

MALAYSIA'S DEFENCE LANDSCAPE: MILITARY MODERNISATION BOOST BUDGET

Zarina Kassim

Faculty of Defence Studies and Management
National Defence University of Malaysia
Email: zarina.kassim@upnm.edu.my

Zakiah Syamra Suhaimi

Faculty of Defence Studies and Management
National Defence University of Malaysia
Email: zakiah@upnm.edu.my

Mohd Nor Yahaya

Faculty of Defence Studies and Management
National Defence University of Malaysia
Email: mohdnor@upnm.edu.my

Haliza Mohd Zahari

Faculty of Defence Studies and Management
National Defence University of Malaysia
Email: haliza.mz@upnm.edu.my

S. Ananthan Subramaniam

Faculty of Defence Studies and Management
National Defence University of Malaysia
Email: ananthan@upnm.edu.my

ABSTRACT

The budget allocation for the defence sector aims to ensure that the country's sovereignty and security continue to be protected. The allocation for the defence sector covers defence on land by the Malaysian Army (TDM), the Royal Malaysian Navy (TLDM) and the Royal Malaysian Navy (TUDM). Malaysia has spent an average of USD 4 billion annually on defence over the past 10 years. Defence expenditure in Malaysia has increased from RM2,542 million in 2001 to RM19 billion in 2024. The significant increase was seen from the Total Operating Expenditure which was from RM22,615 million in 1999 to RM12,678,525,900 billion in 2024. However, the increase in the government's total allocation to the country's defence sector budget is still small compared to the defence budget allocation in other neighbouring countries such as Indonesia and Singapore. This paper aims to highlight the importance of expenditure in the defence sector and explain the reasons why the amount of national budget allocation to the defence sector is constantly increasing. One of the main factors for this increase is due to the dynamism of the use of equipment and technology in defence and security, which requires the sector to continue to not be left behind despite having to bear a lot of expenses. For the purpose of modernizing the Malaysian Armed Forces (MAF) in curbing the threat of the enemy, the allocation of expenditure for the purpose of this expenditure is significant and in line with the ever-increasingly challenging security situation. If you look at it, national security threats are also evolving and evolving. Therefore, the budget allocation for the defence sector is very important because the basis to ensure the integrity and sovereignty of a country lies in its ability to defend its entire territorial space from any form of threat.

Keywords: defence budget; modernization; dynamism; evolution

INTRODUCTION

The issue of the financial budget of the Malaysian defence sector involves several key aspects that often receive public attention. Among them is in terms of spending effectiveness. Other than that, defense spending and income inequality also the most hotly debated issues among researchers and policymakers (Ho, 2018; Michael & Stelios, 2020). There are concerns about the effectiveness of spending in the defence sector where the public often questions whether the funds allocated are actually being used to enhance the country's security and defence capability. A study by Jalal, B. (2016) found that Malaysians' sensitivity to the role and functions of the Malaysian Armed Forces (ATM) is also lower than that of other public institutions such as the Royal Malaysian Police (PDRM) (95.6%) and the Malaysian Immigration Department (94.5%). In addition, among other issues related to the financial budget of the defence sector are in terms of transparency and accountability. The problem of transparency in budget allocation is often an issue. There have been many calls for more reports and audits to be done on ATM spending to ensure that the people's money is used wisely (Asri, Tahir & Endut, 2010).

The need to modernise the armed forces is one of the issues that often receives attention. The increasing complexity of regional threats has led to a need for ATMs in the country to modernize defence assets as well as enhance training. However, the budget may not be enough to meet all these needs as technology and expertise in the field of security and defence mostly come from abroad which requires high costs. However, improving the element of general knowledge of any technology and expertise

can increase the confidence of the Malaysian public in the ATM budget in the purchase of equipment and modernisation of the country's defence assets.

In addition, the growing issue of cyber security requires more attention in the defence budget, but sometimes it is ignored or not adequately allocated. In fact, Political and Strategic decisions in the defence sector budget in Malaysia are often influenced by political decisions and overseas strategies, which can result in imbalances in allocations. Therefore, issues related to the defence sector budget require constant attention and discussion among leaders, stakeholders, and the general public to ensure that Malaysia's defence is at an adequate level to face various challenges. Therefore, the purpose of this article is to highlight the importance of expenditure in the defence sector and explain the reasons why the total national budget allocation to the defence sector is constantly increasing.

IMPORTANCE OF DEFENCE SECTOR EXPENDITURE

All these interests emphasize that defence sector expenditure is not only important for physical defence, but also for the social and economic progress of the country (Zarina Kassim, et al. 2024). Through these measures, defense spending not only increases the capabilities and effectiveness of the armed forces, but also ensures that the country is prepared to face the various challenges that may arise.

a. National Security

This expenditure ensures that the Malaysian armed forces are able to protect the country's sovereignty and security from external threats, including aggression and conflict. Effective defence sector spending ensures that the Malaysian armed forces are able to protect the country's sovereignty and security from external threats in several ways such as the purchase and modernization of defence assets. Through adequate allocation, the military can acquire and modernize assets such as aircraft, ships, and advanced weapon systems needed to deal with a wide range of threats.

In addition, the defense sector can also improve the training and preparation of ATM personnel against any unexpected threats. Expenditures in training allow the armed forces to prepare for real situations. Regular training enhances the military's skills and preparedness in dealing with aggression or conflict. This funding allows for the planning and implementation of more effective defense strategies, including information gathering and risk analysis that can detect and confront threats early.

In today's digital era, investment in cybersecurity is also critical. Accordingly, this military expenditure can ensure that the defense system is not vulnerable to cyber-attacks that can disrupt military operations. In fact, spending on the defence sector can enhance national security through participation in joint exercises with other countries, as well as enhance skills and cooperation in the face of greater threats. Lastly, defence sector expenditure can also improve the security of the country through investments in defence infrastructure such as the cost of building, refurbishing or upgrading military facilities at bases, camps, and communication systems to ensure that the military can operate efficiently and responsively.

b. Regional Stability

Malaysia's defence sector expenditure can enhance regional stability through joint ventures with regional countries. With adequate spending, Malaysia can play an active role in maintaining stability, especially in the Southeast Asian region, which is crucial for regional peace. Good spending in the defence sector allows Malaysia to engage in military exercises and cooperation initiatives with other countries in Southeast Asia, enhance diplomatic relations and promote collaboration on security issues.

In fact, by having a strong-armed force, Malaysia can play an active role in regional peace missions, including monitoring and humanitarian assistance missions, which help stabilize the region. Strategic spending also allows Malaysia to collectively address threats such as terrorism, smuggling, and cyber threats collectively with neighbouring countries, enhancing regional security as a whole. Therefore, with strong spending, Malaysia can engage in defence cooperation with other countries, including joint exercises and technology exchanges that can also strengthen diplomatic relations between the countries.

c. Strengthening Defence Capacity

The country's defence expenditure can strengthen defence capacity through the modernization of defence assets, the improvement of infrastructure and training, the improvement of research and innovation areas, as well as the development and advancement of cyber capacity. Military spending allows for the modernization and upgrading of defense assets, including new technologies and training, to ensure that the military is prepared for various challenges. With sufficient allocation, the country can purchase and update more advanced defense equipment and technology, such as fighter aircraft, warships, and air defense systems, which improve the operational capabilities of the armed forces.

The ownership of high-tech aircraft requires a large capital expenditure such as the MIG 29, F/A-18 Hornet, and the Russian-Sukhoi SU-30MKM multirole fighter aircraft costing about US\$900 million (RM 3.4 billion). The purchase of this high-tech fighter is also to strengthen the existing air defense capabilities such as Hawk aircraft and F5E fighter aircraft. These fighters are also equipped with computing systems and missiles as in Western countries. To ensure that the air force can move in line with the current advancements in the world's air defence technology, the Malaysian government has applied the country's air defence system with the ownership of the Eagle 150 UAV (B. Jalal, 2016).

d. Economic Promotion

The defense sector also contributes to the economy through job creation, development of the local defense industry, and research and innovation (Ahmed, Z. et al. 2020). Spending in the defense sector creates job opportunities in a variety of fields, including the manufacturing industry, research, and logistics support. This can increase income and improve people's living standards.

Additionally, investments in the military sector drive the growth of the domestic defense industry, which can produce products and services, reduce dependence on imports, and improve economic competitiveness. Spending on research and development drives technological innovations that can be used in the public and private sectors, improving the efficiency and productivity of the overall economy (Dunne & Tian, 2020).

Additionally, investments in defense often involve contracting with local companies for the supply of goods and services, which support business growth and increase government revenue through taxes. By providing the necessary security, military spending helps maintain social stability, which is essential for a healthy economic environment. Instability can affect investment and economic growth.

In fact, military projects often involve the construction of infrastructure that can also benefit local communities, such as roads, training facilities, and research centers. The construction of camps in certain areas has also encouraged the economic development of the local population, especially outside the Klang Valley such as military bases in Lumut, Kuantan, Sabah, Johor and so on. Every ringgit spent in the defence sector can have a multiplier effect on the economy through additional spending in other sectors, such as transport, services, and supplies. Through all these means, Malaysia's military spending not only strengthens national security but also has a positive impact on the economy as a whole.

e. Response to New Threats

Defense sector spending is also important to address non-traditional threats. Currently, the understanding of security threats has changed, which is no longer due to attacks from other countries but new forms of threats. The threat of the new era is no longer in the form of military but is caused by new forms of terrorism such as terrorist attacks, cyber attacks and natural phenomena. In the digital age, spending on cybersecurity is essential to protect defense infrastructure and information systems from increasingly sophisticated attacks, as well as to ensure that military operations continue to run uninterrupted.

Spending in the latest technology, including surveillance and intelligence systems, helps the military detect and identify threats more quickly and effectively, including cyber and terrorism threats. Therefore, the Malaysian government has focused on the development and modernization of ATMs that apply the application of electronic warfare. Electronic and computing systems began to be incorporated into all three ATM services in tandem with the modernization of the armed forces of neighbouring countries and the West. With adequate allocations, the armed forces can undergo specialized training to deal with new threats such as terrorism, cyberattacks, and unconventional aggression, ensuring they are prepared for unexpected situations.

Strategic spending also allows Malaysia to engage in training and information sharing with other countries, enhancing its ability to confront global threats together. Investments in monitoring and data analysis systems allow for the gathering of information about new threats, helping the military plan more effective response strategies. Spending allows for the adaptation of defense strategies to address new threats, ensuring a flexible and responsive approach to ever-changing challenges. With adequate spending, ATMs can also improve overall preparedness, ensuring that they can act quickly and effectively in emergency situations.

f. Developing Public Trust

Effective spending in the defence sector helps build public confidence in the government's ability to safeguard the country's security and sovereignty. When citizens see that the government is investing resources to strengthen defense, it gives confidence that national security and sovereignty are being well taken care of, reducing concerns about external threats.

However, the country's defense sector needs to be transparent and accountable. If defence spending is done in a transparent and well-audited manner, citizens will be more confident that their money is being used wisely and that there is no misuse, increasing trust in government institutions. In addition, the ATM is encouraged to build relationships with the community through certain activities or programmes. Community-engaging programs, such as joint exercises or security awareness campaigns, can build a positive relationship between the military and the community, increasing people's trust and support for the armed forces.

By investing in capabilities to deal with modern threats such as terrorism and cybersecurity, governments can also demonstrate that they take relevant security issues seriously, which increases public confidence in the country's defense capabilities. In fact, involvement in joint exercises and missions with other countries can demonstrate to the people that Malaysia is committed to safeguarding regional and global security, which builds trust in the country's defence diplomacy.

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CONCLUSION

For Malaysia, the allocation to develop the armed forces is not too large but adequate. The process of modernizing and downsizing the Malaysian military is not due to new policies but due to the shift of the threat spectrum from the traditional form to the new form. But the downsizing process was replaced by more modern equipment. Therefore, if the defence sector is more transparent and accountable in terms of it, it can also be an important factor in building and strengthening public trust in the government and defence institutions in Malaysia.

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