China’s Investments in Malaysia

Abstract

In this lecture, the speakers will examine state-state relations and new forms of state-business relations that have emerged with an increase in China’s foreign direct investments in Malaysia. Focusing on investments in the industrial sector and through in-depth case studies, they adopt a novel framework to analyse these different types of state-business relations. These new forms of state-business relations are created from the different modes of negotiations between different key actors in each of the cases. Diverse outcomes were found, reflecting the disparate forms of power relationships and state cohesiveness with unique institutional architectures formed in each case. They identify a major shift in structural power in these new forms of state-business relations as China’s large multinational state-owned enterprises increasingly invest in Malaysia. A well-constructed institutional architecture is needed, not just in Malaysia but for other Southeast Asian countries, if foreign investments are to be harnessed to promote effective industrial development.