, Area Study Centre, Far East & South East Asia, University of Sindh, Jamshoro, Email: memonnaureen@yahoo.com

Ward, & Abraham, 2002). The Sultan of Sulu was awarded with Northeast Coast of Borneo (Sabah hereafter) to help settle a civil war which was later leased to Malaysia in return of 5000 Malaysian dollars[†] in late nineteenth century. Since then, both countries have developed sour relationship claiming ownership of the territory of Sabah.

Research Methodology

This paper attempts to explore the importance of the island to both the countries and its impact on soaring relations between the countries. Moreover, the conflict that had occurred between the two parties over the issue and diplomatic efforts by both and by the international community at large would be explored and discussed. The secondary data namely, books, research articles, chronologies and official documents would be utilized to gain insight into the matter. Different web pages are also searched for the purpose of understanding the problem from its very core. The paper is structured in five parts. First section discusses the relevant literature; second details the background to the issue; third section gives a detailed discussion of conflicts and efforts taken by the parties to resolve the issue with the heading 'Contesting and managing a claim over Sabah'; fourth section explains the economic importance of the island to contesting parties; and fifth section concludes the paper.

Literature Review

The sour bilateral relation between Malaysia and the Philippines over the issue of Sabah has been dealt with in a historical and descriptive manner in articles, books and monographs. The literature review reveals many aspects of the issue: historical;

[†] Malaysian currency since 1969 is Malaysian Ringgit (RM). Formerly, it was Malaysian Dollar (M\$).

economic; political and also socio-cultural. This article aims to collect and appraise the secondary material with respect to the dispute being discussed.

Bilateralism is one of the recognized ideologies of International Relations. Bilateralism consists of economic, social, political and cultural relations between two sovereign states. The recognition of sovereignty of states by each other is a source of agreeing to develop diplomatic relations with the exchange of diplomatic agents called ambassadors (Elias & Sutch, 2007).

Pempel (2004) defined bilateralism as:

two countries...[that cede] particular privileges to one another that they do not give to other countries. Bilateralism also involves the normative belief among policymakers from both countries that dealing between them on most issues should be primarily dealt with through one-to-one governmental links (p. 5).

Igabani de Castro Jr. (2010) believes that the bilateral relations between the Philippines and Malaysia have been 'abnormal' for past half a century. Due to those abnormal relations the embassies of both countries have been closed down several times. Bilateral approach by Malaysia and bilateral and multilateral approach by the Philippines have been employed for dealing with the contentious issue over territory of Sabah. The issue has been raised in United Nations International Court of Justice by the Philippines but Malaysia has not given any consent over it.

Micheal Leifer in his monograph *The Philippine Claim to Sabah* (1968) has extensively analyzed the Philippines claim over Sabah. Paridah Abd. Samad and Darusalam Abu Bakar (1992) have presented the political and security consequences of the Sabah issue in the light of various issues between Malaysia and the Philippines: Moro secessionism in the South, Malaysian incursion into Philippine

waters, issue of Filipino refugees and illegal immigrants in Sabah. Samad and Bakar believe that 'Muslim resistance in the southern Philippines, the political interests of present and former leaders, deterioration of the country's political and economic performance' are the major contributing factors towards the Philippines unwillingness to drop the claim over Sabah (1992, p.555). S. Jayaratnam, on the other hand, defends Malaysian stance in this case by asserting that the Philippines' claim is weak because 'neither the Philippines nor the heirs of the Sultan have exercised sovereignty or been in effective occupation of Sabah since 1878' (1969: 10).

The people of Sabah were consented by UN Secretary General[‡] (Lim, 2008) for becoming the part of Malaysian Federation in August 1963 in The Malaysia Agreement signed in London on 9 July 1963. It took place before the Malaysia Bill being passed by the British House of Commons on 22 July 1963. The Malaysia Agreement clearly stated that the Federation of Malaysia (Mathews, 2013) will consist of following states.

- a. The States of Malaya, namely, Johore, Kedah, Kelantan, Malacca, Negari Sembilan, Pahang, Penang, Perak, Perlis, Selangor and Trengganu;
- b. The Borneo States, namely, Sabah and Sarawak; and
- c. The State of Singapore.

Since then, Malaysia has been the state in actual occupation of Sabah.

[‡] The Cobbold Commission in 1962, which was set up to determine the consent of people of Sabah and Sarawak to join the Federation of Malaysia, found that people generally favoured the union but on certain terms and conditions which can safeguard the interests of people. Though there was some opposition but it was of minor nature therefore was ignored by the Commission.

Background to the Issue

Before being handed over to Malaya to form the federation of Malaysia in 1963, the Sabah's land was ruled by Sultanate of Sulu[§] (Church, 2003). It was originally ruled by the Sultan of Brunei who handed over it to Sultan of Sulu for helping Brunei suppress an uprising there in Brunei Sultanate in mid Seventeenth century. The Northeast coast of Borneo (Sabah) was awarded by Brunei Sultan Abdul Hakkul Mubin to the Sulu Sultan Salah-ud-Din Karamat Bakhtiar for helping settling a civil war dispute against Pengiran Bongsu Muhyuddin (Samad & Bakar, 1992). The valuable minerals, spices and other rich sources of revenue of Southeast Asia attracted Europeans to this region. The Deed of 1878 (Fernandez, 2007) leased North Borneo in return of 5,000 Malaysian Dollars to Sultan of Sulu (Samad & Bakar, 1992). The North Borneo remained under the control of British Colonialists between 1878 and 1946 in the name of British North Borneo Company. British retained all the rights over Sabah through North Borneo Cession Order. This period was interrupted only by the Japanese occupation between 1941 and 1945, which ended with the end of Second World War and the handing over of Sabah to British. The British North Borneo Chartered Company (Oxford DNB, 2004) relinquished its duties afterwards and North Borneo turned into a British crown colony.

Spanish and American colonialism has also been part of Philippines History (Kramer, 2003; and Kingsbury, 2001). Ferdinand Magellan was the first Spanish who landed on archipelago with three of his ships in 1521 in search of spices. Ferdinand Magellan was soon killed for being involved in a local conflict and his ships had to return to Spain. It took fifty years more for Spain to extend its control to the Philippines. After several failed expedition in

[§] The Sultanate of Sulu Dar al-Islam was an Islamic Tausūg state that ruled over many of the islands of the Sulu Sea, parts of Mindanao and certain portions of present-day Sabah (then North Borneo).

sixteenth century, the expedition that succeed gave the Philippines its name in the honor of the crown prince of Spain, Philip of Asturias who started Spain's American Colonial expansion in this Pacific region. The trade was carried out via Mexico and administration was looked after by Spanish colonies of the Americas (Kingsbury, 2001). The Spanish control of Philippines ended after several revolts in next couple of centuries. Subsequently, Manila fell under the British rule in 1762 which formally started the British occupation which lasted only for couple of years (Go, 2003). The Philippines fell back in the hands of Spanish until 1898 when US declared war on Spain. The Spanish finally surrendered to the US after being destroyed in Manila Bay (Kingsbury, 2001). However, the control of the Philippines was handed over to US rather than to Filipinos in return of US 20 million dollars to Spain. The handing over of the Philippines to US resulted in fighting between US occupying forces and the Philippines army which continued for a decade. Kingsbury believes that this revolt is the "first revolt of an Asian people against their colonial masters" (2001, p. 307).

The slow transition to democracy had started in the Philippines with the taking over of political and bureaucratic positions of Filipinos. The Philippines became the first country in Southeast Asia to receive first elected government in 1907. The more extensive more were granted to Filipinos in 1934, the complete independence did not come until 1946 (Kingsbury, 2001; Mason, 2000).

Mason (2000) has drawn a beautiful picture of the independent Philippines. With approximately 300,000 square kilometers of area, the Philippines is the 64th largest country in the world. The state which is full of islands-more than 7000 replete of rich natural endowments namely gas reserves; gold; copper; nickel; and cold mines lie in the western Pacific Ocean in Southeast Asia. Idyllic coast lines and forest-clad mountains of the country are full of cinnamon, cloves and pepper products. Contrastingly and unfortunately, the flawed social structure is also the part of Filipino lives. The

population faces “one of the world’s largest gaps between the minority of very rich and the great mass of the very poor” (Mason, 2000, p. 255), making country vulnerable to crimes such as human trafficking, petty and violent crime, corruption and police misconduct and the like.

The majority of Filipinos resemble Malaysians and Indonesians; a few thousand of them are of *Negrito* (Mason, 2000) type of people residing on the island named Negros due to these people’s resemblance to African people. These Negrito people are considered the archipelago’s earliest inhabitants. The present generations of the Philippines are mostly of Malay descent; however, the colonization of the country by Chinese, Spaniards, American, Japanese and British has made the country a unique combination of the East and West (Ogena, 2004).

Malaysia, on the other hand, is a federal constitutional monarchy which consists of 329, 847 square kilometers of landmass having thirteen states and three federal territories. The earliest immigration of the Malays to the Malay Peninsula between 2500 and 1500 B.C. can be considered as the foundation for the demographical construction of Malay society. Although the immigrants Malays from Indonesian archipelago (Hirschman, 1986) regard themselves as the indigenous population, but the aborigines or *Orang Asli* namely, were the original inhabitants of the Malay Peninsula, whom the immigrant Malays displaced from coastal areas to the swamps, hills and interior forests. They adopted the nature of indigenous Malays but they retained their culture and language and their nomadic nature confined them to the jungles and hills (Hui, 1980).

The immigrant Malays and aboriginals had remained isolated and confined to the Malay Peninsula only until the creation of Malacca Sultanate in 14th Century which paved the way for international trade and interaction with outer world. Traders from other parts of the world started migrating towards this region because of its

strategic location that was quite beneficial in terms of coastal fishing and rice cultivations. The regions of Java, Cambodia, Thailand and coastal areas of Malacca and Sumatra were main focus of traders mainly from India, China and Middle Asia. It was the European period that played a significant role in determining the nature of relations established among the immigrants and the original dwellers. It was not until the European rule in the 16th century (Hui, 1980) that this area saw the permanent settlers of Chinese and Indian heredity.

Three settlements along the west coastline namely mountainous island of Penang, Malacca and the island of Singapore had attracted the British East India Company most in the early nineteenth century. In 1862 three states of Penang, Malacca and Singapore were combined and converted into one administrative unit called Straits Settlements. The East India Company transferred control of Straits Settlements to the Colonial Office in 1867. Further, the state of Perak, Selangor, Negeri Sembilan and Pahang came under the control of British and were renamed the Federated Malay States in 1895. The broad British control remained until outbreak of Second World War when losing into hands of Japanese from 1942 to 1945 (Swee-Hock, 2007).

The Peninsular Malaysia that is Western Malaysia achieved its independence in 1957. Federation of Malaya formally emerged as Malaysia when inclusion of Singapore, North Borneo and Sarawak took place in 1963 (Liu et al., 2002). However, Singapore left the union peacefully in 1965 due to political and economic competition between the two nations. The Malaysia Agreement signed at the time of joining of Eastern Borneo states into the federation of Malaya guaranteed the autonomy for the Borneo states of Sabah and Sarawak, but from time to time the Central government interfered in the politics of these states.

Contesting and Managing the Claim over Sabah

The Philippines declared its claim over Sabah in 1962 under the leadership of Diosdado Macapagal, the then Philippine President. The claim was communicated to the United Kingdom, which had possessed the area formerly (Anand, 1981). The United Kingdom was party to the dispute because it handed Sabah over to Malaysia from the Federal Republic of Malaysia, rejecting the Philippines' stand, seemingly to contain the communism in the Southeast Asia (Samad & Bakar, 1992). The first ministerial meeting regarding the claim was held in London in 1963, the foreign ministers of Malaysia, Indonesia, and the Philippines accepted that the inclusion of Sabah (North Borneo) in the Federation of Malaysia 'would not prejudice either the Philippine claim or any right there under' (Samad & Bakar, 1992, p. 557). Later on, the Presidents of three countries ratified the statement later in Manila. However, the Philippines, contrary to the statement ratified in Manila, refused to recognize the possession of Sabah to Malaysia diplomatically. During subsequent administrations, the bilateral relations between the two parties have been deteriorating and at some stage the suspension of diplomatic ties became inevitable (de Castro, 2010; Samad & Bakar, 1992).

President Marcos attempted to normalize the relations between the two states in 1976 by stating that the Philippines do not intend to press its claim over Sabah. Nevertheless, this statement did not achieve any official backing. It was not until 1987 when the Aquino administration officially adopted a policy to drop the claim. However, it did not happen officially despite the attempts by Aquino, Ramos and Arroyo administrations (de Castro, 2010). An initiative taken by Aquino Administration in 1986 via a resolution to drop the claim was a positive gesture towards the resolution of the issue and enhancement of relations. Malaysia well-received the gesture by accommodating in return Philippines interests by concluding several agreements. Although both the governments were optimistic about the bright future ahead in bilateral relations

and cooperation among them, the initiative could not be materialized due to refusal of Senate Bill 206 for excluding Sabah from Philippine territory (Tuban, 1994). The Philippines is having quite a few internal issues since long. It has a long history of conflict with armed groups including Muslim separatists, communists and criminal groups. Malaysia is in a win-win situation as compared to Philippines. Malaysia has been benefitting from the bounties of Sabah and the surrounding waters. On the other hand, Philippines does not gain anything from the preservation of the status quo in Sabah, the number of loss of opportunities from mutual understanding would be the additional loss to Philippines.

The Sultanates of Sulu have also been claiming authority over Sabah and have been asking for support from Philippine authorities to help them achieving Sabah back to Sulu Sultanate. In February 2013 some 200 of armed men were sent to the island for asserting their claim, the attempt, nonetheless, was made a failure by Malaysian authorities by killing 50 people and imprisoning several others (HIIK, 2013).

Malaysia, conversely, has been successful so far in forcing the Philippines to withdraw its claim over the disputed region. The weak administrations in the Philippines have been so advantageous to Malaysia that she even called on the Philippines to establish a consulate in North Borneo to show its authority over the region. Additionally, the stable Malaysian economy and government has compelled the population of Sabah to stick to the cause of Malaysia rather than that of the Philippines.

Several other issues have also added to the mix of sour bilateral relationship between Malaysia and the Philippines. Due to closeness of Sabah to the Philippines border, it has been regarded as very crucial to the Philippines security. Malaysian assistance to Moro

separatists** (Buendia, 2005) and the support from the other Muslim sectors has enabled the Moro separatists to demand for liberation, and self-determination rather than previous demands of equal rights. The Philippines have been facing the separatist movements for decades. Several guerrilla conflicts have been waged in the country since 1969. Resultantly, the Filipino refugees and illegal immigrants to Sabah has had made the problem more serious and difficult to settle.

Economic Causes of the Issue and Its Implications

Sabah is the island considered the most important for the economy of both countries. Malaysia is considered the most important country where huge earnings and almost major portion of economy comes from the tourism. Islands in Malaysia are known for lush greenery and tourist spots where thousands of tourists turn up every year. Sabah Island is one of the hub places considered attractive in terms of tourism. Therefore, it is not easy for Malaysia letting it down to any other country like Philippines.

Likewise, Philippines is a country which thinks that Sultan of Brunei had handed over the Sabah territory officially to them. Therefore, they have the economic and physical right over the territory. These tense situations have weakened the economic position of both countries especially of Philippines. Due to the uncertainty and confusion the region is under huge economic crunches and even has dented negatively over the functioning of ASEAN out rightly. The peace solution will certainly be helpful in easing the tension in the region

** The Muslim separationists in the Philippines who believe they have never been part of the Philippines and have been struggling for the independence. They preferred to be called Moros rather than Filipinos. Moros denotes non Hispanised Muslim inhabitants of the southern islands, whereas Filipinos are Christians and are Hispanised people of the Philippines.

Conclusion

The hostile relationship between Malaysia and the Philippines are caused by the territorial claim over the island of North Borneo (Sabah). The issue is still unresolved between the neighboring countries because of the unclear agreement signed between the Sultanate of Sulu and the British North Borneo Company in 1878. It is not clear from the agreement that either Sabah was ceded or leased to British North Borneo Company. It is however obvious that Sabah was later ceded to Malaysia to form the Federation of Malaysia along with Sarawak, Malaya and Singapore in 1963. As in the past, the future of the issue is still unclear. For a conflict to be stopped from turning into an armed conflict, the contesting parties Malaysia and the Philippines in this case should adopt multilateralism and strictly follow the recommendations by the mediating parties. The United Nations, ASEAN and/or International Court of Justice are the immediate forums that can be relied upon for security of the sovereign states and the populace. The ASEAN members are in process of forming an ASEAN Security Community to be functioning from 2015 (Simon, 2008), envisioning the peaceful resolution of disputes between the states of Southeast Asian region. The Sabah conflict is an opportunity to ASEAN members to implement the visionary security policies of ASEAN Community.

References

- Anand, R.P. (1981). *Cultural Factors in International Relations*. New Delhi: Shakti Malik Abhinav Publications.
- Buendia, R.G. (2005). The State-Moro Armed Conflict in the Philippines Unresolved National Question or Question of Governance? *Asian Journal of Political Science*, 13 (1), 109-138.
- Church, P. (Ed.). (2003). *A Short History of South-East Asia*. Singapore: John Wiley & Sons (Asia) Pre. Ltd.

- De Castro, I. Jr. (2010). Bilateralism and Multilateralism in Malaysia-Philippines Relations. In: N. Ganesan, and R. Amer (Eds.), *International Relations in Southeast Asia: Between Bilateralism and Multilateralism* (225-253). Singapore: Institute of Southeast Asian Studies.
- Elias, J. and Sutch, P. (2007). *International Relations: the Basics*. Oxon: Routledge.
- Go, J. and Foster, A.L. (eds.). (2003). *The American Colonial State in the Philippines: Global Perspectives*. Durham: Duke University Press.
- IIHK. (2013). Disputes, Non-Violent Crises, Violent Crisis, Limited Wars, and Wars. *Conflict Barometer 2013*, No. 22. Heidelberg: Heidelberg Institute for International Conflict Research (IIHK).
- Hirschman, C. (1986). The Making of Race in Colonial Malaya: Political Economy and Racial Ideology. *Sociological Forum*, 1 (2), 330-361.
- Hui, L. M. (1980). Ethnic and Class Relations in Malaysia. *Journal of Contemporary Asia*, 10 (1/2), 130-154.
- Jayaratnam, S. (1969, November 25). The Philippine Claim to Sabah. *Singapore Undergrad*, 3 (18). Singapore: University of Singapore Students' Union.
- Kingsbury, D. (2001). *Southeast Asia: A Political Profile*. Victoria: Oxford University Press.
- Kramer, P.A. (2003). Empires, Exceptions, and Anglo-Saxons: Race and Rule between the British and U.S. Empires, 1880-1910. In: Go, J. and Foster, A.L. (Eds.), *The American Colonial State in the Philippines: Global Perspectives* (pp. 43-91). Durham: Duke University Press.
- Lim, R. (2008). *Federal-State Relations in Sabah, Malaysia: The Berjaya Administration, 1976-85*. Singapore: Institute of Southeast Asian Studies (ISEAS).
- Liu, J. H., Lawrence, B., Ward, C. and Abraham, S. (2002). Social Representations of History in Malaysia and Singapore: on the Relationship between National and Ethnic Identity. *Asian Journal of Social Psychology*, 5 (1), 3-20.

Mason, C. (2000). *A Short History of Asia: Stone Age to 2000 AD*. New York: St. Martin's Press Inc.

Mathews, P. (Ed.). (2013). *1963-2013 Chronicle of Malaysia: Fifty Years of Headline News*. Kuala Lumpur: Editions Didier Millet.

Ogena, N.B. (2004). Policies on International Migration: Philippines Issues and Challenges. In: A. Ananta, and E.N. Arifin (Eds.), *International Migration in Southeast Asia* (pp. 296-309). Pasir Panjang: Institute of Southeast Asian Studies (ISEAS) Publications.

Oxford Dictionary of National Biography. (2004). *Colonial Administrators and Post-Independence Leaders in Malaysia (1826-2000)*. Oxford; New York: Oxford University Press.

Pempel, T.J. (2004) Challenges to Bilateralism: Changing Foes, Capital Flows, and Complex Forums. In: Krauss, E. and Pempel, T. (Eds.), *Beyond Bilateralism: US – Japan Relations in the New Asia Pacific* (pp. 1-36). Stanford: Stanford University Press.

Samad, P.A. and Bakar, D.A. (1992). Malaysia-Philippines Relations: The Issue of Sabah. *Asian Survey*, 32 (6), 554-567.

Simon, S. (2008). ASEAN and Multilateralism: The Long, Bumpy Road to Community. *Contemporary Southeast Asia: A Journal of International and Strategic Affairs*, 30 (2), 264-292.

Swee-Hock, S. (2007). *The Population of Malaysia*. Singapore: Institute of Southeast Asian Studies (ISEAS).

Tuban, R. (1994). A Genealogy of the Sulu Sultunate. *Philippine Studies*, 42 (1), 20-38.